

The definitions and interpretations commencing on page 4 of this document (“**Programme**”) apply mutatis mutandis to this Programme, including this cover page.

THIS DOCUMENT (“PROGRAMME MEMORANDUM”) CONTAINS IMPORTANT INFORMATION ABOUT THE REALFIN ETF SCHEME (THE “SCHEME”) AND SHOULD BE READ IN ITS ENTIRETY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROGRAMME MEMORANDUM YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.

This Programme Memorandum forms the basis for a number of proposed future actively managed exchange traded funds (“**AMETFs**”) and index tracking Exchange Traded Funds (“**ETF**”)s (collectively “**RealFin ETF’s**”) that RealFin Collective Investment Schemes (RF) (Proprietary) Limited (“**the Manager**”) intends establishing. Each RealFin ETF will be registered under the Scheme, as a Collective Investment Scheme portfolio, and listed on the JSE Limited (“**JSE**”) as an exchange traded fund over a specific Index or as an AMETF. These separate RealFin ETF’s will be issued on the terms set out in this Programme Memorandum, subject to any other terms that may be contained in separate Supplements, which will be submitted to and approved by the JSE prior to listing. These Supplements must therefore be read in conjunction with this Programme Memorandum.

The directors of the Manager, whose names are set out on page of 10 of this Programme Memorandum, collectively and individually, accept full responsibility for the accuracy of the information contained in this 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 in this Programme Memorandum false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the Programme Memorandum contains all information required by law and the JSE Listings Requirements. RealFin shall accept full responsibility for the accuracy of the information contained in the Programme Memorandum, supplements and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

19.13(i)

RealFin Collective Investment Schemes (RF) Proprietary Limited Registration number 2013/170284/07 an approved Collective Investment Scheme Manager registered with the Financial Sector Conduct Authority under the Collective Investments Schemes Control Act, 2002.



REALFIN ETF PROGRAMME MEMORANDUM

Copies of this Programme Memorandum and the related Supplements are available only in English at the registered office of the Manager or its Website <https://realfin.co.za/ETFs/>.

Prospective investors in RealFin ETF Securities should ensure that they fully understand the nature of the exchange traded fund, not limited to the actively managed, as well as the inherent risks associated with investments in ETFs and AMETF's and that they consider the suitability of the RealFin ETF Securities as an investment in light of their own circumstances and financial position. Specialist securities involve a high degree of risk, including the risk of losing some or a significant part of their initial investment. Potential investors should be prepared to sustain a total loss of their investment in such securities. The securities represent general, unsecured, unsubordinated, contractual obligations of the issuer and rank pari passu in all respects with each other. Purchasers are reminded that the securities constitute obligations of RealFin only and of no other person. Therefore, potential purchasers should understand that they are relying on the credit worthiness of RealFin.

The JSE's approval of the listing of the RealFin ETF Securities should not be taken in any way as an indication of the merits of any of the RealFin ETF's to be established by the Scheme or of the associated RealFin ETF Securities. The JSE has not verified the accuracy and truth of the contents of the listing documentation submitted to it and, to the extent permitted by law, the JSE will not be liable for any claim of whatsoever. Additionally, the Manager is responsible for any settlement related to the participatory interests and the JSE nor any other exchange takes no responsibility for any such settlement. The JSE takes no responsibility for the contents of the Programme Memorandum, Supplements, or the annual financial statements (as amended or restated from time to time) or the amendments to the annual financial statements, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, Supplements, or the annual financial statements (as amended or restated from time to time).

19.13(a)(ix)

19.13(a)(xi)

19.13(a)(x)

The distribution of this Programme Memorandum and the offering for sale of the RealFin ETF Securities may be restricted by law in certain jurisdictions and as such, individuals who obtain a copy of the Programme Memorandum must inform themselves about and adhere to such restrictions.

11.44

The Programme Memorandum 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.

The taxation of investors differs across countries and is contingent upon the tax classification of the individual investor. Investors should seek independent professional tax advice.



**RealFin Collective Investment Schemes (RF)
Proprietary Limited**



Vunani Corporate Finance Proprietary Limited

Date of issue: 17 December 2024

CORPORATE INFORMATION AND ADVISERS

Manager

RealFin Collective Investment Schemes (RF)
Proprietary Limited
(Registration number 2013/170284/07)
347 Main Road, Kenilworth, 7708

Trustee

FirstRand Bank Limited
(Acting through its RMB Trustee Services
Division)
(Registration number 1929/001225/06)
3 Merchant Place, Ground Floor, Cnr
Fredman & Gwen Streets, Johannesburg,
2001

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Auditors

PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
5 Silo Square, V&A Waterfront, Cape Town,
8002

Sponsor

Vunani Corporate Finance Proprietary
Limited
(Registration number: 1998/001469/07)
Vunani House, Vunani Office Park,
151 Katherine Street, Sandown, Sandton,
2196

DEFINITIONS AND INTERPRETATIONS

In this Programme Memorandum, unless the context clearly indicates a contrary intention, the following expression shall have the meanings stated opposite them. All expressions in this Programme Memorandum 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.

19.13 (a)(i)
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“Accounting Period”	the accounting period as detailed in Scheme Deed, during which income received (if any) is distributed to investors;
“AMETF”	an actively managed exchange traded fund, being an open-ended fund listed on a stock exchange and traded like an ordinary share, enabling investors to gain exposure to a portfolio, through the purchase of one security;
“Applicant”	an investor who applies to subscribe for RealFin ETF Securities on the basis described in this Programme Memorandum and the relevant Supplements;
“Auditors”	the auditors to the Scheme as appointed by the Manager, and at the issue date being, PricewaterhouseCoopers Inc (Registration number 1998/012055/21)
“Basket” or “Basket of Securities”	a portfolio of Securities which comprises the minimum number of Securities/assets contained in the relevant Index or actively managed portfolio, in the same weighting as they are included in the Index or actively managed portfolio);
“Business Day”	a day other than a Saturday, Sunday or gazetted public holiday in South Africa;
“Cash Subscriptions”	collectively, Rand cash subscriptions and foreign currency cash subscriptions (if applicable);
“Closing Date”	the date on which the Initial Offer/Subsequent Offer closes, as set out in the relevant Supplement;
“Common Monetary Area”	includes South Africa, Eswatini, Lesotho and the Republic of Namibia;

“Companies Act”	the Companies Act, act 71 of 2008;
“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;
“CSDP”	a participant duly accepted by Strate as a Central Securities Depository Participant operating in terms of the Financial Markets Act, No. 19 of 2012;
“Distribution”	any distribution declared by a security held in a portfolio, whether in the form of interest, dividends, REIT income or otherwise;
“DSS Requirements”	means the debt and specialist securities requirements of the JSE pursuant to the provisions of the FMA for the listing of DS securities on the JSE, as amended from time to time;
“DS securities”	debt and/or specialist securities;
“Exchange Control Regulations”	the Exchange Control Regulations promulgated in terms of section 9 of the South African Currency and Exchanges (Act 9 of 1933), as amended;
“Executing Broker”	the broker appointed by the Manager who is responsible for the execution of orders received from the Manager;
“ETF”	an exchange traded fund, being an open-ended fund listed on a stock exchange and traded like an ordinary share, enabling Investors to gain exposure to an index or a specific group of assets through the purchase of one Security;
“FMA”	the Financial Markets Act 19 of 2012 as amended;
“FSCA”	the Financial Sector Conduct Authority in South Africa;
“Fund Manager”	the registered financial services provided appointed by the Manager to manage the portfolio, as detailed in each Supplement;

“Holder”	in relation to RealFin ETF Securities, the person or entity whose name is recorded in the Register at the relevant CSDP as the holder of such RealFin ETF Securities;
“In Specie Subscriptions”	applications for the acquisition of new RealFin ETF Securities settled “in kind” by the delivery of one or more securities;
“Income Accruals”	any dividends or interest or any other income for distribution: (i) received by the RealFin ETF 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;
“Index”	the Index as described in the relevant Supplement;
“Index Constituents”	the securities comprising the Index in the same proportion in which they are represented in the Index;
“Index Calculation Agent”	the authority responsible for the calculation of the Index as described in the relevant Supplement;
“Initial Offer”	the first offer made to potential Investors to subscribe for RealFin ETF Securities, as set out in this Programme Memorandum and 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, as specified in the relevant supplement;
“investors”	holders of “RealFin ETF” Securities;
“JSE”	JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of South Africa (Registration number 2005/022939/06) and licensed as an exchange in terms of the FMA;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Programme Memorandum, being 4 December 2024;
“LDT”	The last Business Day to trade in a RealFin ETF Security in order to settle by the Record Date, in order to qualify for or participate in a Distribution of income;

“Management fee”	the fee to be paid to the Manager in respect of its management of the “RealFin ETFs”;
“Market Maker”	the liquidity provider of the portfolios as appointed by the Manager from time to time, as detailed in each Supplement;
“Memorandum of Incorporation” or “MOI”	the memorandum of incorporation of RealFin Collective Investment Schemes (Proprietary) Limited (Registration number 2013/170284/07), an approved manager for collective investment schemes in securities in terms of the Collective Investment Schemes Control Act, 2002;
“NAV”	the net asset value of a portfolio;
“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 account in the client’s name. No funds are held by the broking member in such a case;
“Opening date”	the date on which the Initial Offer/Subsequent Offer opens, as set out in the relevant Supplement;
“Programme Memorandum”	this Programme Memorandum, including all the annexures, as read together with the relevant Supplement;
“Qualifying Institutional Investors”	South African retirement funds, long-term insurers, collective investment scheme managers, investment managers and corporate entities 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 acquire Baskets from the cash proceeds of an initial offer or subsequent Cash Subscriptions, as the case may be, which shall commence on the day immediately succeeding the Closing Date or the date of receipt of such Cash Subscriptions, as applicable, and shall end on a date as specified in the relevant Supplement to the Programme;
“Rand” or “R” or “ZAR”	Rand, the legal currency of South Africa;

