

PREFERENCE SHARE INDEX TRACKER

31 October 2012

PRODUCT DESCRIPTION

The aim of the PrefEx Securities (PrefEx) is to track as closely as possible the FTSE/JSE Preference Share Index. PrefEx provides the price performance of the FTSE/JSE Preference Share Index as well as paying all dividends received from the FTSE/JSE Preference Share constituents quarterly. PrefEx Securities are listed on the JSE Securities Exchange as an Exchange Traded Fund. PrefEx can be bought or sold in much the same way you would trade a single share or stock.

PRODUCT INFORMATION

Instrument Type	Exchange Traded Fund
Instrument Code	Prefex
Size of Fund	R205m (31/10/2012)
Distribution Dates (Quarterly at Month End)	February, May, August, November

BENEFITS

- Capital stability
- Attractive yield
- Tax efficient income stream
- Cost efficiency
- Tradability
- Transparency

INDEX CONSTITUENTS

Instrument Name	Weight
Standard Bank Group Ltd. Non-Redeem. Pfd.	17.97%
Absa Bank Ltd Pref	15.31%
Firststrand Ltd B Pref	14.96%
Nedbank Ltd Pfd	13.67%
Investec Bank Pref	9.81%
Investec Ltd Pfd	4.90%
Steinhoff Invest HldPrf	4.64%
PSG Financial Serv Pref	3.96%
African Bank Inv Pref	3.46%
Discovery Holdings Ltd Pfd	2.98%
Grindrod Ltd Pfd	2.30%
Network Healthcare Cp	2.02%
Imperial Holdings Pref	1.42%
Capitec Bank Hldgs Pref	0.85%
Investec PLC Pref	0.76%
Sasfin Holdings Ltd Pref	0.54%
Astrapak Ltd Pref	0.44%

DIVIDENDYIELD

Forecast gross yield post 1 Nov	7.1%
Total Expense Ratio*	(0.45%)
Net Dividend Yield	6.65%
Dividends Tax (if applicable)	(0.9975%)
NET RETURN	5.65%
Pre Tax (based on 40%) equivalent	9.42%

* The PrefEx security is expected to have a Total Expense Ratio of 0.45% to 0.5% per annum.

HOW TO INVEST

PrefEx securities can be bought and traded through a number of channels:

1. By opening a stock broking account with Grindrod Securities – www.grindrodsecurities.co.za
2. Through your stockbroker or online platform
3. Via the EtfSa platform – www.etfsa.co.za

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PREFEX CO LIMITED. REGISTRATION NO: 2011/138642/06

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www.grindrodbank.co.za

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