

THIS SUPPLEMENT CONTAINS IMPORTANT INFORMATION ABOUT BIPS AND THE BIPS TOP 40 SECURITIES AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THE BIPS ETF PROGRAMME OR THIS SUPPLEMENT, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.

The directors of Bips Investment Managers (Pty) Limited, whose names are set out on the inside cover of this supplement, collectively and individually, accept full responsibility for the accuracy of the information contained in this supplement (as read together with the Bips ETF Programme Memorandum) and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement herein false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this 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 the Securities referred to herein, the investor is advised to contact his JSE broker or professional advisor.



Beta Investment Performance Securities

FIRST SUPPLEMENT

to the

ETF PROGRAMME MEMORANDUM

issued on 2 October 2008

in respect of

the Bips Collective Investment Scheme
("Bips Investment Managers")

registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002

being an

ETF OVER THE FTSE/JSE TOP 40 INDEX

Application has been made to and granted by the JSE for the listing of the Bips TOP 40 Securities under the abbreviated name "BIPSTOP40" in the "Exchange Traded Funds" sector on the JSE.

Abbreviated name: "BIPSTOP40"

Share code: "BIPS40"

ISIN: ZAE000127767

A copy of this supplement in the English language only is available at the registered office of Bips Investment Managers.

Prospective purchasers of any Exchange Traded Funds should ensure that they fully understand the nature of the Exchange Traded Fund, the possible Exchange Control implications and the extent of their exposure to risks, and that they consider the suitability of the Exchange Traded Fund as an investment in light of their own circumstances and financial position. The JSE's approval of the listing of the Bips Securities is not to be taken in any way as an indication of the merits of an ETF or of the Bips Securities. The JSE has not verified the accuracy and truth of the contents of the documentation 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 Bips Securities on the JSE and in accordance with the terms of the rules of the Guarantee Fund and can in no way relate to the issue of Bips Securities.

Originator



RAND
MERCHANT
BANK

A division of FirstRand Bank Limited

Sponsor

The logo for Bridge Capital, consisting of a solid black rectangle with the words "BRIDGE" and "CAPITAL" in white, uppercase, sans-serif font, stacked vertically.

BRIDGE
CAPITAL

CORPORATE INFORMATION

Originator

Rand Merchant Bank
(a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton
PO Box 786273, Sandton, 2146

Manager

Bips Investment Managers (Pty) Limited
(Registration number 2006/036970/07)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton
PO Box 786273, Sandton, 2146

Independent Fiduciary Agent, Issuer CSDP & Authorised dealer

ABSA Bank Limited
(Registration number 1986/004794/06)
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6th Floor
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Johannesburg, 2001
PO Box 31218, Marshalltown, 2107

Company Secretary of the manager

Bruce Unser
4 Merchant Place
Corner Fredman Drive and Rivonia Road
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PO Box 786273, Sandton, 2146

Directors of Bips Investment Managers (Pty) Limited

Louis Johannes Grobbelaar*
Leonard Jordaan
Abraham van Heerden*
Ryan David Proudfoot*

* Non-executive

Sponsor

Bridge Capital Advisors (Pty) Limited
(Registration number 1998/016301/07)
2nd Floor
27 Fricker Road
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Market Maker

RMB Securities (Pty) Limited
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Corner Fredman Drive and Rivonia Road
Sandton
PO Box 786273, Sandton, 2146

Auditors

PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
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Bankers

FirstRand Bank Limited, Rand Merchant Bank Division
1 Merchant Place
Corner Fredman Drive and Rivonia Road
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PO Box 786273, Sandton, 2146