“RealFin ETF” or “portfolio”	the securities comprising the assets in the AMETF or ETF representing a specific investment strategy as described in the relevant Supplement;
“RealFin ETF Securities”	in relation to a RealFin ETF, a participatory unit representing a beneficial interest in that RealFin ETF;
“Record Date”	Means the number of days after the LDT as determined by the JSE from time to time in accordance with the JSE Listings Requirements.
“Register”	the register of “RealFin ETF” Securities, which register shall be maintained by Strate;
“Scheme”	the RealFin ETF Scheme, a collective investment scheme established for the purpose of various actively managed portfolios;
“Scheme Deed”	the deed signed by the Manager and the Trustee and approved by FSCA, establishing the Scheme;
“Secondary Market”	a market in which an investor purchases a security from another investor rather than the issuer, subsequent to the Initial Offer in the primary market;
“SENS”	The Securities Exchange News Service of the JSE;
“South Africa”	The Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, being the entity operating the electronic share settlement and clearing system as implemented by the JSE;
“Subsequent Offer”	offers made to Investors and potential investors, post the Initial Offer, to subscribe for further RealFin ETF Securities, as set out in the relevant Supplement;
“Supplement”	any Supplement issued with or after this Programme Memorandum which sets out the terms and conditions relating to a specific RealFin ETF;

“the Act” or “CISCA”	Collective Investment Schemes Control Act, Act 45 of 2002, as amended and all regulations, determinations, codes and notices made thereunder;
“the Manager”	RealFin Collective Investment Schemes (RF) Proprietary Limited ((Registration number 2013/170284/07), an approved manager for collective investment schemes in securities in terms of the Collective Investment Schemes Control Act, 2002;
“Trading Day”	a day on which the JSE is open for trading;
“Transaction Costs”	the costs payable by the investor in respect of the transfer of ownership of Securities, including the JSE’s Insider Trading levy plus any other costs, transfer tax or levies as determined by the JSE from time to time, Securities Transfers Tax (STT), including, but without being limited to any other brokerage and other transaction charges;
“Trustee” or “the Independent trustee”	the trustee of RealFin ETFs appointed in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) being FirstRand Bank Limited (Acting through its RMB Trustee Services Division) (Registration number 1929/001225/06);
“VAT”	Value Added Tax levied in accordance with the Value Added Tax Act 89 of 1991; and
“Website”	https://realfin.co.za/ETFs/ .

1. INTRODUCTION

1.1 The Manager

19.13(a)(ii)

RealFin Collective Investment Schemes (RF) (Proprietary) Limited was incorporated in South Africa on 17 September 2013 in terms of the Companies Act, with registration number 2013/170284/07. The Manager has been established as a platform for the purposes of creating or hosting independently managed and administered investment portfolios.

The Manager was approved by the FSCA to be a manager of the RCIS Qualified Investor Hedge Fund Scheme, the RCIS Edge Qualified Investor Hedge Fund Scheme and the RCIS Retail Investor Hedge Fund Schemes on 27 June 2016, the RealFin Collective Investment Scheme in Securities was approved on 19 March 2019 and the RealFin ETF Scheme on 8 October 2024.

The registered address of the Manager is 347 Main Road, Kenilworth, Cape Town, 7708.

The Manager is 100% owned by RealFin Holdings Proprietary Limited.

Details of the directors of the Manager are set out below, all of which are South African citizens.

Full name	Business address	Position	Qualifications
Cornelis Victor Batten	347 Main Road, Kenilworth, 7708	Chief Executive Officer	B.Comm(Acc), B.Acc, CA(SA), CAIA. 29 years experience in Financial Sector
Claire Anne Carpenter	347 Main Road, Kenilworth, 7708	Managing Director	B.Bus.Sc (Finance Honours: CA Option), Postgraduate Diploma in Accounting, CA (SA). 16 years experience in Financial Sector
John Richard Parker Doidge	347 Main Road, Kenilworth, 7708	Non-Executive Director	B.Proc, Attorney of the Supreme Court of SA. 43 years experience in Financial Sector
Neila de Beer	347 Main Road, Kenilworth, 7708	Non-Executive Director	Diploma in Personnel Management: Business, B.Com (Management Accounting). 30 years experience in Financial Sector
Dr Ryan Kruger	347 Main Road, Kenilworth, 7708	Non-Executive Director	B.Bus.SC (CA option), M.Bus.SC, PHD in Finance 20 years experience in Financial Sector
Suriyakanthi Gangen	347 Main Road, Kenilworth, 7708	Non-Executive Director	B.Com (Financial Management), B.Com Honours in Business Management, FRM – GARP 12 years experience in Financial Sector

None of the directors of RealFin has been appointed for any specific term of office and they will not retire by rotation. Each of the directors of the Manager 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. No mandatory retirement age is specified in the MOI of the Manager.

None of the directors of the Manager hold any direct interest in the shares of the Manager.

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.

The relevant sections of the MOI referencing the above, have been set out in Annexure 5.

2. OVERVIEW OF COLLECTIVE INVESTMENT SCHEMES AND ETF'S

19.69(f)

2.1 Collective investment scheme

A collective investment scheme is a regulated investment vehicle used by managers to pool investors' money to enable them to access a portfolio which they might not otherwise be able to access in their individual capacities. Every collective investment scheme must be approved by and registered with the FSCA in terms of the Act and must comply with the provisions of the Act.

One of the main characteristics of a collective investment scheme is that investors get to share the risks and benefits of their investment in a scheme in proportion to the participatory units in the scheme. The portfolio is managed by the Fund Manager in terms of an investment mandate, and the Trustee monitors compliance thereof. The assets of the portfolio are held in safe custody by the Trustee.

2.2 Exchange Traded Funds (ETF)

An ETF is an open ended exchange traded collective investment scheme that trades on a stock exchange, similarly to the shares of a listed company. ETFs either:

- rely on passive index tracking; or
- actively select assets and invest therein or disinvestment therefrom to manage the portfolio in accordance with an investment objective and mandate, generally known as actively managed exchange traded funds ("AMETFs").

The Scheme accommodate index tracking as well as actively managed ETFs.

ETFs are generally open ended, so new participatory units can be created when required. The price of an ETF should closely reflect the underlying NAV of the portfolio.

19.69(f)

3. BENEFITS OF INVESTING IN REALFIN ETFs

3.1 Ease of investment

RealFin ETFs will provide the Holder of a RealFin ETF Security exposure to a wide range of securities, possibly across multiple jurisdictions, in a much simpler and easier fashion than if the investor took up positions in each underlying security.

3.2 Liquidity

ETFs trade on stock exchanges like shares, which means they can be bought or sold throughout the trading day at market prices. This liquidity provides investors with easy access to their investments and the ability to enter or exit positions. The Market Maker will on a best endeavours basis provide liquidity outside or normal buying and selling. RealFin will announce any changes to the liquidity provisions on SENS.

3.3 Flexibility

The minimum investment in a RealFin ETF in terms of the Initial Offer will be detailed in the relevant Supplement. Once listed on the JSE, an investor will be able to purchase or sell, as few as one RealFin ETF Security on the Secondary Market.

3.4 Transparency

The Manager will publish the market price and either the NAV, Index Constituents or underlying portfolio of each RealFin ETF on the Website <https://realfin.co.za/ETFs/>. The Supplement for RealFin ETF's will disclose whether the NAV, Index Constituents or underlying portfolio will be published on the Website.

This transparency will assist in Investors in making informed decisions about their investments. Any change in Index Constituents in any of the RealFin ETF's will be announced on SENS and published on the Website.

3.5 Low cost

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It is more affordable to invest in an ETF than it is to acquire a direct exposure to each of the securities of the underlying portfolio. Thus, a RealFin ETF Security provides an investor with a diversified portfolio of securities at a fraction of the costs of a directly investment.

4. RISKS OF INVESTING IN REALFIN ETFS

19.13(h)

4.1 Market Risk

Like all investments, ETFs are subject to market risk. Fluctuations in the overall market can significantly affect the value of the securities held within the ETF, potentially leading to losses. Factors that contribute to overall market risk include, but are not limited to, economic factors, geopolitical events, market action taken by central banks, overall market liquidity, overall investor sentiment, natural disasters and catastrophic events.

A RealFin ETF where Indexed may not be able to exactly replicate the performance of the underlying Index due to a number of factors including:

- the RealFin ETF 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 circumstances may result in a deviation from precise Index weightings; and
- the value of and the income derived from the various underlying constituents may fluctuate and investors may not recoup the original amount invested.

4.2 Index Risk

Where Indexation applies potential investors should note that there is no guarantee that the Index will continue to be calculated in the manner in which it is currently calculated. In addition, the past performance of the Index is not always an indication of future performance.

Neither the Index Calculation Agent, nor RealFin, 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
- warrants or makes any representation as to the results to be obtained by an investor in any RealFin ETF Security from the use of the Index.

4.2.1 Modification of an Index

Due to the fact that the Index was created as a measure of RealFin ETF Security performance and not for the purpose of trading in RealFin ETF Securities, the Index may be adjusted by the Index Calculation Agent solely with a view to the original purpose of the Index. Reasons the Index may be adjusted include corporate activities involving Index Constituents such as mergers and schemes of arrangement. Any adjustments in the Index will be implemented in terms of the relevant Ground Rules. Any adjustments will be made to ensure that the composition of the RealFin ETF is aligned with the applicable Index.

Where Indexed the various RealFin ETF's will hold securities purely to replicate an Index, and therefore will not participate in any corporate activities requiring disposal of such securities, if it is not mandatory. In the event the disposal of securities is mandatory, the RealFin ETF will participate only up to the extent of the mandatory requirements.

If a takeover bid results in a company no longer qualifying for inclusion in an Index, any shares of the former Index Constituent held by the applicable RealFin ETF after the takeover bid will be disposed of and the proceeds will be applied in effecting the appropriate adjustments to the applicable RealFin ETF.

4.2.2 Discontinuance of an Index

If for any reason an Index ceases to exist:

- if there is, in the reasonable opinion of the Manager, a successor Index composed and weighted according to similar criteria as are applied in respect of the Index, the portfolio of RealFin ETF's housed in the Scheme shall be adjusted to track the successor Index subject to the approval from the JSE, FSCA and holders of RealFin ETF Securities;
- if there is not, in the reasonable opinion of the Manager, an appropriate successor to the Index, then the relevant ETF will be wound up.

4.2.3 Use of Index

RealFin ETF Securities are not sponsored, endorsed, sold or promoted by the Index Calculation Agent, which makes no warranty nor 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 Index Calculation Agent 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 Index utilised is a trademark and is used by the Manager under license.

4.3 Currency Risk

Currency Risk refers to the potential for losses arising from fluctuations in the value of one currency relative to another. RealFin ETFs may be exposed to a basket of underlying securities from a range of countries and hence movements in the various currencies will have an effect on the returns to be generated. Investors' in RealFin ETFs will also be exposed to Currency Risk where the investors reference currency is different from the currency of the RealFin ETF.

