

Institutional Securities - Sales and Trading (IST) (ex - research)

You may receive trading or market commentary from IST sales and trading personnel ("IST Communications") from time to time. This commentary is prepared for institutional investors by **sales, trading, or other non-research personnel** in the Institutional Securities Divisions of one of the following Standard Bank Group companies or their affiliates: SBG Securities (Pty) Ltd. Standard Bank South Africa, Stanbic Kenya, Stanbic [IBTC](#) Nigeria and/or Stanbic [IBTC Brokers/Stockbrokers](#), and/or (together with their affiliates hereinafter "Standard Bank Group").

The basis upon which IST Communications are provided is set out below together with important risk disclosures, conflicts, and other factors which you should take into account when considering any of the information provided. Additional information discussed in such communications is available on request.

IST Communications are not Research Reports, advice, or recommendations and are not intended as such

IST Communications are not products of Standard Banks's Equity Research or Fixed Income Research Departments. An IST Communication is a marketing communication and is not a research report, though it may refer to a Standard Bank research report or the views of a Standard Bank research analyst. Unless otherwise indicated, all views expressed in IST Communications are the views of the authors and may differ from or conflict with those of the Standard Bank Equity Research or Fixed Income Research Departments or others in the Firm. For additional information, research reports, and important disclosures, see <https://research.standardbank.com>.

IST Communications are also not tax, legal, financial, or accounting advice. The views of the author may differ from others at Standard Bank and Standard bank may engage in conflicting activities, including principal trading before or after sending the views, market making, lending, and the provision of investment banking or other services related to instruments/issuers mentioned. No investment decision should be made in reliance on such material, which is condensed and incomplete, does not include all risk factors or other matters that may be material, does not take into account individual investment objectives, financial conditions, or needs, and is not a personal recommendation or investment advice or a basis to consider Standard Bank to be a financial or other type of advisor.

IST Communications constitute invitations to consider entering into derivatives transactions under CFTC Rules 1.71 and 23.605 (where applicable) but are not binding offers to buy or sell any instrument or enter into any transaction.

IST Communications are not intended to serve as tax, legal, or regulatory advice

Standard Bank does not render advice on tax and tax accounting matters to clients. Any material included within IST Communications in respect of tax treatment was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under any jurisdictional tax laws or other tax legislation. Similarly, any material included within such Communications referring to tax advice provided by external counsel/professionals has been written in support the promotion or marketing of the transaction or matters addressed in such communications. It was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under any jurisdictional tax laws or other tax legislation. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

IST Communications are not intended to serve as official trade confirmations

Unless otherwise agreed, electronic communications are not intended to serve as official trade documents or confirmations, and we do not accept responsibility for or guarantee the content of any trading recaps provided by electronic means to be timely, secure, error, or virus-free.

Non Reliance and Generic Risk Disclosures

IST Communications are based upon information generally available to the public from sources believed to be reliable. No representation is given with respect to their accuracy or completeness, and the content may change without notice. Standard Bank on its own behalf and on behalf of its affiliates disclaims any and all liability relating to such materials, including, without limitation, any express or implied representations or warranties for statements or errors contained in, or omissions from, these materials. Any price levels are indicative only and not intended for use by third parties.

Currency Risk Disclosure

Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment.

Use of Historic Performance Data Risk Disclosure

Unless stated otherwise, any performance data quoted represents past performance. Past performance is not indicative of future returns. No representation or warranty is made that any returns indicated will be achieved. Certain assumptions may have been made in this analysis which has resulted in any returns detailed herein. Transaction costs (such as commissions) are not included in the calculation of returns. Changes to the assumptions may have a material impact on any returns detailed. Potential investors should be aware that certain legal, accounting, and tax restrictions, margin requirements, commissions, and other

transaction costs and changes to the assumptions set forth herein may significantly affect the economic consequences of the transactions discussed herein.