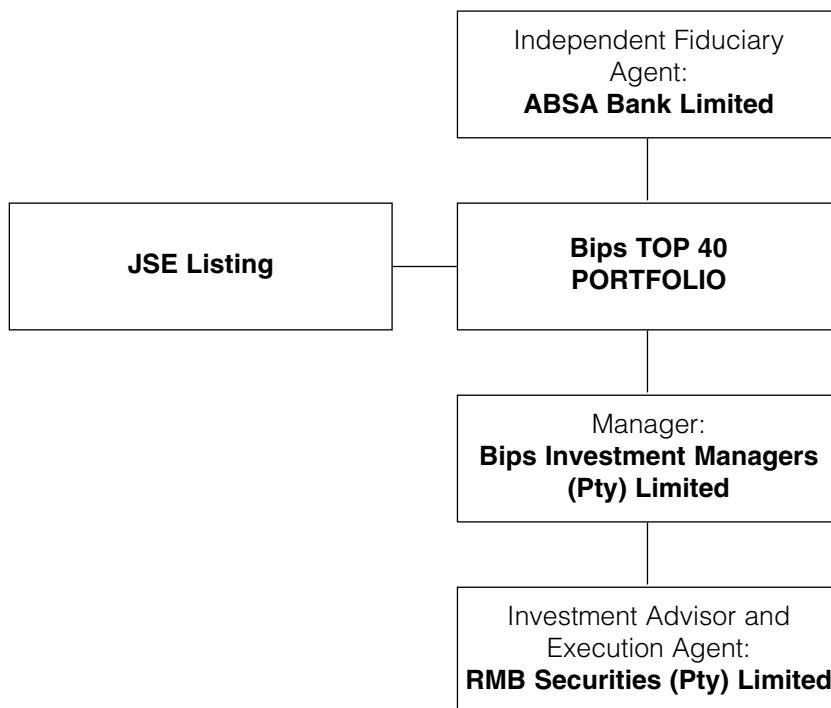
SUPPLEMENT IN RESPECT OF THE ETF PROGRAMME MEMORANDUM TO SUBSCRIBE FOR SECURITIES IN THE BIPS TOP 40 PORTFOLIO OF THE BIPS COLLECTIVE INVESTMENT SCHEME

1. SALIENT DATES AND TIMES

	2008
Publication of the listing announcement on SENS	Wednesday, 8 October
Listing Date	Wednesday, 15 October

2. STRUCTURE

The Bips Top 40 Portfolio is managed by Bips Investment Managers (Pty) Limited. The Manager is an approved manager of Collective Investment Schemes and as such is governed in terms of the Collective Investment Schemes Control Act, 2002. The Manager has entered into an agreement with the Investment Advisor, RMB Securities (Pty) Limited, in terms of which the Investment advisor will monitor changes to the Index constituents and execute transactions to reflect these changes on behalf of the Manager. Absa Bank Limited will act as the Independent Fiduciary Agent; their role will encompass, inter alia, the protection of investors' interests, by fulfilling a fiduciary role.



3. GENERAL

- 3.1** The contents of this supplement form part of the Bips ETF Programme Memorandum issued on 2 October 2008. The contents of the Bips ETF Programme Memorandum will apply to the issue and listing of the Securities described herein and will be supplemented by the contents of this supplement. In the event of any conflict between the contents of this supplement and the contents of the Bips ETF Programme Memorandum, the contents of this supplement will prevail.
- 3.2** This supplement sets out the salient terms in respect of the listing of the Bips TOP 40 portfolio.
- 3.3** Bips Securities are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc ("the Exchange"), the JSE Limited (" the JSE") or The Financial Times Limited ("FT") and neither FTSE, the Exchange, the JSE nor FT make any 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 Index stands at any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE, the Exchange, the JSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE, the Exchange, the JSE nor FT shall be under any obligation to advise any person of any error therein.
- 3.4** There are no preferential conversion and/or exchange rights attached to Bips TOP 40 Securities.
- 3.5** No director of Bips Investment Managers (Pty) Limited has any interest in any transaction entered into by Bips Investment Managers (Pty) Limited.
- 3.6** There are no options or preferential rights attached to Bips TOP 40 Securities.
- 3.7** There are no amounts paid or payable to any promoter in respect of Bips TOP 40 Securities.