4.4 Liquidity Risk

RealFin ETFs may invest in securities that at times, may have limited underlying liquidity. This may mean that the Manager is unable to sell securities or may only be able to sell securities at a discount in the event that liquidity is required.

The Market Maker will endeavour to facilitate the establishment of a liquid Secondary Market for RealFin ETFs, although no guarantee can be provided. RealFin ETFs may trade on the Secondary Market at a price either below or above their respective NAV. Nonetheless, Investors are able to redeem their units with the Manager at NAV less any associated expenses.

4.5 Political Risk

Political Risk is the potential impact of political events, decisions, or instability on investment values and market conditions. This risk arises from uncertainties surrounding government policies, regulations, geopolitical tensions, elections, social unrest, and other political factors that can affect the economy and financial markets.

RealFin ETFs may be exposed to a portfolio of securities from a range of countries and hence changes in a countries political structure, tax laws, legislation or regulations may have an effect on the returns to be generated.

4.6 Securities Lending Risk

Securities lending risk refers to the potential risks associated with the practice of lending securities from one party (the lender) to another party (the borrower) in exchange for collateral. RealFin ETFs may engage in securities lending as a lender. Accordingly, RealFin ETFs may be exposed to:

- counter party risk, where the borrower fails to return the borrowed securities or defaults on their obligation to provide collateral.
- collateral risk, while borrowers provide collateral to secure the loan, there is a risk that the value of the collateral may decline during the loan term, which may resulting in losses for the RealFin ETF.

4.7 Tax considerations

Jurisdictions have their own tax legislation and therefore the tax treatment of investing in RealFin ETFs will depend on the tax status of an investor and the relevant tax jurisdiction. Investors must seek their own independent tax advice.

5. FEES AND EXPENSES

19.14 (a)(i)-19.14(a)(iv)

19.14 (b)(i)-b(iii)

5.1 Management fee

The Manager may charge the following fees, as disclosed in the relevant Supplemental:

- **Upfront fee** – a fixed fee or fee charged as a percentage of the subscription amount, to cover expenditure incurred and the administration of the creation, issue and sale of RealFin ETF Securities;
- **Exit fee** - a fixed fee or fee charged as a percentage of the redemption amount, to cover expenditure incurred and the administration of the cancellation and repurchase of RealFin ETF Securities;
- **Management Fee** - which shall be calculated as a percentage of total assets under management.

The Manager reserves the right to waive any or all of the above fees.

All Transaction Costs, brokerage, taxies and levies incurred in the trading of RealFin ETF Securities are for the investor’s account.

5.2 Trustee fee

FirstRand Bank Limited (acting through its RMB Trustee Services Division) will perform the role of Trustee. The fee payable to the Trustee, shall be payable on a monthly basis which shall be calculated as 0.0085% per annum of total assets under management, subject to a minimum of R2,500. The quoted fee is exclusive of VAT.

5.3 Expenses

All taxes, duties, administration, transaction and custody charges and brokerage fees will be borne by the investor.

Preliminary expenses to establish a Programme Memorandum and JSE documentation fees related to the Initial Offer, will be borne by the Manager and are shown below.

Description	Amount (excl VAT)
Sponsor Fee - Vunani Corporate Finance Proprietary Limited	R150,000.00
Documentation inspection fee – JSE	R120,265.85

Each RealFin ETF will incur, an annual listing fee, payable quarterly in arrears to the JSE. At the Last Practicable Date the fee is 0.01% of the total assets under management with a fee cap of R449 985.50 (excluding VAT).

6. THE INITIAL OFFER

The Initial Offer is an initial public offering to potential investors regarding an investment in RealFin ETF Securities of a specific RealFin ETF. The Opening date and Closing date of the Initial Offer in respect of a specific RealFin ETF will be furnished in the relevant Supplement.

This Initial Offer is not an offer in any jurisdiction in which it is illegal to make this offer and in those circumstances this Programme Memorandum and any applicable Supplement is issued for information purposes only.

6.1 Conditions of the Initial Offer

The following conditions will apply for an Initial Offer:

- Once an application has been submitted it is irrevocable and as such may not be withdrawn.
- All subscriptions for RealFin ETF Securities will be treated as primary market acquisitions and therefore no application forms are required.
- RealFin ETFs are issued in dematerialised form only. The Manager will not issue any certificates. RealFin ETF Securities will be held in electronic form by Strate and recorded in a sub-register maintained by a CSDP.
- All subscribers to RealFin ETF Securities must have a valid account with a broking member of the JSE. Subscribers that do not have an account with a JSE member can contact any broker registered with the JSE to open an account. A list is available on the JSE website being www.jse.co.za.

6.2 Participating in the Initial Offer

To participate in the Initial Offer, you must contact your JSE accredited 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 to this Programme Memorandum. Information regarding the subscription procedures for each RealFin ETF is detailed in Annexure 3.

6.3 The Issue Price of a RealFin ETF Security

The issue price of each RealFin ETF Security will be the cost of acquiring the underlying portfolio less any applicable costs, divided by the number of units.

6.4 Discharging the Issue Price during the Initial Offer

The price payable by an investor during the period of the Initial Offer may be settled by:

- a payment in cash in Rand; or
- if the Manager agrees, in specie the delivery of securities.

6.5 Minimum Subscriptions

The RealFin ETFs are open ended funds and hence there is no maximum amount regarding the RealFin ETF Securities available for purchase unless such limit is set out in the applicable Supplement.

In respect of Cash Subscriptions, unless otherwise disclosed in the applicable Supplement, there is no minimum subscription amount, however an investor's amount should be able to buy at least one RealFin ETF Security.

For In Specie Subscriptions, the minimum amount is the equivalent of one Basket of Securities plus any cash as determined by the Manager. Any Transaction Costs, taxes, duties, administration, transaction and custody charges and brokerage fees are for the account of the investor.

7. VALUATION, SUBSCRIPTIONS, REDEMPTIONS AND DISTRIBUTIONS

7.1 Calculation of Net Asset Value

The NAV of each RealFin ETF will be calculated, by firstly determining the market value of the underlying securities held by a RealFin ETF, accrued and received income and reducing this amount by permissible expenditure. The NAV per RealFin ETF Security is calculated by dividing the NAV of the specific RealFin ETF by the number of RealFin ETF Securities of such RealFin ETF in issue at the time of the calculation. This information is determined at close of trade on each Business Day. The NAV will be published on the Website <https://realfin.co.za/ETFs/> daily and shall be expressed in Rand.

7.2 RealFin ETF Security prices after the Initial Offer

RealFin ETF Securities may be bought and sold on the JSE after an Initial Offer. The price to be paid or received for such RealFin ETF Securities will be determined by the prevailing market price on the JSE at the time of the trade, with such price excluding brokerage commission and any other trading costs.

Actual market values may be affected by supply and demand, liquidity and other market factors. The role of the Market Maker is to substantially avoid or minimise any differential which may otherwise arise between the price at which the RealFin ETF Securities trade and the value of the underlying securities.

If you subscribe to the Manager for new securities after the Initial Offer closes or redeem your securities, the price will be the NAV of the securities at the time of issue or redemption thereof (less any Transaction Costs, brokerage or forex costs payable to the Manager for costs incurred and administration performed by the Manager).

Due to market influences, market price obtainable on the Secondary Market may differ from the NAV per RealFin ETF Security.

7.3 Trading in RealFin ETF Securities

RealFin ETF Securities, once issued will be freely tradeable and may be bought or sold on the JSE via an investor's JSE accredited broker. If you buy or sell your securities 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.

7.4 Market Maker

The Manager, on behalf of each RealFin ETF, will appoint a Market Maker, the details of which will be published in the relevant Supplement. The role of the Market Maker is to provide liquidity on the JSE to facilitate trade in RealFin ETF Securities. The Market Maker, on a best endeavours basis, will consistently offer and maintain reasonable bids (the price for buying securities) and offers (the price for selling securities) on the JSE's central order book every trading day. These bids and offers will typically align with the portfolio's NAV, as it fluctuates throughout a trading session.

The JSE may, in its sole discretion, for a specific period or issuance relieve the Manager, from its responsibility to maintain a reasonable bid and offer by its Market Maker under the following circumstances (but not limited to);

- when there is no bid and offer in the underlying market;
- when in the opinion of the calculation agent, a security can be reasonably shown to have no value;
or
- when the Market Maker is experiencing technical difficulties, where issuance is sold out.

7.5 Acquisitions or disposals via the Manager

Investors may acquire additional RealFin ETF Securities directly from the Manager or dispose of their RealFin ETF Securities which will be repurchased by the Manager or the Manager will arrange for the Market Maker to acquire them. If an investor disposes of RealFin ETF Securities to the Manager the consideration will be in cash, unless the Manager agrees to an in specie settlement.

Pursuant to a request from an investor for the delivery of assets in specie redemption, the Manager is unable to deliver any of the securities comprising the permissible assets in specie to an investor exercising its repurchase rights for any reason other than a suspension or de-listing, then the security or securities in question will be excluded from the permissible assets in specie 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).

The process for subscriptions and redemptions is detailed in Annexure 3.

7.6 Suspension of repurchasers by the Manager

Subject to the Act and the Scheme Deed, repurchasers of Participatory Interests by the Manager may be temporarily suspended under the following circumstances, if offers for repurchase of RealFin ETF Securities

are received, the aggregate amount of which is more than five per cent of the market value of a portfolio as at the last valuation point, the Manager requires 10 Business Day's notice of such repurchase.

7.7 Distribution of income

19.13(j)

At the end of each Accounting Period, the Manager shall determine the gross income or gain or other benefit derived by a portfolio (including dividends received or accrued, any net realised gains and interest and all received) as an amount that is available for distribution. Such income shall be reduced by expenses (including the Manager's charge) and the net amount distributed. Investors will receive their proportional share of the distributed income.

The frequency of Distributions, will be detailed in each Supplement.

8. TAXATION CONSEQUENCES

19.69(a)

The following summary is intended as a general guide to the current position regarding South African tax legislation currently in effect. **Each prospective Holder or Holder of RealFin ETF Securities should consult their tax advisers for advice on the tax treatment of investing or redeeming their RealFin ETF Securities.**

The Manager and its directors assume no liability for any tax matters pertaining to Investors.

8.1 Distribution of income

Income distributed, net of any expenses or withholding taxes will retain its nature. The portfolio will not be taxed on income, provided it is distributed within twelve months of receipt or accrual.

