

# RMB Inflation-X Exchange Traded Fund (ETF)

Fact sheet for September 2012

INDEX SERIES



**Yusuf Wadee**

Product Manager  
BEconSc, BSc (Hons)

## KEY FACTS

Launch date	May 2009
Bloomberg ticker	RMBINF SJ EQUITY
Reuters ticker	RMBINF.J
JSE code	RMBINF
Index calculations	Daily close
Net asset value	R18.08
Fund size	R999m
Current real yield	CPI + 1.43%*
Last distribution	R0.0574
Annual management fees	Sliding scale: 0 - 30m 0.36%, greater than 30m - 0.15% (incl. VAT)
Total Expense Ratio	0.44%
Liquidity	Daily and intraday trading on JSE
Distributions	Quarterly: end Mar, Jun, Sep and Dec
Interest earned	Current real yields on basket of Government Inflation Linked Bonds
Regulation 28 note	Eligible
Domicile	South Africa
Denomination	ZAR
Benchmark	Government Inflation Linked Bond Index (GILBx)
Reporting and transparency	Daily holdings and NAV available on website
ASISA classification	Domestic; Fixed Interest; Variable Term
Trustee	ABSA Bank Limited
Management company	RMB CIS MANCO (Pty) Ltd. PO Box 786273, Sandton, 2146

Note: \* The quoted real yield of 1.43% is variable and is the weighted average of the real yield of the underlying bonds in the Inflation-X ETF at the time of purchase

## PRODUCT PROFILE



Conservative

## CONTACT DETAILS

For more information please contact your financial advisor, visit our website at [www.rmb.co.za](http://www.rmb.co.za), contact us on (+27) (11) 282 8271 or email us on [individualinvestors@rmb.co.za](mailto:individualinvestors@rmb.co.za) / [institutionalinvestors@rmb.co.za](mailto:institutionalinvestors@rmb.co.za)

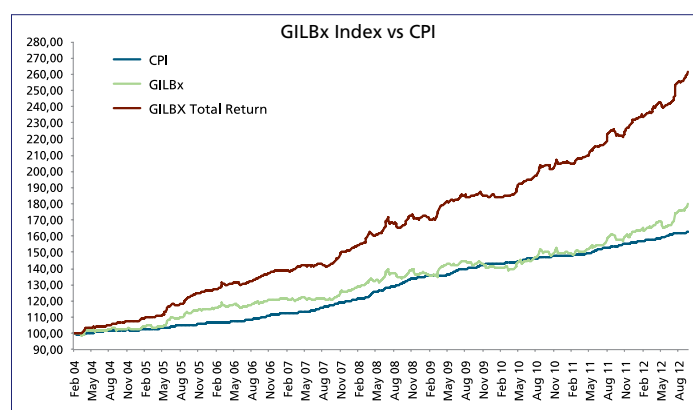
## INVESTMENT OBJECTIVE

To provide investors with a real rate of return in the form of a real yield plus a return linked to inflation (CPI), through exposure to a diversified portfolio of Government Inflation-Linked bonds. This is done through the purchase of the Inflation-X ETF that is tradeable on the JSE.

## INVESTMENT STRATEGY

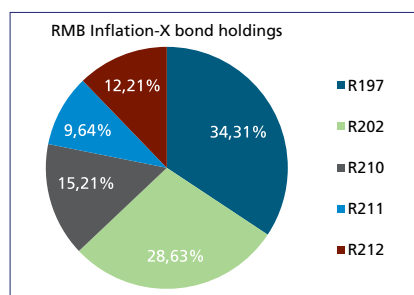
The RMB Inflation-X ETF aims to track the performance of the Government Inflation Linked Bond Index ('GILBx'). GILBx is a weighted basket of Government Inflation Linked bonds. The GILBx index is reweighted monthly, and any new issuances from National Treasury may be included in the index, while any existing bonds with less than one year to maturity are excluded. Inflation-X returns interest to investors quarterly. The initial amount invested in the ETF will increase in line with inflation, as represented by changes in the consumer price index published by Stats SA, thereby preserving the capital investment in real terms. The product provides you with a hedge against inflation, and a real rate of return.

