The definitions and interpretations commencing on page 5 of this supplemental prospectus apply to this supplemental prospectus in its entirety.

THIS DOCUMENT ("SUPPLEMENTAL PROSPECTUS") CONTAINS IMPORTANT INFORMATION ABOUT THE NEDGROUP BETA SOLUTIONS (PROPRIETARY) LIMITED AND ITS PARTICIPATORY INTERESTS AND SHOULD BE READ CAREFULLY IN CONJUNCTION WITH THE PRE-LISTING STATEMENT BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENTAL PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISOR.

The directors of Nedgroup Beta Solutions, whose names are set out in page 13 collectively and individually accept full responsibility for the accuracy of the information given herein and certify that to the best of their knowledge and believe there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this supplemental prospectus contains all information required by the BSE Listings Requirements.

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BettaBeta Equally Weighted Top 40 Portfolio ("BettaBeta EWT40")
Abbreviated name: "BBEWT40"
JSE share code: [BBET40]
JSE ISIN: [ZAE00144507]
BSE Symbol: [ ]

SUPPLEMENTAL PROSPECTUS

relating to the proposed Secondary Listing of BettaBeta EWT40 participatory interests (which is already listed on the JSE) on the Botswana Stock Exchange (BSE) with effect from commencement of trading on ....April 2011

Investment bank, adviser and sponsor

Nedbank Capital, a division of
Nedbank Limited

Legal adviser

NEILLARMSTRONG

Botswana Sponsoring Broker
African Alliance Botswana
Securities Limited

AFRICAN ALLIANCE

A member of the Botswana
Stock Exchange
Date of issue of Supplemental Prospectus: March 2011

Prospective investors in BettaBeta EWT40 participatory interests, as with any other Exchange Traded Fund, should ensure that they fully understand the nature of the BettaBeta EWT40 participatory interests and the extent of their exposure to risks, and that they consider the suitability of the BettaBeta EWT40 participatory interests as an investment in light of their own circumstances and financial position. The BSE’s approval of the listing of the BettaBeta EWT40 participatory interests should not be taken in any way as an indication of the merits of BettaBeta CIS or that of the BettaBeta EWT40 participatory interests.

DISCLAIMER

While the Nedgroup Beta Solutions (Proprietary) Limited has been approved to market its units to the public in Botswana by the Regulatory Authority of Botswana, Nedgroup Beta Solutions (Proprietary) Limited is not supervised or licensed in Botswana. It is incorporated under South African Laws and supervised by the South African Financial Services Board.
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1. Corporate information and advisors

**Investment bank and joint sponsor**
Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)
Contact person – Nerina Visser

**Investment Manager**
Dibanisa Fund Managers
(Registration number 2000/028675/07)
1st Floor, Block A, Grayston Ridge Office Park,
144 Katherine Street, Sandton
(PO Box 782574, Sandton, 2196)
Contact Person – Anver Dolly

**Trustee and custodian**
FNB Custody Services
(Registration number 1929/001225/06)
3 First Place, Bank City, Mezzanine Floor
Cnr Simmonds and Jeppe Street
Johannesburg, 2000
(PO Box 7713, Johannesburg, 2000)
Contact Person – Nelja De Beer
Place of Incorporation: Johannesburg, South Africa

**Manager**
Nedgroup Beta Solutions (Proprietary) Limited
(Registration number 2007/009755/07)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)
Date of incorporation – 2007
Contact Person – Nerina Visser
Place of incorporation: Johannesburg, South Africa

**Market Maker**
African Alliance Botswana Securities Limited
(Registration number 2000/5432)
Block D, Fairgrounds Office Park
Gaborone, Botswana
(P O Box 2770, Gaborone)
Contact Person: Kabelo Mohohlo

**Registered office of Nedgroup Beta Solutions (Proprietary) Limited**
(Registration number 2007/009755/07)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)
Contact Person – Nerina Visser

**Auditors**
KPMG Inc.
(Registration number 1999/021543/21)
Chartered Accountants (SA)
Registered Accountants and Auditors
85 Empire Road
Parktown, 2193
(Private Bag X9, Parkview, 2122)
Contact person: Pierre Fourie

**BSE Sponsoring Broker**
African Alliance Botswana Securities Limited
(Registration number 2000/5432)
Block D, Fairgrounds Office Park
Gaborone, Botswana
(P O Box 2770, Gaborone)
Contact Person – Kabelo Mohohlo

**Botswana Attorneys**
Armstrongs Attorneys, Notaries & Conveyancers
5th Floor,
Barclays House
Khama Crescent
P. O. Box 1368
Gaborone Botswana
Contact person – Neill Armstrong

**South Africa Transfer Secretaries**
Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001

**Issuer CSDP**
FNB Custody Services
(Registration number 1929/001225/06)
3 First Place, Bank City, Mezzanine Floor
Cnr Simmonds and Jeppe Street
Johannesburg, 2000
(PO Box 7713, Johannesburg, 2000)
Place of Incorporation: Johannesburg, South Africa

---

**Company secretary of Nedgroup Beta Solutions**
Nedgroup Secretariat Services (Proprietary) Limited
(Registration number 1992/0064371/07)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)
Contact Person :Phindile Rapulane
Banker
First National Bank Limited
Registration number 1929/001225/06
3rd Floor No 4 First Place
Bank City, Cnr Simmonds and Pritchard Street
Johannesburg
2001
(P O Box 7791, Johannesburg, 2000)
Contact Person – Nelio De Beer

Registered Office in Botswana

Botswana Transfer Secretary
Central Securities Depository Company of Botswana Limited
Office Block 6
Plot 64511
Fairgrounds
Gaborone
Botswana

African Alliance Botswana Securities Limited
(Registration number 2000/5432)
Block D, Fairgrounds Office Park
Gaborone, Botswana
(P O Box 2770, Gaborone)
Contact Person – Kabelo Mohoho

Website – published prices
www.bettabeta.co.za
2. Definitions and interpretations

In this supplemental prospectus, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them, respectively, in the second column below, reference to the singular shall include the plural and vice versa, words denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

- **"accounting period"**
  the accounting or distribution period applicable to the relevant portfolio, as described in the applicable supplemental prospectus;

- **"African Alliance"**
  African Alliance Botswana Securities Limited, a company duly incorporated in accordance with the company laws of Botswana under registration number 2000/5432;

- **"application"**
  in relation to BettaBeta EWT40 an application made by a prospective investor either through such investor's stockbroker, or in the case of an investor which is a non-controlled client, through its own CSDP;

- **"applicant"**
  an investor who applies to subscribe for participatory interests on the basis described herein;

- **"basket" or "basket of constituent securities"**
  in relation to BettaBeta EWT40, a collection of constituent securities which comprises a specific number of securities or instruments issued by each of the constituent issuers contained in the FTSE/JSE Africa Top 40 Index, which BettaBeta EWT40 wishes to track (in equal proportions of 2.5%, with the exception of any constituent securities that jointly make an entity (e.g. Investec plc and Investec Limited) that shall be held jointly to the weight of 2.5%)) as determined and published by Nedgroup Beta Solutions or its agent from time to time;

- **"BettaBeta EWT40" or "the portfolio"**
  BettaBeta EWT40, the portfolio will consist of an equally weighted Top 40 basket of shares. This basket will represent the same group of shares as defined by the JSE Limited as the Top 40 Index, but will be held in equal proportions, being 2.5% each, with the exception of any constituent securities that jointly make an entity (e.g. Investec plc and Investec Limited) that shall be held jointly to the weight of 2.5%;

- **"BettaBeta Equally Weighted Top 40 Index" or "the customised index"**
  a collection of constituent securities which comprises a specific number of securities or instruments issued by each of the constituent issuers contained in the FTSE/JSE Africa Top 40 Index, which BettaBeta EWT40 wishes to track (in equal proportions of 2.5%, with the exception of any constituent securities that jointly make an entity (e.g. Investec plc and Investec Limited) that shall be held jointly to the weight of 2.5%)), as determined and published by Nedgroup Beta Solutions or its agent from time to time;

- **"BettaBeta CIS CSDP" or "FNB Custody Services"**
  FNB Custody Services (Registration number 1929/001225/06), whose details are set out on the inside front cover, or such other CSDP appointed by the
"Issuer CSDP" manager from time to time;

"business day(s)" a day other than a Saturday, Sunday or an official public holiday in South Africa on which the JSE is open for business;

"block" 1000 000 participatory interests, which can be subscribed for or redeemed in return for a basket plus or minus a cash amount representing accrued distributions and any other costs as may be incurred;

"Botswana" the Republic of Botswana;

BSE the Botswana Stock Exchange as established by the Botswana Stock Exchange Act;

"BSE Listing Requirements" the listing requirements of the BSE from time to time and for the time being, as published by the BSE;

"Computershare Investor Services" Computershare Investor Services (Proprietary) Limited, a Company incorporated in South Africa with registration number 2004/003647/07;

CISCA the Collective Investment Schemes Control Act, 45 of 2002 (as amended or replaced from time to time) and the regulations promulgated thereunder;

"closing date" the date on which the initial offer closes, as set out in this supplemental prospectus;

"common monetary area" includes South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;

"constituent companies" in relation to a listed portfolio, the entities or companies included in the index, that the ETF constituted by BettaBeta EWT40 wishes to track;

"constituent securities" in relation to a listed portfolio, a permitted instrument issued by a constituent company;

"controlled clients" clients of a broking member of the BSE whose funds and uncertificated securities are under the control of such broking member and whose settlements take place via a CSDP;

"constituent issuer" in relation to a listed portfolio, the entities whose securities and/or other instruments are included in the Index that the BettaBeta EWT40 portfolio wishes to track;

"CSDP" a central securities depository participant appointed by individual holders of securities and duly accepted by the BSE.

"Dibanisa" or "Investment Manager" Old Mutual Global Index Trackers (Proprietary) Limited, formerly Umbono Fund Managers (Proprietary) Limited trading as Dibanisa Fund Managers (Proprietary) Limited (Registration number 2000/026675/07), a company registered in the Republic of South Africa and a member of the Old Mutual Investment Group, whose details are set out on the inside cover of this
supplemental prospectus;

any distribution declared by a constituent company, whether in the form of interest, dividends, rent or otherwise;

in relation to the portfolio, the date on which a distribution is to be made to the investors in the portfolio, being the distribution date set out and defined in the supplemental deed in relation to the portfolio;

an exchange traded fund constituted by a listed portfolio and established by a supplemental deed specifically in relation to this supplemental prospectus, managed by Nedgroup Beta Solutions, as more fully described in this supplemental prospectus;

the Exchange Control Regulations promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933 (as amended);

a joint venture between the JSE and the FTSE Group in the creation and management of indices;

the FTSE/JSE Africa Top 40 Index, an equity index consisting of the largest forty companies listed on the JSE ranked by full market capitalisation;

the published ground rules of the Index, as amended from time to time;

applications for the acquisition of new participatory interests, to be settled “in kind” by the delivery of one or more baskets, subject to an obligation to subscribe for a minimum of [1000 000] BettaBeta CIS participatory interests;

any dividends, interest, rent or any other income for distribution: (i) received by the trustee or manager (on behalf of investors in a portfolio) 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, rent or any other income declarations made but not yet distributed out of a portfolio;

the index to be tracked by the BettaBeta EWT40 portfolio, is specified in the relevant supplemental deed and this supplemental prospectus;

the level of the index calculated periodically during a trading day and published by the calculation agent which is to form the basis for tracking by the relevant ETF constituted by the BettaBeta EWT40 portfolio;

holders of BettaBeta EWT40 participatory interests;

JSE Limited, a public company registered in the Republic of South Africa (registration number 2005/022939/06) and licensed as an exchange under the Securities Services Act;

the JSE Listings Requirements, as amended from time to time;

the last practicable date prior to finalisation of this supplemental prospectus, being 25 March 2011;
"listing date" the date on which the first participatory interests issued in BettaBeta EWT40 are to be listed on the BSE, as set out in this supplemental prospectus;

"listed portfolio" a portfolio, the participatory interests of which will be listed on the BSE as an ETF;

"management fee" the fee to be paid to the manager in respect of its administration of the portfolio, the details of which are set out in this supplemental prospectus;

"market maker" African Alliance Botswana Securities Limited, a company incorporated in accordance with the company laws of Botswana under registration number 2000/5432;

"Nedgroup Beta Solutions" or "the manager" Nedgroup Beta Solutions (Proprietary) Limited (Registration number: 2007/009755/07), a private company registered in the Republic of South Africa and a wholly owned subsidiary of the JSE-listed Nedbank Group Limited, whose details are set out on the inside cover;

"non-controlled clients" clients of a broking member of the BSE who have appointed their own CSDPs and have a direct relationship with the CSDP. Securities are held in the CSDP account in the client's name. No funds are held by the broking member in such a case;