4. SUMMARY OF THE OFFERING

- | | |
|---|--|
| 4.1 Issuer/Portfolio | Bips Top 40 Portfolio, a portfolio in the Bips Collective Investment Scheme, registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 |
| 4.2 ISIN | ZAE000127767 |
| 4.3 Share code | BIPS40 |
| 4.4 Abbreviated name | BIPSTOP40 |
| 4.5 Securities to be listed | Bips Top 40 Securities to the value of approximately R43 million will be listed on the Listings date. |
| 4.6 Index | The FTSE/JSE TOP 40 Index represents the 40 largest stocks which have a listing on the JSE. The FTSE/JSE TOP 40 Index was established during the 1960s and is a market-cap weighted index which is free float adjusted. Bips Investment Managers has obtained permission to use the name and track the Index, this has been provided for in terms of a licensing agreement |
| 4.7 Description of participatory interests | Bips Top 40 Securities |
| 4.8 Distribution or accounting period | The portfolio will make distributions quarterly, being at the end of March, June, September and December |
| 4.9 Any other special conditions and modifications to the terms and conditions set out in the Bips ETF Programme Memorandum dated 2 October 2008 | N/A |

4.10 Investment Policy

Refer to **Annexure A**

4.11 Management and other fees

Refer to **Annexure B**

4.12 Preliminary expenses

Refer to **Annexure C**

4.13 Composition of the Index

Refer to **Annexure D**

4.14 Performance of the Index

Refer to **Annexure E**

4.15 Borrowings

At the date of this supplement, no borrowings have been incurred by Bips Investment Managers

INVESTMENT POLICY

- The aim of the portfolio is to provide returns linked to the performance of the FTSE/JSE Top 40 Index (“the Index”) in terms of both price performance as well as income from the component Securities of the Index. The portfolio will aim to track the performance of the Index.
- In order to achieve the abovementioned objective, the portfolio will generally invest in all of the component Securities of the Index in proportion to their weighting in the Index and will under normal circumstances aim to invest at least 90% of its total assets in the shares, or equivalent Securities, composing the Index.
- However, due to various factors, including the costs and expenses involved as well as illiquidity of Securities, it may not be possible or practicable to purchase all of the component Securities in their weightings or purchase them at all. In such event, the Investment Advisor may use quantitative techniques to hold a representative sample of the Index. Such techniques involve considering the inclusion of each security into the portfolio of the Company based on its investment characteristics, fundamental characteristics and liquidity.
- In no event will the portfolio be managed according to the traditional approach of active investment management, rather a passive approach will be applied.
- The portfolio may hold liquid assets on an ancillary basis.
- The portfolio aims to hold component Securities in the Index so that the weighting of each security it holds does not diverge substantially from the weighting of that component in the Index.
- The portfolio will not exercise any voting rights in respect of constituent Securities.

MANAGEMENT AND OTHER FEES

- A management fee of 0.1% per annum, is payable to the Manager monthly.
- The manager must give not less than three months' written notice to investors of any change in the manager's fee or any change in the method of calculation thereof that could result in a change in fees.
- An upfront fee may be charged in connection with the expenditure incurred and administration performed in respect of the creation, issue and sale of Securities. Such fees will 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.
- An exit fee may be charged in connection with the expenditure incurred and administration performed in respect of the repurchase of Securities. These fees will be expressed as a percentage of the proceeds from the sale by the investor of Bips TOP 40 Securities and charged on a sliding scale.

PRELIMINARY EXPENSES OF THE INITIAL OFFER

The preliminary expenses of the initial offer (stated exclusive of VAT) together with the ongoing listing and sponsor fees, are set out below:

Expense	Rand
JSE documentation inspection fee	4 500
Sponsor fees	30 000
Documentation Drafting Costs (Per supplement)	30 000

The fees detailed above are borne by Bips Investment Managers (Pty) Limited and will not be passed on to purchasers of Bips TOP 40 Securities.

COMPOSITION OF THE INDEX

The FTSE/JSE Africa Index Series is designed to represent the performance of South African companies, providing investors with a comprehensive and complementary set of indices, which measure the performance of the major capital and industry segments of the South African market. The FTSE/JSE Top 40 Index consists of the largest 40 companies ranked by market value.