Use of Hypothetical Performance Data Risk Disclosure

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING STRATEGY IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

Use of Estimates, Projections, or Predictions Risk Disclosure

Unless stated otherwise, any estimates, projections, or predictions (including in tabular form) given in IST Communications are intended to be forward-looking statements. Although Standard Bank believes that the expectations in such forward-looking statement are reasonable, it can give no assurance that any forward-looking statements will prove to be correct. Such estimates are subject to actual known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those projected. These forward-looking statements speak only as of the date of the IST Communication. Standard Bank expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained in IST Communications to reflect any change in its expectations or any change in circumstances upon which such statement is based. Prices indicated are Standard Bank offer prices at the close of the date indicated. Actual transactions at these prices may not have been effected.

Clients engaging in the execution structure known as Spreading should understand that Spreading may also entail substantial commissions, because it involves at least twice the number of contracts as a long or short position and because spreads are almost invariably closed out prior to expiration. Potential investors should be advised that the tax treatment applicable to spread transactions should be carefully reviewed prior to entering into any transaction. Also, it should be pointed out that while the investor who engages in spread transactions may be reducing risk, he is also reducing his profit potential. The risk/reward ratio, hence, is an important consideration. The risk of exercise in a spread position is the same as that in a short position. Certain investors may be able to anticipate exercise and

execute a "rollover" transaction. However, should exercise occur it would clearly mark the end of the spread position and thereby change the risk/reward ratio. Due to early assignments of the short side of the spread, what appears to be a limited risk spread may have more risk than initially perceived. An investor with a spread position in index options that is assigned an exercise is at risk for any adverse movement in the current level between the time the settlement value is determined on the date when the exercise notice is filed with the relevant authority and the time when such investor sells or exercises the long leg of the spread. Other multiple-option strategies involving cash settled options, including combinations and straddles, present similar risk.

Use of rating agencies not registered with the Japan Financial Services Agency ("JFSA") Disclosure

Unless stated otherwise, the ratings used in certain IST Communications may have been issued by a rating agency not registered with the JFSA, but is a member of one of the following rating company groups that has a member registered pursuant to the Financial Instruments and Exchange Law of Japan.

Standard & Poor's Group, ratings likely to be expressed as "AA/A-1" (Registered members: Standard & Poor's Ratings Japan K.K. and Nippon Standard & Poor's K.K.). Moody's Investors Service Group, ratings likely to be expressed as "Aa/P-1" (Registered members: Moody's Japan K.K. and Moody's SF Japan K.K.). Fitch Ratings (Registered member: Fitch Ratings Japan K.K.).

Ratings issued by any other rating agency not registered with the JFSA should be disregarded.

Conflicts of Interest Disclosure

Standard Bank and others associated with it may make markets or specialize in, have or may in the future enter into principal or proprietary positions (long or short) in and effect transactions in securities of companies or trading strategies mentioned or described in IST Communications and may also perform or seek to perform investment banking, brokerage, or other services for those companies and may enter into transactions with them. We may at any time modify or liquidate all or a portion of such positions and we are under no obligation to contact you to disclose any such intention to modify or liquidate or any such modification or liquidation. **Standard Bank acts as "prime broker"** and lender for a number of hedge funds. As a result, Standard Bank may indirectly benefit from increases in investments in hedge funds. Where you provide us with information relating to a customer order or proposed transaction we may use that information to facilitate the execution of your order or transaction, in managing our market making, other client facilitation activities or otherwise in carrying out our legitimate business which may include, but is not limited to, hedging a risk or otherwise limiting the risks to which we are exposed. Where we commit our capital in relation to either ongoing management of inventories used to facilitate clients, or in relation to providing you with quotes, we may make use of that information to enter into transactions

that subsequently enable us to facilitate clients on terms that are competitive in prevailing conditions.

Legal Entities Disseminating This Material

These materials may not be distributed in any jurisdiction where it is unlawful to do so. The products described in IST Communications may not be marketed or sold or be available for offer or sale in a number of jurisdictions where it is unlawful to do so. The use or attempted use of the information and investment services provided by Standard Bank to residents of the United States of America, Canada, the United Kingdom, Australia, Singapore or Hong Kong , Australia, Japan, Bangladesh , India, Philippines , Korea, Singapore or Taiwan or in any other jurisdiction where to do so would be unlawful may be subject to requirements of registration and licensing of the distributor and, where the distributor does not meet these requirements, the information and investment services are not intended to be directed or available to the residents of the said countries.

© 2017 Standard Bank. All rights reserved.