



December 2013

Dear Investor

PREFEX CHANGES NAME TO PREFTRAX AND BECOMES A PORTFOLIO OF A COLLECTIVE INVESTMENT SCHEME (CIS)

Grindrod Bank Limited, and our Gtrax suite of ETFs, is pleased to announce the conversion of PrefEx Securities into the CIS format as well as a change of name from PrefEx to PrefTrax on the 19th December 2013. The change in name is to be consistent with the two existing Gtrax products (Proprax SAPY and Proprax TEN).

Investors should note that the financial year end will change to 30 June in order to be aligned with Grindrod Index Tracker Managers RF (Pty) Ltd (formally Property Index Tracker Managers (Pty) Ltd) and the new quarterly distribution cycle will be March, June, September and December.

IMPACT ON INVESTORS

- The investment objective as well as the service providers of PrefTrax will remain unchanged;
- All costs relating to the change will be borne by Grindrod Bank Ltd;
- The fee structure will remain the same (annual management fee of 0.45% excl VAT);
- This conversion will allow investors to enjoy additional regulatory oversight as PrefTrax will be regulated by both the FSB and the JSE. As a CIS, the structure will appeal to a wider set of investor mandates;
- As a CIS, PrefTrax investors will enjoy favourable capital gains tax dispensation not currently enjoyed by PrefEx security holders. CIS's are regulated intermediaries which will also improve dividends withholding tax administration; and
- A special distribution will be paid to PrefTrax investors who are on the share register on Friday, the 27th of December 2013.

With a current tax efficient yield of circa 7.6% (gross) we believe the product will continue to appeal to investors seeking regular, tax efficient income with a low risk to capital.

We look forward to other exciting developments in the pipeline.