

THIS DOCUMENT ("OFFERING CIRCULAR") CONTAINS IMPORTANT INFORMATION ABOUT ITRIX AND ITS SECURITIES AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS OFFERING CIRCULAR YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.

The directors of ITRIX Managers (Proprietary) Limited, whose names are set out on page 15 of this offering circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this offering circular and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement in this offering circular false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the offering circular (as read together with the applicable supplement) contains all information required by law and the JSE Listings Requirements.

If a prospective investor is in any way unclear as to the correct procedure to be followed, or the terms and conditions applicable to subscriptions for ITRIX securities under the initial offer (as detailed in the applicable supplement), the investor is advised to contact his JSE broker or professional advisors.



A JSE / Deutsche Bank initiative

ITRIX Collective Investment Scheme,
a collective investment scheme
in foreign securities registered in terms of
the Collective Investment Schemes Control Act, No 45 of 2002 ("**the Act**")
("**ITRIX**")

OFFERING CIRCULAR AND PRE-LISTING STATEMENT

Under the terms of this offering circular, Itrix Managers (Proprietary) Limited may from time to time establish a portfolio in the ITRIX Collective Investment Scheme and issue and list on the JSE participatory interests over an index. Each issue of participatory interests will be issued on the terms set out herein and under the conditions and on such additional terms as will be set out in the supplement, which will be delivered to and approved by the JSE prior to the date of listing of such participatory interests in accordance with the JSE Listings Requirements. This offering circular is to be read and construed in conjunction with any supplement.

Co-originator
A Passion to Perform.
Deutsche Bank



Corporate advisor
Legal advisor
Sponsor

JAVACAPITAL



A copy of this offering circular in the English language, accompanied by copies of the relevant supplement and the documents available for inspection (as described in this offering circular) is available at the registered office of ITRIX.

Prospective investors in ITRIX participatory interests, as with any other Exchange Traded Fund, should ensure that they fully understand the nature of the ITRIX participatory interests and the extent of their exposure to risks, and that they consider the suitability of the ITRIX participatory interests as an investment in light of their own circumstances and financial position. The JSE's approval of the listing of the ITRIX participatory interests should not be taken in any way as an indication of the merits of ITRIX or of the ITRIX participatory interests. The JSE Issuer Services Division has not verified the accuracy and truth of the contents of the documentation submitted to it and, to the extent permitted by law, will not be liable for any claim of whatever kind. Claims against the JSE Guarantee Fund may only be made in respect of trading in ITRIX participatory interests on the JSE and in accordance with the rules of the Guarantee Fund and can in no way relate to the new issue of ITRIX participatory interests.

The distribution of this offering circular and the offering for sale of the participatory interests in certain jurisdictions may be restricted by law. Persons into whose possession the offering circular comes are required by the issuer to inform themselves about and to observe any such restrictions. The offering circular does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction in which the offer or solicitation is not authorised or to any person to whom it is unlawful to make an offer or solicitation.

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Date of issue: 19 September 2005

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Registered Accountants and Auditors
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TABLE OF CONTENTS

Page

Corporate information	Inside front cover
Interpretation	3
PART I – INTRODUCTION	
1. What is ITRIX?	8
2. What is a collective investment scheme?	8
3. What is an ETF?	8
4. What is an ITRIX participatory interest?	8
5. What are the rights of the holders of ITRIX participatory interests?	8
6. Is it possible for the rights attaching to ITRIX participatory interests to be changed?	9
7. How is the Index calculated?	9
8. Would the Index ever be adjusted?	9
9. What happens if a takeover bid is made for a constituent company?	9
10. What is meant by the term “total expense ratio”?	9
11. What is meant by the price and yield of the Index?	10
12. What is meant by passive management?	10
PART II – INVESTMENT OBJECTIVE AND BENEFITS	
1. What is the investment objective of ITRIX?	11
2. What are the benefits to investing in ITRIX?	11
PART III – MANAGEMENT AND OPERATION OF ITRIX	
1. How is ITRIX managed and operated?	13
2. When would the asset manager need to employ alternative investment techniques?	13
3. How is ITRIX regulated?	13
4. What reports will investors receive in relation to an investment in a portfolio of ITRIX?	13
5. Will investors have voting rights <u>over</u> the securities of the constituent companies held in the ITRIX portfolio?	13
6. Can the ITRIX portfolio borrow money?	13
PART IV – STRUCTURE OF ITRIX	
1. The structure	14
2. The manager	14
3. The asset manager	15
4. The trustee	15
5. The market maker	15
PART V – INCOME AND COSTS	
1. What fees are payable by investors?	16
2. Preliminary expenses of the initial offer	16
3. Do I earn dividends as a holder of ITRIX participatory interests?	17
4. What costs and expenses are deducted from the income of the ITRIX portfolio?	17
PART VI – THE INITIAL OFFER	
1. What is the initial offer?	18
2. How do I qualify to participate in the initial offer?	18
3. What is the issue price of an ITRIX participatory interest during the initial offer?	18

4. How may the issue price of an ITRIX participatory interest be discharged during the initial offer?	18
5. How many ITRIX participatory interests can I buy and is there a minimum applicable?	19
6. What is the period of the initial offer?	19
7. When will the ITRIX participatory interests be listed on the JSE?	19
8. Will I receive a certificate as evidence of my investment?	19
9. How do I go about participating in the initial offer?	19
PART VII – PURCHASE AND SUBSCRIPTION AND SALE OR REDEMPTION OF ITRIX PARTICIPATORY INTERESTS AFTER THE INITIAL OFFER	
1. Who should I contact should I wish to purchase, sell, redeem or otherwise deal in the participatory interests?	20
2. Can I buy ITRIX participatory interests after the initial offer closes?	20
3. How can I sell my ITRIX participatory interests?	20
4. Process for subscriptions and redemptions	20
5. Will the repurchase of ITRIX participatory interests ever be suspended?	21
6. What price will I pay for or receive for participatory interests after the initial offer?	21
7. How is the NAV of the participatory interests calculated?	21
8. How do I find out price and other information concerning ITRIX participatory interests?	22
PART VIII – EXCHANGE CONTROL CONSEQUENCES	
What are the exchange control consequences of this for me?	23
PART IX – TAXATION CONSEQUENCES	
1. How will ITRIX be taxed?	25
2. How will I as the holder of ITRIX participatory interests be taxed?	25
3. What transfer taxes are payable by the investor on the purchase or sale of ITRIX participatory interests?	25
PART X – RISKS OF INVESTING IN ITRIX	
1. Investment and market risk	26
2. Tax risk	26
3. Currency risk	26
4. Secondary trading risk	26
5. Index risk	26
6. Political risk	27
7. Securities lending risk	27
8. Investment derivatives	27
PART XI – FINANCIAL INFORMATION	28
PART XII – GENERAL	
1. King Code of Corporate Practice and Conduct	29
2. Issue of participatory interests	29
3. Listing on the JSE	29
4. Material contracts	29
5. Other jurisdictions	29
6. Litigation	30
7. Experts' consents	30
8. Documents available for inspection	30
Annexure 1 Salient provisions of the ITRIX Deed	31
Annexure 2 Previous and current directorships and partnerships held by the directors of the manager	39
Annexure 3 Salient provisions of the memorandum and articles of association of ITRIX Managers	40
Annexure 4 Subscription conditions and procedures	41
Annexure 5 Form of supplement	43

INTERPRETATION

In this offering circular, unless the context clearly indicates a contrary intention, the following expressions have the following meaning:

“Act”	the Collective Investment Schemes Control Act, 45 of 2002 (as amended or replaced from time to time) and the regulations promulgated thereunder;
“Andisa Securities” or “participating broker”	Andisa Securities (Proprietary) Limited (Registration No. 1972/008305/07), trading as Standard Bank Online Share Trading, a subsidiary of The Standard Bank of South Africa Limited, the participating broker nominated by the manager on behalf of investors who do not have an appointed broker. Investors may nominate any member of the JSE as their broker. A list may be obtained from the JSE website: www.jse.co.za ;
“applicant”	a retail investor or Qualifying Institutional Investor who applies to subscribe for ITRIX participatory interests on the basis described herein;
“asset manager”	DB Platinum Advisors S.A. or such other asset manager appointed by the manager from time to time;
“auditors”	the auditors of ITRIX and the manager for the time being, being KPMG Inc. as at the date of this offering circular, or such other internationally recognised auditing firm appointed from time to time;
“Base Level”	a number chosen as the starting point of an index which is divided into the aggregate market capitalisation of the constituent companies included in the Index in order to calculate the Index Level;
“basket” or “basket of shares”	a portfolio of securities which comprises the minimum number of shares or other securities issued by each of the constituent companies contained in the Index (in the same weighting as they are included in the Index) that can be acquired with an amount of money having an Index currency value equal to 100 times the Index Level. The composition of a basket on a given day may be obtained from the manager or the website. One basket entitles an investor, in respect of an <i>in specie</i> application, to 100 000 ITRIX participatory interests;
“cash subscriptions”	applications for the acquisition of new participatory interests to be settled in cash, whether in Rands or in the Index currency;
“closing date”	the date on which the initial offer closes, as specified in the relevant supplement;
“common monetary area”	includes South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
“constituent companies”	the entities or companies included in the Index, the securities of which will be held by the ITRIX portfolio in the same proportions in which they are housed in the Index;
“controlled clients”	clients of a broking member of the JSE whose funds and uncertificated securities are under the control of such broking member. A controlled client does not have a direct relationship with a CSDP, the client’s securities being held in the broker’s nominee account with the broker’s CSDP. The cash balances of controlled clients are, in accordance with the requirement of the Securities Services Act, held by JSE Trustees to ensure segregation between broker and client funds;
“CSDP”	a participant duly accepted by STRATE as a Central Securities Depository Participant in terms of the Securities Services Act;

“Deutsche Bank (Johannesburg)”	Deutsche Bank AG (Johannesburg branch), 3 Exchange Square, Maude Street, Sandton, 2196;
“Deutsche Bank (London)”	Deutsche Bank AG (London branch), Winchester House, 1 Great Winchester Street, London EC2N 2DB, England;
“ETF”	an Exchange Traded Fund and specifically, the Exchange Traded Funds to be operated under the name ITRIX, as described in this offering circular;
“Exchange Control Regulations”	the Exchange Control Regulations promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933;
“exchange trading day”	a trading day in the jurisdiction in which the Index constituents trade, provided that: <ul style="list-style-type: none"> • the day is not a public holiday in South Africa, Luxembourg and/or Ireland; and • where the Index constituents trade on several exchanges, the day is not a public holiday or other non-trading day in any one of the jurisdictions;
“FSB”	the Financial Services Board;
“GBP” or “£”	the Pound or the Sterling, the legal currency of Great Britain;
“ground rules”	the published ground rules of the Index, as amended from time to time;
“holder”	in relation to any ITRIX participatory interests, the person or entity whose name is entered in the register as the holder of such participatory interests;
“<i>in specie</i> subscriptions”	applications for the acquisition of new participatory interests, to be settled “in kind” by the delivery of one or more baskets;
“income accruals”	any dividends or interest or any other income for distribution (i) received by the trustee or manager (on behalf of investors in a portfolio) in the course of any accounting period of a portfolio and/or (ii) carried forward from a previous accounting period of a portfolio and/or (iii) due to investors in a portfolio in respect of dividend, interest or any other income declarations made but not yet distributed out of a portfolio;
“Income Tax Act”	the Income Tax Act, 58 of 1962;
“Index”	the index, the major objectives of which are to provide a standard against which portfolio performance can be measured objectively and to provide a description of the relevant market at a point in time in terms of price levels, dividend yields and earnings yields, as described in the relevant supplement;
“Index constituents”	the securities of the constituent companies which will be held by the ITRIX portfolio in the same proportion in which they are housed in the Index;
“Index currency”	the currency in which the Index is published and traded, as described in the relevant supplement;
“Index currency unit”	one unit of the Index currency, for example if the Index currency is British Pounds, one GBP or if the Index currency is US Dollars, one US\$;
“Index exchange”	the exchange on which the Index constituents are listed, as set out in the relevant supplement;
“Index jurisdiction”	the jurisdiction from which the Index originated, as described in the relevant supplement;