"offer price" the price at which participatory interests in BettaBeta EWT40 are issued pursuant to the initial offer, equal to approximately 1/100th of the average price at which baskets are acquired during the ramp-up period plus costs. The price per participatory interests therefore equates to approximately [ratio] of the average index level during the ramp-up period, plus costs;

"offering circular" the offering circular, together with all the annexures thereto, as read together with this supplemental prospectus;

"opening date" the date on which the initial offer opens, as set out in this supplemental prospectus;

"participatory interests" or "BettaBeta EWT40 participatory interests" in relation to the BettaBeta EWT40 portfolio, a security and/or other security instruments representing a beneficial interest in the BettaBeta EWT40 portfolio;

"Supplemental Prospectus" this Supplemental Prospectus, together with all the annexures hereto contained in this bound document dated 25 March 2011, as read together with the pre-listing statement;

Currency "Pula" or "P" the legal currency of Botswana;
"Rand" or "ZAR" the legal currency of the RSA;
"Thebe" the legal currency of Botswana, representing one-hundredth of a Pula

"principal deed" the written deed (as amended, novated and/or replaced from time to time) concluded by the manager and the trustee on 5th January 2010 in terms of which BettaBeta CIS was established as a Collective Investment Scheme in securities and to create thereunder, by means of supplemental deed, one or more separate portfolios;
"register" in relation to the BettaBeta EWT40 portfolio, the register of holders of participatory interests in the portfolio, which register shall be maintained by Computershare Investor Services (Proprietary) Limited;

"Secondary Listing" the secondary listing of BettaBeta EWT40 participatory interests on the BSE with effect from commencement of trade on [ ];

"Securities Services Act" the Securities Services Act, 36 of 2004 (as amended);

"SENS" the Securities Exchange News Service, operated by the JSE;

"South Africa" the Republic of South Africa;

"specified cash amount" a pro rata portion of the income accruals in the portfolio up to and including the subscription date; and any cash amount that arises as a result of rounding the number of constituent securities to be delivered; and transfer duties and taxes (including STT, if applicable)( if any) arising on the acquisition by the portfolio of the underlying basket; and any other cost that may be determined by the manager from time to time;

"supplemental deed" a written supplemental deed (as amended, novated and/or replaced from time to time) concluded between the manager and the trustee, establishing a portfolio of BettaBeta CIS. Each portfolio is established by means of a separate supplemental deed, the salient terms of which will be set out in the relevant supplemental prospectus;

"total expense ratio" the total expense ratio as calculated by the manager from time to time in accordance with prevailing industry standard practice;

"trading day" a day on which the BSE is open for trading;

"trustee and custodian" FNB Custody Services (Registration 1929/001225/06), the trustee for the time being of BettaBeta CIS appointed in terms of the Act or such other trustee appointed by the manager in accordance with the BettaBeta CIS Deed and the Act from time to time;

"STT" securities transfer tax levied in terms of the STT Act;

"STT Act" the Securities Transfer Tax Act, 25 of 2007 (as amended);

"VAT" Value-Added Tax;

"VAT Act" the Value-Added Tax Act, 89 of 1991 (as amended); and

"website" the BettaBeta CIS website, the address of which is www.bettabeta.co.za

All references in this supplemental prospectus to any Act, regulation or other statutory provision shall be a reference to such Act, regulation or other statutory provision as amended and/or re-promulgated and/or replaced from time to time.
3. Overview

The investment objective of BettaBeta EW40 is to replicate, as far as reasonably possible, the price and yield performance of the BettaBeta Equally Weighted Top 40 Index by holding a portfolio of securities equivalent to the basket of securities comprising the index in equal proportions of 2.5%. Any constituent securities that jointly make an entity (e.g. Investec plc and Investec [Bank] Limited) shall be jointly held to the weight of 2.5%. BettaBeta EW40 will be adjusted as determined by the ground rules to conform to changes in the basket of securities comprising the index so as to ensure that the composition and weighting of the securities comprising the BettaBeta EW40 portfolio at all times reflects, as closely as reasonably possible, the composition of the securities comprising the Index.

Whilst the investment objective of BettaBeta EW40 is to provide investment results that generally correspond to the price performance of the BettaBeta Equally Weighted Top 40 Index, there can be no assurance that this investment objective can be achieved. There is also no assurance that active trading markets for the participatory interests will develop, nor is there a certain basis for predicting the price levels at which the participatory interests will trade.

BettaBeta EW40 participatory interests have been approved for listing by the JSE on the Exchange Traded Funds sector of the JSE. BettaBeta EW40 participatory interests may be traded in the secondary market on the JSE and need not be traded in any minimum number. In relation to the minimum number of participatory interests allowed for trading on the BSE, the same rules applied on the JSE will be followed. Nedgroup Beta Solutions has also obtained the approval of the BSE for the Secondary Listing of the BettaBeta EW40 participatory interests on the BSE.

The subscription for participatory interests in BettaBeta EW40, in respect of cash subscriptions will be at a price per BettaBeta EW40 participatory interest equal to approximately 1/100th of the average price (after deduction of costs, fees and expenses) at which baskets of constituent securities are acquired during the ramp-up period. The price per BettaBeta EW40 participatory interest therefore equates to approximately the average Index level during the ramp-up period. The subscription for participatory interests in BettaBeta EW40, in respect of in specie subscriptions, will be by delivery of one or more baskets plus any additional cash component required entitling the investor to one block of participatory interests per basket delivered on the terms and conditions set out in the pre-listing statement as read together with this supplemental prospectus.

Save as set out in this supplemental prospectus, there has been no material change and no material new matter has arisen since the date of publication of the pre-listing statement.

[Note:

Current participatory interest holders ("investors") in South Africa have been contacted by Nedgroup Beta Solutions (Pty) Limited so as to explain the details of the proposed change from the BettaBeta Equally Weighted Top 40 index to the official FTSE/JSE Equally Weighted Top 40 Index, it being understood that the constituents and ground rules for the indices are identical and therefore the performance is identical. However, the index levels are different and therefore will require i) a split of the current BBET40 participatory interests into 2 new BBET40 participatory interests; and ii) a ballot being conducted by Nedgroup Beta Solutions (Pty) Limited in order for investors to vote for or against the aforementioned proposal.

Investors have been advised that they may (i) vote against the proposal or sell their ETF investments at the ruling market price, as defined in the Main Deed; or (ii) vote for the proposal and elect to receive additional BBET40 participatory interests or a cash distribution in lieu thereof.

If investors choose not to sell their ETF participatory interests prior to the effective date of the change in index, then the proposals (to the extent approved by investors) shall automatically apply to ETF participatory interests held by those investors and furthermore to those investors subscribing for participatory interests under...
and in accordance with the terms of this Supplemental Prospectus. In addition, the investors will be issued additional BBET40 participatory interests in lieu of a cash distribution.

Rationale for Proposed change of index

When the BettaBeta Equally Weighted Top40 Exchange Traded Fund ("ETF") was launched in March 2010 it was based on the BettaBeta Equally Weighted Top40 index as calculated independently by the FTSE/JSE. This index was selected as there was no official FTSE/JSE index at that stage. Subsequent to the listing of the ETF the JSE launched an official version of the index as part of their FTSE/JSE Africa Index Series.

A change from the custom index to the official FTSE/JSE index opens the ETF as an investment opportunity to a broader audience who are only allowed to invest in official JSE indices. The two indices are identical in terms of the index rules, the underlying equities and their performance since launch.

The effective date of the change of index of the BettaBeta Equally Weighted Top40 Exchange Traded Fund is anticipated to be 20th June 2011, provided that the necessary consent is obtained from investors.

It should be noted that, although the two indices are identical in construction and performance, they are at different levels, with the current index being a factor of around 2.05 times the proposed new index, which means that each investor will receive 2 participatory interests for each current BBET40 participatory interest held and a cash distribution for the balance. The investor may also receive additional BBET40 participatory interests in lieu of the cash distribution. The latter is the default election in the ballot paper.

Irrespective of their election the investor’s interest will always have at least the same net asset value before and after the index change, including taking the cash distribution into account (if applicable).

The Trustees of the BettaBeta Collective Investments Scheme (approved by the Financial Services Board in terms of the Act), being First National Bank Limited have formally consented to the proposed amalgamation as set out in the proposal to investors.
4. Structure, management and operation of the BettaBeta CIS

The structure of the BettaBeta CIS and relevant portfolio is set out below:

1. THE STRUCTURE

![Diagram showing the structure of BettaBeta CIS]

The BettaBeta Collective Investments Scheme ("BettaBeta CIS")

1. THE MANAGER, TRUSTEE AND CUSTODIAN, INVESTMENT MANAGER, MARKET MAKER AND CALCULATION AGENT

The functions of the manager, trustee, investment manager, market maker and calculation agent are set out below.

1.1 THE MANAGER

BettaBeta CIS is managed by Nedgroup Beta Solutions, a manager approved and registered by the Registrar to manage the BettaBeta CIS. Nedgroup Beta Solutions was incorporated on 29 March 2007 under the name Race All Invest (Proprietary) Limited, which name was changed to Nedgroup Beta Solutions on 8th January 2010.

The functions of the manager are to:

* act as a manager of the BettaBeta CIS in accordance with the Collective Investment Schemes Control Act, No 45 of 2002 (as amended) ("CISCA") and to render administrative, clerical and supervisory services required to manage the BettaBeta CIS;
create and cause to be registered under CISCA, the BettaBeta CIS and for that purpose to enter into one or more deeds with the trustee in terms of which the manager will be appointed the manager of the BettaBeta CIS;

perform all investment and asset management functions necessary or desirable in order to manage the assets of each of the portfolios in BettaBeta CIS. The manager has opted to outsource this investment management function to Dibanisa, more fully described below; and

enter into all such agreements and to do all such things as may be necessary or desirable in order to act as a manager of the BettaBeta CIS and in terms of CISCA and all other applicable laws and to provide all services ancillary thereto.

The relationship between the BettaBeta CIS and the manager is governed by the principal deed.

The names, qualifications, nationalities, business occupation, function in manager and business addresses of the directors of Nedgroup Beta Solutions are outlined below.

<table>
<thead>
<tr>
<th>Director</th>
<th>Current Business Occupation</th>
<th>Function in manager</th>
<th>Business address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nerina Visser</td>
<td>Head: Nedbank Capital Global Markets – Beta Solutions</td>
<td>Non-executive Director</td>
<td>135 Rivonia Road, Sandown, 2196 (PO Box 1144, Johannesburg, 2000)</td>
</tr>
<tr>
<td>BSc, MBA, CFA South African</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gavin Stanbury</td>
<td>Joint Head: Nedbank Capital Global Markets – Innovation</td>
<td>Non-executive Director</td>
<td>135 Rivonia Road, Sandown, 2196 (PO Box 1144, Johannesburg, 2000)</td>
</tr>
<tr>
<td>CA(SA), CFA South African</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Justiné Brophy</td>
<td>Joint Head: Nedbank Capital Global Markets – Innovation</td>
<td>Non-executive Director</td>
<td>135 Rivonia Road, Sandown, 2196 (PO Box 1144, Johannesburg, 2000)</td>
</tr>
<tr>
<td>B.Com, Post grad in Financial Planning Law, MBA South African</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Craig Du Preez</td>
<td>Head: Business Facilitation</td>
<td>Non-executive Director</td>
<td>135 Rivonia Road, Sandown, 2196 (PO Box 1144, Johannesburg, 2000)</td>
</tr>
</tbody>
</table>

Nerina Visser

Nerina Visser has a BSc in Applied Mathematics and Mathematical Statistics from the University of Stellenbosch. In addition she has an MBA and is a Chartered Financial Analyst charter holder. Nerina has 13 years experience as a quantitative analyst with areas of specialisation including indices, ETFs, multi-factor ranking models, asset allocation, forecasting methodologies and data integrity.
Gavin Stanbury

Gavin Stanbury is a registered Chartered Accountant in South Africa, a Chartered Financial Analyst charter holder and holds the Professional Risk Manager qualification. He has six years experience in Structured Finance and currently jointly heads up the Innovation division of Nedbank Capital Global Markets.

Justiné Brophy

Justiné Brophy has a B.Comm majoring in Economics and Finance from the University of South Africa, a post graduate in Financial Planning Law and a MBA from Henley Management College (UK). In addition he is a Certified Financial Planner. Justiné has ten years experience in deal origination, sales and structuring. He currently jointly heads up the Innovation division of Nedbank Capital Global Markets.

Craig Du Preez

Craig Du Preez has a Management Advancement Programme from University of Witwatersrand and a MBA from Henley Management College (UK). Craig has experience in operations and development, payments and cash management and project and finance related experience across the African continent. He currently heads up the Business Facilitation division of Nedbank Capital Global Markets.

