

SUSTAINABLE INVESTMENT STRATEGIES
a globally active investment firm

ETF RESEARCH

AUSTRALIA AND THE PACIFIC



Investment Rationale:

Vast sums of money are pouring into the the east for a multitude of reasons. The first is the weakness and debt problems in the United States and Europe. Many Asian and Pacific economies have pulled through the financial crisis of 2007-2009 in very good shape. As the shift East continues Asian and Pacific nations with stable banking and raw materials stand to benefit. Australia is geographically positioned well to supply natural resources and financial development to the likes of China, India, Vietnam and Indonesia. In addition, as a global recovery takes hold and as Asian nations continue to prosper Singapore stands to benefit as it is one of the largest port operators in the world. Singapore also has large amounts of sovereign wealth to invest and to keep the country prosperous.

A sound way to benefit from the Asian growth story is to invest in western, democratic, established countries with strong financial systems and close proximity Asia such as Australia, New Zealand and Singapore.

Fund availability comments:

There are a number of ETFs that have exposure to Australia and the Pacific. To gain significant exposure we look for a fund with more than 50% of assets invested in Australia. Depending on the type of exposure one is looking for different funds may be suitable.

Funds available:

Ticker	EWA	DNH	DND	EPP	PAF
Name	iShares Australia	Wisdom Tree Pacific ex-Japan Equity Income	Wisdom Tree Pacific ex-Japan Total Dividend	iShares Pacific ex- Japan	Powershares Pacific ex-Japan
Total Holdings	76	63	101	151	130
% In Top 10 Holdings	58.99%	57.52%	43.79%	40.12%	39.27%
% In Top Holding	14.67%	10.00%	8.37%	9.98%	6.29%
Top Holding	BHP Billiton	Commonwealth Bank of Australia	China Mobile	BHP Billiton	BHP Billiton
Total Assets in millions	\$2,219	\$116	\$83	\$3,708	\$40
Management Fee	0.55%	0.58%	0.48%	0.50%	0.80%
Distribution Yield	5.58%	3.71%	2.49%	4.04%	12.76%
Avg. trading volume 3 month	5,247,470	33,345	10,235	488,513	6,322
Countries in the portfolio representing more than 1% of the portfolio	•Australia	•Australia •Singapore •New Zealand	•Australia •China •Singapore •Hong Kong •New Zealand	•Australia •Hong Kong •Singapore •New Zealand	•Australia •Hong Kong •Singapore •China

Holdings Details:

EWA		DNH		DND	
Top Holdings	%	Top Holdings	%	Top Holdings	%
BHP Billiton	14.67%	Commonwealth Bank	10.00%	China Mobile	8.37%
Commonwealth Bank	8.97%	Aust and NZ Bank	8.32%	Commonwealth Bank Aus	5.91%
Westpac Bank	7.79%	National Bank of Australia	7.76%	BHP Billiton	4.80%
National Australia Bank	6.13%	Westfarmers Bank	7.71%	Westpac Banking	4.49%
Aust and NZ Bank	6.04%	Telestra Corp	6.57%	National Australia Bank	4.18%
Woolworhts	3.53%	QBE Insurance	4.70%	Aus and NZ Bank	3.96%
Rio Tinto	3.29%	Suncorp Metway	3.44%	CNOOC	3.89%
Westfarmers	3.07%	Singapore Airlines	3.34%	Telestra Corp	3.60%
Westfields Group	2.92%	AMP LTD	3.22%	Westfarmers	2.56%
QBE Insurance	2.58%	Leighton Holdings	2.46%	Hang Seng Bank	2.03%
Total	58.99%	Total	57.52%	Total	43.79%

EPP		PAF			
Top Holdings	%	Top Holdings	%	Top Holdings	%
BHP Billiton	9.98%	BHP Billiton	6.29%		
Common Wealth Bank	6.10%	Commonwealth Bank	5.17%		
Westpac Bank	5.30%	National Bank of Australia	4.70%		
National Australia Bank	4.17%	FKP Property	4.48%		
Aust and NZ Bank	4.11%	Aust and NZ Bank	3.99%		
Woolworhts	2.40%	Rio Tinto	3.64%		
Rio Tinto	2.24%	Westpac Bank	3.27%		
Westfarmers	2.09%	Transuburban	3.25%		
Westfields Group	1.98%	MAP Group	2.43%		
QBE Insurance	1.75%	Macquarie Group	2.05%		
Total	40.12%	Total	39.27%	Total	0.00%

Top 5 Sectors:

EWA		DNH		DND	
Top Sectors	%	Top Sectors	%	Top Sectors	%
Financials	45.15%	Financials	44.95%	Financials	40.34%
Materials	25.70%	Industrials	16.74%	Telecom	15.71%
Consumer Staples	9.47%	Consumer Discretionary	10.46%	Industrials	11.78%
Energy	6.52%	Telecom	9.66%	Materials	9.73%
Industrials	4.70%	Consumer Staples	8.57%	Energy	6.60%

EPP		PAF			
Top Sectors	%	Top Sectors	%	Top Sectors	%
Financials	48.06%	Financials	46.49%		
Materials	17.77%	Materials	16.62%		
Industrials	8.09%	Industrials	15.10%		
Consumer Staples	7.53%	Utilities	5.59%		
Consumer Discretionary	4.85%	Telecom	4.60%		