“Index Level”	the level of the Index calculated periodically during a trading day by dividing the Base Level into the aggregate market value of the shares included in the Index;
“initial offer”	the first offer to be made to retail investors and Qualifying Institutional Investors in South Africa to subscribe for ITRIX participatory interests, as described in this offering circular as read together with the relevant supplement;
“initial offer period”	the period during which the initial offer will be open, being 09h00 on the opening date until 12h00 on the closing date;
“investors”	holders of ITRIX participatory interests;
“ITRIX”	ITRIX Collective Investment Scheme, a collective investment scheme in foreign securities established in South Africa in terms of the Act and registered by the Registrar on 6 September 2005;
“ITRIX portfolio”, “fund” or “portfolio”	any one of the portfolios in ITRIX, the participatory interests issued by each of which portfolios will be described in a supplement and separately listed on the JSE;
“ITRIX security” or a “participatory interest”	a security, issued by an ITRIX portfolio in accordance with this offering circular as read together with the relevant supplement, representing a beneficial interest in such ITRIX portfolio;
“ITRIX Deed”	collectively, the principal deed and the supplemental deed;
“Java Capital”	Java Capital (Proprietary) Limited (Registration number 2002/031862/07);
“JSE”	JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa under Registration number 2005/022939/06 and licensed as an exchange under the Securities Services Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE from time to time and for the time being, as published by the JSE;
“last practicable date”	the last practicable date prior to finalisation of this offering circular, being 16 September 2005;
“manager” or “ITRIX Managers”	ITRIX Managers (Proprietary) Limited (Registration number 2004/035580/07), a private company duly incorporated in accordance with the laws of South Africa, with its registered office at c/o JSE Securities Exchange South Africa, One Exchange Square, 2 Gwen Lane, Sandown, 2196, (Private Bag X991174, Sandton, 2146);
“management fee”	the fee to be paid to the manager in respect of its administration of the portfolios, the details of which are set out in the relevant supplement;
“market maker”	Deutsche Bank (London);
“minimum investment criteria”	compliance by a proposed investor with the Financial Intelligence Centre Act, 38 of 2001 and with the minimum investment limits imposed by the manager from time to time, currently one basket, in respect of <i>in specie</i> applications, in respect of Rand denominated cash subscriptions, R10 000 or multiples of R10 000 and 100 000 <u>Index currency</u> units (in respect of Index currency subscriptions);
“NAV”	net asset value, calculated on the basis set out in paragraph 7 of Part VII;
“non-controlled clients”	clients of a broking member of the JSE who have appointed their own CSDPs and have a direct relationship with the CSDP. Securities are held by in the CSDP account in the clients’ name. No funds are held by the broking member in such a case;

“offering circular”	the offering circular and pre-listing statement, together with all the annexures hereto, contained in this bound document, as read together with the relevant supplement;
“opening date”	the date on which the initial offer opens, as specified in the relevant supplement;
“principal deed”	the written deed (as amended, novated and/or replaced from time to time) concluded by the manager and the trustee on 24 August 2005 in terms of which ITRIX was established, the salient provisions of which are set out in Annexure 1 ;
“permissible deductions”	amounts which may be deducted from the portfolio, as detailed in paragraph 4 of Part V of this circular;
“Qualifying Institutional Investors”	South African retirement funds, long-term insurers, collective investment scheme managers and investment managers which are eligible for a foreign portfolio investment allowance, comply with reporting and application requirements laid down by the Exchange Control Department and who have obtained exchange control approval;
“ramp up period”	the period during which the manager will convert Rands into the Index currency and procure the acquisition of baskets with the cash proceeds derived pursuant to the initial offer or subsequent cash subscriptions, as the case may be, which in respect of the initial offer, shall commence on the day immediately succeeding the closing date and end on a date not more than five South African business days thereafter and in respect of subsequent cash subscriptions, a date not more than five South African business days following receipt of such cash subscriptions, provided that if the ramp up period falls over one or more public holidays in South Africa, the Index jurisdiction, Ireland and/or Luxembourg, then the duration of the ramp up period shall be extended accordingly;
“Rand” or “R”	Rand, the legal currency of South Africa;
“register”	the register of ITRIX participatory interests, which register shall be maintained by STRATE;
“Registrar”	the Registrar of Collective Investment Schemes;
“Securities Services Act”	the Securities Services Act, 36 of 2004;
“SENS”	the Securities Exchange News Service, an office of the JSE;
“South Africa”	the Republic of South Africa;
“South African business day”	a day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in Rand in Johannesburg;
“specified cash amount”	<ul style="list-style-type: none"> • a <i>pro rata</i> portion of the income accruals in the portfolio up to and including the subscription date; and • transfer duties and taxes (if applicable) arising on the acquisition by the portfolio of the underlying basket; and • any other cost that may be determined by the manager from time to time;
“specified exchange rate”	the prevailing Rand : Index currency exchange rate, as described in the relevant supplement;
“specified minimum Index currency”	the minimum subscription permissible utilising the Index currency, as described in the relevant supplement;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the laws of South Africa;

“STRATE system”	the electronic settlement system utilised by the JSE and administered by the Central Securities Depository, STRATE, which facilitates the electronic clearing and settlement for all transactions concluded on the JSE;
“supplement”	a supplement issued in conjunction with or after issue of this offering circular containing the terms specific to an issue of ITRIX securities in relation to a particular portfolio, substantially in the form of Annexure 5 of this offering circular;
“supplemental deed”	a written supplemental deed (as amended, novated and/or replaced from time to time) concluded by the manager and the trustee, establishing a portfolio of ITRIX. Each portfolio is established by means of a separate supplemental deed, the salient terms of which will be set out in the relevant supplement;
“transaction costs”	the costs payable by the investor in respect of the transfer of ownership of participatory interests, including the JSE’s Insider Trading levy plus any other costs or levies as determined by the JSE from time to time, including, but without being limited to any other brokerage and other transaction charges;
“trustee” or “Standard”	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), the trustee of ITRIX appointed in terms of the Act;
“UK”	the United Kingdom;
“USA” or “US”	the United States of America;
“US\$”	US Dollars;
“UST”	uncertificated securities tax levied in terms of the UST Act;
“UST Act”	the Uncertificated Securities Tax Act, 31 of 1998;
“VAT”	VAT Act;
“VAT Act”	the Value-Added Tax Act, 89 of 1991; and
“website”	the ITRIX website, the address of which is www.itrix.co.za .

All references in this offering circular to any Act, regulation or other statutory provision shall be a reference to such Act, regulation or other statutory provision as amended and/or re-promulgated and/or replaced from time to time and for the time being.

All expressions in this offering circular which denote the singular shall include the plural, any gender shall include the other genders and a natural person shall include artificial or juristic persons and *vice versa*.

PART I – INTRODUCTION

1. WHAT IS ITRIX?

ITRIX is a collective investment scheme, registered as such on 6 September 2005 under the Act. It is an umbrella fund housing various portfolios, each portfolio of which will be listed on the JSE as an ETF. The investment objective of each of the ITRIX portfolios is to replicate as far as possible the price and yield performance of a chosen index. Further details regarding the investment objectives of ITRIX are set out in Part II of this offering circular.

2. WHAT IS A COLLECTIVE INVESTMENT SCHEME?

A collective investment scheme is a scheme established in terms of the Act in which members of the public are invited or permitted to invest money or other assets in one or more funds (known as portfolios) and share the risks and benefits in the underlying assets of the particular fund or portfolio in which they have invested.

The assets of each portfolio will comprise shares or other securities in the constituent companies which make up the Index from time to time. Each portfolio will hold shares of each of the constituent companies in the same proportion as the shares are represented in the Index.

3. WHAT IS AN ETF?

An ETF, otherwise known as an exchange traded fund or an index tracking fund, is a passively managed investment fund the aim of which is to track the performance of a particular index, the units of beneficial interest in which fund are listed on an exchange. There are currently approximately 390 ETFs globally, into which US\$336 billion (R2,2 trillion) has been invested.

4. WHAT IS AN ITRIX PARTICIPATORY INTEREST?

Each of the ITRIX portfolios is divided into units of beneficial interest known as participatory interests, much like shares in a company. An ITRIX participatory interest is a security issued by the fund and listed on the JSE. Each ITRIX participatory interest affords the owner thereof an equal proportionate interest in the portfolio in respect of which it is issued (which proportion is equivalent to the percentage which a single ITRIX security represents in relation to all ITRIX securities issued by such portfolio).

5. WHAT ARE THE RIGHTS OF THE HOLDERS OF ITRIX PARTICIPATORY INTERESTS?

One ITRIX participatory interest entitles the holder thereof to a proportionate share in the risks in and benefits of the underlying assets of the ITRIX portfolio in which the holder is invested (including a proportionate share in the distributions thereof). As a holder of a participatory interest in a portfolio, one is effectively a co-owner of that ITRIX portfolio. One participatory interest will always entitle the holder thereof to an interest in $\frac{1}{100\,000}$ (one hundred thousandth) of a basket.

By way of example, if there are one million ITRIX participatory interests in issue in a particular ITRIX portfolio, 1 000 participatory interests will entitle the holder thereof to $\frac{1}{1\,000}$ (i.e. 1 000/1 000 000) of the risks in and benefits of the underlying assets of such ITRIX portfolio.

The rights of holders of ITRIX participatory interests are set out in the Act and the ITRIX Deed. The salient provisions of the ITRIX Deed are set out in **Annexure 1**.

6. IS IT POSSIBLE FOR THE RIGHTS ATTACHING TO ITRIX PARTICIPATORY INTERESTS TO BE CHANGED?

The rights attaching to ITRIX participatory interests could be changed if the provisions of the Act or the ITRIX Deed were varied. Any amendment of the ITRIX Deed may only be effected if the consent of the Registrar and a majority in value of the investors participating in a ballot conducted by the manager has been obtained on the terms set out in clause 65 of the ITRIX Deed (as set out on **Annexure 1**).

The ITRIX Deed may (with the approval of the Registrar) be amended without investor approval if the amendment:

- is required only to enable the provisions of the Act or the ITRIX Deed to be given effect to more conveniently or economically;
- will benefit the investors;
- will not prejudice the interests of investors;
- does not amend the fundamental provisions or objects of the ITRIX Deed; and
- does not release the trustee or the manager from any responsibility to the investors.

7. HOW IS THE INDEX CALCULATED?

The index is calculated on the basis set out in the ground rules.

8. WOULD THE INDEX EVER BE ADJUSTED?

The Index may be adjusted from time to time because of mergers, re-organisations, schemes of arrangement or other corporate activity involving constituent companies. Any adjustments in the Index will be implemented as determined from time to time in terms of the relevant ground rules, for example if a constituent company pays a special dividend. The adjustments may require the removal of a constituent company from the Index and the substitution thereof with a new constituent company while at the same time, if necessary, adjusting the Base Level. The adjustments to the portfolio will be made in such a way that the portfolio will at all times remain aligned with the Index Level.

9. WHAT HAPPENS IF A TAKEOVER BID IS MADE FOR A CONSTITUENT COMPANY?

If a takeover bid is made for shares of a constituent company included in the Index, the manager will not tender the shares held in the ITRIX portfolio in respect thereof. Shares held in the ITRIX portfolio which are subject to a takeover bid will only be surrendered if such surrender is mandatory in terms of the applicable legislation.

If a takeover bid results in a constituent company no longer qualifying for inclusion in the Index, it will be removed from the Index and another company substituted. Any shares of the constituent company still held in the ITRIX portfolio after the takeover bid will be disposed of by the ITRIX portfolio and the proceeds will be applied in effecting the appropriate adjustments to the portfolio.

Certain events, such as a consolidation or share split by a constituent company, will result in an automatic adjustment to the number of shares of that constituent company included in the Index and accordingly, in the ITRIX portfolio. In other circumstances, whenever there is an adjustment to the Index by the addition or subtraction of shares of a constituent company, the ITRIX portfolio will acquire or dispose of the appropriate number of shares of the applicable constituent companies.