The aforementioned persons have not, to the best of our knowledge and belief, been convicted of an offence resulting from dishonesty, fraud or embezzlement and to the best of our knowledge and belief, no estate of any of the said persons was sequestrated and to the best of our knowledge and belief, none of them has been a controlling shareholder or a director of a company or close corporation at the time when it was placed under judicial management or in liquidation.

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 in Annexure 2.

None of the directors of Nedgroup Beta Solutions have been appointed for any specific term of office and one third of the directors retire by rotation at each general meeting, and being eligible they may make themselves available for re-election. None of the directors of Nedgroup Beta Solutions will, in his/her capacity as such, be remunerated for the time being nor it proposed that they be remunerated in the near future. None of the directors of Nedgroup Beta Solutions has any interest in the shares of Nedgroup Beta Solutions.

1.2 THE TRUSTEE AND CUSTODIAN

FNB Custody Services has been appointed, as at the date of this supplemental prospectus, as the trustee and custodian of the BettaBeta CIS. The trustee’s responsibilities are governed by CISCA and the principal deed, and encompass, inter alia, the protection of investors’ interests, acting as trustee of the assets of each of the BettaBeta CIS portfolios and ensuring compliance by the manager with the BettaBeta CIS principal deed.
All constituent securities held by the BettaBeta CIS from time to time are to be registered in the name of the trustee (in its capacity as such). Such constituent securities are to be regarded as being trust property for purposes of the Financial Institutions (Protection of Funds) Act, 2001, and the manager and the trustee are to deal with such securities in terms of CISCA and the principal deed in the best interests of investors.

The obligations of the trustee include, inter alia -

- ensuring that the sale, issue, repurchase and cancellation of participatory interests are carried out in accordance with CISCA and the principal deed;

- ensuring that the price of participatory interests is calculated in accordance with CISCA and the principal deed;

- carrying out the instructions of the manager (unless they are inconsistent with CISCA or the principal deed);

- verifying that all proceeds of transactions involving the constituent instruments in each listed portfolio are remitted to that listed portfolio within time limits which are acceptable market practice in the context of the particular transaction;

- verifying that income accruals of each portfolio are applied in accordance with CISCA and the principal deed;

- in relation to each portfolio, enquiring into and preparing a report on the administration of the BettaBeta CIS by the manager annually for each accounting period, which report is to contain a statement as to whether or not the BettaBeta CIS has been administered in accordance with the provisions of CISCA and the principal deed and, if the manager has not complied with the provisions of CISCA or the principal deed, a statement as to the reasons for such non-compliance and the steps taken by the manager to rectify the situation;

- sending the annual report referred to above to the Registrar and the manager in good time so as to enable the manager to include a copy of the trustee’s report in the manager’s annual report;

- ensuring that there is legal separation of the assets held under custody and that the legal entitlement of investors to the constituent instruments is assured; and

- ensuring that appropriate internal control systems are maintained in relation to the BettaBeta CIS and that the records clearly identify the nature and value of all constituent instruments under custody, the ownership of each such constituent instrument and the place where documents of title pertaining to such constituent instrument are kept.

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 CISCA or the principal deed.

Should the trustee wish to retire as trustee of the BettaBeta CIS, the trustee is obliged, in terms of CISCA, to give the manager and the Registrar not less than six months notice of such intention. During such six month period, the manager is obliged to take all such steps as may be necessary to appoint a new trustee, failing which the Registrar, after consultation with the manager, may direct the manager to appoint a trustee nominated by the Registrar. This will ensure that there is at all times a trustee of the BettaBeta CIS in place.
1.3 INVESTMENT MANAGER

The investment management or asset management function of the scheme will be performed by Dibanisa, a specialist quantitative tracker fund manager which is part of the Old Mutual Investment Group South Africa. The assets of the BettaBeta CIS will be managed in terms of the investment mandate described in the corresponding supplemental deed (as it may be amended or supplemented from time to time), agreed to between Dibanisa and Nedgroup Beta Solutions, and subject always to the supervision and direction of the trustee (or their duly appointed agent).

Dibanisa was launched eight years ago. Dibanisa is a focused quantitative investment house that specialises in equity and bond tracker and enhanced tracker solutions. Dibanisa targets clients that require a low cost, low risk ‘core’ fund manager to complement their aggressive, active, fundamental satellite portfolios. Dibanisa’s client base includes parastatal, private sector and multi-management institutions.

In terms of CISCA and the principal deed, the investment manager is granted various powers in relation to the administration and management of the BettaBeta CIS to ensure that each listed portfolio achieves its investment objectives. However, the investment manager will not be liable for any losses sustained by reason of the adoption of any investment policy set out in this prospectus supplement, but nothing will protect the investment manager against liability to the BettaBeta CIS for any loss or damages suffered by the BettaBeta CIS by reason of fraud, wilful default, recklessness or gross negligence of the investment manager in respect of its obligations or functions under the investment mandate.

The investment mandate provides for the appointment of the investment manager until termination of the agreement by either party on not less than 30 days’ written notice to the other; provided that the investment mandate may immediately be terminated at any time by either party in the event that the other party goes into liquidation or is unable to pay its debts or commits an act of insolvency or a material breach of the investment mandate and fails to remedy the breach within 30 days of being requested to do so, or if the investment manager ceases to be permitted under the applicable laws and regulations to act as such.

1.4 THE MARKET MAKER

The manager will appoint a market maker in relation to each listed portfolio and each market maker appointed will be disclosed in the applicable supplemental prospectus in relation to such listed portfolio.

The market maker shall endeavour at all times to maintain a competitive bid offer spread.

1.5 CALCULATION AGENT

In terms of the principal deed, the manager can appoint a calculation agent whose primary function is to calculate the index level of an ETF on a daily basis.

For the purposes of the BettaBeta Solutions, the manager has appointed the FTSE/JSE as the calculation agent for the Scheme. The index calculation will be governed by the FTSE/JSE Customised Indices Agreement concluded between Nedgroup Beta Solutions and the Information Products Sales Division of JSE.
2. MANAGEMENT AND REGULATION OF BETTABETA CIS

2.1 ASSET MANAGEMENT

The portfolios of BettaBeta CIS will not be actively managed (i.e. through the buying and selling of securities based on economic, financial and market analysis and investment judgement) but will rather be passively managed (i.e. the only movement in a portfolio will be movements caused through index-tracking or rebalancing and it is intended that only securities in the constituent companies will be acquired).

The investment manager is obliged to ensure tracking of the index by purchasing and holding the actual securities comprising the index in the correct proportions, to the extent possible. In exceptional circumstances, the investment manager may, on a short-term basis only, employ other investment techniques and acquire other listed securities that will ensure the most efficient tracking of the index, subject always to the terms of its mandate with the manager. These circumstances include, but are not limited to:

- in the event of a liquidity problem, for example if it is not possible to acquire any of the securities comprising the index or dispose of securities falling out of the index due to there being no market in such a security.
- Where the investment manager deems it necessary or in the interests of countering any adverse cost implications, use derivatives for investment purposes. Derivative transactions will only be used within the investment restrictions set out in the principal deed and CISCA.

2.2 REGULATION OF BETTABETA CIS

BettaBeta CIS is managed by Nedgroup Beta Solutions, a registered manager in terms of CISCA. The manager is bound by the provisions of CISCA, the BettaBeta CIS principal deed, the JSE and BSE Listings Requirements.

2.3 BORROWING POWERS

CISCA allows the manager to borrow on behalf of the portfolio only the necessary funds for the repurchase or cancellation of participatory interests, where insufficient liquidity exists in the portfolio or where the underlying assets of the fund cannot be realised, subject to a borrowing limit of 10% of the market value of the portfolio at the time of borrowing and subject to the terms of the BettaBeta CIS principal deed. The portfolio is not permitted to incur any other borrowings, liabilities or commitments.

3. INVESTOR RIGHTS

3.1 VOTING RIGHTS

In terms of the BettaBeta CIS principal deed, the trustee may delegate to the manager or its nominee the right to attend or vote at a meeting of a constituent company or to take part in or consent to any action of a constituent company. No investor has any right in relation to any of the underlying assets of the BettaBeta CIS portfolio or to attend or vote at any meetings or take part in or consent to any corporate action of constituent companies.

3.2 RIGHT TO COMMUNICATION FROM THE MANAGER
In terms of CISCA, the manager must, not later than 90 days after the close of the financial year of the portfolio, electronically transmit a report to every investor containing the information determined by the Registrar in relation to the portfolio.

Audited financial statements of the BettaBeta CIS portfolio will be made available on the BettaBeta CIS website and on request to an investor. The Audited Financial Statements will also be published in two National newspapers in Botswana and on the BSE's website.

Detailed statements reflecting the breakdown of distributions and detailing the component elements of the distribution will be available on request from an investor’s CSDP or broker.

3.3 AMENDMENTS TO THE RIGHTS ATTACHING TO THE BETTABETA CIS

The rights attaching to BettaBeta CIS participatory interests would be changed if the provisions of CISCA or the principal deed were varied. Any amendment to the principal deed would only be effected if the consent of the Registrar and a majority in value of the investors participating in a ballot conducted by the manager has been obtained on the terms set out in the BettaBeta CIS principal deed.

The BettaBeta CIS principal deed may with the prior approval of the Registrar be amended without investor approval if the amendment:

- is required only to enable the provisions of CISCA or the BettaBeta CIS principal deed to be given effect to more conveniently or economically;
- will benefit the investors;
- will not prejudice the interests of investors;
- does not amend the fundamental provisions or objects of the BettaBeta CIS principal deed; and
- does not release the trustee or the manager from any responsibility to the investors.

4. OPERATION OF BETTABETA CIS IN RELATION TO INVESTORS

4.1 DETERMINATION OF THE MARKET VALUE OF BETTABETA CIS PARTICIPATORY INTEREST

The index is calculated by the calculation agent on the basis of the ground rules and a specified calculation methodology. The relevant calculation agent will be identified in the applicable supplemental prospectus, together with information on how to obtain information in respect of the applicable ground rules and calculation methodology.

At any point in time the market value of a BettaBeta CIS participatory interest or securities may be expected to reflect the index level, plus an amount which reflects a pro rata portion of any accrued distribution amount within the portfolio. Actual market values as reflected by the price at which the participatory interests trade on the BSE may be affected by supply and demand and other market factors, but the ability of a holder to "switch out" of BettaBeta CIS securities by redeeming them in specie for one or more baskets of the constituent securities, subject to a minimum of [1 000 000] participatory interests being delivered, should operate to substantially avoid or minimise any differential which may otherwise arise between the relevant basket price/index level and the value at which the BettaBeta CIS securities trade on the JSE from time to time.
On each trading day the investment manager must publish the NAV per BettaBeta CIS security, the market value of BettaBeta CIS securities and the index level for the preceding day. Any other information which an investor may require in respect of BettaBeta CIS securities and any rights attaching thereto shall be available from the manager on request or on the BettaBeta CIS website (www.bettabeta.co.za).

4.2 THE PRICE AND YIELD OF THE INDEX

The yield of the index is calculated by dividing the aggregate of the income distributions payable on the constituent securities by the aggregate value of such constituent securities, weighted accordingly.

4.3 ADJUSTMENT OF THE INDEX

The index may be adjusted from time to time because of mergers, re-organisations, schemes of arrangement or other corporate activity involving constituent companies. Any adjustments in the index will be implemented as determined from time to time in terms of the relevant ground rules, for example if a constituent company pays a special dividend.

The adjustments may require the removal of a constituent company from the index and the substitution thereof with a new constituent company while at the same time, if necessary, adjusting the base level. The adjustments to the portfolio will be made in such a way that the portfolio will at all times remain as closely aligned as practicably possible with the index level.

If a takeover bid is made for shares of a constituent company included in the index, the manager will not tender the constituent securities held in the portfolio in respect thereof. Constituent securities held in the portfolio which are subject to a takeover bid will only be surrendered if such surrender is mandatory in terms of the applicable legislation.

If a takeover bid results in a constituent company no longer qualifying for inclusion in the index, it will be removed from the index and another company or entity substituted. Any constituent securities of the constituent company still held in the portfolio after the takeover bid will, liquidity permitting, be disposed of by the portfolio and the proceeds will be applied in effecting the appropriate adjustments to the portfolio.

Certain events, such as a consolidation or share split by a constituent company, will result in an automatic adjustment to the number of securities of that constituent company included in the index and accordingly, in the portfolio.

In other circumstances, whenever there is an adjustment to the index by the addition or subtraction of securities of a constituent company, the portfolio will acquire or dispose of the appropriate number of securities of the applicable constituent companies.