8.2 Sale, redemption, transfer or repurchase of RealFin ETF Securities

Proceeds from the sale, redemption, transfer or repurchase of RealFin ETF Securities which are held as trading stock will be included in gross income of the investor. Proceeds from the sale, redemption, transfer or repurchase of RealFin ETF Securities which are held on capital account will be reduced by the base cost and the net amount included at the applicable rate.

9. GENERAL

9.1 Financial information

As at the last financial year of the Manager, being 29 February 2024, the loans payable to group companies was R2 563 146. The loan has been subordinated for the benefit of other creditors of the Manager. There have been no material changes in borrowings or loans receivable since 29 February 2024.

The board of directors of the Manager after due and careful enquiry and consideration, carried out without the involvement of its auditors is satisfied that there has been no material change in the financial or trading position of the Manager since the date of its last audited annual financial statements.

The Manager does not have any material capital commitments, contingent liabilities, and lease payment obligations.

The annual financial statements of each of the RealFin ETFs will be published on the Website <https://realfin.co.za/ETFs/> within 90 days of the financial year end, being 28 February.

9.2 King Code of Corporate Governance

The Directors endorse and accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practiced consistently throughout the Manager and have, accordingly, established procedures and policies appropriate to the business of the Manager in keeping with its commitment to best practices in corporate governance.

The Manager's directors have appointed FirstRand Bank Limited (Acting through its RMB Trustee Services Division) as the trustees of The RealFin ETF Scheme. Their duties, outlined in the Act and the Trust Deed, include safeguarding the interests of participatory interest Holders, serving as custodian of the portfolio's assets, and overseeing the Manager's adherence to the Deed.

9.3 Listing on the JSE

Application will be made to the JSE for the listing of the RealFin ETF Securities.

9.4 Litigation

19.13(a)(v)

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which the Manager is aware that may have or will have a material effect on the financial position of the Manager.

9.5 Directors responsibility

The directors of the Manager, whose names are set out on page 10 of this Programme Memorandum, collectively and individually, accept full responsibility for the accuracy of the information contained in this 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 in this Programme Memorandum false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the Programme Memorandum contains all information required by law and the JSE Listings Requirements.

9.6 Directors interest in transactions

The directors of the Manager did not have any material beneficial interest in transactions relating to the RealFin ETF Securities during the current or preceding financial year.

9.7 Experts' consents

The Manager, the Sponsor, Auditors and Trustee whose names are set out in this Programme Memorandum have consented to their names being referred to in this Programme Memorandum in the form and context in which they are included and have not withdrawn their consent as at the Last Practicable Date.

9.8 Material contracts and Documents available for inspection

The following documents are available for inspection at the registered office of the Manager

- the Memorandum and Articles of Association of the Manager.
- the Scheme Deed entered into between the Manager and the Trustee, the salient provisions of which are set out in Annexure 4.
- the Asset Management Agreement in terms of respective RealFin ETF portfolios.
- the experts' consents; and
- a signed copy of this Programme Memorandum and any Supplement issued in connection herewith.

9.9 Changes to the Programme Memorandum or Supplements

19.16(k)

If any changes are made to the Programme Memorandum or any applicable Supplement that affect the terms and conditions of the RealFin ETF Securities, other than changes which are of a formal, minor or technical nature or are made to correct a manifest error or to comply with mandatory provisions of the law, approval from Holders of RealFin ETF Securities, holding not less than 25% of the value of a RealFin ETF Security will be required prior to affecting any such change.

9.10 Authorisations

The directors of the Manager have taken all necessary actions to authorise the issue of the Programme Memorandum.

SIGNED AT CAPE TOWN FOR AND ON BEHALF OF ALL OF THE DIRECTORS OF REALFIN COLLECTIVE INVESTMENT SCHEMES (RF) PROPRIETARY LIMITED ON 17 DECEMBER 2024

DocuSigned by:
Cornelis Batten
E26F42EA34AD499...

Authorised Signatory

Cornelis Batten

DocuSigned by:
Claire Carpenter
88C307B0D7AC4FD...

Authorised Signatory

Claire Carpenter

ANNEXURE 1

FORM OF THE SUPPLEMENT

1. Issuer / Portfolio
2. ISIN
3. Share code / JSE Alpha code
4. Long name of portfolio
5. Short name of portfolio
6. Securities to be listed
7. Details of the underlying portfolio
8. Description of participatory interest or securities
9. Distribution and Accounting Period
10. Any other special conditions and modifications to the terms and conditions
11. Investment policy
12. Management and other fees
13. Indicative issue price per participatory interest
14. Opening date of the initial offer at 9:00 on opening date
15. Closing date of initial offer at 12:00 of Closing Date
16. Ramp up period for Cash Subscriptions
17. Publication date and time of conversion rations of LAs issued
18. Listing date at 9:00 on date of listing

ANNEXURE 2

DIRECTORSHIPS

Cornelis Victor Batten

Name of Company	Registration No	Appointment Date
Bion Consulting Proprietary Limited	2024/435330/07	17 June 2024
Bion HoldCo Proprietary Limited	2024/435306/07	17 June 2024
Bion IT Proprietary Limited	2024/441260/07	17 June 2024
Ceadar Securico Proprietary Limited	2007/007142/07	Inactive - AR Final deregistration
Obsidian Security Company Proprietary Limited	2006/036843/07	Inactive - AR Final deregistration
RealFin Asset Management Proprietary Limited	2017/371528/07	2 November 2021
RealFin Holdings Proprietary Limited	2015/017244/07	18 February 2015
RealFin Trustee Services Proprietary Limited	2007/007405/07	31 January 2014
Simsecurico Proprietary Limited	2006/023731/07	Inactive - AR Final deregistration

Claire Ann Carpenter

Name of Company	Registration No	Appointment Date
Obsidian Security Company Proprietary Limited	2006/036843/07	Inactive - AR Final deregistration
Onilog Proprietary Limited	2009/019823/07	12 November 2009
RealFin Fund Services Proprietary Limited	2015/017268/07	7 July 2015
RealFin Holdings Proprietary Limited	2015/017244/07	18 February 2015
RealFin Investment Portfolios Proprietary Limited	2010/019248/07	15 April 2013
RealFin Trustee Services Proprietary Limited	2007/007405/07	31 January 2014
Simsecurico Proprietary Limited	2006/023731/07	Inactive - AR Final deregistration
SPW Leveraged Equity Proprietary Limited	2007/033541/07	1 March 2012

John Richard Parker Doidge

Name of Company	Registration No	Appointment Date
Credes Insurance Solutions	45006	12 November 2020
Fintegic (RF) Proprietary Limited	2017/448717/06	21 September 2018
GMG Corporate Services (Africa) Proprietary Limited	2017/157610/07	30 January 2020
Northchester (RF) Proprietary Limited	2011/008391/06	30 March 2020
Southchester (RF) Proprietary Limited	2010/021595/06	21 September 2018
Velocity Trade Capital	2011/002340/07	Inactive

Dr Ryan Kruger

Name of Company	Registration No	Appointment Date
Pandemonium Games Proprietary Limited	2016/324116/07	29 July 2016
LifeCycle Investments Proprietary Limited	2022/666528/07	1 June 2023
LifeCycle Nominees (RF) Proprietary Limited	2022/666540/07	1 June 2023

Neila de Beer

Name of Company	Registration No	Appointment Date
Rezco Collective Investment Limited	2004/012079/06	25 March 2024

Suriyakanthi Gangen

Name of Company	Registration No	Appointment Date
None		

ANNEXURE 3**SUBSCRIPTION AND REDEMPTION CONDITIONS AND PROCEDURES**

The following description of the procedures relating to subscription and redemption of RealFin ETF Securities constitutes a summary of the relevant provisions and as such, does not purport to be complete. Any deviations for a particular RealFin ETF will be detailed in the Supplement.

Accordingly, this summary is qualified in its entirety by reference to CISCA, the Scheme Deed and each Supplement.

1. CONDITIONS OF AN INITIAL OFFER

- There is no maximum number of RealFin ETF Securities which may be issued in terms of an Initial Offer.
- Applications are irrevocable and cannot be withdrawn once submitted either via the subscribers broker (for controlled accounts) or CSDP (non-controlled accounts).
- All subscriptions for RealFin ETF Securities will be treated as primary market acquisitions in a dematerialised market and no application forms are required.
- To participate in the Initial Offer, you must contact your JSE accredited broker. If you do not have a broker then you can contact any broker registered with the JSE to open an account. A list is available on the JSE website being www.jse.co.za.
- A controlled client should liaise with their JSE broker who will send a message to their nominated CSDP.
- A non-controlled client should liaise with its nominated CSDP which will send a message to the Issuer CSDP.

2. CASH SUBSCRIPTIONS

The minimum Cash Subscriptions amount under an Initial Offer will be disclosed in the applicable Supplement.

A cash subscription under an Initial Offer will be based upon the amount which an Applicant applies to invest in RealFin ETF Securities rather than a function of how many RealFin ETF Securities an Applicant wishes to acquire in terms of the subscription. The cash subscription price and the number of RealFin ETF 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 will be a function of the pro rata cost to the fund of acquiring the underlying portfolio.

Cash Applicants should be aware that the applicable Transaction Costs and fees will be deducted from any payment accompanying their applications and, accordingly, the net amount will be invested in RealFin ETF Securities.

Following the close of an Initial Offer, letters of allocation will be issued for the total Rand amount subscribed for.

Applicants' statements at Strate will reflect the holding of their letters of allocation. There shall be a ramp up period during which the fund will acquire the appropriate underlying securities, utilising the cash raised during an initial offer period.

The duration of this ramp up period shall be dependent upon prevailing market liquidity and the aggregate amount received in Cash Subscriptions under an Initial Offer. After the ramp up period the Manager shall publicly announce through SENS, the number of RealFin ETF Securities allotted and issued per the letters of allocation together with details of the basis on which RealFin ETF Securities were allocated under an 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 RealFin ETF Securities. The letters of allocation will then be converted into RealFin ETF 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.

If after an application is accepted, there is a surplus subscription amount which is insufficient to purchase one RealFin ETF Security, the balance of the money paid on application will be returned to the Applicant with the pro rate share of interest earned (if any) on the aggregate surplus subscription amount.

If following the allotment and issue of RealFin ETF Securities under an Initial Offer, it is apparent that an Applicant's cash subscription (net of the applicable Transaction Costs) is not an exact multiple of the cash subscription price under an Initial Offer, then the Applicant in question shall be allotted and issued with as many RealFin ETF Securities as may be fully paid up out of his subscription application (less the applicable Transaction Costs) and the balance of the Applicant's cash subscription amount shall be applied to costs and expenses of the portfolio.