10. WHAT IS MEANT BY THE TERM “TOTAL EXPENSE RATIO”?

The total expense ratio of the fund, which will be calculated on an annual basis and published in the annual report, refers to the total costs incurred by the portfolio (ie at the level of the fund and not the costs incurred by the manager for its own account) as a percentage of the average net asset value of the portfolio during the year in question.

11. WHAT IS MEANT BY THE PRICE AND YIELD OF THE INDEX?

The price of the Index is the aggregate market value of all of the constituent companies, each constituent company weighted according to its market value. The weighting has the result that the price movement of a larger constituent company will have a larger effect on the price of the Index than that of a smaller company.

The yield of the Index is calculated by dividing the aggregate of the income distributions payable on the shares of the constituent companies by the aggregate value of such constituent shares, weighted accordingly.

12. WHAT IS MEANT BY PASSIVE MANAGEMENT?

Active management involves the buying and selling of securities based on economic, financial and market analysis and through the exercise of investment judgment. Passive management on the other hand involves the buying and selling of securities only due to movements in the Index with the aim of tracking the Index. No independent economic, financial and market analysis or investment judgment will be applied in making adjustments to the portfolio, save as is necessary in order to track the Index.

PART II – INVESTMENT OBJECTIVE AND BENEFITS

1. WHAT IS THE INVESTMENT OBJECTIVE OF ITRIX?

The investment objective of each of the ITRIX portfolios is to replicate, as far as possible, the price and yield performance of the relevant Index by holding a portfolio of securities substantially equivalent to the basket of securities comprising the Index in the same weighting as the Index. The ITRIX portfolio will be adjusted as determined by the ground rules to conform to changes in the basket of securities comprising the Index so as to ensure that the composition and weighting of the securities comprising the relevant ITRIX portfolio at all times substantially reflect the composition and weighting of the securities comprising the Index.

An ITRIX portfolio's ability to replicate the price and yield performance of the Index will be affected by the costs and expenses incurred by the portfolio in question. Costs and expenses may result in the Index not being replicated perfectly by the portfolio. Any adverse costs implications may be countered through the generation of securities lending revenue, if the manager or the asset manager determines that it will engage in securities lending activities. In addition, the manager may, where necessary or in the interests of countering any adverse cost implications, use derivatives for investment purposes. Derivative transactions will only be used within the investment restrictions set out in the ITRIX Deed and the Act.

2. WHAT ARE THE BENEFITS TO INVESTING IN ITRIX?

Accessibility

Tracking an index through a direct investment in its constituents is very difficult, particularly for a small investor. To track the Index effectively, investors need to monitor the Index and any index developments on a daily basis. All constituents of the Index have to be traded individually and dividends have to be managed whenever paid. ITRIX participatory interests confer on the holder of one ITRIX security a proportionate share in the economic benefits of all of the securities issued by the constituent companies comprising the Index. The ITRIX securities are attractive to professional investors and Qualifying Institutional Investors, providing a useful asset allocation and cash management tool. Furthermore, retail investors can gain unlimited offshore exposure *via* an investment in ITRIX.

Liquidity and tight spreads

Given that ITRIX securities are listed instruments, they are capable of being bought and sold on the JSE through a JSE member. In addition, you can sell your participatory interest to the manager, which is obliged to buy it from you. Further, the market maker will attempt to maintain a high degree of liquidity through continuously offering to buy and sell ITRIX participatory interests at prices around the NAV of the participatory interest, thereby ensuring tight buy and sell spreads. You will under normal circumstances and conditions be able to buy ITRIX securities from or sell them to the market maker.

The most transparent way to invest

The exact composition of the Index, the NAV of the ITRIX participatory interests and the market price thereof will be published daily on the ITRIX website (www.itrix.co.za). This allows an investor full price transparency and the ability at any time to compare the traded value of ITRIX participatory interests with the actual value of the corresponding securities in the constituent companies at any time.

Low cost

Investing in ITRIX participatory interests is an efficient way of gaining diversified equity market exposure at low costs while avoiding the costs and risks associated with active investment management. The manager may waive some or all of the upfront fees¹, exit fees² and/or management fees charged in respect of an investment in ITRIX. In addition, Rands are generally converted to the Index currency at rates lower than those available to a retail investor acquiring assets offshore.

¹The manager is permitted in terms of the ITRIX Deed to charge an upfront fee in connection with the expenditure incurred and administration performed by it in respect of the creation, issue and sale of participatory interests. Such fees would be expressed as a percentage of the consideration received from an investor and charged on a sliding scale dependent on the size of the investment. The manager may choose to waive all or a portion of such fee.

²The manager is permitted in terms of the ITRIX Deed to charge an exit fee in connection with the expenditure incurred and administration performed by it in respect of the repurchase of participatory interests. Such fees would be expressed as a percentage of the proceeds from the sale by the investor of the participatory interest and charged on a sliding scale. No exit fee may be charged if an upfront fee was levied by the manager at the time the investor purchased the participatory interests. The manager may choose to waive all or a portion of such fee.

Flexibility

The minimum unit of investment in ITRIX securities in terms of the initial offer will be R10 000 (or multiples of R10 000) or, in respect of investments utilising the Index currency, 100 000 Index currency units. The value of one participatory interest in the Index currency will be approximately $\frac{1}{1000}$ of the Index Level. After the listing on the JSE of the ITRIX participatory interests, an investor will be able to purchase as few as one participatory interest on the secondary market.

International diversification

ITRIX participatory interests provide the investor with offshore exposure through a local broker at low cost. International exposure reduces an investor's currency, regional and emerging market risk.

PART III – MANAGEMENT AND OPERATION OF ITRIX

1. HOW IS ITRIX MANAGED AND OPERATED?

The portfolios of ITRIX will not be actively managed (i.e. through the buying and selling of securities based on economic, financial and market analysis and investment judgement) but will rather be passively managed (i.e. the only movement in a portfolio will be movements caused through index-tracking or re-balancing and only securities in the constituent companies will be acquired). The asset manager is obliged to ensure tracking of the Index by purchasing and holding the actual securities comprising the Index in the correct proportions, to the extent possible. In exceptional circumstances, the asset manager may, on a short-term basis only, employ other investment techniques and acquire other listed securities as will ensure the most efficient tracking of the Index, subject always to the terms of its mandate with the manager.

2. WHEN WOULD THE ASSET MANAGER NEED TO EMPLOY ALTERNATIVE INVESTMENT TECHNIQUES?

The need to employ alternative investment techniques would only arise in the event of a liquidity problem, for example if it is not possible to acquire any of the securities comprising the Index due to there being no sellers of such security. In addition, the manager may, where necessary or in the interests of countering any adverse cost implications, use derivatives for investment purposes. Derivative transactions will only be used within the investment restrictions set out in the ITRIX Deed and the Act.

3. HOW IS ITRIX REGULATED?

ITRIX is managed by ITRIX Managers, a registered manager in terms of the Act. The manager is bound by the provisions of the Act, the ITRIX Deed and the JSE Listings Requirements. The salient provisions of the ITRIX Deed are set out in **Annexure 1**.

4. WHAT REPORTS WILL INVESTORS RECEIVE IN RELATION TO AN INVESTMENT IN A PORTFOLIO OF ITRIX?

In terms of the Act, the manager must, not later than 90 days after the close of the financial year of the portfolio, electronically transmit a report to every investor containing the information determined by the Registrar in relation to the portfolio.

Audited financial statements of the ITRIX portfolio will be made available on request to an investor.

Detailed statements reflecting the breakdown of distributions, detailing the component income elements and (if appropriate) capital elements of the distribution, will be available on request from an investor's CSDP or broker.

5. WILL INVESTORS HAVE VOTING RIGHTS OVER THE SECURITIES OF THE CONSTITUENT COMPANIES HELD IN THE ITRIX PORTFOLIO?

In terms of the ITRIX Deed, the trustee may delegate to the manager or his nominee the right to attend or vote at a meeting of a constituent company or to take part in or consent to any action of a constituent company. No investor has any right in relation to any of the underlying assets of the ITRIX portfolio or to attend or vote at any meetings or take part in or consent to any action of constituent companies.

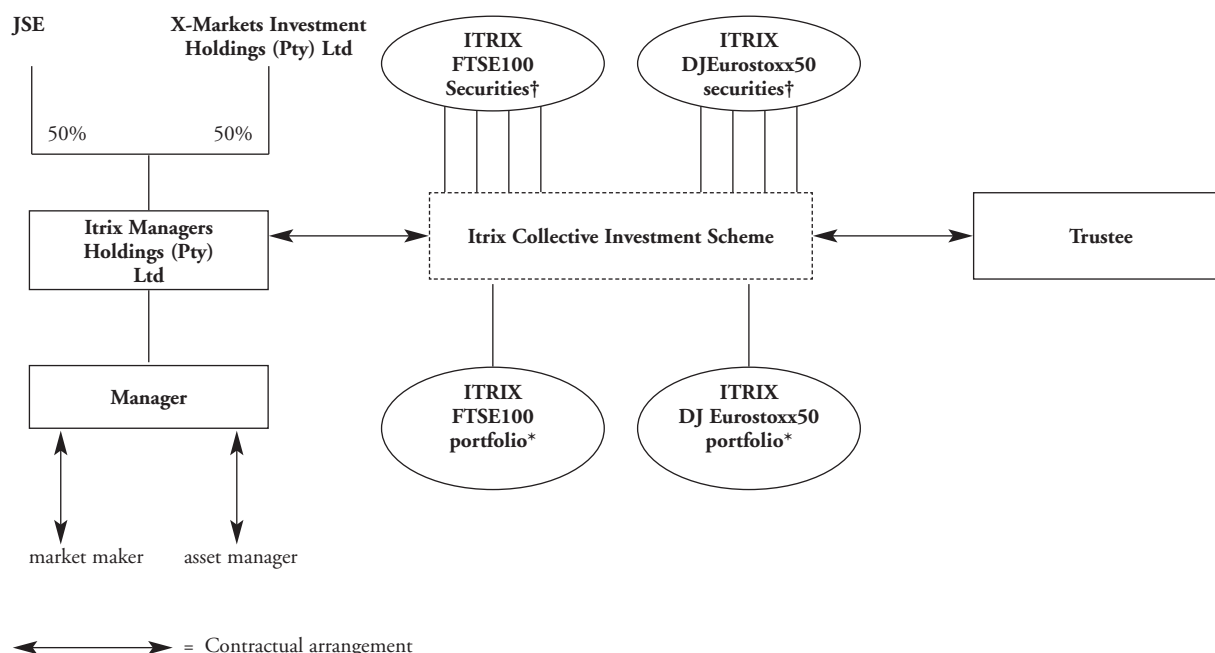
6. CAN THE ITRIX PORTFOLIO BORROW MONEY?

The Act allows the manager to borrow on behalf of the portfolio the necessary funds where insufficient liquidity exists in the portfolio or where the underlying assets of the fund cannot be realised for the repurchase or cancellation of participatory interests, subject to a borrowing limit of 10% of the market value of the portfolio at the time of borrowing.

PART IV – STRUCTURE OF ITRIX

1. THE STRUCTURE

The structure of ITRIX is set out diagrammatically below.



*ITRIX may comprise any number of portfolios, each of which will track a chosen index.

†ITRIX securities or participatory interests entitle the holder thereof to a co-ownership share of the ITRIX portfolio in respect of which the ITRIX security is issued.

The functions of the manager and trustee are set out below.

2. THE MANAGER

ITRIX is managed by ITRIX Managers, a manager approved and registered by the Registrar to manage the ITRIX scheme. The manager is a special purpose vehicle, incorporated on 14 December 2004 under the name Rossal No 78 (Proprietary) Limited. On 31 March 2005, the name was changed to ITRIX Managers (Proprietary) Limited.

The relationship between ITRIX and the manager is governed by the ITRIX Deed, the salient terms of which are summarised in **Annexure 1**.

The share capital in the manager is held entirely by Itrix Managers Holdings (Proprietary) Limited, the shares of which are held in equal shares by the JSE and X-Markets Investment Holdings (Proprietary) Limited, a wholly-owned subsidiary of Deutsche Overseas Holdings (Netherlands) B.V., which is ultimately owned by Deutsche Bank AG.