5. SCHEDULE OF FEES AND COSTS

5.1 Initial and ongoing costs paid by BettaBeta CIS

Certain initial and ongoing costs will be paid by BettaBeta CIS and will affect the price of the participatory interests. These (stated exclusive of VAT) are set out below:

<table>
<thead>
<tr>
<th>Nature</th>
<th>Initial Cost</th>
<th>Ongoing Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSE Listing fees</td>
<td>P45,000</td>
<td>1 basis point (0.01%) of the value of ETFs listed in</td>
</tr>
<tr>
<td>Management fee</td>
<td>0</td>
<td>20bp of assets under management</td>
</tr>
<tr>
<td>---------------------</td>
<td>---</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Asset management fee</td>
<td>0</td>
<td>12bp of assets under management</td>
</tr>
<tr>
<td>Custodian fee</td>
<td>0</td>
<td>3bp of assets under management</td>
</tr>
<tr>
<td>Trustee fee</td>
<td>0</td>
<td>1bp of assets under management</td>
</tr>
</tbody>
</table>

*The above costs are subject to change as set out in the supplemental deed.*

5.2 Initial costs paid by the investor

All initial taxes, duties, transaction and custody charges and brokerage fees will be for the investor’s account. This will include STT payable on the acquisition of the underlying constituent securities during the initial offer. Note that STT is not payable on the issue of participatory interests, nor will it apply where existing participatory interests change ownership.

In addition the manager is entitled to charge an initial fee in connection with the expenditure incurred and administration performed by it in respect of the creation, issue and sale or repurchase of participatory interests. Such fees would be a maximum of 0.20% plus VAT of the consideration received from an investor. The initial fee will include a distribution fee payable to stockbrokers and other distributors of participatory interests. This fee will be paid to them by the manager and no additional fee will be required to be paid by the applicant to such stockbroker and/or CSDP, other than the regular agreed stock brokerage and/or CSDP costs.

The manager may at any time in its discretion waive or rebate the initial fee, in respect of all investors, any category of investor or any particular investor.

6. Ongoing costs paid by BettaBeta EWT40

Ongoing costs include audit fees, bank charges, custodian fees, management fees, scrip-lending agency fees and trustee fees. These are accrued daily from BettaBeta EWT40 and paid quarterly. All of the above are included in the total expense ratio for BettaBeta EWT40, as published in accordance with industry practice.

- The manager is entitled to a management fee equivalent to [20] basis points (or 0.20%) per annum plus VAT of the net asset value of the total assets of the BettaBeta EWT40 (excluding income accruals and permissible deductions, if any) on the last business day of every accounting period, which will be accrued daily and paid to the manager monthly.

The manager may change any charge for this portfolio, introduce additional charges or change the method of calculation of any charge that could result in an increase in charges, provided that:

- not less than 3 months’ written notice has been given to every investor;
• the necessary amendments to the principal deed and the relevant supplemental deed have been
effect ed in consultation with the Registrar (if applicable); and

• the prior written approval of the BSE has been obtained.

The manager may at any time in its discretion waive or rebate the management fee in respect of all
investors, any category of investor or any particular investor.

In addition to the ongoing costs mentioned above, all taxes, duties, transaction and custody charges and
brokerage fees will be paid by BettaBeta EWT40. This will include STT payable when underlying
constituent securities change as a result of quarterly changes to the index constituents.
5. Description of BettaBeta EWT40 Index

1. **Description of the Index**

   The FTSE/JSE Africa Top 40 Index is a capitalisation weighted index. Companies included in this index are the 40 largest companies by market capitalisation included in the FTSE/JSE All Shares Index.

2. **Description of constituent securities**

   Constituent securities of the BettaBeta EWT40 Index are the forty largest companies listed on the JSE ranked by full market capitalisation using the same ground rules used by FTSE/JSE to calculate and rank the companies included in the FTSE/JSE Africa Top 40 Index. The constituent securities shall be held in equal proportions, being 2.5% each. Any constituent securities that jointly make an entity (e.g. Investec plc and Investec Limited) shall be jointly held to the weight of 2.5%. Investors should take note that the initial constituent securities are only as at the date of this supplemental prospectus and is subject to change after further index rebalances are done in the future. Index rebalances are carried out each quarter on the business day after futures close out or on any other day in accordance with the FTSE/JSE rebalancing methodology.

3. **Frequency with which the distributions are paid**

   As the constituent securities of the FTSE/JSE Africa Top 40 Index declare distributions, such distributions will accrue to BettaBeta EWT40. In addition, scrip lending revenue (if any) generated by BettaBeta EWT40, manufactured dividends earned as a consequence of securities lending transactions utilising constituent securities (if applicable), interest on any cash held and any other income earned will be added to the gross income pool. All costs and expenses (including the management fee) will be deducted from such gross income figure and the net income will be distributed.

   BettaBeta EWT40 will distribute all of its net income to investors in proportion to the number of participatory interests held by them. Such distributions will be made quarterly on the last day of December, March, June and September of each year. Distributions will be paid three weeks after Last date to Trade (LDT).

   Abandoned or undistributed distributions will be handled by the Botswana CSD. Maintenance of unclaimed Dividend records will be kept by the Botswana CSD. If the Botswana CSD is unable to distribute the funds due to closed or abandoned bank accounts, the manager will retain the distributions for a period of 5 years and thereafter donate the unallocated distribution to a charity at the manager’s discretion.

4. **Procedures following the modification or discontinuance of the Index**

   Should the JSE effect any major change to the composition, method of calculation and/or transmission of the FTSE/JSE Africa Top 40 Index, such change shall be published by the JSE in advance thereof.

   Should the JSE cease to calculate and/or publish the FTSE/JSE Africa Top 40 Index, it shall give the manager no less than three months' prior written notice (or as much notice as is reasonable in the circumstances) of such intention.
Should the JSE indicate in such event that a replacement or substitute index will be available, the manager will have sixty days within which to elect whether or not to use such replacement or substitute index and to notify the BSE accordingly.

5. Authority to use the Index

In terms of the customised indices agreement Nedgroup Beta Solutions is entitled to use the BettaBeta Equally Weighted Top 40 Index for its own internal business purposes, which excludes reproduction, copying or dissemination of the Index to any third party.
6. Risk factors

Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to an investment in BettaBeta CIS and investors are encouraged to seek independent advice regarding the suitability and appropriateness of any investment in the BettaBeta CIS portfolio.

1. INVESTMENT AND MARKET RISK

- There is no guarantee that the BettaBeta CIS portfolio will achieve its investment objective of perfectly tracking the index.

- The value of the participatory interests and the distributions payable by the BettaBeta CIS portfolio will rise and fall as the capital values of the underlying securities housed in the portfolio and the income flowing therefrom fluctuate (which fluctuations may be caused by events specific to the constituent companies) and as the expenses of the BettaBeta CIS portfolio rise and fall. BettaBeta CIS participatory interests can accordingly have a value below the price paid by the investor. Prospective investors should be prepared for the possibility that they may sustain a loss.

- The BettaBeta CIS portfolio may not be able to perfectly replicate the performance of the index because:
  - the fund is liable for certain costs and expenses not taken into account in the calculation of the index;
  - certain index constituents may become temporarily unavailable (for example, due to illiquidity, or a lack of trading, in those securities); or
  - other extraordinary circumstances may result in a deviation from precise index weightings.

2. TAX RISK

- The tax treatment of holders will vary depending on the tax status of the holder in question.

- Investors should seek professional tax advice in this regard.

3. SECONDARY TRADING RISK

- There is no guarantee that a liquid secondary market in BettaBeta CIS participatory interests will develop.

- BettaBeta CIS participatory interests may trade at a discount or premium to their NAV.

- There is no guarantee that the BettaBeta CIS participatory interests will remain listed on the BSE.

- Any termination of listing would be subject to the BSE Listings Requirements.

4. INDEX RISK

- There is no guarantee that the index will continue to be calculated in the manner in which it is currently calculated.
• The past performance of the index is not necessarily an indication of future performance.

• Neither the index licensor, calculation agent, nor the manager, the trustee or the investment manager:
  – 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;
  – warrant or make any representation as to the results to be obtained by the BettaBeta CIS portfolio or any investor in BettaBeta CIS from the use of the index or any data included in the index; or
  – warrant the ability of any portfolio to track any applicable index.

• Given that the index was created as a measure of market performance and not for the purpose of trading in BettaBeta CIS participatory interests, the index may be adjusted by the index licensor without regard to the interests of holders of participatory interests, but solely with a view to the original purpose of the index.

• If for any reason the index ceases to exist then:
  – if there is, in the reasonable opinion of the manager, a successor index composed and weighted according to substantially similar criteria as are applied in respect of the index, the portfolio of securities housed in the BettaBeta CIS portfolio shall be adjusted to track the successor index; or
  – if there is not, in the reasonable opinion of the manager, an appropriate successor to the index, then the BettaBeta CIS portfolio will be wound up in accordance with the requirements of the JSE and the Registrar.

• BettaBeta CIS participatory interests are not in any way sponsored, endorsed, sold or promoted by the index licensor, which makes no warranty or representation whatsoever, express 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 licensor 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 indices utilised are trademarks and are used by the manager under licence.

5. **REGULATORY, ECONOMIC AND POLITICAL RISK**

The performance of the fund may be affected by changes in economic and market conditions, political developments or changes in government policies, changes in legal, exchange control, regulatory and tax requirements.

6. **SECURITIES LENDING RISK**

The manager of BettaBeta CIS may (but is not obliged to) engage in securities lending (on the terms stipulated in the BettaBeta CIS principal deed). If the BettaBeta CIS portfolio engages in such securities lending transactions and a borrower of securities fails to perform its obligations, then BettaBeta CIS may be unable to recover the loaned securities. This risk is reduced however, given the obligation on the manager to obtain collateral, the limits imposed in terms of the BettaBeta CIS principal deed and the institutional nature of the borrowers.
7. INVESTMENT IN DERIVATIVES

The manager of BettaBeta CIS may invest in derivatives from time to time. While an investment in derivatives will only be employed within the investment restrictions stipulated in the BettaBeta CIS principal deed and CISCA, the following risks may be associated with such an investment:

- the time-limited rights acquired can lapse or diminish in value;
- the risk of loss may be unquantifiable; and

transactions by means of which the risks are to be eliminated or reduced may be impossible to conclude or else only at a loss-inducing price.
7. Tax

1. In terms of current tax legislation in Botswana, the dividends and income of the Fund distributed to investors would:

   (a) in respect of a Botswana resident which is a company or other juristic entity or, being a natural person is a citizen of Botswana, be deemed to have accrued from a source situated in Botswana and thus form part of the gross income of that person and liable to tax,

   (b) in respect of a Botswana resident natural person who is not a citizen of Botswana, not be deemed to have accrued from a source situated in Botswana and thus not form part of that persons gross income and not liable to tax.
8. General Information

This section covers regulatory, statutory and other information relevant to the listing of the BettaBeta EWT40 participatory interests on the BSE.

1. ISSUE OF PARTICIPATORY INTERESTS

All participatory interests issued in terms of an initial offer will be issued in dematerialised form to the broker or CSDP nominated by the applicant, which will hold such participatory interests on behalf of the relevant investor. An advice note will be issued by the broker or CSDP to the participatory interest holder as evidence of ownership of the participatory interests and will be provided to the investor in the form and in the time periods prescribed in terms of the agreement between the investor and its CSDP or broker.

The transfer of the participatory interest from South Africa to Botswana will be performed by Computershare Investor Services (Proprietary) Limited.

Central Securities Depository Company of Botswana Limited (CSDB) has been appointed as the Botswana CSD.

CSDB Botswana shall perform the usual duties of transfer secretary to the Nedgroup Beta Solutions and in particular:

- Maintenance and reconciliation of the CSD control account
- Handling of shareholder and broker queries
- Handle Transfers (removals) from one register to the other, i.e. Botswana Register to South Africa Register or vice versa
- Payment of dividends to ETF unit holders through bank transfers (will not include processing of cheques)
- Provision of Holders of Records report at the end of each month in an electronic format
- Coordinating mailing of documents such as annual or interim reports where applicable
- Receive and record on the register all notices or changes and contact details, returned mail and dividend mandate instructions
- General stationary – CSDB 1,2,3 &4 forms used customers as prescribed by CSDB
- Maintain a Mailing list – detailed register maintained for mailing purposes, annual or interim reports

ADDITIONAL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>storage of Records:</td>
</tr>
<tr>
<td>Documents/files are stored offsite with Document Bank</td>
</tr>
<tr>
<td>Historical Holders:</td>
</tr>
<tr>
<td>Shareholder records that have to be maintained for a statutory period. History for query purposes for a minimum statutory period of at least 6yrs</td>
</tr>
<tr>
<td>Verification of returned dividend payment</td>
</tr>
<tr>
<td>Maintenance of unclaimed Dividend Record (Post reconciliation claims)</td>
</tr>
<tr>
<td>Maintenance of unclaimed dividend shareholder records (Subject to having access to bank statements &amp; details of cheques issued as dividends)</td>
</tr>
</tbody>
</table>
2. **LISTING ON THE Johannesburg Stock Exchange ("JSE")**

BettaBeta EWT40 participatory interests were listed in the "Exchange Traded Funds" sector of the JSE list under the abbreviated name "BBEWT40", symbol "BBET40" and ISIN Code [ZAE000144507] with effect from the commencement of business on 25 March 2010.

