

# Precious Metal Exchange Traded Notes



## Fact Sheet

31 March 2011

Standard Bank's Precious Metal 'Exchange Traded Notes' (ETNs) provide investors with exposure to precious metals in a cost effective manner. A total return index is created from the near dated USD commodity future, USD interest rates and the USDZAR exchange rate. The near-dated future is used as it is typically the most cost effective way of gaining exposure to the precious metals. The Precious Metal ETNs therefore do not incur the costs of owning, storing and insuring physical precious metals.

### Generation of Investment Return

As a total return index, the Precious Metal Exchange Traded ETN's return is derived from the following five sources:

- 1) Performance of the futures contract of the commodity: change in the near-dated future's USD contract price
- 2) USD deposit rate that accrues daily on the collateralised cash value of the investment: overnight USD Libor less 0.125%
- 3) Change in USD / ZAR exchange rate
- 4) Roll and rebalancing yield: a result from rolling the current future into a distant future due to an approaching expiry
- 5) Annual management fee of 0.5% is accrued daily

The future positions will need to be rolled over into more distant contracts as the near dated contracts approach maturity. The rolling mechanism will begin 40 days prior to the expiry of any futures contract, with the position being rolled over a five-day period to reflect an average roll return. All futures contracts are pre-determined at the beginning of the year to ensure that only sufficiently liquid futures contracts are used.

When rolling from one future to another the full Rand value is rolled into the next future, therefore if the next future's price is higher/lower than the near dated one, your exposure will decrease/increase such that a 1% change in the futures price still relates to a 1% change in the ETN price

### Replicating the ETN Price

The ETN price comprises of the precious metal ounce exposure of one ETN multiplied by the ZAR precious metal's future price.

Each ETN gives the investor exposure to a portion of an ounce of the precious metal, this fraction is determined on issuance of the note and fluctuates marginally through time as interest is earned and expenses are incurred.

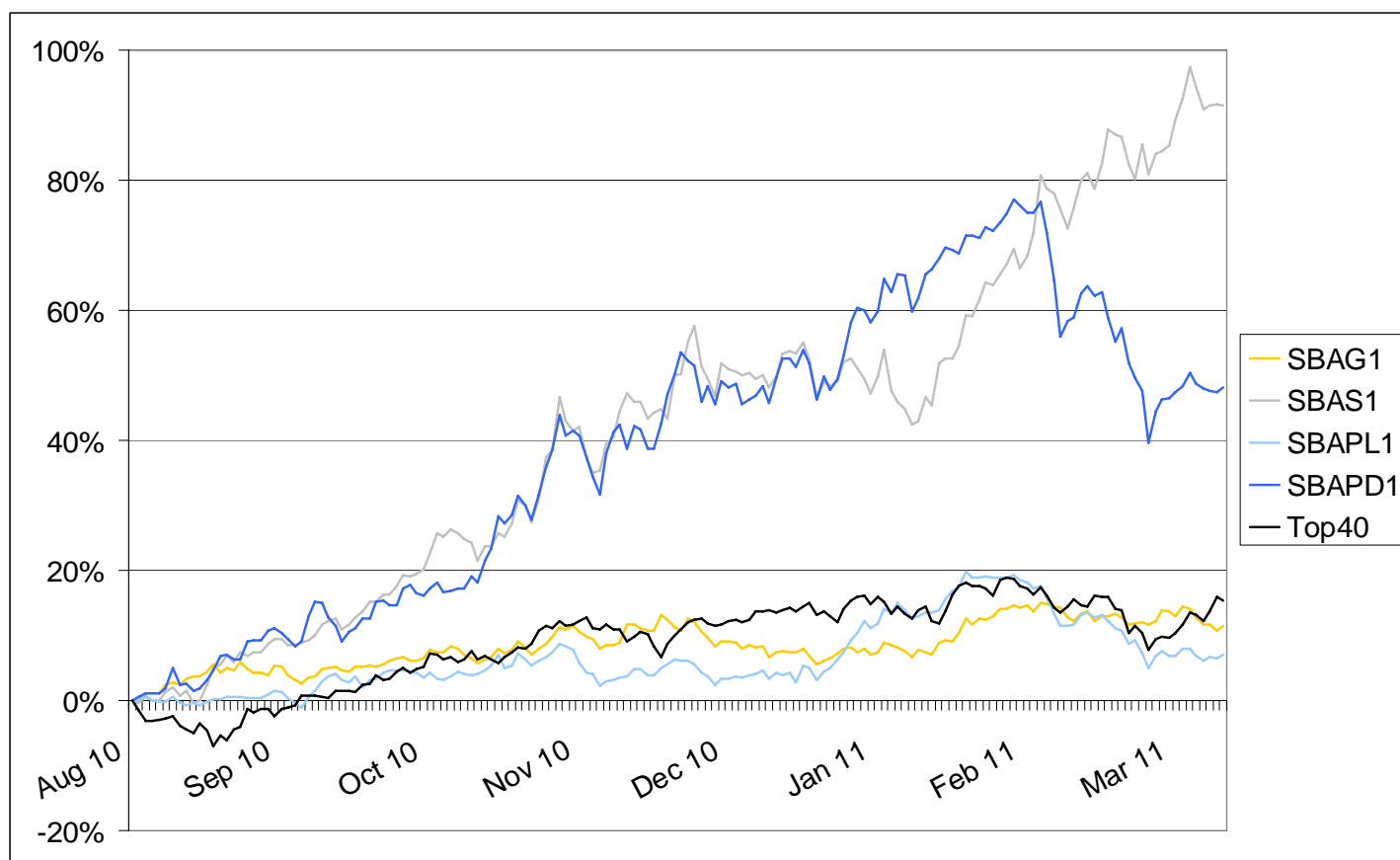
The ETN ounce exposure can be found on the website [www.standardbank.co.za/commoditylinkers](http://www.standardbank.co.za/commoditylinkers)

Product Information	Gold	Silver	Platinum	Palladium
JSE Code	SBAG1	SBAS1	SBAPL1	SBAPD1
RIC Code	SBAG1J.J	SBAS1J.J	SBAPL1J.J	SBAPD1J.J
Bloomberg Code	SBAG1 SJ EQUITY	SBAS1 SJ EQUITY	SBAPL1 SJ EQUITY	SBAPD1 SJ EQUITY
ISIN	ZAE000149308	ZAE000149316	ZAE000149324	ZAE000149332
Issue Date	10-Aug-10	10-Aug-10	10-Aug-10	10-Aug-10
Base Currency	ZAR	ZAR	ZAR	ZAR
Term	10 Years	10 Years	10 Years	10 Years
Asset Allocation				

Product Information	Gold	Silver	Platinum	Palladium
Invested future's contract	Jun-11	May-11	Jul-11	Jun-11
Next future's contract	Aug-11	Jul-11	Oct-11	Sep-11
Next start roll date	20 May 11	19 Apr 11	20 Sep 11	20 May 11
Linker price (R)	111.57	191.53	106.98	148.24
Linker exposure (Oz)	0.01145	0.75358	0.00887	0.02876

Performance Data	Gold	Silver	Platinum	Palladium
MTD	-0.63%	9.04%	-4.12%	-6.74%
YTD	3.95%	24.97%	4.15%	-2.02%
ITD	11.57%	91.53%	6.98%	48.24%

### Inception to Date Performance



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