Details of the directors of the manager are set out below:

Full name	Business address	Function	Capacity (Executive/ non-executive)	Qualifications and experience
Niall Smith	c/o Deutsche Securities 3 Exchange Square 87 Maude Street Sandton, 2196	Director	Non-executive	BSc Managing Director of Deutsche Bank responsible for all equity and debt derivative structuring in emerging markets
Roger Koep	c/o Deutsche Securities 3 Exchange Square 87 Maude Street Sandton, 2196	Chairman	Non-executive	BCom (Hons) LLB Vice President of Deutsche Bank responsible for investment products in South Africa
Freda May Evans	c/o JSE One Exchange Square 2 Gwen Lane Sandown	Director	Non-executive	CA(SA) Chief Financial Officer of the JSE
Allan Thomson	c/o JSE One Exchange Square 2 Gwen Lane Sandown	Director	Non-executive	BCom (Hons) Director <u>Trading, JSE</u> Δ

The names of all companies and partnerships in which each of the directors is or has been a director or partner at any time in the previous five years are listed on **Annexure 2**.

None of the directors of ITRIX Managers has been appointed for any specific term of office and they will not retire by rotation. Each of the directors of ITRIX Managers will accordingly hold office until he/she resigns, is replaced by the person that appointed him/her or otherwise becomes ineligible to be a director of a company. None of the directors of ITRIX Managers will, in his or her capacity as such, be remunerated.

The salient provisions of the memorandum and articles of association of the manager are set out in **Annexure 3**.

3. THE ASSET MANAGER

The manager has entered into an asset management agreement with the asset manager, in terms of which the asset manager will manage the assets of the ITRIX portfolios on behalf of the manager. All fees payable to the asset manager shall be paid by the manager.

4. THE TRUSTEE

The Standard Bank of South Africa Limited has been appointed as trustee of the ITRIX scheme. Its responsibilities are governed by the Act and the ITRIX Deed and encompass, *inter alia*, the protection of investors' interests, acting as trustee of the assets of each of the ITRIX portfolios and ensuring compliance by the manager with the ITRIX Deed.

5. THE MARKET MAKER

Deutsche Bank (London) has been appointed as a market maker in order to encourage and facilitate liquidity in the secondary market. It will be possible for you to deal directly with the market maker.

PART V – INCOME AND COSTS

1. WHAT FEES ARE PAYABLE BY INVESTORS?

The manager is entitled to an all-in management fee in respect of the administration of each portfolio on the basis set out in the ITRIX Deed (and as disclosed in the relevant supplement) calculated as a percentage of the market value of the total assets of the portfolio (excluding any income accruals and permissible deductions, if any) accrued daily and payable out of the distributable income of the portfolio after the end of every accounting period (unless investors agree, in the manner determined in the ITRIX Deed, to a higher fee). In the event of a shortfall in the distributable income, the management fee may be paid by the issue of ITRIX securities to the manager or an amount, equivalent to the shortfall, may be deducted from the capital account of the portfolio. If this was to occur, a tracking error would likely result. In order to ensure efficient tracking of the Index, the manager may waive its fee (or a portion thereof).

The manager has determined that, for the time being, the management fee charged may vary from portfolio to portfolio and will be dependent on the value of participatory interests held by any particular investor (commencing from as little as 0.20% of the value of the participatory interests held over the period) on the basis set out in the supplement.

The manager is also permitted in terms of the ITRIX Deed to charge either an upfront fee or an exit fee in connection with the expenditure incurred and administration performed by it in respect of the creation, issue and sale of participatory interests and the repurchase of participatory interests, respectively. Such fees (disclosed in the relevant supplement) would be expressed as a percentage of the consideration received from or payable to an investor and charged on a sliding scale. No exit fee may be charged if an upfront fee was levied by the manager at the time the investor purchased the participatory interests. The manager may at any time in its discretion waive or rebate the upfront and/or exit fee (or any portion thereof) in respect of all investors, any category of investor or any particular investor.

All taxes, duties, administration, transaction and custody charges and brokerage fees will be for the investor's account.

2. PRELIMINARY EXPENSES OF THE INITIAL OFFER

The preliminary and issue expenses in relation to the initial offer (stated exclusive of VAT) are set out below:

Expense	Rand
JSE documentation inspection fee per portfolio	R50 000
Listing fee per portfolio	1 basis point (0.01%) up to a maximum of R250 000
Printing and postage costs	R75 000
Corporate advisor, legal advisor and sponsor fees	R1 300 000

3. DO I EARN DIVIDENDS AS A HOLDER OF ITRIX PARTICIPATORY INTERESTS?

As the companies comprising the Index declare distributions, such distributions will accrue to the ITRIX portfolio. In addition, scrip lending revenue (if any) generated by the ITRIX portfolio, manufactured dividends (if applicable), interest on any cash held and any other income earned will be added to the gross income pool. All costs and expenses (including the management fee) will be deducted from such gross income figure and the net income will be distributed.

At the end of every distribution period, the ITRIX portfolio will distribute all of its net income to investors in proportion to the number of participatory interests held by them. The net income available for distribution to investors will be calculated as follows:

	Dividends declared by constituent companies
PLUS	Scrip lending revenue and manufactured dividends (if any)
PLUS	Any interest earned on cash held and any other income
	<hr/>
	Gross income
LESS	Costs and expenses
	<hr/>
	Net income available for distribution (“ NI ”)
	<hr/>

$$\text{Distribution per participatory interest} = \frac{\text{NI}}{\text{number of participatory interests in issue}}$$

By way of example: assume you are the holder of 1 000 ITRIX participatory interests and that there are 1 000 000 ITRIX participatory interests in issue. If the net income available for distribution is the Index currency equivalent of R500 000, you will receive as a distribution:

$$\frac{\text{R500 000}}{1\,000\,000} \times 1\,000$$

i.e. R500 (or 50 cents per participatory interest).

4. WHAT COSTS AND EXPENSES ARE DEDUCTED FROM THE INCOME OF THE ITRIX PORTFOLIO?

Section 93 of the Act restricts the deduction of expenditure from the income of the portfolio to the following items:

- charges payable on the buying and selling of assets for the fund such as broking commissions, value added tax or stamp duties;
- auditors' fees, bank charges, trustee and custodian fees and other levies or taxes directly related to the fund;
- costs incurred in the creation and issue of participatory interests;
- any permissible service charges payable to the manager; and
- any license fees and costs incurred as a result of the fund being listed on an exchange (provided the approval of the Registrar has been obtained).

Any costs and expenses over and above those permitted to be deducted in terms of section 93 will be borne and paid by the manager.

PART VI – THE INITIAL OFFER

1. WHAT IS THE INITIAL OFFER?

The initial offer is an initial public offering to investors regarding an investment in ITRIX participatory interests for the price detailed in the relevant supplement.

2. HOW DO I QUALIFY TO PARTICIPATE IN THE INITIAL OFFER?

South African individuals may apply to participate in the offer without restriction and their investment will not affect or constitute a portion of the individual's offshore investment allowance of R750 000. However, South African individuals are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of a basket of shares upon redemption of ITRIX participatory interests or to receive payment of distributions in foreign currency. Minors (i.e. persons under 21) will need the assistance of one of their parents or legal guardians.

South African trusts and corporate entities (other than Qualifying Institutional Investors) are not permitted to invest in ITRIX securities, unless the prior approval of the South African Reserve Bank is obtained.

Investors are referred to Part VIII of this document for further information on the exchange control consequences of an investment in ITRIX.

3. WHAT IS THE ISSUE PRICE OF AN ITRIX PARTICIPATORY INTEREST DURING THE INITIAL OFFER?

ITRIX securities may, during the initial offer, be subscribed for in cash in either Rands or the Index currency. Where the subscription price for ITRIX securities is to be discharged in the Index currency, the cash subscription price per participatory interest is expected to be equivalent to $\frac{1}{1\,000\text{th}}$ of the Index Level as at the end of the ramp up period. Where the subscription price for ITRIX securities is to be discharged in Rands, the Rand subscription price will be determined with reference to the Index currency subscription price by applying the specified exchange rate.

By way of example, if the Index is a GBP based Index and is trading at a level of 5 300:

- the Index currency price of a single ITRIX security is expected to be £5.30;
- the Rand price of a single ITRIX security is expected to be R60.95 (applying a Rand/GBP exchange rate of 11.50/1).

4. HOW MAY THE ISSUE PRICE OF AN ITRIX PARTICIPATORY INTEREST BE DISCHARGED DURING THE INITIAL OFFER?

The price payable by an investor if he subscribes for participatory interests during the initial offer period may be settled in one of two ways, either by a payment in cash (in Rands or the Index currency) or by the delivery of one or more baskets (i.e. *in specie* subscriptions).

Cash subscriptions

The issue price of an ITRIX participatory interest will, during the initial offer period, be the Index currency value (or the Rand equivalent applying the specified exchange rate) of $\frac{1}{1\,000\text{th}}$ of the Index Level on the last day of the ramp up period.

In specie subscriptions

In respect of *in specie* subscriptions, the minimum price payable by an investor (entitling the investor to 100 000 participatory interests) is one basket of shares.

The value of the ITRIX participatory interest is subject to fluctuation from time to time relative to the market value of the assets comprised in the relevant ITRIX portfolio.

5. HOW MANY ITRIX PARTICIPATORY INTERESTS CAN I BUY AND IS THERE A MINIMUM APPLICABLE?

Given that the portfolios are not a closed-ended funds, there is no upper limit on the number of participatory interest available for purchase by you.

In respect of cash subscriptions, the subscription must be made for a minimum amount of R10 000 and thereafter in multiples of R10 000 (or, in the case of Index currency subscriptions, 100 000 Index currency units).

6. WHAT IS THE PERIOD OF THE INITIAL OFFER?

The initial offer opens at 09:00 on the opening date and closes at 12:00 on the closing date, as detailed in the relevant supplement.

7. WHEN WILL THE ITRIX PARTICIPATORY INTERESTS BE LISTED ON THE JSE?

The dates on which the listing on the JSE of the ITRIX securities will commence will be announced on SENS and detailed in the supplement applicable to the ITRIX securities in question.

8. WILL I RECEIVE A CERTIFICATE AS EVIDENCE OF MY INVESTMENT?

No, you will not receive a certificate. ITRIX participatory interests are in dematerialised form only, meaning that they are not evidenced by a certificate, but instead are held in electronic form and recorded in a sub-register maintained by a CSDP or broker.

9. HOW DO I GO ABOUT PARTICIPATING IN THE INITIAL OFFER?

Contact your broker. If you do not have a broker, then contact the participating broker, the details of which are set out on the inside front cover. Information regarding the subscription procedures, together with conditions of the offer, is set out in **Annexure 4**.

PART VII – PURCHASE AND SUBSCRIPTION AND SALE OR REDEMPTION OF ITRIX PARTICIPATORY INTERESTS AFTER THE INITIAL OFFER

1. WHO SHOULD I CONTACT SHOULD I WISH TO PURCHASE, SELL, REDEEM OR OTHERWISE DEAL IN THE PARTICIPATORY INTERESTS?

In the first instance you should contact your JSE broker who will be able to assist you in the purchase or sale of ITRIX participatory interests.

Should you not have a broker, you can contact the participating broker, namely Andisa Securities, trading as Standard Online, or the JSE, who will be able to furnish you with contact details for JSE members. Contact details are set out on the inside front cover. A list of JSE members may be found on the JSE's website: www.jse.co.za.

If you wish to subscribe for new ITRIX securities after the initial offer or you wish to redeem your participatory interests, you should contact the manager, details of which are set out on the inside front cover.

2. CAN I BUY ITRIX PARTICIPATORY INTERESTS AFTER THE INITIAL OFFER CLOSES?

Yes, given that the ITRIX portfolios are not closed ended funds, there is no restriction on the number of participatory interests that may be issued. You can acquire additional participatory interests from the manager or on the secondary market through your broker. Once listed, it should be possible to trade the participatory interests at any time during market hours (being 09h00 until 17h00 in South Africa) on South African business days given normal trading conditions.