3. **LISTING ON THE BSE**

Application has been made under and in terms of the BSE Listing Requirements for listing of the BettaBeta EWT40 participatory interests as an Exchange Traded Fund on the BSE in the [...] Sector of the BSE and the BSE has granted approval for such a listing. This Supplemental prospectus is in compliance with the Botswana Companies Act.

4. **FURTHER EXCHANGE LISTING**

Nedgroup Beta Solutions may obtain a dual listing on other Exchanges.

5. **GRANT OF PREFERENTIAL SUBSCRIPTION RIGHTS**

No contracts have been entered into in terms of which any person has been granted any option or preferential right of any kind to subscribe for any BettaBeta EWT40 participatory interests. Neither has any commission, discount, brokerage or other special term been granted (either during the three years preceding the last practicable date or at all) in connection with the issue or sale of any BettaBeta EWT40 participatory interests.

6. **DIRECTORS' INTEREST IN TRANSACTIONS**

None of the directors of Nedgroup Beta Solutions have any interest of any nature whatsoever in any transactions effected by or on behalf of the BettaBeta EWT40 portfolio since its establishment.

7. **COMMISSIONS AND OTHER PAYMENTS**

No amount has been paid (within the preceding three years or at all) or is proposed to be paid to any promoter in connection with the establishment and/or listing of the BettaBeta EWT40 portfolio, nor has any commission been paid or is payable in respect of any underwriting.

8. **MATERIAL CONTRACTS**

In order to run the fund, the manager will rely upon the principal deed. Save for the principal deed, neither the manager nor the trustee has entered into any material contract since the establishment of BettaBeta CIS.
9. **OTHER JURISDICTIONS**

This offer is not an offer in any jurisdiction in which it is illegal to make this offer and in those circumstances this supplemental prospectus is issued for information purposes only. In particular, the BettaBeta EWT40 participatory interests have not been registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the USA, to US persons or US residents.

10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of Nedgroup Beta Solutions, whose names are set out in page 14 collectively and individually accept full responsibility for the accuracy of the information given herein and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this supplemental prospectus contains all information required by the BSE Listings Requirements.

11. **LITIGATION STATEMENT**

There are no legal or arbitration proceedings of which the manager is aware (including any proceedings which are pending or threatened) which have or may have had a material effect on the financial position of Nedgroup Beta Solutions since its establishment.

12. **CONSENTS**

Each of the advisers as set out in the Corporate Information section of this supplemental prospectus have consented in writing to act in the capacities stated, and to their names being stated in this supplemental prospectus and none of these consents have been withdrawn prior to the publication of this supplemental prospectus.

13. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the manager, at any time during office hours:

- the memorandum and articles of association of Nedgroup Beta Solutions;
- the principal and supplemental deed;
- a copy of the pre-listing statement;
- a signed copy of this supplemental prospectus;
14. NET ASSET VALUE CALCULATIONS AND BASIS OF CALCULATION

The Net Asset Value of the BettaBeta Equally Weighted TOP40 ETF as at the 29th October 2010 was 3.213.05 ZAR cents.

The basis of calculation is Total Assets under Management less Accrued costs divided by the number of Participatory interests in issue.

15. INVESTOR CONSIDERATIONS

The BSE’s approval of the listing of the BettaBeta Equally Weighted TOP40 Exchange Traded Fund shall not be construed in any way as an indication of the merits of Nedgroup Beta Solutions or the Exchange Traded Fund. The BSE has not verified the accuracy and truthfulness of the contents of the documents relating to the Exchange Traded Fund and accordingly, the BSE Exchange will not be liable for any claim of whatever nature.

Investors investing in Exchange Traded Funds issued by Nedgroup Beta Solutions will have no recourse against the BSE Security Fund. Claims against the BSE Security Fund may only be made in respect of Exchanged Trades Funds that are listed on the BSE and in accordance with the rules of the BSE Security Fund.

Prospective investors in Exchange Traded Funds should ensure that they fully understand the nature of the Exchange Traded Fund and the risks inherent in investing in the Exchange Traded Fund. Prospective investors must determine the suitability of the Exchange Traded Fund as an investment in light of their own circumstances and financial position.

This supplemental prospectus has been signed in Johannesburg on behalf of all the directors of Nedgroup Beta Solutions in terms of power of attorney granted on 25 March 2011.

Nerina Visser
Director – Nedgroup Beta Solutions (Proprietary) Limited

Johannesburg
25 March 2011
BettaBeta Equally Weighted
Top 40 Exchange Traded Fund
Collective Investment Scheme

Financial Statements
for the 10 months ended 31 December 2018
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Financial Statements for the 10 months ended 31 December 2010

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Statement of financial position 7
Statement of comprehensive income 8
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Statement of cash flows 10
Notes to the financial statements 11 - 28
Total Expense Ratio 29
1st February 2011

The Directors
Nedgroup Beta Solutions (Proprietary) Limited
135 Rivonia Road
Sandown
2196

TRUSTEE REPORT ON THE BETTABETA COLLECTIVE INVESTMENT SCHEME

As Trustees to the BettaBeta Collective Investment Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to unitholders on the administration of the Scheme during each annual accounting period.

We therefore confirm that for the period 25th March 2010 to 31st December 2010 the Scheme has been administered:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the manager by the Act; and
(ii) in accordance with the provisions of the Act and the relevant deeds.

There were no instances of compliance contraventions and no losses incurred by the Portfolio in the year.

Yours faithfully

Nelia de Beer
Trustee Services

Marian Ruiters
Trustee Services
BettaBeta Equally Weighted Top 40 Exchange Traded Fund
Collective Investment Scheme

Manager’s responsibility and approval

Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”) is responsible for the preparation and fair presentation of the financial statements of BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme, comprising the statement of financial position at 31 December 2010, and the statement of comprehensive income, the statement of changes in net assets attributable to investors and the statement of cash flows for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the manager’s report, in accordance with International Financial Reporting Standards and in the manner required by the Collective Investment Scheme Control Act of South Africa and the Principal Deed.

The manager’s responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The manager’s responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The manager has made an assessment of the scheme’s ability to continue as a going concern and has no reason to believe the scheme will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, the manner required by the Collective Investment Scheme Control Act of South Africa and the Principal Deed.

Approval of the financial statements

The financial statements of BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme, as identified in the first paragraph, were approved by the manager on 11 February 2011 and are signed on its behalf by:

[Signatures]
Independent auditor's report

To the trustee of BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Report on the financial statements
We have audited the financial statements of the BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme, which comprise the statement of financial position at 31 December 2010, and the statement of comprehensive income, the statement of changes in net assets attributable to investors and the statement of cash flows for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the manager’s report as set out on pages 5 to 28.

Manager’s responsibility for the financial statements
Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Collective Investment Schemes Control Act and the Principal Deed. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme at 31 December 2010, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Collective Investment Schemes Control Act and the Principal Deed.

Per P Fourie
Chartered Accountant (SA)
Registered Auditor
Director
11 February 2011
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Manager's report
for the period ended 31 December 2010

Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”) has pleasure in presenting its report for the year ended 31 December 2010.

Nature of business

BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme was established in accordance with the provisions of the Collective Investment Schemes Control Act with effect from 25 March 2010.

The investment objective of the Fund is to track the price and performance yield of the Equally Weighted FTSE/JSE Top 40 Companies Index (“ETOP”) on the JSE Limited.

The Fund securities are securities listed and traded on the JSE Limited in much the same was as any listed share. By owning Fund securities an investor will obtain market exposure to the constituent companies included in the Top 40 Index.

BettaBeta Equally Weighted Top 40 Exchange Traded Fund was initially listed on 25 March 2010.

Trustee

The Trustee of the Scheme at the date of this report is FirstRand Bank Limited Custody Services.

Manager

The Manager of the Scheme at the date of this report is Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”).

Beneficiaries

Vested income beneficiaries include all holders of the Fund securities.

Corporate governance

The Manager is committed to good corporate citizenship and to open corporate governance in its stewardship of its own affairs and the Fund’s affairs.

The commitment provides stakeholders with the comfort that the Manager’s and the Fund’s affairs are being managed in an ethical, transparent and responsible manner, after considering prudently determined risk parameters.

Furthermore, in recognition of the need to conduct the affairs of the Manager and the Fund according to the highest standards of corporate governance, in the interests of investor protection, the directors of the Manager endorse the Code of Corporate Practices and Conduct recommended in the King II Report on Corporate Governance for South Africa 2002, as well as the Code of Conduct on Corporate Governance for South Africa (2009).
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Manager’s report
for the period ended 31 December 2010 (continued)

The directors are satisfied that the Manager and the Fund have observed and applied the King II Code consistently during the year under review and committed to compliance with the principles of King III as from the effective date.

The corporate governance framework ensures the strategic guidance of the Manager and the Fund, the effective monitoring of management by the directors of the Manager, and their accountability to all stakeholders. Furthermore, the framework ensures that timely and accurate disclosure is made on all material matters regarding the Manager and the Fund, including the financial situation, performance, ownership and governance of the Manager and the Fund.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Statement of financial position
as at 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>2</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7</td>
</tr>
<tr>
<td><strong>NET ASSETS ATTRIBUTABLE TO INVESTORS</strong></td>
<td></td>
</tr>
</tbody>
</table>

Represented by:
Net assets attributable to investors
- Valued in accordance with the prospectus 36 502 628
- Adjustment to the statement of financial position relating to the subsequent accrual of expenses and the difference between the bid price and the last trade price of assets 92 939
Valued in accordance with IFRS requirements 36 595 567
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Statement of comprehensive income
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>10 months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December 2010</td>
<td>R</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend income</td>
<td>666,254</td>
<td></td>
</tr>
<tr>
<td>Capital distributions received</td>
<td>18,375</td>
<td></td>
</tr>
<tr>
<td>Income distributions received</td>
<td>647,879</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>85,505</td>
<td></td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realised gains on financial instruments designated at fair value through profit or loss</td>
<td>3,465,961</td>
<td></td>
</tr>
<tr>
<td>Unrealised gains on financial instruments designated at fair value through profit or loss</td>
<td>360,128</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and administrative expenses</td>
<td>(179,891)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>8</td>
<td>4,037,829</td>
</tr>
<tr>
<td>Taxation</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>4,037,829</td>
</tr>
<tr>
<td>Income distribution</td>
<td>9</td>
<td>(455,262)</td>
</tr>
<tr>
<td><strong>Increase in net assets attributable to investors</strong></td>
<td></td>
<td>3,582,567</td>
</tr>
<tr>
<td>Capital attributable to investors</td>
<td></td>
<td>3,484,336</td>
</tr>
<tr>
<td>Income attributable to investors</td>
<td></td>
<td>98,231</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>3,582,567</td>
</tr>
</tbody>
</table>
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Statement of changes in net assets attributable to investors
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>Capital attributable to investors R</th>
<th>Income attributable to investors R</th>
<th>Net assets attributable to investors R</th>
</tr>
</thead>
<tbody>
<tr>
<td>New creation of securities</td>
<td>33,013,000</td>
<td>-</td>
<td>33,013,000</td>
</tr>
<tr>
<td>Increase in net assets attributable to investors</td>
<td>3,484,336</td>
<td>98,231</td>
<td>3,582,567</td>
</tr>
<tr>
<td>Balance at 31 December 2010</td>
<td>36,497,336</td>
<td>98,231</td>
<td>36,595,567</td>
</tr>
</tbody>
</table>
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Statement of cash flows
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>For the 10 months ended 31 December 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
</tbody>
</table>

**Cash flow from operating activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash utilised by operations</td>
<td>(99 339)</td>
</tr>
<tr>
<td>Dividends received</td>
<td>666 254</td>
</tr>
<tr>
<td>Interest received</td>
<td>85 505</td>
</tr>
<tr>
<td>Investment in listed investments</td>
<td>(38 098 399)</td>
</tr>
<tr>
<td>Disposal of listed investments</td>
<td>5 054 382</td>
</tr>
<tr>
<td><strong>Net cash outflow from operating activities</strong></td>
<td><strong>(32 391 597)</strong></td>
</tr>
</tbody>
</table>

**Cash flow from financing activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of fund securities</td>
<td>33 013 000</td>
</tr>
<tr>
<td>Distributions paid to fund security holders</td>
<td>(455 262)</td>
</tr>
<tr>
<td><strong>Net cash inflow from financing activities</strong></td>
<td><strong>32 557 738</strong></td>
</tr>
</tbody>
</table>

**Net movement in cash and cash equivalents**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>–</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td><strong>166 141</strong></td>
</tr>
</tbody>
</table>
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies

The BettaBeta Equally Weighted Top 40 Exchange Traded Fund is an open-ended investment scheme incorporated under the Collective Investment Schemes Control Act.

