

### Investment Mandate

The mandate of the Satrix ILBI Portfolio ("Satrix ILBI") is to track, as closely as possible, the value of the S&P South Africa Sovereign Inflation-Linked Bond 1+ Year Index. Satrix ILBI is an index tracking fund, registered as a Collective Investment Scheme, and is also listed on the Johannesburg Stock Exchange as an Exchange Traded Fund. Satrix ILBI provides investors with Inflation Linked Bond exposure as an alternative asset class. In accordance with the investment policy of Satrix ILBI, all income received from instruments comprising the index, net of cost is re-invested on behalf of investors through the purchase of instruments comprising the S&P South Africa Sovereign Inflation-linked Bond 1+ Year Index in line with total return index methodology, thereby increasing the net asset value of each Satrix ILBI security. In order to reduce costs and minimise tracking error, Satrix ILBI may engage in scrip lending activities.

### Index Specifics

The S&P South Africa Sovereign Inflation-Linked Bond 1+ Year Index is a comprehensive, market-value-weighted index which aims to track the performance of South African Rand denominated inflation-linked securities publicly issued by the South African government for the domestic market. The index will target investors who seek exposure to inflation-linked bonds and aims to provide an alternative asset class.

### Risk Profile (Moderate)

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to track the benchmark and is a pure bond fund. It aims to minimise volatility and aims to cultivate as smooth a ride as possible. This portfolio has a medium to long-term investment horizon.

### Fund Information

Category	Exchange Traded Fund
Instrument Code	STXILB
Total Expense Ratio (TER)*	0.25% (Excl. VAT)
Distribution Frequency	Distributions reinvested**
Launch date	24 February 2017
Benchmark	S&P South Africa Sovereign Inflation-Linked Bond 1+ Year Index
Fund classification	South African – Interest Bearing – Variable Term
Transaction cut off time	Platform dependent
Valuation time of fund	17:00
Daily price information	<a href="http://www.satrix.co.za">www.satrix.co.za</a>
Repurchase period	T+3
Custodian / Trustees	Standard Chartered Bank
Portfolio Managers	Satrix Investment Team

\*\*Distributions are immediately reinvested through the purchase of securities comprising the index. Reinvested distributions will be announced bi-annually.

### Satrix Investment Plan

You can invest in Satrix ILBI via the Satrix Investment Plan or a stockbroker. If you invest through the Satrix Investment Plan you can invest with a single amount of just R1 000 - or as little as R300 per month via a debit order. The Satrix Investment Plan administration is outsourced to AOS.

### SatrixNOW

You can also invest in Satrix ILBI via the SatrixNOW platform administered by EasyEquities. There are no minimums and it offers various payment methods to choose from. Visit [www.SatrixNOW.co.za](http://www.SatrixNOW.co.za).

### Satrix Investment Plan

#### Fees (Excluding VAT)

<b>Buying</b>	
Stock brokerage fee (initial)	0.08%
Debit order fee	N/A
Recurring investment fee	N/A
Annual Administration fee	0.35% - 0.60%

<b>Selling</b>	
Stock Brokerage	0.08%

<b>Management Fee</b>	0.25%
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### SatrixNOW

#### Fees (Excluding VAT)

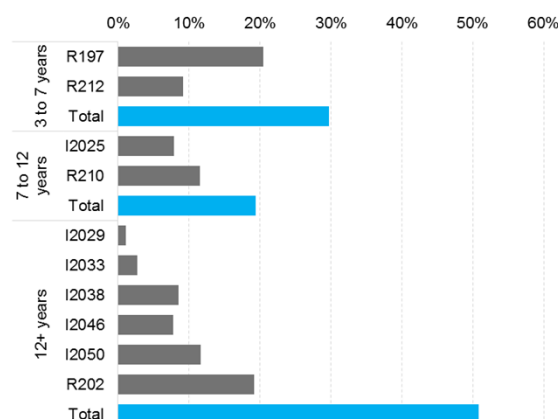
<b>Buying</b>	
Stock brokerage fee (initial)	0.25%
Debit order fee	N/A
Recurring investment fee	0.20%
Annual Administration fee	N/A

<b>Selling</b>	
Stock Brokerage	0.25%

<b>Management Fee</b>	0.25%
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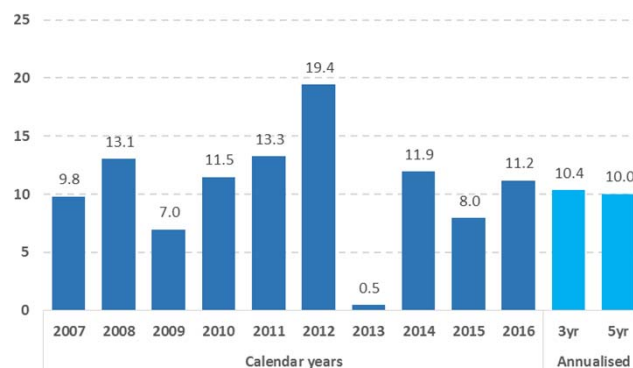
Satrix ILBI portfolio securities can be bought and sold directly through stockbrokers by both retail and institutional investors. (In this case, no Satrix Investment Plan annual administrative costs are incurred. Initial fees and other costs will be negotiated with the stockbroker).

