



THE BULLIONGOLD FACILITY FACT SHEET

Fact Sheet as at 30 June 2018

The BullionGold Facility is an investment service of SA Bullion Investor Services (Pty) Ltd

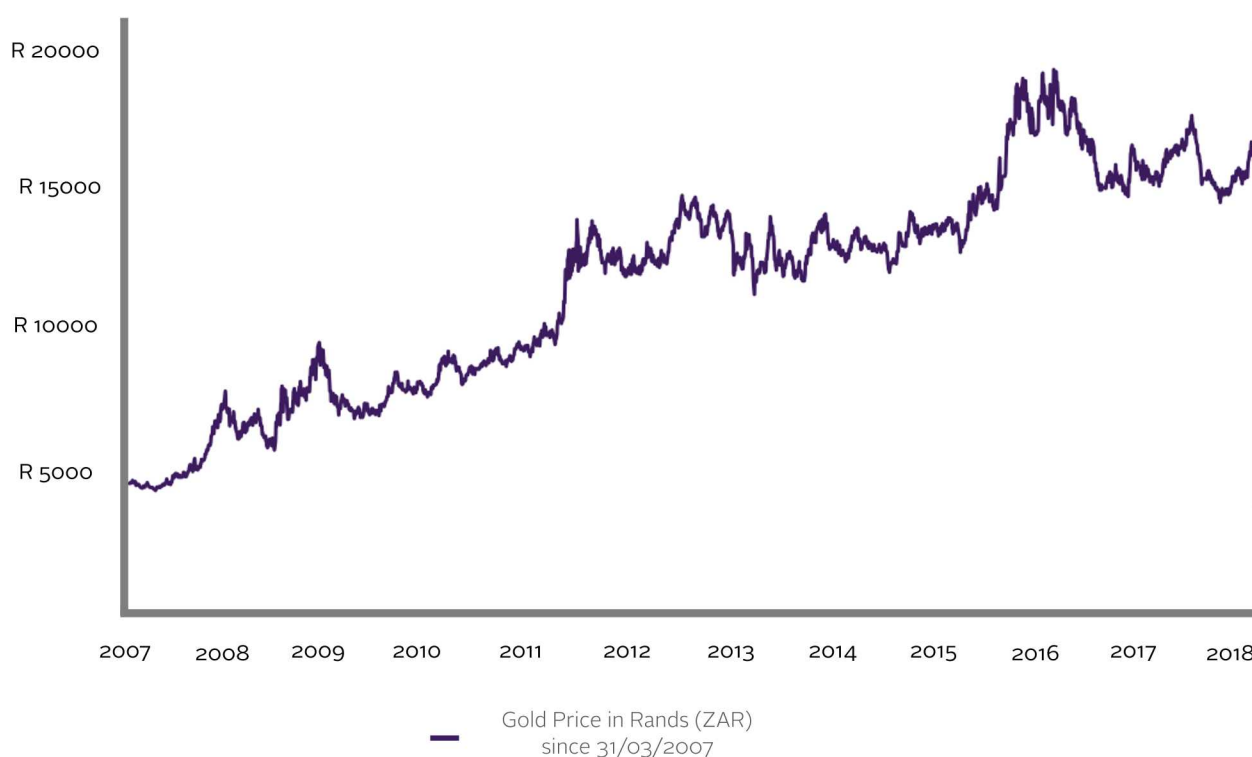


Table 1: Gold Performance to 30 June 2018
Annualised % per annum (except Last Quarter)

	Qtr 2	1 Yr	3 Yr	5 Yr	10 Yr	Since 31/03/ 2007
Gold in Rand	10.7	7.2	6.2	7.8	9.0	12.4
Gold In US Dollar	-5.5	0.6	2.2	1.0	3.0	6.0

Table 2: Gold Performance to 30 June 2018
Cumulative (%) since inception 31 March 2007

Gold in Rand	261.0
Gold in Dollar	89.0

Table 3: Maximum Drawdown (Rands)

10/10/2012 to 01/07/2013	-31.1%
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Table 4: Calendar Year Performance of Gold

	% US Dollar	% ZA Rand
2007	31.9	27.9
2008	4.3	41.1
2009	25.0	-0.4
2010	29.2	16.1
2011	8.9	33.0
2012	8.3	13.6
2013	-27.3	-11.8
2014	0.1	10.4
2015	-11.4	19.1
2016	7.7	-2.5
2017	12.2	1.3
2018 year-to-date	-4.7	6.8

Objective

This mandate has the objective of providing clients with full exposure to directly-owned legal tender gold bullion Krugerrands as a form of hard currency investment and as an alternative to holding cash in the bank denominated in local currency.

Target Market

This segregated portfolio is suitable for clients who:

- Seek investment in physical gold bullion
- Seek currency diversification
- Seek a hard-currency, gold-backed currency exposure
- Seek risk diversification in a balanced portfolio of assets

Portfolio Description

Clients are invested in wholesale gold bullion Krugerrands as issued by the South African Reserve Bank. The bullion attributable to SA Bullion clients is specifically identified and segregated in a high security vault with Rand Refinery Limited.