3. HOW CAN I SELL MY ITRIX PARTICIPATORY INTERESTS?

Should you wish to sell your participatory interests you should contact your broker to facilitate their sale on the JSE. The ITRIX securities will be freely tradable. Given that they are to be issued only in dematerialised form, any trades will be settled through STRATE. In terms of the Act, you may also contact the manager who will repurchase your participatory interests from you, except in circumstances when the repurchase of participatory interests may be suspended (as set out in paragraph 5 below). If the manager effects a repurchase from you, you may elect to receive the consideration in cash or you may take delivery of one or more baskets (in exchange for multiples of 100 000 participatory interests) taking into account any upfront or exit fees charged by the manager).

The market maker will also purchase your securities from you.

4. PROCESS FOR SUBSCRIPTIONS AND REDEMPTIONS

If you choose not to trade on the secondary market but rather to apply for the creation of new ITRIX participatory interests or to redeem your participatory interests (i.e. sell them back to the manager), then you should contact the manager, contact details of whom are set out on the inside front cover. No *in specie* creations will be permitted without delivery of the underlying securities in full baskets together with the specified cash amount. Likewise, no *in specie* redemptions will be permitted otherwise than in respect of full baskets. In terms of the current Exchange Control Regulations, South African individuals are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of the underlying basket of shares upon redemption of ITRIX participatory interests or to receive payment of distributions in non-Rand denominated currency.

The manager is entitled to charge upfront or exit fees, in accordance with the provisions of the Act or the Deed, on creations and redemptions.

5. WILL THE REPURCHASE OF ITRIX PARTICIPATORY INTERESTS EVER BE SUSPENDED?

The repurchase of participatory interests may, subject to the Act and the ITRIX Deed, be suspended temporarily in exceptional circumstances. For example, this would occur if:

- pursuant to a request by an investor for delivery of one or more baskets, trading on an Index exchange in any one or more of the Index securities is restricted or suspended and/or assets are not at the manager's disposal as a result of a suspension or de-listing of any of the Index constituents or for any other reason;
- if offers for the repurchase of participatory interests are received, the aggregate amount of which (after netting off any subscriptions on the same day) is more than five per cent of the market value of a portfolio (provided that the manager may agree with the investor in question to a more restrictive basis on which the repurchase offer will be honoured).

The repurchase of participatory interests, irrespective of their aggregate amount or value, may not be suspended if 10 business days' valid notice of the offer for repurchase has been given to the manager or if participatory interests offered for repurchase by an investor do not exceed an aggregate amount or value of R50 000 on the day of the offer.

6. WHAT PRICE WILL I PAY FOR OR RECEIVE FOR PARTICIPATORY INTERESTS AFTER THE INITIAL OFFER?

If you buy or sell your participatory interests on the JSE after the initial offer, the price that you pay for or receive for your participatory interests (net of brokerage commission and any other trading costs) will be determined by the prevailing market price on the JSE at the time of the trade. At any point in time the market value of the ITRIX securities may be expected to reflect the Rand value of $\frac{1}{1\,000\text{th}}$ of the Index Level plus an amount which represents a *pro rata* portion of any income accruals (less permissible expenses). Actual market values may be affected by supply and demand and other market factors, but the ability of a holder of ITRIX securities to take delivery of the underlying basket of shares, should operate to substantially avoid or minimise any differential which may otherwise arise between the price at which the ITRIX securities trade and the value of the underlying basket of securities.

If you subscribe to the manager for new participatory interests after the initial offer closes or redeem your participatory interests, the price (which is calculated on every exchange trading day) will be the NAV of the participatory interest at the time of issue or redemption thereof (less any transaction costs, such as upfront fees or exit fees payable to the manager).

If you buy or sell your participatory interests on the secondary market then the price will be the market price, being the price agreed between a willing buyer and a willing seller. Any transaction on the secondary market will be subject to the customary STRATE fees, brokerage and transfer duties associated with trading on the JSE.

Due to market influences, the NAV per participatory interest may differ from the market price obtainable on the secondary market.

7. HOW IS THE NAV OF THE PARTICIPATORY INTERESTS CALCULATED?

The Net Asset Value ("NAV") of the portfolio is calculated by deducting from the value of the assets held by the fund (which is determined with reference to the market value of the underlying securities on the Index exchange and takes into account both income for distribution received by the fund on behalf of investors and amounts which investors must pay the manager on the creation of new participatory interests to afford them equal participation in the income which has accrued in the portfolio) all permissible deductions. The NAV per participatory interest is calculated by dividing the NAV of the portfolio by the number of participatory interests in issue at the time of the calculation. This information is determined at close of trade on each business day in the jurisdiction in which the Index constituents are listed or, where the Index constituents are listed on several exchanges, then at the last close of trade in the jurisdictions in which the relevant Index constituents are listed. A detailed explanation as to the calculation of the NAV is set out in clause 28 of the ITRIX Deed, the salient features of which are set out in **Annexure 1**. The NAV will be published on the website daily.

8. HOW DO I FIND OUT PRICE AND OTHER INFORMATION CONCERNING ITRIX PARTICIPATORY INTERESTS?

The information set out below will be published on each business day on the ITRIX website www.itrix.co.za:

- the NAV of the ITRIX participatory interests;
- a history of the market price of ITRIX participatory interests;
- the income accruals (if the information is available);
- the costs applicable to the portfolio and investors;
- the constituents of the Index; and
- any change in the composition of the Index.

The price at which ITRIX participatory interests trade on the secondary market is also published in business newspapers daily.

PART VIII – EXCHANGE CONTROL CONSEQUENCES

BY INVESTING IN AN ITRIX PORTFOLIO, I AM INVESTING IN AN ENTITY WHICH WILL HOLD FOREIGN ASSETS. WHAT ARE THE EXCHANGE CONTROL CONSEQUENCES OF THIS FOR ME?

The following summary is intended as a guide only and is not comprehensive. Any applicants who are in doubt as to their applications should consult their professional advisors.

South African Individuals

South African individuals are permitted to acquire participatory interests in ITRIX without restriction and as such an investment in ITRIX will not affect or constitute a portion of the individual's offshore investment allowance of R750 000. However South African individuals are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of a basket of shares upon redemption of ITRIX participatory interests or to receive payment of distributions in non-Rand denominated currency.

South African Institutional Investors

Qualifying Institutional Investors are eligible for a foreign portfolio investment allowance. The exchange control limit on foreign portfolio investment by institutional investors will be applied to an institution's total retail assets. "Retail assets" refer to assets received from individuals and other entities such as companies, trusts and the like and include assets received indirectly through an intermediary, such as a nominee company or investment manager not regarded by the Exchange Control Department as a Qualifying Institutional Investor.

Retirement funds, long-term insurers and investment managers registered as Qualifying Institutional Investors for exchange control purposes may invest up to 15% of their total retail assets in ITRIX participatory interests, while collective investment scheme management companies are permitted to invest up to 20%. Qualifying Institutional Investors which are non-controlled clients may elect to receive their distributions in Index currency, provided that their CSDP and the manager are appropriately notified at least five business days prior to the applicable last day to trade.

Qualifying Institutional Investors should contact their professional advisors or the Exchange Control Department for information on the reporting and compliance requirements.

Exchange Control Approval Conditions

The above Exchange Control approvals have been granted on the basis that:

- all the control and reporting measures laid down by the Exchange Control Department are strictly adhered to;
- a special escrow account similar to a Vostro account will be operated in such a manner that only ITRIX transactions are passed through such account and all Cross Border Foreign Exchange Transaction Reporting System requirements are adhered to; and
- an audit trail for Exchange Control compliance and the Cross Border Foreign Exchange Transaction Reporting System will be available at all times to facilitate inspection and audits by the Exchange Control Department on a regular basis.

South African Corporate Entities and Trusts

An acquisition of ITRIX participatory interests by a South African corporate entity or trust will be regarded by the Exchange Control Department as a foreign investment requiring specific approval by the Exchange Control Department. South African corporate entities or trusts should accordingly contact their professional advisors or the Exchange Control Department for information on obtaining approval for foreign investments.

Non-South African Residents

If any ITRIX participatory interests are issued to non-residents of the common monetary area, the custody or broker accounts of such investors will be designated “non-resident”. Any funds due to a non-resident in respect of his ITRIX participatory interests may, in terms of the Exchange Control Regulations, be paid or transferred abroad only if the participatory interests were acquired using foreign currency introduced into South Africa and provided the custody or broker account is designated “non-resident”.

Emigrants from the Common Monetary Area with Blocked Rand

The Exchange Control Department has advised that former residents of the Common Monetary Area who have emigrated are not permitted to use their Blocked Rand (i.e. money which, in terms of the Exchange Control Regulations is not permitted to be taken out of South Africa or paid into a non-South African resident’s bank account) (“Blocked Rand”) to subscribe for ITRIX participatory interests.

PART IX – TAXATION CONSEQUENCES

The following summary is intended as a guide only and does not purport to be exhaustive. The information set out below is accurate as at the date of issue of this offering circular, but is subject to change in the event of any changes in tax policy.

Investors' tax consequences will vary depending on their individual tax status. Accordingly investors are strongly advised to consult their professional tax advisors.

1. HOW WILL ITRIX BE TAXED?

As at the date of issue of this offering circular:

- ITRIX will be exempt from income tax on all income (including foreign dividends) which has been received or has accrued to the ITRIX portfolio and which is distributed by way of a dividend to holders of participatory interests in the year of receipt or accrual;
- any capital gain or capital loss realised by ITRIX on the disposal of securities must be disregarded (i.e. ITRIX will not be liable for capital gains tax); and
- no VAT will be payable in respect of the issue, allotment or transfer of ownership of a participatory interest.

2. HOW WILL I AS THE HOLDER OF ITRIX PARTICIPATORY INTERESTS BE TAXED?

If you hold your participatory interest as trading stock (and not as a long term investment), then the proceeds of sale thereof will be of a revenue nature and will, therefore, be included in your "gross income" for income tax purposes.

If you hold your participatory interest as a capital investment, any proceeds of a sale thereof will be of a capital nature and will give rise to a capital gain or a capital loss. Any capital gain will be subject to capital gains tax.

Foreign dividends received and distributed by ITRIX to holders of participatory interests will constitute "gross income" for the holder and will be subject to income tax (unless an exemption applies to the holder in terms of the provisions of the Income Tax Act). Investors may qualify for an exemption for foreign dividends and a deduction of interest incurred by an investor in connection with the acquisition of the participatory interests. Investors are strongly advised to consult their professional tax advisors in this regard.

Any foreign withholding tax in respect of a foreign dividend received and distributed by ITRIX may, at the election of the holder of the participatory interest, be claimed as either a foreign tax credit or as a deduction.

A holder of a participatory interest which is a pension, provident or retirement annuity fund:

- will be exempt from income tax on any foreign dividends or other income distributed by ITRIX; and
- must disregard any capital gain or capital loss on the disposal of a participatory interest.

A holder of a participatory interest which is an untaxed policyholder fund of a long term insurance company:

- will be exempt from income tax on any foreign dividends or other income distributed by ITRIX; and
- will not realise a taxable capital gain on the disposal of a participatory interest.

3. WHAT TRANSFER TAXES ARE PAYABLE BY THE INVESTOR ON THE PURCHASE OR SALE OF ITRIX PARTICIPATORY INTERESTS?

UST at the rate of 0.25% on the price of the participatory interest is as at the date of the issue of this offering circular payable by the buyer's broker or CSDP in respect of any change in beneficial ownership in a participatory interest. The buyer's broker or CSDP may in terms of the UST Act, recover such amount from the buyer.

PART X – RISKS OF INVESTING IN ITRIX

Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to an investment in ITRIX.

1. INVESTMENT AND MARKET RISK

- There is no guarantee that the ITRIX portfolio will achieve its investment objective of perfectly tracking the Index.
- The value of the participatory interests and the distributions payable by the ITRIX portfolio will rise and fall as the capital values of the underlying securities housed in the portfolio and the income flowing therefrom fluctuate (which fluctuations may be caused by events specific to the constituent companies) and as the expenses of the ITRIX portfolio rise and fall. ITRIX participatory interests can accordingly have a value below the price paid by the investor. Prospective investors should be prepared for the possibility that they may sustain a loss.
- The ITRIX portfolio may not be able to perfectly replicate the performance of the Index because:
 - the fund is liable for certain costs and expenses not taken into account in the calculation of the Index;
 - certain Index constituents may become temporarily unavailable; or
 - other extraordinary circumstances may result in a deviation from precise index weightings.