The portion of an Applicant's cash subscription not utilised to acquire RealFin ETF Securities will not exceed an amount representing the cash subscription price in respect of a single RealFin ETF Security.

All taxes, duties, custody charges, brokerage fees, and any other costs and expenses will be for the investor's account.

RealFin ETF Securities will not be issued unless the RealFin ETFs' CSDP is satisfied that the relevant constituent RealFin ETF Security and the requisite cash amount have been received by it.

RealFin ETF Securities will be issued to successful Applicants and will be credited to Applicants' relevant RealFin ETF Securities safe custody account on the listing date, provided that the aforesaid requirements have been fulfilled and the minimum investment criteria have been met.

Neither the Trustee, the Manager, nor the JSE will accept responsibility for any payment made, letter of allocation or statement that is lost or stolen in the post (Cheques will not be accepted in respect of Cash Subscriptions).

Please note that no late applications will be accepted under an Initial Offer.

3. SUBSCRIPTIONS AFTER AN INITIAL OFFER

After the listing date Investors shall be able to acquire RealFin ETF Securities on any Trading Day in any one or more of the following ways: (i) on the Secondary Market or (ii) by subscription for cash.

3.1 Secondary market purchases through a broker

Investors can acquire RealFin ETF Securities through a member of the JSE. These purchases will be made at the current market price of the RealFin ETF Securities plus a brokerage fee. Instructions given to a broker or CSDP are irrevocable and binding on the investor.

3.2 Subscriptions for cash

Investors wishing to subscribe for cash should contact the Manager, contact details of whom are set out in the Programme Memorandum. The Manager will advise you of the applicable terms and conditions which apply.

The Manager reserves the right, subject to the terms of the Act and the Scheme Deed, to temporarily close applications for subscriptions for new RealFin ETF Securities.

3.3 In specie subscriptions

Investors who subscribe for RealFin ETF Securities in specie, by delivering one or more complete Baskets of securities, must subscribe for securities in the specified number of blocks as outlined in the relevant Supplement. Alongside delivering a Basket, Applicants must also pay, in cash, a proportional share of the accrued income, among other requirements. RealFin ETF Securities will only be issued once the Issuer's CSDP confirms receipt of the relevant securities and the specified cash amount

4. REDEMPTIONS

4.1 Redemptions for cash

In addition to being able to sell of RealFin ETF Securities in the Secondary Market (on the JSE) for cash on any Trading Day, the Manager will redeem (or repurchase) RealFin ETF Securities from Holders for cash on any Trading Day.

In effect the Manager will dispose of the relevant RealFin ETF Securities in the Secondary Market on behalf of the Holder. The Holder will receive an amount in cash equal to the market price at which the Manager is able to dispose of RealFin ETF Securities, less an administration fee plus a pro rata portion of the accrued distributable amount. The administration fee will be a function of the number of RealFin ETF Securities required to be redeemed.

Any costs incurred in the disposal of securities, as a consequence of redemption as well as the cost of any settlement by electronic bank transfer or other costs shall be for the account of the Holder.

ANNEXURE 4

SALIENT PROVISIONS OF THE TRUST DEED

The provisions below have been extracted directly from the Scheme Deed unless otherwise stated. The paragraph numbering in this extract corresponds directly to the signed Scheme Deed of the RealFin ETF Scheme from which they are sourced and have NOT been renumbered or re-ordered for purposes of this Programme Memorandum.

PART II : THE SCHEME

2. The Constitution and Name of the Scheme

The manager and the trustee hereby establish the REALFIN ETF Scheme which may consist of various portfolios.

3. Object of Scheme

19.13(a)(vii)

The object of the scheme is to establish one or more separate portfolios in which investors can obtain participatory interests in diversified assets of local or foreign origin. In order to achieve this object the Manager may, subject to the Act and this deed -

- 3.1 create and issue an unlimited number of participatory interests in a portfolio established in terms of a supplemental deed to this deed; or
- 3.2 establish a variety of portfolios in order to provide investors with investment opportunities in diversified assets

PART III : THE MANAGER

4. Appointment of manager

Subject to the Act and this deed, RealFin Collective Investment Schemes (RF) Proprietary Limited is the manager of the scheme.

5. Remuneration of manager

- 5.1. The manager is remunerated for its services and reimbursed for its expenses in performing its obligations under this 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 this 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 and, in particular, appoint transfer secretaries, secretaries and agents;
- 6.4. act on the advice or information obtained from professional advisers and others considered by it to be experts;
- 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 where such loan is applied for the settlement of repurchases or cancellation of participatory interests and in all other cases the term of the loan may not exceed eight calendar days: provided that if insufficient liquidity continues after such periods, 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 trustee 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 offering documents, point of sale documents and/or relevant marketing material that the manager may borrow up to 10 per cent of the market value of the portfolio to bridge insufficient liquidity; and
- 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 Authority for the inclusion of money market instruments in a portfolio;
 - 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
 - 6.6.4.3. a combination of cash and other 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 securities.

7. Voting rights on assets

7.1. Indemnity

On being furnished with such reasonable indemnity against costs as the trustee may require, the trustee may delegate to the manager or its nominee the right to attend or to vote at a meeting of an issuer of assets included in a portfolio, and to take part in or consent to any action of an issuer of such assets. No investor shall have any right in relation to any asset, to attend or to vote at such meeting or to take part in or consent to any such action.

7.2. Proxies

The trustee must execute such proxies, powers of attorney or other documents as the manager may require in order to enable the manager or its representative or its nominee to attend or to vote at any such meeting and to take part in or consent to any such action.

7.3. Meaning of vote

In this clause 7, “**vote**” includes not only a vote at a meeting of an issuer but also any decision of an issuer relating to any arrangement, scheme or resolution, or to any alteration in, or abandonment of, any rights attaching to any part of the assets of a portfolio, and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

8. Trustee to forward notice to manager

The trustee or its nominee must on receipt thereof forward to the manager any notice of a meeting of an issuer, a report, circular and all other documents received by it, or its nominee, from an issuer.

9. Manager to prepare documents

The manager must, at its own expense –

- 9.1. prepare all warrants, notices, accounts, summaries, declarations, offers or statements which the trustee under the provision of this deed is required to issue, serve or send, and deposit the same

with the trustee together with stamped and addressed envelopes, if so required, so as to afford the trustee sufficient time to examine, check and timeously dispatch such documents; and

- 9.2. prepare, sign and execute all certificates and all transfers of assets which, but for this provision, would fall to be prepared by the trustee, and deposit the same with the trustee for signature and execution.

10. Retirement and substitution or liquidation of manager

- 10.1. The manager may, with the written approval of the trustee and the Authority, in writing appoint any other company qualified to act as manager in terms of the Act, as manager in its stead, and may assign to such appointee all its rights and duties as manager in a form as approved by the trustee and the Authority in terms of which it undertakes to fulfil all the obligations of the retiring manager. The retiring manager is then, upon payment to the trustee of all sums then due by it to the trustee (without prejudice to the rights of the trustee, investors or other persons, in respect of any act or omission prior to such retirement) absolved and released from all its duties and obligations under this deed. The new manager thereafter exercises all the powers, enjoys all the rights, and performs all the duties and obligations of the manager under this deed, as if the new manager had originally been a party to this deed.
- 10.2. The retiring manager continues to enjoy all the rights of an investor in respect of all participatory interests held by it and may require the new manager to enter its name in respect thereof in the register and/or otherwise record its ownership of such participatory interests.
- 10.3. If the manager is liquidated, the trustee must take immediate steps for the appointment of a new manager.

PART IV : THE TRUSTEE

11. Appointment and powers of trustee

Subject to the Act and this deed, FirstRand Bank Limited (Registration Number 1929/001225/06), acting through its RMB Trustee Services Division, 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 this deed and has, save as otherwise provided in this deed, the powers necessary to perform its functions to achieve the objectives of the scheme and its portfolios.

12. Legal proceedings relating to a portfolio of the scheme

- 12.1. Legal proceedings relating to a portfolio of the scheme must be instituted by or against the trustee in its capacity as such and the trustee may institute, prosecute, intervene in or defend any legal proceedings relating to or concerning a portfolio of the scheme or its affairs and, as a prerequisite to such action, may require the manager to indemnify it against all costs, expenses and liabilities thereby incurred.
- 12.2. The trustee is not liable to make any payments to any investor except out of any funds held by or paid to it for the purpose under the provisions of this deed.

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; and
 - 13.1.2. reimburse the trustee for all its expenses incurred in connection with the scheme, other than expenses expressly required by this 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.
- 13.2. Such remuneration and reimbursement are in addition to any sums that the trustee may receive or retain under any other provision of this deed.

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 Authority, in the name of the nominee company of the trustee. Any reference in this deed to the trustee in relation to the vesting, registration or holding in its name of assets, or to its rights, powers and obligations as the registered owner of the assets, is, unless inconsistent with the context, deemed also to be a reference to the said nominee company. The trustee is liable for any act or omission of the nominee company in relation to any assets held in the name of the nominee company. Despite the foregoing, 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 this 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.

15. Trustee not obliged to furnish security

The trustee is not obliged to furnish security to the Master of the High Court or to any other official for the due performance by it of any of its obligations in terms of this deed.

16. Trustee may deal in participatory interests and act as banker to the scheme

16.1. The trustee may –

- 16.1.1. purchase, hold, deal in or dispose of participatory interests for its own account or otherwise;
- 16.1.2. if the trustee is a bank, act as banker for the scheme;
- 16.1.3. enter into any financial, banking or other transaction with the manager or an investor, or with a company whose shares or securities form part of the portfolio;
- 16.1.4. hold any security in any such concern.

16.2. The trustee is not accountable in any way to the manager or investors for any profits made or benefits derived by it from any of the matters referred to in clause 16.1.

17. Trustee may accept signed request from manager

Subject to section 72 of the Act, the trustee is not liable for anything done or omitted or suffered by it in good faith and in accordance with or pursuant to any written request, notice, direction, advice or other communication of the manager. The trustee may accept any document signed on behalf of the manager by a duly authorised person and directed by the manager to the trustee, as sufficient evidence of any request, notice, direction, advice or other communication from the manager to the trustee.

