

Bips Exchange Traded Funds

Bips Top40



FUND DETAILS

Fund Name	Bips Top40
Underlying Index	FTSE/JSE Top40
	Consists of the largest 40 companies, by market capitalisation, listed on the JSE Limited.
Base Currency	ZAR
Trading Currency	ZAR
Index Ratio	1/1000
Management Fee	0.10%
Total Expense Ratio (TER)	-
Up front fee	0%
Distribution Dates	Quarterly, at the end of March, June, September and December.

LIST DETAILS

Listing Date	15 October 2008
Trading Code	Bips40
ISIN	ZAE000127767
Bloomberg Code	BIPS40 SJ EQUITY
Reuters RIC	BIPS40J.J

PERFORMANCE

	Fund	Index
1 Year	n/a	-20.25
3 Year	n/a	41.55
5 Year	n/a	166.28
5 Year Total Return (Dividends Reinvested)	n/a	207.23
Dividend Yield	n/a	4.66
P:E	n/a	9.25
P:E (5 Year Average)	n/a	14.07

Returns are quoted in ZAR

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Returns measured up to 30 September 2008
Source: Bloomberg

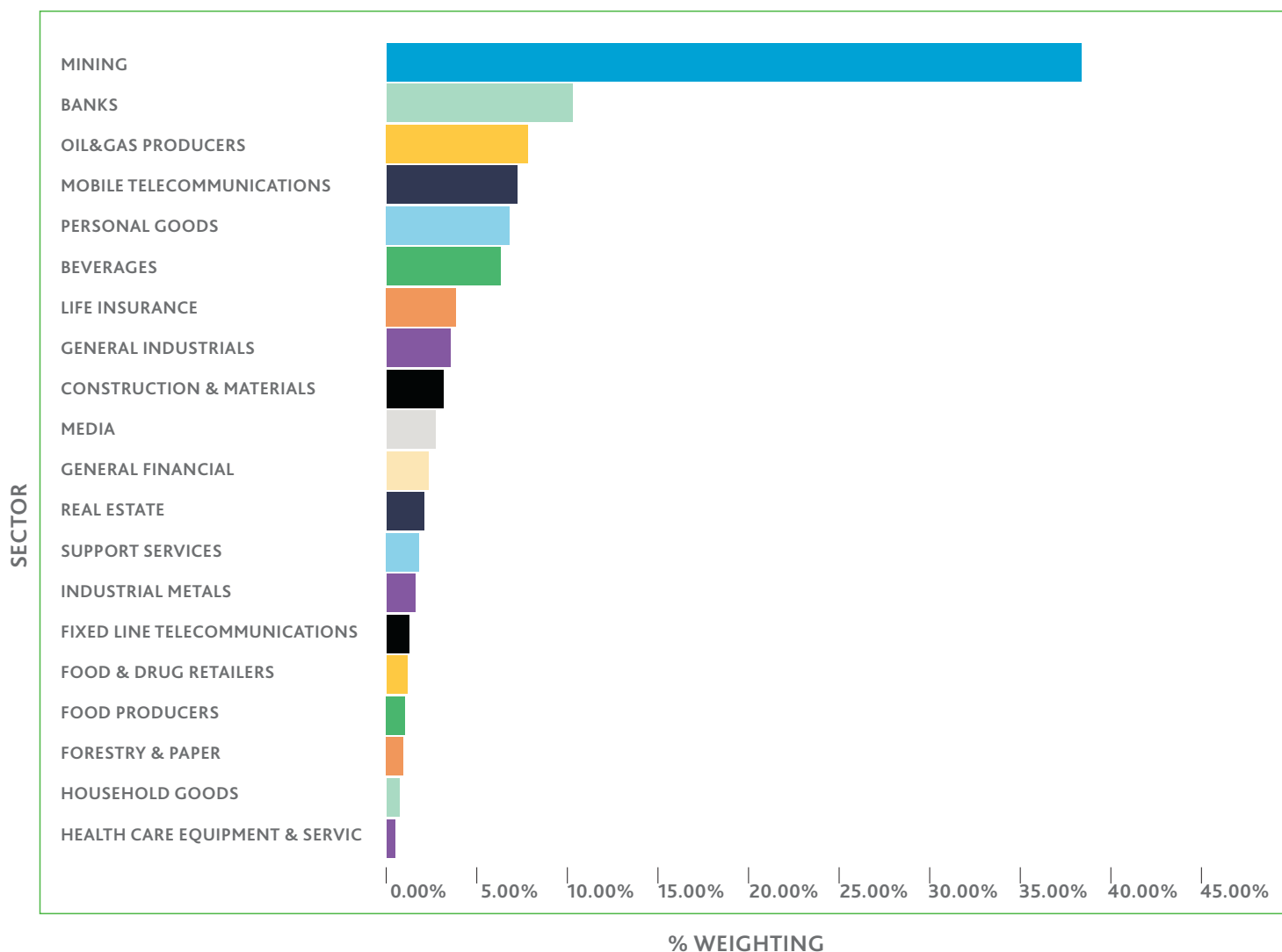
INDEX DETAILS

Number of Constituents 41
 Reuters RIC .JTOPI

Top 10 Holdings

1	BHP Billiton
2	Anglo American
3	Sasol
4	MTN Group
5	Richemont
6	Sasol
7	SAB Miller
8	Standard Bank Group
9	Remgro Limited
10	FirstRand Limited

TOP 40



RSA QUICK VIEW

Population	47.9m (2006 mid-year estimate)
Capital	Cape Town, Pretoria/Tshwane
Currency	Rand (R)=100 cents; average exchange rate in 2006: R6.76:US\$1; exchange rate on August 13th 2007: R7.18:US\$1

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 and Jacob Zuma, 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, fluor spar 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 4m. The contribution of the mining sector to real GDP has remained around 7% in recent years and mineral 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 1.3m 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.