2. TAX RISK

The tax treatment of holders will vary from country to country and will depend on the tax status of the holder in question.

Investors should seek their own professional tax advice.

3. CURRENCY RISK

Given that the underlying securities of the portfolio are foreign securities, there is a currency risk to investors.

4. SECONDARY TRADING RISK

- There is no guarantee that a liquid secondary market in ITRIX participatory interests will develop.
- ITRIX participatory interests may trade at a discount or premium to their NAV.
- There is no guarantee that the ITRIX participatory interests will remain listed on the JSE.
- Any termination of listing would be subject to the JSE Listings Requirements.

5. INDEX RISK

- There is no guarantee that the Index will continue to be calculated in the manner in which it is currently calculated.
- The past performance of the Index is not necessarily an indication of future performance.
- Neither the licensor of the Index, nor the manager nor the trustee:
 - guarantee the accuracy and/or the completeness of the Index or any data included in the Index;
 - will bear any liability for any errors, omissions or interruptions in the Index; or
 - warrant or make any representation as to the results to be obtained by the ITRIX portfolio or any investor in ITRIX from the use of the Index or any data included in the Index.
- Given that the Index was created as a measure of market performance and not for the purpose of trading in ITRIX participatory interests, the Index may be adjusted by the licensor without regard to the interests of holders of participatory interests, but solely with a view to the original purpose of the Index.

- If for any reason the Index ceases to exist then:
 - if there is, in the reasonable opinion of the manager, a successor index composed and weighted according to substantially similar criteria as are applied in respect of the Index, the portfolio of securities housed in the ITRIX portfolio shall be adjusted to track the successor index.
 - if there is not, in the reasonable opinion of the manager, an appropriate successor to the Index, then the ITRIX portfolio will be wound up.
- ITRIX participatory interests are not in any way sponsored, endorsed, sold or promoted by the licensor of the Index, which makes no warranty or representation whatsoever, expressly or implied, either as to the results to be obtained from the use of the Index and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The licensor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and/or its calculation and shall be under no obligation to advise any person of any error therein. The Indices utilised are trade marks and are used by the manager under licence.

6. POLITICAL RISK

The performance of the fund may be affected by changes in economic and market conditions, political developments or changes in government policies, changes in legal, exchange control, regulatory and tax requirements.

7. SECURITIES LENDING RISK

The manager of ITRIX may engage in securities lending (on the terms stipulated in the ITRIX Deed). If the ITRIX portfolio engages in such securities lending transactions and a borrower of securities fails to perform its obligations, then ITRIX may be unable to recover the loaned securities. This risk is minimised however, given the obligation on the manager to obtain collateral, the limits imposed in terms of the ITRIX Deed and the institutional nature of the borrowers.

8. INVESTMENT IN DERIVATIVES

The manager of ITRIX may invest in derivatives from time to time. While an investment in derivatives will only be employed within the investment restrictions stipulated in the ITRIX Deed and the Act, the following risks may be associated with such an investment:

- the time-limited rights acquired can lapse or diminish in value;
- the risk of loss may be unquantifiable;
- transactions by means of which the risks are to be eliminated or reduced may be impossible to conclude or else only at a loss-inducing price.

PART XI – FINANCIAL INFORMATION

ITRIX was established on 6 September 2005 and ITRIX Managers on 14 December 2004. No financial information has been provided due to the fact that from date of their establishment until the date of the issue of this circular, both the manager and ITRIX have been dormant, have no assets and neither ITRIX nor the manager have earned any income.

PART XII – GENERAL

This section covers regulatory, statutory and other information relevant to the listing of the ITRIX participatory interests on the JSE.

1. KING CODE OF CORPORATE PRACTICE AND CONDUCT

The directors of the manager endorse the Code of Corporate Practices and Conduct as set out in the King Committee Report on Corporate Governance (the “Code”) and recognise their responsibility to conduct the affairs of ITRIX with integrity and accountability in accordance with generally accepted corporate practices.

The directors have, accordingly, established procedures and policies appropriate to ITRIX’s business in keeping with its commitment to best practices in corporate governance. These procedures and policies will be reviewed from time to time.

Although the ITRIX portfolios will be listed on the JSE, ITRIX is a statutory entity and is regulated in terms of the Act. Certain of the requirements of the Code are therefore not directly applicable to ITRIX. However, the manager will adopt the principals of the Code, being fairness, accountability, responsibility and transparency. The directors of the manager recognise that they are ultimately responsible for the performance and affairs of ITRIX.

The Standard Bank of South Africa Limited has been appointed as trustee of the scheme. Its responsibilities are governed by the Act and the ITRIX Deed and encompass protecting the interests of holders of participatory interests, acting as the trustee of the fund’s assets and ensuring compliance by the manager with the ITRIX Deed.

2. ISSUE OF PARTICIPATORY INTERESTS

All participatory interests issued in terms of the initial offer will be issued at the ITRIX portfolio’s expense in dematerialised form to the broker or CSDP nominated by the applicant, which will hold such participatory interests on behalf of the relevant investor. An advice note will be issued by the broker or CSDP to the participatory interest holder as evidence of ownership of the participatory interests and will be posted, at the risk of the investor, by registered post in the time periods prescribed in terms of the agreement between the investor and its CSDP or broker.

3. LISTING ON THE JSE

Application will be made to the JSE for the listing of the ITRIX participatory interests.

4. MATERIAL CONTRACTS

In order to run the fund, the manager will rely upon the ITRIX Deed, the salient provisions of which are set out in **Annexure 1₂** which is available for inspection at the registered office during office hours for the period from Monday, 19 September 2005 to Friday, 30 September 2005.

5. OTHER JURISDICTIONS

This initial offer is not an offer in any jurisdiction in which it is illegal to make this offer and in those circumstances this offering circular is issued for information purposes only. In particular, the ITRIX participatory interests have not been registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the USA, to US persons or US residents.

6. LITIGATION

There are no legal or arbitration proceedings of which the manager is aware (including any proceedings which are pending or threatened) which have or may have had a material effect on the financial position of Itrix.

7. EXPERTS' CONSENTS

Java Capital, the trustee, the auditors and the asset manager have consented to their names being referred to in this offering circular in the form and context in which they are included and had not withdrawn their consent at the last practicable date.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office, c/o JSE Limited, One Exchange Square, 2 Gwen Lane, Sandown, 2196, at any time during office hours from Monday, 19 September 2005 to Friday, 30 September 2005:

- the memorandum and articles of association of ITRIX Managers;
- the material contracts referred to in paragraph 4 above;
- the ground rules;
- the written consent of Java Capital to act in the capacities stated; and
- a signed copy of this offering circular.

SIGNED AT JOHANNESBURG BY OR ON BEHALF OF ALL OF THE DIRECTORS OF ITRIX MANAGERS (PROPRIETARY) LIMITED ON 17 September 2005.

SALIENT PROVISIONS OF THE ITRIX DEED

EXTRACT FROM THE PRINCIPAL DEED

5. “REMUNERATION OF MANAGER

- 5.1 The manager is remunerated for its services and reimbursed for its expenses in performing its obligations under the ITRIX Deed.
- 5.2 The manager may at any time in its discretion waive or rebate its remuneration or reimbursement or any part thereof.”

6. “POWERS OF MANAGER

Subject to the Act and the ITRIX Deed, the manager may in its absolute and uncontrolled discretion –

- 6.1 do all such things and enter into all such arrangements as are necessary for the administration of the scheme and to achieve the investment objectives of a portfolio of the scheme;
- 6.2 select, purchase, sell, exchange or change any of the assets of a portfolio;
- 6.3 in writing appoint persons to exercise powers and perform duties on its behalf ...;
- 6.4 ...;
- 6.5 borrow money under section 96 of the Act subject to the following limits and conditions:
- 6.5.1 The manager must obtain the prior consent of the trustee to the borrowing;
- 6.5.2 the term of the loan may not exceed 61 days, provided that if insufficient liquidity continues thereafter the loan may be renewed with the consent of the trustee;
- 6.5.3 the loan may not bear a penalty for early settlement;
- 6.5.4 the loan must be serviced in sequence of priority out of –
- 6.5.4.1 inflows to the portfolio; and
- 6.5.4.2 realisation of assets;
- 6.5.5 the outstanding capital amount of the loan must be used when computing a portfolio's net asset value price in terms of clause 28;
- 6.5.6 as security for the repayment of the loan the manager may –
- 6.5.6.1 cede a proportionate share of the assets of the portfolio to the lender on condition that ownership of the ceded assets will only be transferred to the lender if the manager is in default; or
- 6.5.6.2 grant an option to the lender to purchase a proportionate share of the assets, equal in value to the outstanding amount of the loan, at the end of the term of the loan;
- 6.5.7. the manager may only borrow funds if liquidity cannot reasonably be obtained without encumbering the assets of the portfolio;
- 6.5.8. the amount borrowed must be limited to an amount necessary to repurchase or cancel participatory interests;
- 6.5.9. the manager must disclose in its point of sale documents that an investor is required to sign, that the manager may borrow up to 10 per cent of the market value of the portfolio to bridge insufficient liquidity;

- 6.6 engage in scrip lending under section 85 of the Act subject to the following limits and conditions:
 - 6.6.1 The scrip lending must be beneficial to all investors;
 - 6.6.2 the manager may lend or offer to lend securities with a value not exceeding 50 per cent of the market value of all the securities included in a portfolio;
 - 6.6.3 the securities that may be lent to one borrower are limited in accordance with the limits determined by the Registrar ...;
 - 6.6.4 collateral security for the securities loaned must have an aggregate value that exceeds the market value of the securities loaned by not less than five per cent at all times and may only consist of –
 - 6.6.4.1 cash; or
 - 6.6.4.2 other securities or a combination of securities;
 - 6.6.5 securities may not be lent for a period longer than 12 months;
 - 6.6.6 securities may not be lent unless subject to a right of recall;
 - 6.6.7 all fee income earned from securities lending, less necessary expenses, must be administered for the benefit of investors;
 - 6.6.8 the manager must disclose in the quarterly and annual financial statements the securities that are lent, the value thereof and the composition and the nature of the collateral security held in respect of such loan;
 - 6.6.9 the agreement of loan and the agreement relating to the security furnished by the borrower must be in writing and must at least provide for –
 - 6.6.9.1 the period of notice of termination of the loan;
 - 6.6.9.2 payments that may be made by the borrower to the portfolio *in lieu* of dividends accrued or paid in respect of the securities borrowed;
 - 6.6.9.3 fees or charges payable by the borrower to the portfolio;
 - 6.6.9.4 charges payable by the borrower to the portfolio to compensate investors for additional taxes in respect of taxable earnings in the form of payments by the borrower to the manager *in lieu* of dividends accrued or paid on the securities loaned;
 - 6.6.9.5 reservation of the right of execution without court order and immediate transfer to the manager of the ownership of and all rights, including voting rights, attached to the collateral security, if the borrower defaults or becomes insolvent;
 - 6.6.9.6 an undertaking by the borrower to deliver to the portfolio securities equivalent to any rights in respect of the loaned securities that may become exercisable before redelivery of the loaned facilities.
 - 6.6.10 In order to ensure that investors do not suffer any additional taxes in respect of taxable earnings arising from the lending activities contemplated, the trustee shall be entitled to distribute, at their discretion, certain forms of income to certain investors only and not to others, provided that every investor receives its *pro rata* share in Rands of the total distributions paid to investors out of a portfolio.”

10. “RETIREMENT AND SUBSTITUTION OR LIQUIDATION OF MANAGER

- 10.1 The manager may, with the written approval of the trustee and the Registrar, in writing appoint any other company qualified to act as manager in terms of the Act, as manager in its stead....
- 10.2
- 10.3 If the manager is liquidated, the trustee must take immediate steps for the appointment of a new manager.”