18. Trustee may act on advice of competent person

The trustee may act upon the advice, statements of or information obtained from lawyers, the manager, bankers, accountants, members of any exchange or other persons considered by the trustee to be experts in relation to the matters upon which they are consulted.

19. Trustee and manager may interpret deed

Subject to this deed and without prejudice to the rights of any person to have recourse to the Courts, the trustee and the manager may resolve all questions of interpretation of the provisions of this deed.

20. Removal of trustee

20.1. Subject to the Act, the manager may with the written approval of the Authority:

20.1.1. pursuant to a ballot of investors in all portfolios (to which clause 59 of this 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.

20.2. A trustee appointed in the place of a retiring trustee must execute an instrument in a form approved by the manager and the Authority in terms of which it undertakes to fulfil all the obligations of the retiring trustee. The retiring trustee is (without prejudice to the rights of the manager, investors or other persons, in respect of any act or omission, liability, negligence or dishonesty, prior to such retirement) absolved and released from all further obligations under this deed. The new trustee thereafter exercises all the powers, enjoys all the rights, and is subject to all the duties and obligations of the trustee under this deed, as fully as if such new trustee had originally been a party to this deed.

20.3. A trustee is deemed to have resigned if its certificate of registration is revoked or suspended under section 69(3) of the Act, and the manager must in that event immediately appoint another person qualified to act as trustee in terms of the Act.

PART V : PORTFOLIO

21. Number of portfolios

The scheme may consist of one or more portfolios established by a supplemental deed.

22. Trustee entitled to reject asset

The trustee may refuse to accept as part of the assets of a portfolio, any asset which according to its judgment, infringes the terms of this deed or a supplemental deed or the Act and the manager must, in such an event, deposit with the trustee cash or assets of equal value which comply with the terms and objects of this deed.

PART VI : PRIMARY MARKET CREATIONS, SALES, REPURCHASES OR CANCELLATIONS OF PARTICIPATORY INTERESTS AND TRADING IN THE SECONDARY MARKET

23. Initial or additional portfolio and offer of participatory interests

The initial and each additional portfolio must each have a minimum market value as determined by the manager after consultation with the trustee and comprise assets or cash received or deemed to be received by the manager. 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. The participatory interests issued to the manager in respect of such assets or cash are deemed to be the first participatory interests in issue in a particular portfolio and must be issued at a minimum price determined by the manager. At the date on which the manager commences the sale of participatory interests to the public, the market value of each portfolio must be at least an amount as determined by the manager after consultation with the trustee. The first issue of participatory interests in a portfolio to the public is made in such a manner as the manager may decide. The said first issue may take the form of an offer by the manager of a specified number of participatory interests at a fixed price not exceeding the net asset value price on a previous date, which date shall not be more than 28 days before the closing of the offer.

24. Creation, sale, repurchase or cancellation of participatory interests in the primary market

- 24.1. The manager has the exclusive power to secure the creation and issue of participatory interests in a portfolio.
- 24.2. For the purposes of the creation and sale or repurchase and cancellation of participatory interests in relation to the primary market, the relevant prices of participatory interests shall be calculated at the valuation point on each relevant pricing date.
- 24.3. The subscription proceeds paid by an investor for participatory interests must be received for value, in the bank account designated by the manager, by close of business on the pricing date to permit a subscription on that pricing date. Subscription proceeds received after close of business on a pricing date shall be retained by the manager in a separate trust account and shall be applied (together with any interest earned thereon, if any) for the subscription of participatory interests on the next pricing date at the price determined at the valuation point on that pricing date.
- 24.4. No person shall, in the absence of a written agreement with the manager, have any right or entitlement to make an investment in the portfolio and the manager shall be entitled to reject in its absolute discretion any offer to purchase or subscribe for participatory interests. The manager reserves the right in its discretion to refuse a subscription for participatory interests. Any subscription proceeds received in connection with a refused subscription, together with any interest earned thereon, will only be transferred to the bank account from which it was originally paid.
- 24.5. The manager shall reserve the right to close the portfolio to new investors and/or to accept new investments only from certain persons or groups of persons and/or to limit or suspend the creation and issue of new participatory interests, in each case on such terms as it may determine, on a date determined by the manager. The manager shall, in its absolute discretion, determine the date from which any such restrictions shall take effect, the date from which any such

restrictions shall cease to apply and/or the date on which any such amended restrictions shall apply. This will be done by the manager to enable the manager to be able to manage the portfolio in accordance with its mandate and/or for the benefit of the portfolio or for the effective management thereof or for any other reason whatsoever. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.

25. Sub-division or consolidation of participatory interests

25.1. The manager may, with the consent of the trustee and the approval of the Authority, in writing, at any time effect any subdivision or consolidation of participatory interests in issue in any particular portfolio without prejudice to the rights and privileges of the then existing investors. For the purpose hereof the manager is obliged to send a written notice to all investors which must include the following minimum information:

25.1.1. Full particulars of the subdivision or consolidation including –

25.1.1.1. in the case of a subdivision, the number of additional participatory interests to which the investor is entitled and which have been entered in the register; or

25.1.1.2. in the case of a consolidation, the number of participatory interests to which the investor is entitled and which have been entered in the register.

25.2. The costs involved in the subdivision or consolidation of participatory interests must be borne by the manager which must within 21 days after the date on which the subdivision or consolidation takes place, notify investors as contemplated in clause 25.1.

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. Every fraction of a participatory interest ranks *pari passu* proportionately with all other participatory interests in the relevant portfolio.

27. Minimum number of participatory interests that may be sold

The minimum number of participatory interests that may be sold to an investor must be determined by the manager.

28. Net asset value and sale price of participatory interest in relation to the primary market

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, on the last valuation point determined by the manager on the last pricing date, which valuation point may not be more than 24 hours prior to or after such date, excluding weekends and public holidays;
- 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.

29. Price at which manager may sell participatory interest owned by it for own account

The manager may at any time for its own account sell any participatory interest owned or deemed to be owned by it, at any price not exceeding the price at which a new participatory interest in the relative portfolio would at that time be issued in accordance with the provisions of clause 28, and the manager may retain for its own use and benefit all monies received by it in respect of such sale. Any commission, remuneration or other sum payable to an authorised agent of the manager in respect of the sale of any such participatory interest, must be paid by the manager.

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. The value of the participatory interest so sold is calculated according to the purchase price at the time when such participatory interest was so sold.
- 30.3. Any permissible deductions relating to the acquisition of such asset must be paid out of the relevant portfolio.
- 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 31.7 or 31.8 below:
- 31.2. The amount of the manager's charge, if any, must be determined 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
- 31.3. 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 offering documents, point of sale documents or relevant marketing material.
- 31.6. For the purpose of this scheme the following manager's charges (if any) shall be applicable in dealings with the manager:

Upfront manager's charge

- 31.7. 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:
- 31.7.1. is expressed as a percentage of the amount received from an investor; or
 - 31.7.2. is calculated in terms of clause 31.5 in accordance with a sliding scale.

Manager's charge, charged on exit

- 31.8. In relation to a participatory interest, means that portion of the proceeds on the repurchase 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 31.1,

31.8.1. is expressed as a percentage of the proceeds from the repurchase of the investor's participatory interests;

31.8.2. 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

31.8.3. may not be charged in addition to an upfront manager's charge levied at the time of the purchase of such participatory interests.

31.9. The manager may at any time in its discretion waive or abate any, or any portion of the charges referred to in clause 31.7 or 31.8, either in respect of all investors, any category of investors or any particular investor.

32. Variations in manager's charge

Any reduction in the manager's charge shall be passed onto investors in respect of the uncompleted portion of any contract for the sale of participatory interests. Any increase in the charge may not be applied to any contracts for the sale of participatory interests entered into at a date prior to the date on which such increase came into effect.

33. Conditions for sale of participatory interests in primary market

The manager may not sell or offer any participatory interest for sale except on the terms set out below:

33.1. each purchase of participatory interests must be a completed transaction and ownership of the participatory interests passes to the purchaser as soon as the manager has accepted an offer to sell participatory interests and the purchase price has been paid and, where applicable, the participatory interests have been created;

33.2. the manager must immediately, after each purchase transaction and in accordance with the rules governing STRATE, take steps to register the transfer of the participatory interests to the purchaser in the register of the portfolio; and

1.1. the investor will receive notification in accordance with the rules governing STRATE.

34. Manager to furnish trustee with information

In order to enable the trustee to give effect to this deed, the manager must furnish to the trustee on request statements of all issues of participatory interests and of the prices at which they were issued, particulars of any assets which it intends or plans to purchase or sell for the account of the scheme, and any other information which the trustee may reasonably require.

35. Sale or repurchase of participatory interests in primary market

- 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, including through any market maker appointed in terms of the JSE Listings Requirements. 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, provided that the manager shall never be obliged to deliver part of a basket.
- 35.2. 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 comprising the basket of securities to an investor exercising its repurchase rights:
- 35.2.1. 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;
 - 35.2.2. 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).
- 35.3. Subject to clause 35.4, repurchase requests must be received by the manager before 12H00 on the business day preceding each pricing date
- 35.4. The time determined in terms of clause 35.3 may not be changed unless the deed has been amended accordingly and 30 days' written notice has been given to investors in a form acceptable to both the JSE and the Authority.
- 35.5. A manager, when it receives a request for repurchase of participatory interests under circumstances determined by the Authority under section 114(3)(f) of the Act –
- 35.5.1. may, with the prior consent of the trustee; or
 - 35.5.2. 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.
- 35.6. The repurchase of such participatory interests shall be priced and settled in accordance with the conditions determined by the Authority under section 114(3)(f) of the Act.

36. Notice of repurchase

- 36.1. Subject to clause 35, an investor who wishes to sell his or her participatory interests may, by notice in writing to the manager or its duly authorised agent, require the manager to repurchase all or any of such participatory interests.
- 36.2. No notice requiring the manager to repurchase a participatory interest is valid unless the investor delivers to the manager or its authorised agent such evidence of his or her title to the participatory interest to be sold as the manager may consider sufficient. The said notice must be accompanied by an instrument of transfer and such other necessary documents required by the manager. If the repurchase price is not paid to the investor on delivery of the said documents to the manager, the investor must be issued with a receipt of such documents.

37. Repurchase price

- 37.1. Subject to clause 35, the repurchase price per participatory interest payable by the manager in accordance with clause 38 must be the amount determined in terms of clause 28 as at the valuation point on the pricing date on which the offer for the repurchase is accepted by the manager.