## HISTORICAL PERFORMANCE



Source: Bloomberg, RMB

## INVESTMENT COMPOSITION



Source: Bloomberg, RMB

## CUMULATIVE PERFORMANCE

	RMB Inflation-X	GILBx
3 Months	8.29%	8.34%
6 Months	9.78%	10.11%
1 Year	17.16%	18.00%
3 Years*	11.28%	12.37%

Returns include the reinvestment of distributions, and are net of fees  
\*Returns over 12 Months have been annualised.  
Fund Inception 20 March 2009

Source: Bloomberg, RMB

## WHY CHOOSE AN ETF?

### Convenient and cost effective

RMB ETFs are a convenient, cost-effective method to gain market exposure. RMB ETFs allow you to obtain this exposure in an easily tradeable form. ETF units are listed on the JSE and can be traded just like any other share through a stockbroker.

### Tracks an index

The asset manager is not mandated, nor incentivised to outperform the index the ETF is tracking. Instead, the goal of the asset manager is to replicate the constituents. The investment is therefore deemed to be passively managed (which is typically more cost effective than an actively managed fund).

### Transparent

RMB ETFs are highly transparent in nature - you are able to see exactly which securities make up each ETF, including the weightings and sectors represented within a highly regulated trading environment.

### Possible portfolio core

Given their index-based structure, RMB ETFs can also be used as the core of a portfolio to provide a higher likelihood of returns consistent with the market performance of the index being tracked. You are then able to allocate your remaining investment capital to satellite investment opportunities in the pursuit of above market related returns.

## PRODUCT PROFILE KEY



### CONSERVATIVE PRODUCT PROFILE

This product is suitable if you wish to protect your investment portfolio and aim to generate returns in excess of inflation over time. As a conservative investor, your risk tolerance ranges from low to moderate.



### BALANCED PRODUCT PROFILE

This product is suitable if you are looking for an asset allocation and management method aimed at balancing your risk and return. These investments carry more risk than those aimed at capital preservation or current income and are therefore suitable if you have a longer time horizon plus a degree of risk tolerance.



### GROWTH PRODUCT PROFILE

This product is suitable for you if you are seeking assets with 'good growth potential'. These investments may be volatile and deliver negative returns at times, but would be suitable if you have a longer time horizon and a higher risk tolerance than investors who invest in a balanced investment product.



### AGGRESSIVE GROWTH PRODUCT PROFILE

This is suitable if you expect very high capital growth by taking very high risk. These investments are sometimes viewed as being speculative and you would need to have a much higher risk tolerance than those investing in conservative, balanced or growth products. The higher risk profile of these products means that you may be subject to value fluctuations, including the loss of your invested capital.

## DEFINITIONS

TOTAL RETURN:	Total return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset
NAV (NET ASSET VALUE):	This is the total value of assets in the portfolio less any liabilities, divided by the number of shares outstanding
TER (TOTAL EXPENSE RATIO):	This is a measure of the total costs associated with managing and operating an investment fund. These costs consist primarily of management fees and additional expenses such as trust and custody fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets to arrive at a percentage amount, which represents the TER
INDEX:	In the case of financial markets, an index is a theoretical portfolio of assets representing a particular market or a portion of it. Each index has its own calculation methodology and is usually expressed in terms of a change from a base value. Thus, the percentage change is more important than the actual numeric value

### DISCLAIMER

RMB CIS MANCO (Proprietary) Limited (Reg No 2006/036970/07) ("CIS manager") is an approved collective investment schemes manager of the RMB Collective Investment Scheme ("RMB CIS"). It is a full member of the Association for Savings and Investment SA ("ASISA").

This document and any other information supplied in connection with the RMB CIS is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("the FAIS Act") and investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued under the RMB CIS. Any investment is speculative and involves significant risks and therefore, prior to investing, investors should fully understand the portfolios and any risks associated with them.

Collective investment schemes in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not generally a guide to the future. The RMB CIS offers Exchange Traded Funds ("ETFs") that trade on an exchange. Trading in ETFs will incur the normal costs associated with listed securities, including brokerage, settlement costs, Securities Tax ("STT"), other statutory costs and administrative costs. The price at which ETFs trade on an 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.

Forward pricing is used and portfolio valuations take place at approximately 17h00 each business day. Instructions to redeem or repurchase must reach the CIS manager before 12h00 to ensure same day value.

CIS products are traded at ruling prices and can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The Portfolio may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

Participatory interests are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the CIS portfolio divided by the number of participatory interests in issue.

A full detailed schedule of fees, charges and commissions is available from the CIS manager on request.