11. “APPOINTMENT AND POWERS OF TRUSTEE

Subject to the Act and the ITRIX Deed, The Standard Bank of South Africa Limited is the trustee of the scheme. The trustee has all the powers necessary to protect the interests of investors in terms of the Act and the ITRIX Deed and has, save as otherwise provided in the ITRIX Deed, the powers necessary to perform its functions to achieve the objectives of the scheme and its portfolios.”

13. “REMUNERATION OF TRUSTEE

13.1 In every accounting period, the manager must –

13.1.1 authorise payment to the trustee by way of remuneration for the trustee’s services, of such amount as may be agreed between them;

13.1.2 reimburse the trustee for all its expenses incurred in connection with the scheme, other than expenses expressly required by the ITRIX Deed to be paid out of a portfolio, and other than expenses incurred by it as a result of its own negligent and unlawful conduct.”

14. “REGISTRATION AND RETENTION OF ASSETS BY TRUSTEE

14.1 The assets of a portfolio must be registered either in the name of the trustee or, with the written consent of the Registrar in the name of the nominee company of the. ... the trustee or its nominee company must take delivery of and retain in safe custody and under its own supervision and control the documents of title to the assets.

14.2 Subject to the provisions of the ITRIX Deed with regard to scrip lending and the borrowing of money by the manager, the assets must be held by the trustee or its nominee company in its name in trust for the investors and the trustee or its nominee company may not allow the whole or any part of such assets to be pledged or encumbered in any way.”

20. “REMOVAL OF TRUSTEE

20.1 Subject to the Act, the manager may with the written approval of the Registrar –

20.1.1 pursuant to a ballot of investors in all portfolios (to which clause 65 of the ITRIX Deed applies); or

20.1.2 at the written request of not less than 50 per cent of the investors, excluding the manager, in all the portfolios holding not less than 50 per cent in value of the total number of participatory interests then in issue,

require the trustee by notice in writing to resign from office.”

23. “INITIAL OR ADDITIONAL PORTFOLIO AND OFFER OF PARTICIPATORY INTERESTS

.... The manager is responsible for the payment of all expenses (including permissible deductions) arising out of and relating to the formation of the initial and any additional portfolio.”

24. “CREATION, SALE, REPURCHASE OR CANCELLATION OF PARTICIPATORY INTERESTS

24.1 The manager has the exclusive power to secure the creation and issue of participatory interests in a portfolio.”

26. “UNDIVIDED INTEREST IN PORTFOLIO

Each investor is, equally with every other investor, entitled to one undivided proportionate participation in a portfolio but is, subject to clause 35, not entitled to any particular asset of the portfolio.”

28. “NET ASSET VALUE AND SALE PRICE OF PARTICIPATORY INTEREST

Unless participatory interests are offered at a fixed price pursuant to section 94(1)(b) of the Act, the manager must issue participatory interests in a portfolio at the net asset value price per participatory interest, which price is calculated on the date on which any participatory interest is issued or the previous date, whichever is consistently applied, according to the formula –

$$\frac{A + B}{C}$$

Where:

A = the aggregate market value of the assets in the portfolio, excluding the income accruals and payments referred to in B.;

- B** = the aggregate of all income accruals and payments received *in lieu* of income accruals from the creation of new participatory interests in the portfolio, during the relevant accounting period up to the said date, but excluding:
- (i) any part of those income accruals and payments *in lieu* of income accruals, set aside at the last preceding distribution date for distribution, but not yet distributed; and
 - (ii) such further amount, out of those income accruals and payments *in lieu* of income accruals, as in the opinion of the manager represents a fair proportion, at the pricing date, of the permissible deductions for the relevant accounting period;
- C** = the total number of participatory interests in issue in the portfolio on the pricing date.”

30. “MANAGER MAY SELL PARTICIPATORY INTEREST IN EXCHANGE FOR ASSET

- 30.1 Subject to and in accordance with the following provisions, the manager may secure the creation and issue of, or sell a participatory interest in a particular portfolio by way of exchange for an asset upon such terms as the manager may think fit.
- 30.2
- 30.3
- 30.4 The manager and the trustee must be satisfied that the exchange is not likely to prejudice existing investors.”

31. “MANAGER’S CHARGE TO THE INVESTOR

- 31.1 The manager shall be entitled to charge the investor any of the charges set out in clause 31.6 below:
- 31.2 The amount of the manager’s charge, if any, must be fixed by the manager in its discretion and –
- 31.2.1 may be expressed as a percentage of the amount received, or proceeds paid; or
 - 31.2.2 may be calculated in terms of clause 31.5 in accordance with a sliding scale; or
 - 31.2.3 may be a fixed amount per specific type of transaction, which amount must be disclosed to the investor; or
 - 31.2.4 may be a combination of the above.
- 31.3 The manager must give not less than three months’ written notice to investors of any increase in the manager’s charge or any change in the method or calculation thereof that could result in an increase thereof.
- 31.4 Nothing herein contained precludes the manager from reducing the manager’s charge or from not rendering any manager’s charge.
- 31.5 The scale of the manager’s charge applicable to varying sizes of investment, if any, must be determined and published by the manager in all relevant marketing material.
- 31.6 For the purpose of this scheme the following manager’s charges (if any) shall be applicable:
- 31.6.1 **Upfront manager’s charge**
- In relation to a participatory interest, means that portion of the amount received from an investor which represents the manager’s charge in respect of expenditure incurred and administration performed by it in connection with the creation, issue and selling of such participatory interest which, subject to any notice referred to in clause 31.3,
- is expressed as a percentage of the consideration received from an investor; and
 - is calculated in terms of clause 31.5 in accordance with a sliding scale.

31.6.2 Manager's charge, charged on exit

In relation to a participatory interest, means that portion of the proceeds of the sale of the investor's participatory interests, as determined by the manager from time to time, which represents the manager's charge in respect of expenditure incurred and administration performed by it in connection with the repurchase of such participatory interests, which, subject to any notice referred to in clause 31.3,

- is expressed as a percentage of the proceeds from the sale of the investor's participatory interests;
- is calculated in terms of clause 31.5 in accordance with a sliding scale reducing over a period as determined by the manager from time to time; and
- may not be charged in addition to an upfront manager's charge levied at the time of the purchase of such participatory interests.

31.6.3 The manager may at any time in its discretion waive or rebate any, or any portion of the charges referred to in clause 31.6, either in respect of all investors, any category of investors or any particular investor."

35. "MANAGER TO REPURCHASE PARTICIPATORY INTERESTS

35.1 Given that the participatory interests are listed on the JSE, investors shall be able to sell their participatory interests on the secondary market through a trade on the JSE.

35.2 However, it shall be incumbent on a manager to repurchase any number of participatory interests offered to it by an investor as determined in this Deed for cash or one or more baskets (at the election of the investor).

35.3. Notwithstanding anything to the contrary set out in this Deed, if, pursuant to a request from an investor for the delivery of one or more baskets, the manager is unable to deliver any of the securities comprised in the basket of securities to an investor exercising its repurchase rights:

35.3.1 as a result of the suspension or de-listing of one or more of the securities on the relevant exchange, then such security or securities shall be excluded from the portfolio and delivered within three business days after the suspension is lifted or after the de-listed securities become available, as the case may be;

35.3.2 for any reason other than a suspension or de-listing, then the security or securities in question will be excluded from the basket of securities delivered to the investor and such investor will instead be paid an amount in cash equal to the value of the security or securities in question (being the ruling price quoted on the relevant exchange at close of trade on the date on which the repurchase notice was received by the manager).

35.4

35.5

35.6 A manager, when it receives a request for repurchase of participatory interests under circumstances determined by the Registrar under section 114(3)(f) of the Act –

35.6.1 may, with the prior consent of the trustee; or

35.6.2 must, without delay when the trustee so requires,

suspend the basis of the repurchase of the relevant participatory interests, if the manager or trustee, as the case may be, is of the opinion that the circumstances referred to, warrant the suspension in the interests of investors.

35.7 The repurchase of such participatory interests shall be priced and settled in accordance with the conditions determined by the Registrar under section 114(3)(f) of the Act."

37. "REPURCHASE PRICE

Subject to clause 35, the repurchase price per participatory interest payable by the manager must be the amount determined in terms of clause 28...."

38. "DATE OF PAYMENT OF REPURCHASE PRICE

Subject to clauses 35.6 and 35.7, payment in respect of an offer for the repurchase of a participatory interest must be made to the holder of such participatory interest within 14 days of the receipt of such offer."

44. "PAYMENT OF RECEIPTS TO TRUSTEE"

- 44.1 The following receipts in cash must be deposited in a separate trust account for each or all portfolios with a bank, registered in terms of the Banks Act, 1990 (Act 94 of 1990), or the Mutual Banks Act, 1993 (Act 124 of 1993), being an account under the control and supervision of the trustee:
- 44.1.1 All monies which are received for investment as a result of the sale of participatory interests;
 - 44.1.2 all dividends, interest or other income which accrue to the underlying assets; and
 - 44.1.3 the proceeds of all capital profits, rights and bonus issues.
- 44.2
- 44.3
- 44.4 All income accruals received during an accounting period must be credited to an account called the "Income Account" ... under the supervision and control of the trustee. If a portfolio receives any bonus, right or benefit in respect of any of the assets, whether in cash or scrip or by warrant, cheque, credit or otherwise, which is in the nature of income, the manager must convert such bonus, right or benefit into cash for the credit of the relative Income Account. Any other bonus, right or benefit must be treated as a capital gain and must be included in the relevant portfolio. No new participatory interests may be created out of income accruals or such capital gains.
- 44.5 All amounts received *in lieu* of income accruals from the creation and sale of participatory interests in a portfolio during an accounting period and all amounts received as income accruals in terms of clause 44.4 must be credited to the Income Account in that portfolio at the next distribution date."

45. "MANAGER'S DECISION ON NATURE OF BONUS CONCLUSIVE"

If any doubt arises as to whether any bonus, right or benefit referred to in clause 44.4 constitutes an income accrual or a capital gain, such question must be resolved by the manager after consulting the trustee and the auditors, and such resolution is conclusive."

46. "DISTRIBUTION OF INCOME"

- 46.1 The manager must on each declaration date publish an announcement in compliance with the JSE Listings Requirements notifying investors ... the amount verified by the trustee as available for distribution in that portfolio
- 46.2 On each ex dividend date, the amount required to effect distribution must be set aside and may no longer be taken into account in determining the market value of a portfolio for the purpose of calculating the selling and repurchase prices of a participatory interest. On each declaration date the said amount shall be transferred from the Income Account to a Distribution Account under the supervision and control of the trustee, which must be distributed for the benefit of investors The aggregate balance remaining to the credit of the Distribution Account on completion of the distribution shall be carried forward and added to the amount available for distribution in the next accounting period.
- 46.3 The amount available for distribution will be paid to investors on the business day immediately following receipt by the Trustee of the last of the income accruals and payments *in lieu* of income accruals accruing to the portfolio in respect of the accounting period in question, which shall be a date not later than the distribution date."

47. "DETERMINATION OF AMOUNT AVAILABLE FOR DISTRIBUTION"

An amount equal to the income accruals during the accounting period plus all payments *in lieu* of income accruals accruing to the portfolio during the accounting period, and any balance carried forward, less any permissible deductions, must be distributed to investors."

48. "CHARGES AND METHOD OF CALCULATION

- 48.1 The charges that may be levied in respect of a portfolio and the method of calculation of those charges are set out in the supplemental deed establishing each portfolio.
- 48.2 The manager may, subject to clause 48.1, change any charge of a portfolio or change the method of calculation of such charge or introduce an additional charge: Provided that any such change or introduction of an additional charge that could result in an increase of charges for investors is of no force unless the manager has given not less than 3 months' written notice to every investor and has effected the necessary amendment to this deed or such supplemental deed."