38. Date of payment of repurchase price by manager

Subject to clauses 35.5 and 35.6, payment by a manager in respect of an offer for the repurchase of a participatory interest must be made to the investor within 14 days of the receipt of such offer.

39. Trading in participatory interests in secondary market

- 39.1. The buying and selling of participatory interests in the secondary market and the settlement of all such secondary market trades shall be in accordance with the rules of the JSE and STRATE from time to time.
- 39.2. For the purposes of the sale or purchase of participatory interests by an investor on the secondary market through a trade on the JSE, including through any market maker appointed in terms of the JSE Listings Requirements, the current market price at the time of such sale must be applied.

PART VIII: RECEIPTS AND DISTRIBUTIONS

40. Payment of receipts to trustee

- 40.1. 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:
- 40.1.1. all monies which are received for investment as a result of the creation or sale of participatory interests;
 - 40.1.2. all dividends, interest or other income which accrue to the underlying assets; and
 - 40.1.3. the proceeds of all capital profits, rights and bonus issues.
- 40.2. If any receipts are to be deposited with a foreign bank not approved under the Banks Act, 1990, they must be deposited with a bank, agreed upon between the manager and the trustee, and finally registered as a bank in terms of the laws of a foreign jurisdiction applying regulatory standards which are not less stringent than the equivalent standards in the Republic.
- 40.3. All assets received as a result of the creation or sale of a participatory interest must be taken into account as an investment for the benefit of the relevant portfolio and new participatory interests must be created in terms of this deed to represent such investment.
- 40.4. All income accrued during an accounting period must be credited to an account called the "Income Account" in the books of account of the portfolio concerned and shall form part of such portfolio under the supervision and control of the trustee on its accrual to the portfolio. If a portfolio receives any bonus, right or benefit in respect of any of the assets, whether in cash or scrip or by warrant, 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.
- 40.5. 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 40.4 must be credited to the Income Account and must be available for distribution to investors in that portfolio.

41. Manager's decision on nature of amounts conclusive

- 41.1. If any doubt arises as to whether any amount constitutes an income accrual or a capital gain, or as to the nature of any such income accrual or capital gain, such question must be resolved by the manager after consulting the trustee and, if necessary, the auditors, and such resolution is conclusive.

42. Distribution of income

- 42.1. The manager must on each declaration date publish an announcement in compliance with the JSE Listings Requirements notifying investors (including the manager in respect of any participatory interests to which it is entitled) registered in the register of a portfolio as at the close of business on the relevant LDT, pro rata to the number of participatory interests then held by such investors in a portfolio, the amount verified by the trustee as available for distribution in that portfolio as hereinafter provided in respect of the accounting period to which such LDT relates.
- 42.2. 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.
- 42.3. By no later than 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 as herein provided.
- 42.4. The amount to be distributed in respect of each participatory interest must be rounded down to the nearest one hundredth of a cent, and the amount to be distributed to any one investor must be rounded down to the lower cent. 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.
- 42.5. 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 and payments *in lieu* of income accruals in respect of the accounting period in question, which shall be a date not later than the next distribution date.

43. Determination of amount available for distribution

- 43.1. 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.

44. Charges and method of calculation

- 44.1. The charges that may be levied in respect of a portfolio and the method of calculation of those charges are set out in this deed or the supplemental deed establishing each portfolio.
- 44.2. The manager may, with reference to clause 44.1, 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.

45. Payment of service charge

As soon as practicable after the end of each calendar month, the trustee must pay to the manager, from the Income Account of a portfolio, in respect of the service charge, an amount based on the applicable annual percentage rate, as specified in the relevant supplemental deed, of the market value of the total assets of that portfolio (excluding income accruals and permissible deductions, if any) for each day of that calendar month: Provided that if there is a shortfall in the Income Account such that the manager's service charge cannot be paid, or cannot be paid in full –

45.1. participatory interests may be issued to the manager; or

45.2. an amount deducted from the Capital Account may be paid to the manager,

equal in value to such shortfall.

PART IX: REGISTER OF INVESTORS

46. Register of investors

The register of investors will be the register maintained by STRATE together with the sub-register maintained by any CSDP, all in accordance with the rules of STRATE from time to time.

47. Contents of register

The contents of the register must be as required by the rules of STRATE from time to time

48. Register is evidence

The register is proof that a registered investor is the owner of the participatory interests registered in his or her name. The manager need not recognise any trust or other right affecting the ownership of a participatory interest or the rights incidental thereto unless such trust or other right is recorded in a trust instrument as defined in the Trust Property Control Act, 1988 (Act No. 57 of 1988).

49. Change of name or address

If an investor wishes to register a change of name or address, such investor must give notice thereof in writing to the investor's broker or CSDP in accordance with the agreement between the investor and his broker or CSDP, as the case may be.

50. Inspection of register

The trustee may at all reasonable times during business hours inspect a register. Any other person may inspect the register during business hours on payment of a fee determined by the manager.

51. Death, insolvency or other disability of investor

51.1. The manager may require such evidence of the death, insolvency or other disability of an investor as it may think fit.

51.2. On the death of any one of the joint investors, the survivor(s) shall be the only person(s) recognised by the manager as having any title to or interest in the participatory interest in respect of which they are registered.

51.3. The executor or administrator of a deceased investor, or the trustee of an insolvent investor, or the curator of an investor under a legal disability (not being one of several investors) including the trustee in respect of this scheme (if appointed as executor, administrator, trustee or curator) shall be the only persons recognised by the manager as having any title to or interest in a participatory interest held by the deceased, insolvent or disabled investor.

51.4. Any person becoming entitled to a participatory interest in terms of clauses 51.2 or 51.3, upon producing such evidence as sustains the capacity in which he or she seeks to act or of his or her title as the manager considers sufficient and on delivery of the relevant certificate (if any) to the manager for cancellation, may (subject to the rights of any joint investor) elect either to be

registered himself or herself or to have some other person nominated by him or her to be registered as an investor. If the person so becoming entitled elects to be registered himself or herself, he or she shall deliver or send to the manager a notice in writing in a form prescribed by the manager, signed by him or her, stating that he or she so elects. If he or she elects to have his or her nominee registered he or she must testify his or her election by executing in favour of his or her nominee, a transfer of such a participatory interest. All the provisions of this deed relating to the transfer of a participatory interest are applicable to any such notice of transfer as if the death, insolvency or other disability of the investor had not occurred and the notice of transfer were a notice of transfer executed by such investor.

51.5. Any person becoming entitled to a participatory interest in terms of clauses 51.2 or 51.3 may receive and may give a discharge for all monies payable in respect of such participatory interest: Provided that he or she may not receive notices of or take part in any ballot of investors until he or she has been registered as an investor.

51.6. The trustee may hold in trust any monies payable in respect of a participatory interest in respect of which any person is entitled to be registered, or a participatory interest in respect of which a person is entitled to transfer, until such person or his or her nominee has been registered as an investor.

52. Participatory interest owned by manager

The manager is deemed to hold participatory interests, and is treated for all purposes of this deed as an investor, during such times as there is no other person registered or entitled to be registered as an investor in respect of such participatory interests. All such participatory interests are deemed to be in issue. Nothing contained herein prevents the manager from becoming an investor.

53. Transfer of participatory interest

Every investor may transfer a participatory interest held by him or her by a written instrument or in such other form as the manager may approve: Provided that no transfer may be registered if the registration thereof would result in the transferor or the transferee becoming the holder of a lesser number of participatory interests than is prescribed by the manager. The instrument of transfer accompanied by such evidence as the manager may require to prove the title of the transferor or his or her right to transfer the participatory interest (together with any necessary declarations or other documents) must be duly completed and executed by the transferor and (unless otherwise determined by the manager) by the transferee, and within 14 days thereafter the manager must register the transferee as an investor. The transferor remains entitled to the participatory interest to be transferred until the name of the transferee is entered in the register in respect thereof. No transfer or purported transfer of a participatory interest, other than a transfer made in accordance with this clause, entitles the transferee to be registered in respect thereof nor may any notice of such transfer or purported transfer be entered in the register. The manager must retain all instruments of transfer.

54. Liability for transfer costs

In all cases where the transfer of participatory interests between an investor and the manager is effected, the manager is liable for the payment of all costs necessarily incurred in connection with such transfer. In all other cases the costs so incurred are the liability of the persons concerned and not of the manager and the manager may charge a fee, determined by the manager, for each such transfer.

55. Cancellation of participatory interest

Only the manager may effect a reduction of a portfolio by means of a cancellation of a participatory interest, subject to confirmation by the manager that the appropriate participatory interest has been struck from the register of investors. The manager must retain records, which may be inspected by the trustee at all reasonable times during business hours, of the number of participatory interests so cancelled and the amount paid to the manager in respect thereof, which amount must be calculated in terms of clause 56. Before effecting a reduction, the manager must ensure that a portfolio includes (or will include upon completion of the sale of assets which may have to be sold as a result of the cancellation of a participatory interest) sufficient cash (or sufficient assets, if there is an *in specie* repurchase) to pay the relevant amount or deliver the relevant assets to the manager upon such reduction.

56. Payment to manager for cancelled participatory interest

56.1. If a manager cancels a participatory interest, the manager is entitled to receive out of a portfolio in respect of the participatory interest cancelled, an amount determined in terms of clause 28 on the date of the notice to cancel. The said amount must be paid to the manager out of cash forming part of the portfolio concerned against delivery to the trustee of particulars of the participatory interest to be cancelled. Upon such payment and delivery of particulars, the participatory interest in question shall be cancelled.

PART X: FINANCIAL MATTERS

57. 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 February of each year.

PART XI: GENERAL

58. Deed binding on all parties

This deed is binding on the trustee, the manager and an investor and any person claiming through them as if such investor or person had been a party to this deed.

59. Amendment of deed and balloting of investors

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

- 59.1. Where such an amendment only affects one 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 portfolio, 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.
- 59.2. 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.
- 59.3. 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 59.1 and 0, 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.
- 59.4. Every registered investor may vote in the case of a ballot in respect of each participatory interest held by him/or her: Provided that an investor or his or her duly authorised representative may exercise all his or her voting rights, but is not obliged to exercise all his or her votes or exercise all the votes he or she is entitled to in the same way;
- 59.5. When a ballot is necessary the manager must dispatch to every investor a ballot paper and a memorandum approved by the Authority containing the reasons for the proposed amendment.
- 59.6. For the purposes of clauses 59.1, 0 and 59.3 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 an auditor appointed by the manager, whose appointment must be agreed with the Authority prior to conducting the ballot, which is an auditor already approved by the Authority and which has sufficient CIS industry experience for the ballot and such auditors' finding, as conveyed in writing to the manager, is final and binding;
- 59.7. Where a registered investor is holding participatory interests as a nominee or person duly appointed to act on behalf of the beneficial owners of such participatory interests, the nominee

or such person must obtain written instructions from such owners as to how to respond to the proposed amendment of this deed;

59.8. If, for the purposes of clause 59.7, some beneficial owners are in favour of the proposed amendment but others are against it, the nominee or such person must respond accordingly and for that purpose the nominee or such person may respond in favour of and against the proposed amendment.