### Composition of the S&P South Africa Sovereign Inflation-linked Bond 1+ Year Index by maturity



Source: S&P. Data at 31 January 2017

### Total returns of the S&P South Africa Sovereign Inflation-linked Bond 1+ Year Index



Source: S&P. Data at 31 December 2016

### Portfolio Manager(s)

The Satrix Investment Team.

### Management of Investments

The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

### Contact information

SatrixNOW Call centre 010 020 2250 | Email [HelpMe@SatrixNOW.co.za](mailto:HelpMe@SatrixNOW.co.za)  
Satrix Investment Plan call centre 086 110 0670 | Email [satrix@aospartner.com](mailto:satrix@aospartner.com)

### Trustee Information

Standard Chartered Bank | Tel no.: 011 217 6600, E-mail: [zatrustee.securities@sc.com](mailto:zatrustee.securities@sc.com)

### Additional Information

All reasonable steps have been taken to ensure the information on this information sheet is accurate and complete. The information does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk.

Satrix Managers (RF) (Pty) Ltd (Satrix) is an authorised Financial Services Provider (FSP No. 15658) and a registered and approved manager of Collective Investment Schemes (CIS) in terms of the Collective Investment Schemes Control Act, 45 of 2002. Satrix is the manager of the Satrix Unit Trust Scheme and the Satrix Collective Investment Scheme in securities. The Satrix Collective Investment Scheme in securities (SATRIX securities), while registered as CIS, are listed on the JSE Limited, trade at JSE ruling prices via any stockbroker or trading platform, and will incur trading and settlement costs. The price at which participatory interest trades on an exchange may differ from the price at which the manager repurchases participatory interests. Any pricing included in this document is indicative and is not binding as such on SATRIX. As with all stock exchange investments, the market price of SATRIX securities will fluctuate according to market conditions, general sentiment and other factors. Past performance is not necessarily a guide to future performance nor does the Manager provide any guarantee with respect to the capital invested, nor the return of a portfolio. Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. Additional information regarding the Satrix product portfolio's, brochures, application forms, schedule of fees, charges and commissions, annual and quarterly reports, can be obtained from the Manager. Should the user of this document seek financial, tax, legal, and/or accounting advice, the user should obtain his/her independent advice.

### Glossary Terms

**Passive investment** - Passive investment is a style of investing where a fund replicates the performance a particular market index. Passive investment vehicles include Exchange Traded Funds (ETF's) and index tracking unit trusts. They are so called because the portfolio manager doesn't choose the underlying portfolio. They simply replicate the index they have chosen to track.

**\*Total Expense Ratio (TER)** - This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER. The TER is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years on an annualised basis.

**The Transaction Cost (TC)** - The Transaction Cost is the cost that will be incurred by the portfolio in the buying and selling of underlying assets. This is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years on an annualised basis.

**Volatility** - Volatility is a measure of 'risk', and refers to the extent to which the price of an investment or fund fluctuates over a certain period of time. Funds with a high volatility usually offer the potential for higher returns over the longer term than low volatility funds but also the potential for significant downside.

**Actual Expense Ratio (AER)** - The actual expense ratio is the actual expenses incurred by the portfolio. The AER is the TER plus scrip lending income less brokerage expenses.

**Basket** - A portfolio of securities comprising all the component securities of the relevant index in the same weighting as they are held on that index.

**Constituent** - A constituent is an instrument which is part of a larger portfolio

**Central Securities Depository Participant (CSDP)** - Institution established to hold securities and to affect transfer under section 32 of the Securities Services Act, No 36 of 2004 between accounts, typically by book-entry.

**Distribution** - Accrued income less portfolio expenses, which is distributed to investors

**Liquidity** - Liquidity is the ease of buying and selling a financial instrument for cash without causing any significant change in its price.

**Market makers** - The market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell participatory interests at prices around the NAV, thereby ensuring tight buy and sell spreads

**Net Asset Value (NAV)** - The NAV is the total assets of the portfolio less the liabilities. The NAV is given per ETF share that is outstanding by dividing the total value of the fund by the number of shares that are issued.

**Rebalancing** - Rebalancing is when the asset manager buys and/or sells constituents in a portfolio in order to bring the portfolio in line with the index being tracked.

**Scrip lending** - The lending of securities from one party (being the holder of the securities) to another party (the borrower). The borrower provides collateral for the securities borrowed.

**Securities** - An instrument representing ownership (stocks), a debt agreement (bonds) or the rights to ownership (derivatives).

**Spread** - The difference between the yield at which a market maker is willing to buy a security and the yield at which the seller is willing to sell it (the difference between the bid and ask for a given security).

**Stockbrokers** - A stockbroker can execute your purchase or sale order through the JSE's trading system (stockbrokers need to be registered members of the JSE). As with any share transaction, your broker will attempt to find a sell order for your securities in the market that match against your buy order.

**Strate** - The electronic settlement system utilised by the JSE and administered by Strate, which facilitates the electronic clearing and settlement for all transactions concluded on the JSE.

**Exchange Traded Funds (ETF) vs Unit Trust** - Both Unit Trusts and ETF's the investor essentially owns a "proportionate share" (in proportion to the participatory interest held in the fund/portfolio) of the underlying investments held by the fund. With Unit Trusts, the investor holds participatory units issued by the fund while in the case of an EFT, the participatory interest, while issued by the fund, comprises a listed security or share and traded on a Johannesburg stock exchange. ETF shares can be traded by any stockbroker on the exchange or via the Satrix Investment Plan.