



Smart Beta ETF's On The Rise Says Zenith

Thursday September 5, 2013. New forms of indexation, referred to as “Smart Beta” strategies, will generate strong investor interest according to Zenith Investment Partners ‘Exchange Traded Products Sector Report’ released today.

Dugald Higgins, Senior Investment Analyst with Zenith, says that “Investments utilising Smart Beta strategies have gained traction, mainly in the US, but are relatively new in Australia, particularly under the Exchange Traded Products (ETP) structure, and are likely to grow here as well.”

The report is Zenith’s inaugural sector review of ETPs and spans ASX listed Exchange Traded Funds (ETFs), Managed Funds (MFs) and Structured Products (SP). Although Zenith has covered a variety of ETPs for several years, 2013 marks the first year it has elected to release a Sector Report, driven by its expanding coverage and the increasing maturity and scope of the sector.

Higgins goes on to say that “when applied in conjunction with the cost and accessibility benefits of an ETP structure, Smart Beta strategies can provide investors with a cost efficient, and easily accessible way of achieving particular outcomes”.

The report highlights that the majority of Smart Beta strategies currently available to Australian investors revolve around Australian equities with a high dividend focus. However, investment options that increasingly blur the lines between the traditional “passive” nature of ETPs and full active management are beginning to emerge.

“Such investment options can potentially be a source of value add to cost-sensitive investors who wish to maintain an exposure to active management” said Higgins. “This is a space Zenith intends to monitor closely as we expect it to continue to develop”.

From an initial investment universe of 86 Exchange Traded Products, 26 received a positive rating, with 2 ETPs achieving a HIGHLY RECOMMENDED rating, 18 received a RECOMMENDED rating and 6 were assigned an APPROVED rating.

ENDS

Issued by Zenith Investment Partners www.zenithpartners.com.au

Media Enquiries:

Mr. Joe Perri
Joe Perri & Associates Pty Ltd
Telephone/Fax: +61 3 9324 0362
Mobile: +61 412 112 545
Email: jperri@joeperri.com.au