Trading Relationships

DISCLAIMER

Exchange Traded Funds (ETFs) are Collective Investment Schemes in Securities (CIS) that trade on the JSE Limited. When trading in ETF's you may incur the normal costs associated with listed securities, including brokerage, settlement costs, Uncertificated Securities Tax (UST), other statutory costs and administrative costs. The price at which ETF's trade on the Exchange may differ from the Net Asset Value price published at the close of the trading day, because of intra-day price movements in the value of the constituent basket of securities.

The price at which a participatory interest trades on the JSE Limited may differ from the price at which Bips Investment Managers (Pty) Limited repurchases participatory interests and from the price published daily in the press in the listing of "unit trust prices"

Historic pricing is used to calculate the Net Asset Value of the fund.

Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Portfolio Objectives

Each Bips portfolio aims to replicate or track, before expenses, the performance of an applicable Index (the Index) in terms of both the price performance and the income from the component securities of the Index. This allows investors the opportunity to obtain market exposure to the performance of the Index in an easily tradable form through the shares being listed on the JSE Limited.

The investment policy of each portfolio is to replicate the price movement and income yield of the index that it is designed to track. This is achieved by purchasing the constituent securities in the same weighting as they are included in the relevant index. The asset manager is not mandated, nor incentivised, to outperform the index. It is anticipated that tracking error will not exceed 0.10%.

Risk factors

As with all investments, subscribing for, or purchasing shares in a Bips portfolio involves certain risks. Investors will be subject to the risks associated with equity and equity related securities, including tracking accuracy, secondary market trading risk, index risk, credit risk and those risks associated with the trading of derivatives.

Calculation of the Net Asset Value

Collective Investment prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, UST, VAT, auditor's fees, bank charges, trustee/custodian charges and annual management fees) from the portfolio, divided by the number of participatory interests in issue. The Net Asset Value and the NAV per share will be calculated on each valuation day. The Net Asset Value and the NAV per share will be determined on the basis of the last closing prices on the business day immediately preceding the valuation day or the last available prices from the markets on which the investments of the applicable Bips portfolio are traded.

Charges:

Quantifiable charges:

Initial Fee: 0%

Managers Annual Management Fee: up to 1.10%

Exchange Trading Fees:

- Brokerage
- Uncertificated Securities Tax (UST)
- Trading Fees (STRATE)
- Administration fees
- Statutory Fees

Other non-quantifiable charges:

Auditor's fees, bank charges, trustee and custodian fees

Brokerage and Uncertificated Securities Tax payable on the acquisition or disposal of the underlying assets in the portfolio.

The Bips portfolio's have a total expense ratio of a maximum of 1.14%. For the period from 1 January 2007 to 31 December 2007, 0% of the average Net asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include transaction costs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Details of Service Providers:

Local

Trustee

Absa Capital Investor Services

Entrance 6E1, 6th Floor, Absa Towers North, 180 Commissioner Street, Johannesburg, 2001
PO Box 61218, Marshalltown, 2107

Custodian

Absa Capital Investor Services

Entrance 6E1, 6th Floor, Absa Towers North, 180 Commissioner Street, Johannesburg, 2001
PO Box 61218, Marshalltown, 2107

Manager

Bips Investment Managers (Pty) Limited (Registration number 2006/036970/07)
1 Merchant Place, Cnr Fredman Drive & Rivonia Road, Sandton
P.O Box 786273, Sandton, 2146

The directors of Bips Investment Managers (Pty) Limited have no material interest in the shares or units of the funds. The directors are not remunerated for the discharge of their responsibilities and obligations .

The manager may borrow up to 10% of the market value of the portfolio for liquidity purposes. The manager may also engage in scrip lending of constituent securities of the fund, on the basis that collateral will at all times exceed the form and with the value of the loan, as prescribed by Collective Investment Schemes Control Act of 2002.

Historic pricing is used to value the shares and units.

At the date of this publication, no income has accrued in the portfolio and the various portfolios have made no distributions. Investors are able to obtain a figure of daily income accruals in each fund by visiting the Bips website (www.bipsetf.co.za).

The various portfolios are valued at 17:00 in the country in which the underlying assets are domiciled.

Notice of redemptions must be made to the manager by no later than 10:00 on the day prior to the intended trade day.

Bips Investment Managers (Pty) Limited is a member of the Association of Collective Investments and the Collective Investment Scheme is regulated and approved by the Financial Services Board in South Africa.

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