FNB expands the list of international brands where investors can get exposure from as little as R10

01 December 2020 – Following the overwhelming response to the listing of Exchange Traded Notes (ETNs) on its platform, FNB is expanding the list of international companies available by adding Adobe, Ford, Activision Blizzard, Berkshire Hathaway, Goldman Sachs, JP Morgan, PayPal and Visa.

The expanded list is in addition to Apple, Amazon, Facebook, Microsoft, Alphabet (Google), Netflix, Tesla, Coca Cola, and McDonalds. This means individual and institutional investors can still invest for as little as R10 across 17 global brands and the MSCI World ETF.

According to Bheki Mkhize, CEO of FNB Wealth and Investment Solutions, the companies that have been added as phase 2 of the Bank’s ETN offering have been carefully selected based on their well-established global leadership positions in their respective industries, as well as their ability to diversify the investment opportunities on offer.

“Covid-19 provided an important reminder of just how important it is to diversify your investment portfolio, not just geographically, but also across industries and sectors,” he explains, “and the inclusion of these companies, many with a tech and financial services leaning, provides investors in these ETNs with an even more balanced selection of leading global companies.”

Mkhize points out that the quick addition of the next batch of global investment opportunities to the ETN offering is in response to the overwhelmingly positive response to the offering by South African investors.

“In the almost two months since the ETNs were launched thousands of South Africans across all income levels have taken advantage of the low R10 per unit investment requirement to gain access to instruments that track the movement of some of the world’s most significant organisations.”

Mkhize says that, while investment levels in the first 10 global companies have been good across the board, the clear winners in terms of popularity among South African investors have been Tesla, Amazon and Microsoft (in that order).

Mkhize says that FNB is hopeful that the latest companies that have been added to the ETN investment universe will spur additional interest in the coming months, particularly given the financially challenging 2020 that most have experienced.
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“The very low minimum investment requirement mean that these ETNs make the benefits of global investment accessible to the majority of South Africans, even those who may previously not have considered investments of any sort due to perceptions of share investing being too expensive,” he explains, “but the innovative structure and low costs of these ETN investment options mean that almost anyone over 18 years of age can give themselves or their loved ones the gift of a better future this festive season – and we all need that after the challenging financial year we have just survived.”

The FNB ETNs are listed on the JSE, which means they can be accessed through any stockbroker or online share trading platform. However, clients of FNB who invest through the bank’s own share investment platform, whether online, through the FNB app, or directly with an FNB broker, will also earn eBucks Rewards points, thereby further enhancing the value of the investment.

More information about the FNB Exchange Traded Notes offering is available at FNB.co.za, or from any certified stockbroker.

ENDS/

Note to editors:

The Exchange Traded Notes are not a direct investment in offshore shares, but rather a local investment vehicle that directly tracks the performance of the global companies involved. This means that investors don’t need to buy whole shares in these companies (many of which are valued at hundreds of dollars) but can instead buy the number of ETNs they can comfortably afford, in multiples of just R10.

Since these units are denominated in Rands, investment in them does not impact on an individual’s annual R1 million foreign investment allowance. Despite this, investors still have the option to track the performance of the underlying investments they select in dollar value if they want to, which means their investment could also benefit from any future rand weakness.