The Scheme’s objectives are detailed as part of the Financial Risk Management below. The scheme is managed by Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”).

1.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Collective Investment Schemes Control Act and the Principal Deed.

The financial statements were authorised for issue by the Manager on 11 February 2011.

1.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except where specifically indicated otherwise in the accounting policies.

1.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in South African Rand, which is the Scheme’s functional and presentation currency.

1.4 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents and trade and other payables.

Initial recognition and measurement

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Directly attributable transaction costs are only included in the initial carrying amount of financial instruments that are not designated through profit or loss. Regular way purchases and sales of financial instruments are accounted for on trade date. All other financial instruments are recognised when the entity first becomes a party to the contractual provisions of the instrument. Subsequent measurement of non-derivative financial instruments is described below.

Classification and subsequent measurement

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.
Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Financial instruments designated at fair value through profit or loss

Financial instruments are classified in this category if they meet one or more of the criteria set out below, at initial recognition and are so designated by management. The Scheme may only designate financial instruments at fair value through profit or loss when the designation results in more relevant information; because either:

- It eliminates or significantly reduces measurement or recognition inconsistencies that would arise from measuring financial assets or financial liabilities, or recognising gains or losses on them, on different bases; or

- Groups of financial assets, financial liabilities or combinations thereof are managed, and their performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy, and information about the Scheme’s financial instruments is reported to management on that basis. The Scheme has documented risk management and investment strategies designed to manage such assets at fair value, taking into consideration the relationship of assets to liabilities in a way that mitigates market risks.

The Scheme can also designate a financial instrument at fair value through profit or loss if it relates to a contract containing one or more embedded derivatives that significantly modify the cash flows resulting from that contract.

The fair value designation, once made, is irrevocable. Measurement is initially at fair value, with directly attributable transaction costs taken directly to profit or loss. Subsequently, the fair value is measured, and gains or losses from changes therein are recognised in profit or loss.

Investments

Listed investments are measured at fair value through profit or loss. Fair value is determined with reference to listed bid prices at the end of the reporting period, as published in the financial press at the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with an original maturity of three months or less measured at amortised cost at reporting date.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Trade and other payables
Trade and other payables are measured at amortised cost.

Other non-derivative financial instruments
Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Creations and redemptions
Creations and redemptions are recorded on trade date using historic cost, being the previous day closing index price.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortisation is included in “Interest income” in the statement of comprehensive income.

1.5 Derecognition of financial instruments

Derecognition of financial assets

The Scheme derecognises a financial asset when and only when:

- The contractual rights to the cash flows arising from the financial assets have expired or been forfeited by the Scheme; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the assets; or
- It transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The difference between the carrying amount of a financial liability (or part therefore) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.6 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the entity holds a current legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or realise the asset and settle the liability simultaneously.

1.7 Fair value

Some of the Scheme's financial instruments are measured at fair value through profit or loss, namely those designated by management under the fair value option.

The fair value of a financial instrument is the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The method of determining the fair value of financial instruments is based on unadjusted quoted prices in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

1.8 Revenue

Revenue comprises investment income, namely interest income and dividend income.

Investment income is that income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be an inflow of economic benefits and the income can be reliably measured.

Interest income is recognised on a time-proportionate basis using the effective interest method.

Dividends from equity investments are recognised in the statement of comprehensive income when the shareholders' rights to receive payment have been established except to the extent that the dividends clearly reflect a realisation of the underlying investments.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.9 Fair value gains and losses

Realised profits or losses on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs on the sale of equity investments and its carrying value at the start of the full reporting period.

Unrealised profits or losses on the revaluation of investments are the movements in the carrying value of investments between the start and end of the accounting period.

1.10 Management and administration expenses

Management and administration expenses are recognised in profit or loss when a decrease in future economic benefits related to the decrease in an asset or an increase in a liability has arisen, that can be measured reliably.

Expenses are recognised as the related service is performed.

1.11 Taxation

Under the current system of taxation in South Africa, the Fund is exempt from paying taxation on income or capital gains. Both income and capital gains are taxed in the hands of the investors.

1.12 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. No significant accounting estimates and judgements have been applied in the financial statements of the Scheme.

1.13 Provisions

Provisions are recognised when the Scheme has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where reliable estimates can be made of the amount of the obligation. Where the effect of discounting is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Future operating costs or losses are not provided for.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.14 Redeemable securities

All redeemable securities issued by the Fund provide investors with the right to require redemption for cash or in specie at the value proportionate to the investor's share. Such instruments give rise to equity instruments for the net asset value of the redemption amount in the statement of financial position. In accordance with the Principal deed and the Collective Investment Schemes Control Act, the Fund is contractually obliged to redeem securities at the net asset value.

1.15 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued are not yet effective for the 10 months ended 31 December 2010 and have not been applied in preparing these financial statements:

IFRS 9 Financial Instruments

This IFRS is the first phase in the IASB's three part project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. This phase deals with the classification and measurement of financial assets. Financial assets can be classified as financial assets at amortised costs or fair value. The classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Amendments are effective for periods commencing 1 January 2013.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

2. Investments

<table>
<thead>
<tr>
<th>No. of shares</th>
<th>Name of company</th>
<th>Current price R</th>
<th>Market value R</th>
<th>% of the fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Oil and Gas Producers</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2715</td>
<td>Sasol Limited</td>
<td>346.28</td>
<td>940 150</td>
<td>2.58</td>
</tr>
<tr>
<td>Basic Material</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4187</td>
<td>African Rainbow Minerals Limited</td>
<td>210.10</td>
<td>879 689</td>
<td>2.41</td>
</tr>
<tr>
<td>2700</td>
<td>Anglo American Plc</td>
<td>343.00</td>
<td>926 100</td>
<td>2.54</td>
</tr>
<tr>
<td>1352</td>
<td>Anglo Platinum Limited</td>
<td>694.13</td>
<td>938 464</td>
<td>2.57</td>
</tr>
<tr>
<td>2733</td>
<td>Anglogold Ashanti Limited</td>
<td>326.90</td>
<td>893 418</td>
<td>2.45</td>
</tr>
<tr>
<td>1153</td>
<td>ArcelorMittal South Africa Limited</td>
<td>79.22</td>
<td>883 541</td>
<td>2.42</td>
</tr>
<tr>
<td>3384</td>
<td>BHP Billiton Plc</td>
<td>265.45</td>
<td>898 283</td>
<td>2.46</td>
</tr>
<tr>
<td>6802</td>
<td>Exxaro Resources Limited</td>
<td>136.24</td>
<td>926 704</td>
<td>2.54</td>
</tr>
<tr>
<td>7394</td>
<td>Gold Fields Limited</td>
<td>120.60</td>
<td>891 716</td>
<td>2.44</td>
</tr>
<tr>
<td>10535</td>
<td>Harmony Gold Mining Company Limited</td>
<td>83.00</td>
<td>874 405</td>
<td>2.39</td>
</tr>
<tr>
<td>4000</td>
<td>Impala Platinum Holdings Limited</td>
<td>232.96</td>
<td>931 840</td>
<td>2.55</td>
</tr>
<tr>
<td>2156</td>
<td>Kumba Iron Ore Limited</td>
<td>424.50</td>
<td>915 222</td>
<td>2.51</td>
</tr>
<tr>
<td>4478</td>
<td>Lonmin Plc</td>
<td>204.00</td>
<td>913 512</td>
<td>2.50</td>
</tr>
<tr>
<td>4969</td>
<td>Mondi Limited</td>
<td>53.80</td>
<td>267 332</td>
<td>0.73</td>
</tr>
<tr>
<td>12423</td>
<td>Mondi Plc</td>
<td>53.75</td>
<td>667 736</td>
<td>1.83</td>
</tr>
<tr>
<td>Industrials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Goods and Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5723</td>
<td>The Bidvest Group Limited</td>
<td>156.75</td>
<td>897 080</td>
<td>2.46</td>
</tr>
<tr>
<td>8145</td>
<td>Remgro Limited</td>
<td>112.95</td>
<td>919 978</td>
<td>2.52</td>
</tr>
<tr>
<td>1</td>
<td>MMI Holdings Limited</td>
<td>16.62</td>
<td>17</td>
<td>0.00</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food and Beverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3769</td>
<td>SABMiller Plc</td>
<td>235.53</td>
<td>887 713</td>
<td>2.43</td>
</tr>
<tr>
<td>4744</td>
<td>Tiger Brands Limited</td>
<td>193.63</td>
<td>918 581</td>
<td>2.52</td>
</tr>
</tbody>
</table>
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

2. Investments (continued)

<table>
<thead>
<tr>
<th>No. of shares</th>
<th>Name of company</th>
<th>Current price R</th>
<th>Market value R</th>
<th>% of the fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Consumer Goods (continued)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Personal and Household Goods</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 960</td>
<td>Compagnie Financiere Richemont SA</td>
<td>39.03</td>
<td>896 129</td>
<td>2.45</td>
</tr>
<tr>
<td>37 501</td>
<td>Steinhoff International Holdings Limited</td>
<td>24.50</td>
<td>918 775</td>
<td>2.52</td>
</tr>
<tr>
<td></td>
<td><strong>Health Care</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 428</td>
<td>Aspen Pharmacare Holdings Limited</td>
<td>92.01</td>
<td>867 470</td>
<td>2.38</td>
</tr>
<tr>
<td></td>
<td><strong>Consumer Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Retail</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 316</td>
<td>Massmart Holdings Limited</td>
<td>146.70</td>
<td>926 557</td>
<td>2.54</td>
</tr>
<tr>
<td>19 149</td>
<td>Pick ’n Pay Stores Limited</td>
<td>48.40</td>
<td>926 816</td>
<td>2.54</td>
</tr>
<tr>
<td>9 184</td>
<td>Shoprite Holdings Limited</td>
<td>99.65</td>
<td>915 186</td>
<td>2.51</td>
</tr>
<tr>
<td>12 872</td>
<td>Truworths International Limited</td>
<td>71.65</td>
<td>922 279</td>
<td>2.53</td>
</tr>
<tr>
<td></td>
<td><strong>Media</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 338</td>
<td>Naspers Limited</td>
<td>387.95</td>
<td>907 027</td>
<td>2.48</td>
</tr>
<tr>
<td></td>
<td><strong>Telecommunication</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Telecommunications</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 087</td>
<td>MTN Group Limited</td>
<td>134.42</td>
<td>952 635</td>
<td>2.61</td>
</tr>
<tr>
<td>11 929</td>
<td>Vodacom Group Limited</td>
<td>76.48</td>
<td>912 330</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td><strong>Financials</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Banks</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 667</td>
<td>ABSA Group Limited</td>
<td>140.00</td>
<td>933 380</td>
<td>2.56</td>
</tr>
<tr>
<td>6 996</td>
<td>Nedbank Group Limited</td>
<td>130.35</td>
<td>911 929</td>
<td>2.50</td>
</tr>
<tr>
<td>48 466</td>
<td>FirstRand Bank Limited</td>
<td>19.51</td>
<td>945 572</td>
<td>2.59</td>
</tr>
<tr>
<td>23 685</td>
<td>RMB Holdings Limited</td>
<td>38.50</td>
<td>911 873</td>
<td>2.50</td>
</tr>
<tr>
<td>8 572</td>
<td>Standard Bank Group Limited</td>
<td>107.55</td>
<td>921 919</td>
<td>2.53</td>
</tr>
</tbody>
</table>
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

2. Investments (continued)

<table>
<thead>
<tr>
<th>No. of shares</th>
<th>Name of company</th>
<th>Current price R</th>
<th>Market value R</th>
<th>% of the fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials (continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Insurance**

<table>
<thead>
<tr>
<th>No of shares</th>
<th>Name of company</th>
<th>Current price R</th>
<th>Market value R</th>
<th>% of the fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>70 314</td>
<td>Old Mutual Plc</td>
<td>12.99</td>
<td>913 379</td>
<td>2.50</td>
</tr>
<tr>
<td>32 775</td>
<td>Sanlam Limited</td>
<td>27.92</td>
<td>915 078</td>
<td>2.51</td>
</tr>
</tbody>
</table>

**Financial Services**

<table>
<thead>
<tr>
<th>No of shares</th>
<th>Name of company</th>
<th>Current price R</th>
<th>Market value R</th>
<th>% of the fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 298</td>
<td>African Bank Investments Limited</td>
<td>38.75</td>
<td>941 548</td>
<td>2.58</td>
</tr>
<tr>
<td>20 385</td>
<td>Capital Shopping Centres Group Plc</td>
<td>42.50</td>
<td>866 363</td>
<td>2.37</td>
</tr>
<tr>
<td>50 056</td>
<td>Growthpoint Properties Limited</td>
<td>18.33</td>
<td>917 526</td>
<td>2.51</td>
</tr>
<tr>
<td>5 511</td>
<td>Investec Limited</td>
<td>56.16</td>
<td>309 498</td>
<td>0.85</td>
</tr>
<tr>
<td>10 884</td>
<td>Investec Plc</td>
<td>54.89</td>
<td>597 423</td>
<td>1.64</td>
</tr>
<tr>
<td>77 924</td>
<td>Reinet Investment S.C.A</td>
<td>11.65</td>
<td>907 815</td>
<td>2.49</td>
</tr>
</tbody>
</table>

Total equities

|                       |                                          |                 | 36 509 978      | 100.00        |

Reconciliation of fair value of investments

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance – fair value</td>
<td>38 098 399</td>
</tr>
<tr>
<td>Purchases during the year</td>
<td>(5 054 382)</td>
</tr>
<tr>
<td>Sales during the year</td>
<td>360 128</td>
</tr>
<tr>
<td>Realised gains</td>
<td></td>
</tr>
<tr>
<td>Unrealised gains on financial assets designated through profit or loss</td>
<td>3 105 833</td>
</tr>
<tr>
<td>Fair value at 31 December 2010</td>
<td>36 509 978</td>
</tr>
</tbody>
</table>

3. Cash and cash equivalents

| Current account                                  | 166 141 |

19
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

4. Fund securities

Net assets due to BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme’s investors relate to the Scheme’s obligation to deliver the underlying basket of shares constituting 1 085 509 Index Securities listed on the Exchange Traded Funds sector of the JSE Limited.