Stocks are free-float weighted to ensure that only the investable opportunity set is included within the Index. Stocks are liquidity screened to ensure that the Index is tradable.

Top 10 Holdings at 26 September 2008

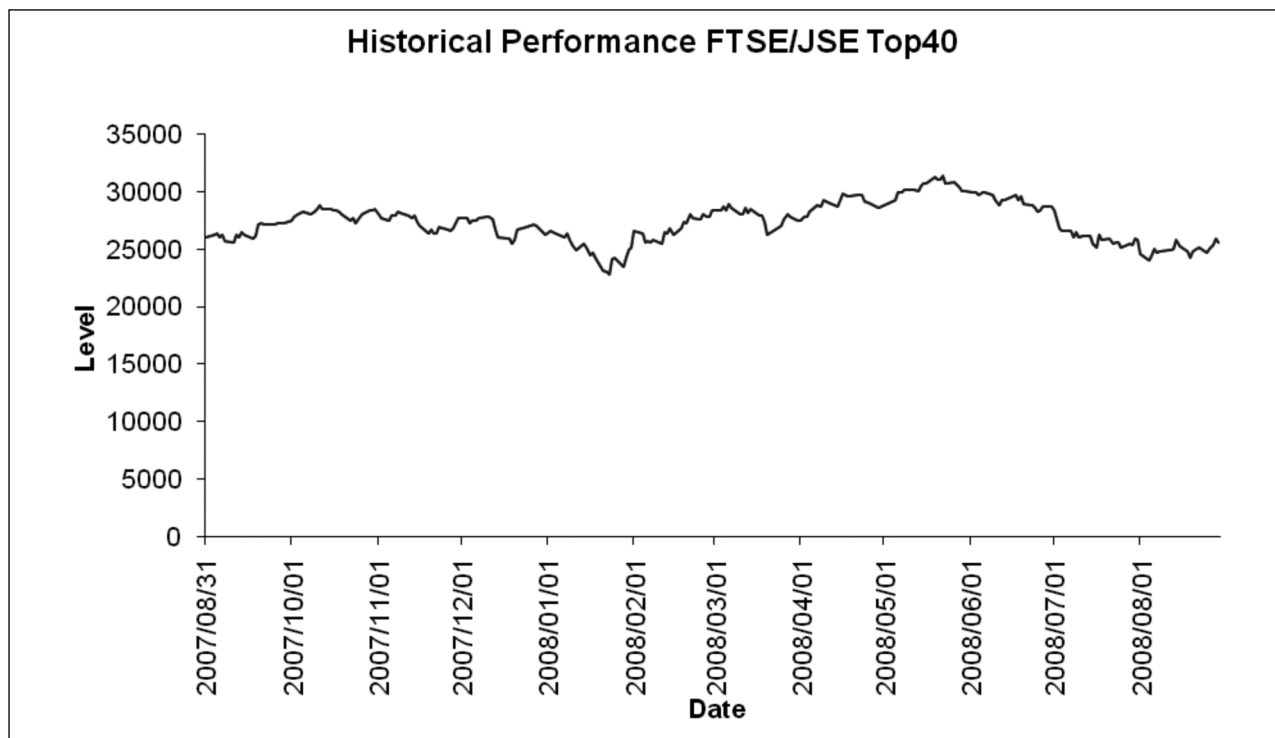
Constituent Stock	Weighting (%)
BHP Billiton	15.26
Anglo American	13.28
Sasol	8.09
Compagnie Financiere Richemont AG	6.65
MTN Group	6.48
SABMiller	6.18
Standard Bank Group	4.48
Impala Platinum Holdings	3.39
Remgro	2.75
Old Mutual	2.42

Source: **JSE Limited**

The summary above was correct at the time of the compilation of this circular. For updated information please visit the website of Bips Investment Managers (www.bipsetf.co.za).

HISTORICAL PERFORMANCE OF THE INDEX

The performance of the FTSE/JSE TOP 40 Index for the period ending 31 August 2008 is graphed below. Please note that past performance is not indicative of future performance.



