

DISCLAIMER

Exchange Traded Funds (ETFs) are Collective Investment Schemes in Securities (CIS) that trade on the JSE Limited. When trading in ETF's you may incur the normal costs associated with listed securities, including brokerage, settlement costs, Securities Transfer Tax (STT), other statutory costs and administrative costs. The price at which ETF's trade on the Exchange may differ from the Net Asset Value price published at the close of the trading day, because of intra-day price movements in the value of the constituent basket of securities.

The price at which a participatory interest trades on the JSE Limited may differ from the price at which Bips Investment Managers (Pty) Limited repurchases participatory interests and from the price published daily in the press in the listing of "unit trust prices"

Historic pricing is used to calculate the Net Asset Value of the fund.

Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Portfolio Objectives

Each Bips portfolio aims to replicate or track, before expenses, the performance of an applicable Index (the Index) in terms of both the price performance and the income from the component securities of the Index. This allows investors the opportunity to obtain market exposure to the performance of the Index in an easily tradable form through the shares being listed on the JSE Limited.

The investment policy of each portfolio is to replicate the price movement and income yield of the index that it is designed to track. This is achieved by purchasing the constituent securities in the same weighting as they are included in the relevant index. The asset manager is not mandated, nor incentivised, to outperform the index. It is anticipated that tracking error will not exceed 0.10%.

Risk factors

As with all investments, subscribing for, or purchasing shares in a Bips portfolio involves certain risks. Investors will be subject to the risks associated with equity and equity related securities, including tracking accuracy, secondary market trading risk, index risk, credit risk and those risks associated with the trading of derivatives.

Calculation of the Net Asset Value

Collective Investment prices are calculated on an historic net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee/custodian charges and annual management

fees) from the portfolio, divided by the number of participatory interests in issue. The Net Asset Value and the NAV per share will be calculated on each valuation day. The Net Asset Value and the NAV per share will be determined on the basis of the last closing prices on the business day immediately preceding the valuation day or the last available prices from the markets on which the investments of the applicable Bips portfolio are traded.

Charges:

Quantifiable charges:

Initial Fee: 0%
Managers Annual Management Fee: up to 1.10%

Exchange Trading Fees:

- Brokerage
- Securities Transfer Tax (STT)
- Trading Fees (STRATE)
- Administration fees
- Statutory Fees

Non-quantifiable charges:

Auditor's fees, bank charges, trustee and custodian fees

Brokerage and Uncertificated Securities Tax payable on the acquisition or disposal of the underlying assets in the portfolio.

The Fund has been in operation for less than six months and therefore, a Total Expense Ratio (TER) cannot be calculated. The ratio does not include transaction costs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Details of Service Providers:

Local Trustee

Absa Capital Investor Services
Entrance 6E1, 6th Floor, Absa Towers North, 180
Commissioner Street, Johannesburg, 2001
PO Box 61218, Marshalltown, 2107

Custodian

Absa Capital Investor Services
Entrance 6E1, 6th Floor, Absa Towers North, 180
Commissioner Street, Johannesburg, 2001
PO Box 61218, Marshalltown, 2107

Manager

Bips Investment Managers (Pty) Limited (Registration number 2006/036970/07)
1 Merchant Place, Cnr Fredman Drive & Rivonia Road, Sandton
P.O Box 786273, Sandton, 2146

The directors of Bips Investment Managers (Pty) Limited have no material interest in the shares or units

of the funds. The directors are not remunerated for the discharge of their responsibilities and obligations .

The manager may borrow up to 10% of the market value of the portfolio for liquidity purposes. The manager may also engage in scrip lending of constituent securities of the fund, on the basis that collateral will at all times exceed the form and with the value of the loan, as prescribed by Collective Investment Schemes Control Act of 2002.

Historic pricing is used to value the shares and units.

At the date of this publication, no income has accrued in the portfolio and the various portfolios have made no distributions. Investors are able to obtain a figure of daily income accruals in each fund by visiting the Bips website (www.bipsetf.co.za).

The various portfolios are valued at 17:00 in the country in which the underlying assets are domiciled.

Notice of redemptions must be made to the manager by no later than 10:00 on the day prior to the intended trade day.

Bips Investment Managers (Pty) Limited is a member of the [Association for Savings and Investments South Africa \(ASISA\)](#) and the Collective Investment Scheme is regulated and approved by the Financial Services Board in South Africa.

Contact

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