Number of BettaBeta Securities in issue as at 31 December 2010 1 085 509
Value of the BettaBeta Securities (Rand) 36 595 567
Net asset value per BettaBeta Security, excluding distributable amounts 33.63
Net asset value per BettaBeta Security, including distributable amounts 33.71

Although in terms of the principal deed, Nedgroup Beta Solutions (Proprietary) Limited is obliged to repurchase fund securities offered to it by investors, typically, since fund securities are listed on the JSE, investors will sell their fund securities in the secondary market.

5. Creation and cancellation of BettaBeta Equally Weighted Top 40 Securities

A total of 1 085 509 BettaBeta Equally Weighted Top 40 securities were issued during the period at a value of R33 013 000.

6. Quarterly review of BettaBeta Equally Weighted Top 40 Securities (cents per unit)

<table>
<thead>
<tr>
<th>Date</th>
<th>Value (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2010</td>
<td>28.05</td>
</tr>
<tr>
<td>30 September 2010</td>
<td>31.63</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>33.71</td>
</tr>
</tbody>
</table>

7. Trade and other payables

<table>
<thead>
<tr>
<th>2010</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense accruals</td>
<td>80 552</td>
</tr>
</tbody>
</table>

All amounts are payable within one year.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

8. Profit before taxation

Included in profit before taxation are the following significant transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised gains of financial instruments designated at fair value through profit or loss</td>
<td>360 128</td>
</tr>
<tr>
<td>Unrealised gains on financial instruments designated at fair value through profit or loss</td>
<td>3 105 833</td>
</tr>
<tr>
<td>Management fee*</td>
<td>(65 045)</td>
</tr>
<tr>
<td>Trustee fee</td>
<td>(50 268)</td>
</tr>
<tr>
<td>Investment fee</td>
<td>(32 538)</td>
</tr>
<tr>
<td>Audit fee</td>
<td>(24 340)</td>
</tr>
</tbody>
</table>

*Nedgroup Beta Solutions (Proprietary) Limited has been established to act as an agent for all management and administrative services in respect of the Betta Beta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme.

9. Distributions

The BettaBeta Equally Weighted Top 40 Exchange Traded Fund will effect quarterly distributions after paying all the accrued expenses. All distributions are made out of income received by the Fund.

Distributions declared during the period were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.6 cents per share declared on 14 June 2010 and paid on 19 July 2010</td>
<td>191 050</td>
</tr>
<tr>
<td>24.34 cents per share declared on 3 September 2010 and paid on 18 October 2010</td>
<td>264 212</td>
</tr>
<tr>
<td></td>
<td>455 262</td>
</tr>
</tbody>
</table>

10. Taxation

Under the current system of taxation in South Africa, the Fund is exempt from paying taxation on income or capital gains. Both income and capital gains are taxed in the hands of the investors.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

11. Notes to the statement of cash flows

11.1 Cash utilised by operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>R 4 037 829</td>
</tr>
<tr>
<td>Items disclosed separately</td>
<td></td>
</tr>
<tr>
<td>- dividends received</td>
<td>R (666 254)</td>
</tr>
<tr>
<td>- interest received</td>
<td>R (85 505)</td>
</tr>
<tr>
<td>Non-cash items</td>
<td></td>
</tr>
<tr>
<td>- realised and unrealised gains on financial instruments at fair value through profit or loss</td>
<td>R (3 465 961)</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>R 80 552</td>
</tr>
<tr>
<td></td>
<td>R (99 339)</td>
</tr>
</tbody>
</table>

12. Related parties

Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”) has been contracted to perform the management function of the BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme at a fee.

FirstRand Bank Limited Custody Service is the trustee of BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme and is paid a fee at a contractually agreed amount.

The following related party balances and transactions accrued during the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fee</td>
<td>R 65 045</td>
</tr>
<tr>
<td>Trustee fee</td>
<td>R 50 268</td>
</tr>
</tbody>
</table>

Key management personnel

The Scheme’s key management personnel are the directors of Nedgroup Beta Solutions (Proprietary) Limited (the “Manager”) and the Trustee as listed in the Trustee Report. Other than trustee fees, there were no material transactions with key management personnel or their families during the year.

All related party transactions occur under terms and conditions that are no more favourable than those entered into with the third parties in an arm’s length transaction. Nedgroup Securities (Proprietary) Limited’s holding in the Fund at 31 December 2010 is 49.57%.
13. Financial risk management

Financial instruments consist mainly of investments in listed equities, cash and cash equivalents, BettaBeta Securities and trade and other payables. In respect of all the financial instruments listed above, the carrying values approximate fair value due to the fact that the value of the underlying securities is derived from active market prices.

**Fair values versus carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

<table>
<thead>
<tr>
<th>Financial instrument:</th>
<th>Classification:</th>
<th>Carrying amount R</th>
<th>Fair value R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in listed shares</td>
<td>Designated at fair value</td>
<td>36 509 978</td>
<td>36 509 978</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>Loans and receivables</td>
<td>166 141</td>
<td>166 141</td>
</tr>
<tr>
<td>BettaBeta Securities</td>
<td>Designated at fair value</td>
<td>36 595 567</td>
<td>36 595 567</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>Liabilities at amortised cost</td>
<td>80 552</td>
<td>80 552</td>
</tr>
</tbody>
</table>

**Risk analysis**

The fund is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk;
- Investment risk;
- Market risk; and
- Secondary trading risk

The abovementioned risks have been addressed below in more detail.

13.1 Credit risk

Credit risk is the risk of financial loss to the Scheme if a party to a financial instrument fails to meet its contractual obligations.

For assets and liabilities the constant credit spread approach was applied from the date that the assets and liabilities were originated. No changes were noted in the credit risk of the assets and liabilities and the applicable credit spread after origin.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

13. Financial risk management (continued)

13.1 Credit risk (continued)

Exposure to credit risk

The carrying amount of financial assets as disclosed in the statement of financial position represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<table>
<thead>
<tr>
<th>2010 R</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial instruments designated at fair value through profit or loss 36 509 978</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents 166 141</td>
<td></td>
</tr>
</tbody>
</table>

There are no investments held that are past due or impaired.

13.2 Liquidity risk

Liquidity risk results from both the differences between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. Liquidity risk management deals with the overall time profile of the current financial position as well as the expected future structure.

Non-derivative financial instruments

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>6 months or less</th>
<th>6 - 12 months</th>
<th>1 - 2 years</th>
<th>2 years and more than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>80 552</td>
<td>80 552</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>BettaBeta Securities</td>
<td>36 595 567</td>
<td>36 595 567</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The approach to managing liquidity risk is to ensure that the portfolio would be able to pay suitable distributions to investors on a quarterly basis. All dividend distributions were approved by the Trustee.

The portfolio could also be exposed to liquidity risk in cases where insufficient funds are available to effect the necessary changes to Securities constituents. The need to employ alternative investment techniques would only arise in the event of a liquidity problem, for example, if it’s not possible to acquire certain securities comprising the Index due to there being no sellers of such securities.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

13. Financial risk management (continued)

13.2 Liquidity risk (continued)

All of the Scheme’s Securities are listed instruments; they are bought and sold on the JSE Limited through a JSE member. The fund securities can be sold to the Manager, which is obliged to buy them from the investor.

The market maker will attempt to maintain a high degree of liquidity through continuously offering to buy and sell BettaBeta Equally Weighted Top 40 Exchange Traded Fund securities at prices around Net Asset Value (NAV) of the fund securities, thereby ensuring tight buy and sell spreads. Under normal circumstances and conditions, the investors will be able to buy or sell the portfolio securities from the market makers.

13.3 Investment risk

There can be no assurance that the Scheme’s Securities will achieve their investment objectives of replicating the price and yield performance of the Portfolio’s Indexes. The net asset value of the Index Securities will rise and fall as the value of the underlying portfolio fluctuates. The return achieved on Index Securities can be expected to fluctuate in response to changes in the return achieved by the underlying portfolio.

On a quarterly basis, the index is adjusted to ensure that the Constituent Companies in the index are the Top 40 performing companies on the JSE Limited. Thus adjustments such as removing a company that is not performing well or a change in the weighting of the shares are performed.

The following factors could impact negatively on the investment performance of the portfolio:

- Certain costs and expenses incurred by the portfolio could cause the underlying portfolio to mistrack against the Index;
- Temporary unavailability of securities in the secondary market or other extraordinary circumstances could cause deviations from exact weightings of the Index;
- In circumstances where securities comprising the Index are suspended from trading or other market disruptions occur, it may be impossible to rebalance the portfolio of securities held by the portfolio and this may lead to tracking errors; and
- Misinterpretation of information on the calculation of the Index could result in mistracking the Index.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

13. Financial risk management (continued)

13.4 Market risk

Market risk exists where significant changes in equity prices will affect the value of the portfolio’s financial instruments. The investment mandates are that the portfolio is passively managed and as a result the management of market risk is not possible.

There is no guarantee that the BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme will achieve its investment objective of perfectly tracking the Index.

The value of fund securities and distributions payable by the BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme will rise and fall as the capital values of the underlying securities housed in the portfolio and income flowing there from fluctuates. Prospective investors should be prepared for the possibility that they may sustain a loss.

The BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme may not be able to perfectly replicate the performance of the Index because:

- The fund is liable for certain costs and expenses not taken into account in the calculation of the Index; or
- Certain Index constituents may become temporarily unavailable; or
- Other extraordinary circumstances may result in a deviation from precise index weightings.

13.5 Secondary Trading Risk

There can be no guarantee that the Portfolio Index Securities will remain listed on the JSE Limited. Despite the presence of market makers, the liquidity of the Portfolio Index Securities cannot be guaranteed. Any termination of a listing would be subject to the JSE Limited’s listing requirements.

The fund securities may trade at a discount or premium to their net asset value.

13.6 Interest rate risk

Interest rate risk is the risk that the Scheme may be exposed to fluctuations in interest rates. This is considered to be minimal as the short-term payable is not exposed to interest rate risk.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

13. Financial risk management (continued)

13.7 Sensitivity analysis – equity price

All the portfolio’s underlying investments are listed on the JSE. Index Securities are created with an objective to track the performance of specific Portfolio Indices (customized indexes). Any movement or adjustment in the Index, or the underlying constituents of the Index, will have an impact on the price of the security. At any point in time the market value of the BettaBeta Equally Weighted Top 40 Exchange Traded Fund portfolio security may be expected to reflect 1/1000th of the Index level, plus an amount which reflects a pro rata portion of any accrued distribution amount within the Portfolio.

Actual market values may be affected by supply and demand and other market factors, however the ability of a holder to switch out of any BettaBeta Equally Weighted Top 40 Exchange Traded Fund portfolio securities by redeeming them in specie for one or more baskets of the constituent securities, should operate to substantially avoid or minimise any differential which may otherwise arise between the relevant basket and the value at which any portfolio securities trade from time to time.