Source: **Bloomberg**

INFORMATION ON SOUTH AFRICA

Population

47.9 million (2006 mid-year estimate)

Capital

Cape Town, Pretoria/Tshwane

Currency

South African Rand

Politics

The African National Congress (“ANC”) has dominated South Africa’s government since independence brought an end to white rule in 1994. The ANC, led by Nelson Mandela in 1994-99 and subsequently by Thabo Mbeki, won 62.7% of the vote in the country’s first truly democratic election in 1994, with its support rising to 69.7% in 2004.

Trading Relationships

South Africa’s main export destination is Europe which, if the UK is included, receives about half of South Africa’s exports. This is followed by Asia on 25% with the USA receiving around 8%.

South Africa’s oil imports mean that the middle-east is its main trading partner for imports, while for capital goods its main importer is Europe and the UK.

Dominant Industries

Mining and semi-processing

South Africa is blessed with natural resources, particularly minerals. It is the world’s leading producer of platinum-group metals, chrome, ferro-chromium, alumino-silicates, vanadium and vermiculite. It is the second largest producer of gold and one of the leading producers of manganese, titanium, zirconium, antimony, fluorspar and coal. South Africa is also one of the largest producers of uncut diamond gems.

While the number of people directly employed in mining has gradually reduced over the years, the number of people reliant on mining as a source of income, including family dependants and those employed in close ancillary trades, is probably nearer 4 million. The contribution of the mining sector to real GDP has remained around 7% in recent years and minerals currently represent about 35% of exports.

Gold

The rise in the price of gold in recent years has given a substantial boost to the sector, resulting in a number of marginal mine shafts being brought back into production. However, the increase in production is likely to be temporary. Between 1980 and 2006 gold’s share of South Africa’s visible exports fell from 51% to 8% and employment declined from 476 000 to 160 000, while the share of platinum-group metals in total visible exports increased from 5% to 13.5%, with employment numbers in this subsector rising from 77 000 to 151 000.

Platinum

Platinum-group metals (“PGMs”) are much in demand because of their use in the automotive sector as catalysts (particularly as emissions legislation becomes stricter) and in the chemical and computer-hardware industries, as well as in jewellery (especially in China and Japan). As a result, PGM prices have been buoyant for several years, and, on the back of high commodity prices, PGMs (principally platinum and palladium, but also rhodium, ruthenium and iridium) overtook gold as South Africa’s main export commodity in 2001. Output has risen steadily over the past two decades, owing to mine and plant expansions as well

as new operations. From 207 tonnes in 2001, production rose to 303 tonnes in 2005, overtaking gold production. Employment in the PGM sector rose from some 100 000 in 2001 to 155 000 in 2005. South African platinum firms are expanding domestically and regionally, with both greenfield and brownfield developments, in response to the positive outlook for PGMs.

Diamonds

South Africa is the world's fifth-largest diamond producer (Russia being the largest in terms of volume and Botswana the leader in value terms). A drive to increase production has taken place in recent years, spurred by increased global demand. A South African company, De Beers Consolidated Mines, accounts for about 97% of the country's diamond production and is also the world's largest producer of diamonds – although its share of global production has fallen in recent years.

Construction

In recent years the construction industry has experienced a boom in line with a significant pick-up in the property market and Government investment in national infrastructure. Major factors have been a decline in housing interest rates until mid-April 2005, income-tax breaks and demand from foreigners, along with the relatively good performance of property compared with other forms of investment.

Financial services

South Africa has a well-developed financial services sector, which has been increasingly liberalised. The sector is one of the largest and most deregulated within the emerging markets, with sophisticated banking, bond and insurance markets accounting for around 20% of GDP and 1.3 million jobs in total. Moreover, international ratings agencies Fitch Ratings, Standard & Poor's and Moody's Investor Services, have assigned a higher investment-grade rating for South Africa on the strength of its stable financial services sector.

Source: **The Economist Intelligence Unit**