In terms of the South African Reserve Bank Act 90 of 1989, the Krugerrand is legal tender in South Africa and falls within the ambit of foreign exchange.

The objective is to invest in highly liquid legal tender bullion coins where there is no numismatic value such that the investment is entirely one of investing in ounces of gold.

Critical characteristics:

- No value added tax attributable to gold purchases, due to legal tender status
- High-volume supply guaranteed by the SA Reserve Bank
- Guaranteed liquidity at redemption, underwritten by the SA Reserve Bank
- Full gold price received at redemption
- Complete safety and security

An overriding objective is the minimisation of transaction and holding costs such that the product offers the most compelling value for physical gold-owning investors.

Parties

Manager	SA Bullion Investor Services (Pty) Ltd and SA Bullion Management (Pty) Ltd
Auditor	BDO Cape Inc. 119 Hertzog Boulevard, Cape Town, 8001
Bullion Custodian	Rand Refinery Limited, Germiston
Bank	Nedbank Limited

Regulatory

SA Bullion operates under a special dispensation of the South African Reserve Bank. SA Bullion is a Category II Financial Services Provider in terms of the FAIS Act. The Krugerrand is not defined as a Financial Product and this product is not regulated by the FSB.



Mandate

Minimum investment	R20,000 lump sum and/or R500 pm debit order
Maximum transaction size	Maxima are imposed as a result of South African Reserve Bank and Rand Refinery restrictions and are subject to change. Maximum transaction sizes must be confirmed with SA Bullion at time of investment. A daily limit of 4,000 ounces (around R60 million per day) applies.
Nature of Underlying	Legal tender gold bullion one-ounce Krugerrands that are newly refined and freshly minted.
Pricing	SA Bullion transacts once per day with pricing of Krugerrands based on the previous day's London PM Fix for 1 oz fine gold converted into Rand using the official prevailing US\$/Rand exchange rate and increased by the Premium charged for refining and minting.
Call Account	As a component of each facility SA Bullion operates a separate Call Account with Nedbank for each client. Client funds are separately accumulated, earning wholesale rates of interest, and funds are applied to the purchase of one or more Krugerrands on the first Business Day that is applicable.
Investment timing	Investment inflows are subject to an 11h00 SA Time cut-off.
Entry and exit Fees	SA Bullion levies a 1% entry charge. This may be waived for larger investments. SA Bullion does not levy exit charges (except for those clients demanding physical delivery of their Krugerrands within the first two years).
Transaction costs	Dealing in financial instruments always entails transaction charges as services are rendered. In this portfolio there are transaction charges at time of gold acquisition, but there are no transaction charges at time of disposal. A refining and minting premium in respect of refining the gold and minting the coin is charged by Rand Refinery and SA Mint. The charge is variable. At time of writing this charge, known as the Premium, is 3% for SA Bullion clients. The Premium is similar to the total transaction costs associated with trading equities on the JSE Securities Exchange. The purchase and sale of equities involves brokerage, State Settlement, Investor Protection Levy, VAT, Securities Tax and the largest cost being market-impact costs (as seen in the buy-sell spread). This is typically 2% on each end for equities.
Management fee (TER*)	2.0% plus VAT per annum and lower fee rates for large clients. The annual fee rate is proportionately applied (2.0%/365) to the daily market value of the client's holdings. Fees are accrued daily and charged monthly.
Insurance	Client holdings are fully insured. The cost in respect of insurance is included in the Management Fee.
Termination conditions	No notice period required. Clients may redeem in cash at any time free of any charges. Special arrangements can be made in the event that clients wish to take delivery of physical gold. Physical delivery may entail charges.



Market Disruption	Factors beyond the control of SA Bullion could come to bear on transactions for the Client. SA Bullion shall not be held liable in such events. These may include suspension of asset valuations due to not having pricing from Rand Refinery, suspension of purchase transactions due to inability of Rand Refinery to supply Krugerrands, and suspension of redemptions due to incapacity of the South African Reserve Bank. Should a disruption inconvenience the Client, SA Bullion will inform the Client immediately.
Value-Added Tax and the Krugerrand	The Krugerrand is legal tender in South Africa and therefore VAT is not levied on its acquisition, unlike other forms of gold where VAT at the rate of 15% is levied.
Income Tax	Krugerrands do not generate income except in the instance where traders speculate in bullion. The body of legal precedence in South Africa would indicate that profits should be treated by reference to the initial intentions of the investor i.e. whether the investor has a long term objective ("for keeps") or a short term speculative one. If in doubt speak with your tax advisor.
Included in service	1. dealing 2. administration 3. compliance 4. safe custody 5. insurance cover 6. monthly client accounts 7. quarterly investment reports

Company Details

SA Bullion Management (Pty) Ltd Company reg. no. 2005/015617/07 FSP Licence no. 21984	SA Bullion Investor Services (Pty) Ltd Company reg. no. 2008/002366/07 FSP Licence no. 45151
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