A 10% increase in the value of the portfolio’s security price at the reporting date would have increased the equities as follows:

<table>
<thead>
<tr>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>3 650 998</td>
</tr>
</tbody>
</table>

BettaBeta Equally Weighted Top 40 Exchange Traded Fund

A 10% decrease in the value of the portfolio’s security price at the reporting date would have decreased the equities as follows:

<table>
<thead>
<tr>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>(3 650 998)</td>
</tr>
</tbody>
</table>

BettaBeta Equally Weighted Top 40 Exchange Traded Fund

13.8 Capital management policy

The BettaBeta Equally Weighted Top 40 Exchange Traded Fund’s portfolio is not subject to externally imposed capital requirements, and cannot guarantee any return.
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Notes to the financial statements
for the 10 months ended 31 December 2010 (continued)

13. Financial risk management (continued)

13.9 Fair Value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been identified as:

- Level 1: quoted prices (unadjusted) in an active market for identified assets and liabilities
- Level 2: inputs other than quoted prices in level 1 that are observable for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liabilities that are based on observable market data (unobservable inputs).

<table>
<thead>
<tr>
<th>Financial instrument</th>
<th>Category</th>
<th>Level 1 R</th>
<th>Level 2 R</th>
<th>Level 3 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in listed shares</td>
<td>Designated at fair value</td>
<td>36 509 978</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets attributable to investors</td>
<td>Designated at fair value</td>
<td>36 595 567</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. Events after the reporting date

The following distributions were declared and paid after year end:

2010 R

7.89 cents per share declared on 11 January 2011 and paid on 20 January 2011 to all holders registered as at 24 December 2010.

85 538
BettaBeta Equally Weighted Top 40 Exchange Traded Fund Collective Investment Scheme

Total Expense Ratio
for the 10 months ended 31 December 2010

Increased customer demand for greater transparency in financial services and the recognition thereof by the collective investments industry required Collective Investment Scheme managers to calculate and publish a Total Expense Ratio for each portfolio under their management. This is a requirement in terms of the Association of Collective Investment Scheme’s standard on the calculation and publication of Total Expense Ratios.

The Association of Collective Investment Scheme’s Guidelines on Total Expense Ratio’s require that a Fund must be in existence for more than 6 months before expense ratios can be calculated and published. The Expense Ratio below is unaudited.

BettaBeta Equally Weighted Top 40 Exchange Traded Fund 39.9bps
Nedgroup Beta Solutions (Proprietary) Limited

Financial Statements
for the 10 months ended 31 December 2010
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Financial Statements
for the 10 months ended 31 December 2010

Contents

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<th>Page</th>
</tr>
</thead>
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<td>Report of the independent auditor</td>
<td>4</td>
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<td>Directors' report</td>
<td>5 - 6</td>
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<td>Statement of comprehensive income</td>
<td>8</td>
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<tr>
<td>Statement of changes in equity</td>
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<tr>
<td>Statement of cash flows</td>
<td>10</td>
</tr>
<tr>
<td>Notes to the financial statements</td>
<td>11 - 15</td>
</tr>
</tbody>
</table>
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Director's responsibility and approval of the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements of Nedgroup Beta Solutions (Proprietary) Limited, comprising the statement of financial position at 31 December 2010 and the statements of comprehensive income, changes in equity and cash flows the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors’ report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors’ responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors’ responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company’s ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the financial statements

The financial statements for the 10 months ended 31 December 2010 set out on pages 5 to 15 were approved by the directors on 2 February 2011 and are signed on its behalf by:

GW Stanbury

N Visser
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Independent auditor's report
To the directors of Nedgroup Beta Solutions (Proprietary) Limited

Report on the financial statements
We have audited the financial statements of Nedgroup Beta Solutions (Proprietary) Limited, which comprise the statement of financial position at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the period then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 5 to 15.

Directors' responsibility for the financial statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Nedgroup Beta Solutions (Proprietary) Limited at 31 December 2010 and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.

Per Pierre Fourie
Chartered Accountant (SA)
Registered Auditor
Director
2 February 2011
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Independent auditor's report

To the directors of Nedgroup Beta Solutions (Proprietary) Limited

Report on the financial statements

We have audited the financial statements of Nedgroup Beta Solutions (Proprietary) Limited, which comprise the statement of financial position at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the period then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 5 to 15.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nedgroup Beta Solutions (Proprietary) Limited at 31 December 2010 and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.

Per Pierre Fourie
Chartered Accountant (SA)
Registered Auditor
Director
2 February 2011
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Directors' report
for the 10 months ended 31 December 2010

The directors have pleasure in submitting the financial statements for the 10 months ended 31 December 2010.

Business and operations

Nedgroup Beta Solutions (Proprietary) Limited was formed to act as the manager of the BettaBeta Collective Investment Scheme in terms of the Collective Investment Schemes Control Act, 2002.

Share capital

Details of the share capital of the Company are reflected in the financial statements. The Company was incorporated with an authorised share capital of 1 000 ordinary shares. The issued share capital comprises 100 shares of R1 par value each.

Dividend

No dividends were declared during the financial period.

Auditor

KPMG Inc. has been appointed as the auditor in accordance with Section 270(2) of the Companies Act.

Holding company

All the issued shares are held by Nedbank Group Limited.

Registered address

Business address -
135 Rivonia Road
Sandown
2196

Postal address -
P O Box 72112
Parkview
2122
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Directors' report
for the 10 months ended 31 December 2010 (continued)

Directors

The directors in office at the date of this report are:

GW Stanbury (appointed 1 July 2008)
N Visser (appointed 1 July 2008)
J Brophy (appointed 15 December 2009)
CM Meagher (appointed 15 December 2009 – resigned 12 November 2010)
WJ van Zyl (appointed 15 December 2009 – resigned 12 November 2010)
V o’ Hare (appointed 12 November 2010)
C du Preez (appointed 12 November 2010)

Secretary

The secretary of the company is Nedgroup Secretariat Services (Proprietary) Limited. The company registration number is 1992/006437/07.
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Statement of financial position
at 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>31 December 2010</th>
<th>28 February 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposit</td>
<td>2 000 000</td>
<td>-</td>
</tr>
<tr>
<td>Current asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry debtor</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total assets</td>
<td>2 000 100</td>
<td>100</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subordinated loan – Nedbank Limited</td>
<td>2 000 000</td>
<td>-</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 000 100</td>
<td>100</td>
</tr>
</tbody>
</table>
Nedgroup Beta Solutions (Proprietary) Limited  
(Reg. No. 2007/009755/07)  

Statement of comprehensive income  
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>10 months ended</th>
<th>12 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December 2010</td>
<td>28 February 2010</td>
</tr>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>100 000</td>
<td>-</td>
</tr>
<tr>
<td>Management fees received</td>
<td>14 167</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>114 167</td>
<td>-</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Statement of changes in equity
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital R</th>
<th>Accumulated profit R</th>
<th>Total R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 March 2009</td>
<td>100</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 28 February 2010</td>
<td>100</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2010</td>
<td>100</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Statement of cash flows
for the 10 months ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>10 months ended 31 December 2010</th>
<th>12 months ended 28 February 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Cash generated by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated by operations</td>
<td>14 167</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>100 000</td>
<td>-</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(114 167)</td>
<td>-</td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of period</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Notes to the annual financial statements
for the 10 months ended 31 December 2010

1. Accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

The accounting policies set out below have been applied in preparing the financial statements for the 10 months ended 31 December 2010, and are consistent with those adopted in the prior year.

1.1. Basis of preparation

The annual financial statements are prepared on the historical cost basis, except where otherwise indicated.

1.2. Share capital

Ordinary shares are classified as equity.

1.3. Financial instruments

(i) Initial recognition

Financial instruments are recognised on the statement of financial position when the company becomes a party to the contractual provisions of a financial instrument. All purchases of financial assets that require delivery within the time frame established by regulation or market convention (‘regular way’ purchases) are recognised at trade date, which is the date on which the company commits to purchase the asset. Financial liabilities are recognised on trade date, which is when the company becomes a party to the contractual provisions of the financial instrument.

(ii) Initial measurement

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental to the company and directly attributable to the acquisition or issue of the financial asset or financial liability.
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Notes to the annual financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.3 Financial instruments (continued)

(iii) Subsequent measurement

Subsequent to initial measurement, financial instruments are either measured at fair value or amortised cost, depending on their classification:

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the company as at fair value through profit or loss or available-for-sale. Financial assets classified as loans and receivables are carried at amortised cost, with interest revenue recognised in the statement of comprehensive income. The bank deposit as disclosed in the statement of financial position is included in the loans and receivables category.

- Non-trading financial liabilities

All financial liabilities, other than those at fair value through profit or loss, are classified as non-trading financial liabilities and are measured at amortised cost. The subordinated loan as disclosed in the statement of financial position is classified as a non-trading financial instrument measured at amortised cost.

(iv) Measurement basis of financial instruments carried at amortised cost

Amortised-cost financial assets and financial liabilities are measured at fair value on initial recognition, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, less any cumulative impairment losses.

(v) Derecognition

All financial assets and financial liabilities are derecognised on trade date, which is when the company commits to selling a financial asset or redeeming a financial liability.

The company derecognises a financial asset when and only when:
- the contractual rights to the cash flows arising from the financial asset have expired or have been forfeited by the company; or
- it transfers the financial asset, including substantially all the risks and rewards of ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.
Nedgroup Beta Solutions (Proprietary) Limited
(Reg. No. 2007/009755/07)

Notes to the annual financial statements
for the 10 months ended 31 December 2010

1. Accounting policies (continued)

1.3 Financial instruments (continued)

(vi) Impairment of financial assets

Nedgroup Beta Solutions (Proprietary) Limited assesses at each statement of financial position
date whether there is objective evidence that a financial asset or group of financial assets is
impaired. A financial asset or a group of financial assets is impaired and impairment losses are
incurred if, and only if, there is objective evidence of impairment as a result of one or more
events that occurred after the initial recognition of the asset (a loss event) and that loss event
(or events) has an impact on the estimated future cash flows of the financial asset or group of
financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables carried at
amortised cost has been incurred, the amount of the loss is measured as the difference between
the asset’s carrying amount and the present value of estimated future cash flows (excluding
future credit losses that have not been incurred) discounted at the financial asset’s original
effective interest rate. The carrying amount of the asset is reduced through the use of an
allowance account and the amount of the loss is recognised in profit or loss.

(vii) Offsetting of financial instruments and related income

Financial assets and liabilities are offset and the net amount reported in the statement of
financial position only when there is a legally enforceable right to set off and there is an
intention of settling on a net basis or realising the asset and settling the liability simultaneously.
Income and expense items are offset only to the extent that their related instruments have been
offset in the statement of financial position, with the exception of those relating to hedges,
which are disclosed in accordance with the profit or loss effect of the hedged item.

2. Share capital

2010  2009

R  R

Authorised
1 000 ordinary shares of R1 each

1 000 1 000

Issued
100 ordinary shares of R1 each

100 100

The unissued shares are under the control of the directors until
the next annual general meeting, subject to the provisions of the

3. No provision has been made for taxation for the period ended 31 December 2010 as the
Company has no taxable profit.
Notes to the annual financial statements
for the 10 months ended 31 December 2010 (continued)

4. Notes to the statement of cash flows

Cash generated by operations

Profit before taxation

Items disclosed separately

Interest received
Interest paid

10 months ended
31 December
2010
R

12 months ended
28 February
2010
R

(100 000)

114 167

14 167

5. Loan – Nedbank Limited

Outstanding balance

2 000 000

The loan bears interest at a 3 month Jibar plus 0.3%, nominal annual compounded quarterly rate or such other rate as agreed to by the parties. Interest for the period was agreed at 6.85%. The loan is unsecured and repayable in full on 1 March 2015.

Nedbank Limited has subordinated their claims against the company under and in terms of the loan agreement in favour and for the benefit of other creditors of the company.

6. Related parties

Nedbank Group Limited holds a 100% share in Nedgroup Beta Solutions (Proprietary) Limited.

Material related party transactions

Loan and interest expense – refer note 5.

The bank deposit is held with Nedbank Limited. Interest earned for the period was agreed at a rate of 6%.

Management fees are received by the BettaBeta Exchange Traded Fund. Nedgroup Beta Solutions (Proprietary) Limited is the manager of the BettaBeta Exchange Traded Fund, a Collective Investment Scheme in securities.
7. Risk management

The company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

7.1 Credit risk

Credit risk is the risk of financial loss to the Company if a party to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

The carrying amount of financial assets as disclosed in the statement of financial position represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>28 February 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposit</td>
<td>2,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Sundry debtor</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

7.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual maturities of financial liabilities are disclosed in note 5.

7.3 Market risk

Market risk is the risk that changes in the interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Nedgroup Beta Solutions (Pty) Ltd is exposed to fluctuations in the interest rate. The loan is linked to the Jibar rate or such rate as agreed to by the parties.