49. "PAYMENT OF SERVICE CHARGE

- 49.1 The manager shall be entitled to a service charge payable at the end of every accounting period out of the income account of the portfolio in question.
- 49.2 The manager shall be permitted on the last day of each of the first five months in each accounting period to receipt of an advance against the service fee, provided that such monthly advance shall never be greater than $\frac{1}{12}$ (one twelfth) of the annual fee ("**the advance**"). The advance shall not bear interest and the manager shall not be required to provide security in respect thereof.
- 49.3 At the end of each accounting period the manager shall advise the trustee in writing as to whether its service fee for the accounting period in question shall be the fee set out in the supplemental deed establishing the portfolio in question or a lower amount (in which event it shall specify such lower amount).
- 49.4 The advance paid to the manager during the accounting period in question shall be set off from the service fee payable at the end of the accounting period to the manager. To the extent that the amount of the advance exceeds the service fee payable to the manager for the accounting period in question, the manager shall pay the shortfall to the trustee by no later than 7 (seven) days after the end of the relevant accounting period.
- 49.5 If there is a shortfall in the Income Account –
- 49.5.1 participatory interests may be issued to the manager; or
 - 49.5.2 an amount deducted from the Capital Account may be paid to the manager, equal in value to such shortfall."

63. "FINANCIAL YEAR-END OF MANAGER AND PORTFOLIO

The financial year-end of the manager and of each portfolio of the scheme is the end of December of each year."

65. "AMENDMENT OF DEED AND BALLOTING OF INVESTORS

The consent of investors for an amendment of the ITRIX Deed must be obtained in the following manner (provided that the consent of the JSE thereto has also been obtained):

- 65.1 Where such an amendment only affects one or more than one class of participatory interests in a portfolio, the investors, excluding the manager, holding no less than 25 per cent in value of the total number of participatory interests then issued in that class of participatory interests or those classes of participatory interests of that portfolio, as the case may be, must respond in writing in a ballot conducted by the manager. The amendment must be consented to by investors holding a majority in value of the participatory interests held by the investors who have responded.
- 65.2 Where the amendment affects more than one or all the portfolios in the scheme, investors, excluding the manager, holding no less than 25 per cent in value of the total number of participatory interests then issued in those portfolios affected, must respond in writing. The amendment must be consented to by investors holding a majority in value of the participatory interests held by the investors who have responded.

- 65.3 If the investors holding less than 25 per cent in value of the total number of participatory interests then issued have responded in accordance with clauses 65.1 and 65.2, a second ballot must be conducted. In this ballot investors holding a majority in value of the participatory interests held by the investors who have responded, must consent to the amendment.
- 65.4 Every registered investor may vote in the case of a ballot in respect of each participatory interest held by him or her:
- 65.5 ...
- 65.6 For the purposes of clauses 65.1, 65.2 and 65.3 only ballot papers which are received by the manager within thirty business days after dispatch to investors may be taken into account and be regarded as valid. Ballot papers must be counted by the auditors of the scheme and their finding, as conveyed in writing to the manager, is final and binding.”

PREVIOUS AND CURRENT DIRECTORSHIPS AND PARTNERSHIPS HELD BY THE DIRECTORS OF THE MANAGER

Niall Smith: Deutsche Securities (Proprietary) Limited, Satrix Managers (Proprietary) Limited and JSE Limited

Roger Koep: Satrix Managers (Proprietary) Limited, Marlin Holdings (Proprietary) Limited, Marlin Corporation Limited and Gallic Highbury (Proprietary) Limited

Freda Evans: Satrix Managers (Proprietary) Limited, Indexco Limited, Indexco II Limited and Indexco III Limited

Allan Thomson: Satrix Managers (Proprietary) Limited

None of the directors of the manager has been involved in or has been subject to any –

- bankruptcies, insolvencies or individual voluntary compromise arrangements;
- receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the director is or was a director with an executive function at the time of or within twelve months preceding such events;
- compulsory liquidations, administrations, or partnership voluntary arrangements of any partnerships where the director was a partner at the time of or within twelve months preceding such events;
- receiverships or any asset/s of such person or of a partnership of which the individual is or was a partner at the time of or within the twelve months preceding such event;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company; or
- offence involving dishonesty.

SALIENT PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF ITRIX MANAGERS (THE “COMPANY”)

Main business

“The main business of the Company is to carry on the business of a manager of one or more collective investment schemes in accordance with Section 42 of the Collective Investment Schemes Control Act, No 45 of 2002 (“the Act”) or in terms of such other regulations or conditions as may be determined by the Registrar of Collective Investment Schemes in terms of the Act from time to time and for that purpose to enter into one or more Deeds with trustees and/or trustees in order to establish and register under the Act collective investment schemes or for such other purpose as may be approved by the Registrar of Collective Investment Schemes from time to time.”

Main object

“The main object of the Company is to create and cause to be registered under the Collective Investment Schemes Control Act, No 45 of 2002 (“the Act”), one or more collective investment schemes and for that purpose to enter into deeds with trustees and/or trustees in terms of which the Company is appointed and acts as a manager of one or more collective investment scheme/s in accordance with Section 42 of the Act and to do everything necessary to manage and administer such collective investment scheme/s and to carry out the obligations and functions of such manager, in particular to transfer assets to the trustees or trustees with the object of issuing participatory interests in the portfolio/s of such collective investment scheme/s and to purchase, sell, repurchase and cancel participatory interests as contemplated in the Act and as determined by the Registrar of Collective Investment Schemes or in terms of such other regulations or conditions as may be determined by the said Registrar in terms of the said Act from time to time.”

SUBSCRIPTION CONDITIONS AND PROCEDURES

The subscription conditions and procedures set out below are applicable both to the initial offer and any subsequent subscriptions (other than secondary market trades) thereafter.

Retail subscribers

There is no limitation on resident individuals, subscribing in their capacity as natural persons, to acquire ITRIX securities, however in terms of current Exchange Control Regulations no trusts may apply to invest in ITRIX securities.

Institutional subscribers

Only Pension Funds, Long-Term Insurers and registered Collective Investment Scheme managers may apply, unless specific exchange control approval has been obtained. The applicant must prior to applying, have obtained its relevant Exchange Control approval, referenced to a valid Exchange Control Authority number. Other corporate entities and trusts are not permitted in terms of the Exchange Control Regulations to apply.

Non-Residents

No Exchange Control restrictions are applicable to non-residents.

1. CONDITIONS OF THE INITIAL OFFER

- You cannot withdraw an application once submitted. It will be irrevocable.
- All subscription for ITRIX securities will be treated as primary market acquisitions and no application forms are required.
- All subscribers to ITRIX securities must have a valid account with a broking member of the exchange and must either be a controlled or a non-controlled client. Standard Securities, trading as Standard Bank Online Share Trading, has been appointed as the participating broker, to assist first time retail clients in opening an account. Further information can be obtained on their website at <https://www.scmb.co.za/Equities/index.html>. Subscribers that do not have an account with a JSE member can contact Standard Bank Online Share Trading or any other broker on the JSE to open an account. A list is available on the JSE website at www.jse.co.za.

2. SUBSCRIPTIONS AND REDEMPTIONS AFTER THE INITIAL OFFER

You must contact the manager, the contact details of which are set out on the inside front cover of this circular.

3. CASH SUBSCRIPTIONS

Your payment may be made either in South African currency (Rands) or in the Index currency.

Rand subscriptions

Resident South African subscribers must be aware of the Exchange Control limitations applicable to Rand subscriptions.

Qualifying Institutional Investors must have the approval of the Exchange Control authorities.

Rand cash subscriptions under the initial offer must be in a minimum amount of R10 000 (or in multiples of R10 000).

Index currency subscriptions under the initial offer must be in a minimum amount of 100 000 ^{Index currency} _{units} (e.g. £100 000 or €100 000).

A cash subscription under the initial offer will be based upon the amount which an applicant applies to invest in ITRIX securities rather than a function of how many ITRIX securities an applicant wishes to acquire in terms of the subscription. The cash subscription price and the number of ITRIX securities to be issued to an applicant for cash will be determined by the amount which the applicant invests (net of the transaction costs and applying the specified exchange rate) of the *pro rata* cost to the fund of acquiring the underlying basket.

Following the close of the initial offer there shall be a ramp up period during which the fund will acquire the appropriate underlying baskets of shares (comprising the Index) utilising the cash raised during the initial offer period (simultaneously with or after conversion of any Rands received during the initial offer period to the Index currency).

After the ramp up period the manager shall publicly announce the number of ITRIX securities allotted and issued per the letters of allotment (“LAs”) together with details of the basis on which ITRIX securities were allocated under the initial offer. Investors should be aware that transaction costs will be deducted from the subscription amount accompanying their applications, and accordingly, the relevant subscription amount (less transaction costs) shall be invested in ITRIX securities. The LAs will then be converted into ITRIX securities in accordance with the published conversion ratio. Although the basis of allocation will be publicly announced on the trading day following the end of the ramp up period, applicants will only be informed of their actual individual allocations on receipt of their statements from their broker or CSDP. Accordingly applicants who deal prior to the receipt of their statements do so at the risk of selling ITRIX securities in respect of which they have not received confirmation of an allocation.

All taxes, duties, custody charges, brokerage fees, JSE Insider Trading fees and any other costs and expenses will be for your own account.

ITRIX securities will not be issued unless ITRIX’s CSDP (as appointed by the manager from time to time) (“Issuer CSDP”), is satisfied that the relevant securities and the requisite cash amount have been received by it.

ITRIX securities will be issued to successful applicants and will be booked to applicants’ relevant securities account in the books of their broker or CSDP on the listing date, provided that the aforesaid requirements have been fulfilled and the minimum investment criteria have been met.

Neither ITRIX, ITRIX Managers, the trustee, the manager nor the JSE Issuer Services Division will accept responsibility for any payment made, LA or statement that is lost or stolen in the post.

Cash subscriptions (foreign currency)

Only subscriptions in the Index currency will be accepted. A specified minimum Index currency will be applicable for foreign currency subscriptions, as will be detailed in the relevant supplement. The subscriber must contact the manager directly prior to subscribing and confirm its South African CSDP details.

“In specie” subscriptions

Investors subscribing for ITRIX securities *in specie*, by the delivery of one or more full baskets of shares, are obliged to subscribe for securities in blocks of 100 000 ITRIX securities.

The subscription price under the initial offer in respect of 100 000 ITRIX securities shall be discharged by the delivery of a single basket of shares. In addition to the delivery of a basket, an applicant shall be required to pay, in cash, *inter alia*, a *pro rata* portion of the income accruals.

ITRIX securities will not be issued unless the Issuer CSDP is satisfied that the relevant securities and the specified cash amount have been received by it.

Procedures

Investors must give their broker or CSDP instructions that they wish to subscribe for ITRIX securities. Such an instruction is akin to an instruction to purchase on the market, is irrevocable and is binding on the client and the broker or CSDP.

The procedures for subscriptions, which will be in accordance with STRATE’s requirements, will be available from the manager, contact details of which are set out on the inside front cover.

Investors wishing to subscribe *in specie* should contact the manager directly prior to subscribing and confirm their South African CSDP details. The manager will publish on its website the basket constituents and the specified cash amount for the subscriptions.

FORM OF SUPPLEMENT

SUMMARY OF OFFERING

- | | |
|--|----------------------------|
| 1. Issuer/Portfolio | _____ |
| 2. ISIN | _____ |
| 3. Share code | _____ |
| 4. Long name | _____ |
| 5. Abbreviated name | _____ |
| 6. Index | _____ |
| 7. Description of participatory interests | _____ |
| 8. Listing on the JSE | _____ |
| 9. Index currency | _____ |
| 10. Distribution or accounting period | _____ |
| 11. Index exchange | _____ |
| 12. Index jurisdiction | _____ |
| 13. Opening date of the initial offer | _____ |
| 14. Closing date of the initial offer | _____ |
| 15. Ramp up period commences | _____ |
| 16. Listing date | _____ |
| 17. Ramp up period ends | _____ |
| 18. Publication of announcement on SENS as to the results of the initial offer | _____ |
| 19. Any other special conditions and modifications to the terms and conditions in respect of the ITRIX participatory interests | _____ |
| 20. Investment policy | Refer to Annexure A |
| 21. Management fee | Refer to Annexure B |
| 22. Composition of the Index | Refer to Annexure C |
| 23. Performance of the Index: | Refer to Annexure D |

Please refer to the ITRIX offering circular for further information regarding the participatory interests.