59.9. The provisions of clauses 59.1, 0 and 59.3, which deal with the weighting of the response by an investor, also apply in the case of the responses by a nominee or such appointed person.

60. Copies of deed and inspection thereof

A copy of this deed must at all times during normal business hours be made available by the manager or the trustee at their respective head offices for the inspection by an investor or a prospective purchaser of a participatory interest. Any investor is entitled to receive from the manager a copy of this deed on production of acceptable evidence of his or her holding, upon request to the manager and on payment to the manager of such amount as the manager may require for each copy of the deed. The manager must on request and at its expense supply to the trustee such copies of this deed as the trustee may require.

61. Payment to investor

Any monies payable under this deed to an investor must be paid or delivered in the manner determined by STRATE. Payment as set out above is a good discharge to the manager and the trustee.

62. Receipt by one of joint investors valid discharge

The payment or posting to the joint investor who is first named in the register of any money payable to joint investors, or of a written notice or other document intended for joint investors, is deemed to be payment or posting to all such investors.

63. Notices

63.1. Notices to individual investors

The following provisions apply where any notice is required to be served on an individual investor, where such notice is not applicable to investors generally.

63.1.1. Any notice required to be served on an investor is deemed to have been duly given if sent by post to or delivered at his or her registered address and be deemed to have been served four days after the same was posted or delivered. In proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was posted. Any notice sent to an investor by means of a facsimile is deemed to have been served on the date of transmission. If so requested or authorised by an investor, any notice may

be sent electronically and is deemed to have been served on the same day it was sent.

63.1.2. Any notice or document sent by post to or delivered at the registered address of an investor is, notwithstanding that such investor is deceased, insolvent, or under any other legal disability, and whether or not the trustee or the manger has notice of his or her death, insolvency or other disability, deemed to have been duly served, and such service is deemed a sufficient service on all persons interested in the participatory interests concerned, whether jointly with or as claiming through or under him or her.

63.2. Notices to investors generally

Where any notice is required to be served on investors generally such notice shall be deemed to have been duly given if given in such form and manner as may be stipulated by the JSE from time to time.

63.3. The accidental omission to give notice to an investor, or the non-receipt of any notice by any investor, does not give rise to any claims by such investor against the scheme, the trustee or the manager, and does not invalidate any matter or thing done pursuant to or in terms of such notice.

63.4. Any notice between a manager and the trustee shall be in writing.

64. Custody and disposal of documents

64.1. The manager may destroy or otherwise dispose of all instruments of transfer in its custody after the expiration of six years from the date of registration thereof and all registers, statements and other records and documents, other than this deed, relating to the scheme at any time after the expiration of six years from the termination of the scheme. The manager incurs no liability as a result of such destruction. Unless the contrary is proved, every instrument of transfer so destroyed is deemed to have been a valid and effective instrument, duly and properly registered.

64.2. This clause applies only to the destruction of a document in good faith and without notice of any claim or dispute, regardless of the parties thereto, to which the document might be relevant.

64.3. This clause does not apply to any document expressly excluded by the trustee by notice in writing to the manager.

65. Electronic and telephonic transacting

65.1. The manager and the trustee have agreed to allow for transacting via electronic and telephonic means, subject to the provisions of this clause 65 and the consent of the investor concerned.

65.2. If an investor consents to electronic or telephonic transacting, the investor must be fully apprised in any application form used for electronic and telephonic transacting, including any application forms posted on the manager's website, of the conditions of electronic and telephonic transacting.

65.3. Such application forms must at least provide for:

- 65.3.1. the procedure to effect electronic or telephonic transacting and the costs involved;
- 65.3.2. the procedure for the submission/ registration of an electronic or telephonic transaction;
- 65.3.3. the terms and conditions applicable to transacting in this manner and the legal implications thereof;
- 65.3.4. any disclaimers of liability on the part of the manager;
- 65.3.5. any limitations of liability applicable to the manager;
- 65.3.6. the security risks and risks of interception inherent to electronic and telephonic transacting;
- 65.3.7. related precautionary or security measures;
- 65.3.8. confirmation to investors that telephone calls are recorded and that such records shall be retained for a period of five years;
- 65.3.9. confirmation by the manager that its website complies with relevant legislative requirements applicable within South Africa;
- 65.3.10. a warning that investors are responsible for complying with the applicable laws within their own jurisdictions, including applicable tax laws;
- 65.3.11. a warning that information contained on the website does not constitute advice.

65.4. The terms and conditions under which electronic or telephonic transacting will be done must be displayed on screen or verbally communicated, as the case may be.

ANNEXURE 5

SALIENT PROVISIONS OF THE MEMORANDUM OF INCORPORATION

The provisions below have been extracted directly from the Memorandum of Incorporation of the Manager. The paragraph numbering in this extract corresponds directly to the Memorandum of Incorporation from which they are sourced and have NOT been renumbered or re-ordered for purposes of this Programme Memorandum.

4.1 Composition of the Board of Directors

(1) Realfin Holdings (Pty) Ltd shall, subject to Article 4.1(10), for as long as it holds at least 5% of the Shares, be entitled but not obliged, to –

- a) appoint such number of Directors that would constitute 50% of the Directors of the Board;
- b) appoint 1 (one) person as an Alternate Director for every Director appointed by it;
- c) remove any Directors and/or alternate Directors appointed by it in terms; and
- d) appoint 1 (one) person to replace any Director appointed by it in terms of a) above who ceases to be a Director for any reason whatsoever.

(2) The remaining Directors of the Company shall be elected by the Shareholders.

(3) In any election of Directors, including Alternate Directors –

- (a) the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled;
- (b) in each vote to fill a vacancy, each vote entitled to be exercised may be exercised once;
- (c) a vacancy is fulfilled if the election of the candidate is approved as a Specially Protected Matter as set out in Schedule 1 hereto, subject to Article 4.1(10).

(4) The record of Directors maintained by the Company in terms of section 24(3)(b) of the Act shall reflect, in respect of each Director, the name of the Shareholder that appointed the Director or that nominated the Director for election, whichever is applicable.

(5) There shall be no ex officio Directors of the Company, as contemplated in section 66(4).

(6) In the event that the Company only has 1 (one) Shareholder, the above provisions of Article 4.1(3) will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

(7) Each Director and alternate Director will serve as such for an indefinite term as contemplated in section 68(1), provided that if a Shareholder Disposes of all of his Shares or a requisite part which entitles that Shareholder to nominate Directors or alternate Directors for appointment (or has the effect of reducing the number of Directors or alternate Directors that such Shareholder is entitled to nominate for appointment), then if so required by any of the remaining Shareholders, such Shareholders shall forthwith deliver a notice to the Company and the Board requesting that such number of Director(s) and alternate Directors be removed from office, where after such Directors and alternate Directors shall be removed.

(8) No person may be appointed, nominated or elected as a Director or alternate Director, unless that person satisfies the qualification and eligibility requirements set out in section 69.

(9) The Directors, once elected or appointed, shall nominate a chairperson to preside over meetings of Directors.

(10) The prior written approval of the Financial Sector Conduct Authority must be obtained in respect of the appointment or election of any Director or Alternate Director.

4.2 Authority of the Board of Directors

(1) The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66 (1) is limited to the extent set out this Memorandum of Incorporation.

(2) If, at any time, the Company has only one director, as contemplated in section 57 (3), the authority of that director to act without notice or compliance, with any other internal formalities, as set out in that section is not limited or restricted by this Memorandum of Incorporation.

(3) The Company's Board of Directors must not register the transfer of any shares unless the conditions for the transfer contemplated in article 2.1 (2), (3) and (4) have been met.

4.3 Directors' Meetings

(1) The right of the Company's directors to requisition a meeting of the Board, as set out in section 73 (1), may be exercised by 2 (two) directors.

(2) This memorandum of incorporation does not limit or restrict the authority of the Company's Board of Directors to-

(a) conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73 (3); or

(b) determine the manner and form of providing notice of its meetings, as set out in section 73 (4); or

(c) proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73 (5), or

(d) consider a matter other than at a meeting, as set out in section 74.

4.4 Directors compensation and financial assistance

This Memorandum of Incorporation does not limit the authority of the Company to –

(a) pay remuneration to the Company's directors, in accordance with a special resolution approved by the Company's shareholders within the previous two years, as set out in section 66 (9) and (10);

(b) advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78 (4),

(c) indemnify a director in respect of liability, as set out in section 78 (5); or

(d) purchase insurance to protect the Company, or a director, as set out in section 78 (7).

ANNEXURE 6**EXCHANGE CONTROL**

The following summary is intended as a general guide to the current position under the Exchange Control Regulations, 1961 as promulgated under the Currency and Exchanges Act 9 of 1933, as amended, (the "Regulations") and are not a comprehensive statement of the Regulations. The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective subscriber for, or purchaser of any of the RealFin ETF Securities. Prospective subscribers for, or purchasers of any RealFin ETF Securities who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any ETF Securities.

This section is only relevant to RealFin ETF Securities where a portion of the underlying portfolios or the portfolio as a whole is invested in offshore securities and the portfolio has been granted exchange control approval from the Financial Surveillance Department of the South African Reserve Bank.

1.1 South African Individuals, South African Corporate Entities and Trusts

South African individuals are permitted to acquire RealFin ETF Securities without restriction and as such, an investment in RealFin ETF Securities will not affect or constitute a portion of the individual's applicable offshore investment allowance. However, South African individuals are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of a Basket of offshore securities upon redemption of securities in RealFin ETFs securities or to receive payment of Distributions in non-Rand denominated currency.

1.2 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.

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

1.3 Non-South African Residents

If any RealFin ETF securities 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 their RealFin ETF Securities may, in terms of the Exchange Control Regulations, be paid or transferred abroad only if the securities were acquired using foreign currency introduced into South Africa and provided the custody or broker account is designated as "non-resident".