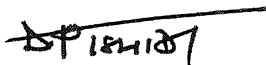


**BOARD NOTICE 89 OF 2015****FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002****EXEMPTION OF A MANAGER OF A COLLECTIVE INVESTMENT SCHEME IN  
SECURITIES FROM CERTAIN PROVISIONS OF THE COLLECTIVE  
INVESTMENT SCHEMES CONTROL ACT, 2002**

I, Dube P Tshidi, Registrar of Collective Investment Schemes, hereby exempt, under section 22(a) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), Satrix Managers (RF)(Pty) Ltd, a manager of a collective investment scheme in securities, from certain provisions of Board Notice 90 of 2014 to the extent, and subject to, the conditions set out in the Schedule.

**D P TSHIDI****REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES**

## SCHEDULE

### 1. Definitions

In this Schedule, “**the Act**” means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), any word or expression to which meaning is assigned in the Act bears that meaning, and unless the context otherwise indicates-

“**JSE**” means JSE Ltd;

“**FTSE**” means FTSE Group

“**Notice**” means Notice 90 of 2014 determined under sections 40, 45(a)(ii) and (b)(ii), 46 and 85 of the Act which prescribes, amongst others, the manner in which, and the limits and conditions subject to which, securities, classes of securities, assets or classes of assets may be included in a portfolio;

“**RESI Index**” means the FTSE/JSE Resources 10 Index (J210) as published or amended from time to time by the JSE;

“**RESI**” means Satrix RESI portfolio established in accordance with paragraph A of the deed entered into between Satrix and ABSA Bank Ltd, the trustee at that time, on 28 July 2004 in respect of a collective investment scheme in securities which is known as Satrix Collective Investment Scheme;

“**Satrix**” means Satrix Managers (RF)(Pty) Ltd, a company under the Companies Act, which is registered as a manager in accordance with the Act.

### 2. Background and purpose

(1) The investment policy of the RESI stipulates that the portfolio shall track the RESI Index as closely as possible by buying only resources securities in the same weightings in which they are included in the RESI Index.

(2) The RESI is required to comply at all times with the requirements of both its investment policy as indicated in the supplemental deed that established the RESI and with the limits and conditions as determined by the Notice.

(3) At the inception of the RESI the RESI Index comprised the largest 20 resources counters on the JSE by market capitalisation. The RESI Index is reviewed by the FTSE/JSE Advisory Committee on a quarterly basis and was changed to comprise the largest 10 resources counters on the JSE by market capitalisation during March 2011. The change in the composition of the RESI Index, and subsequent positive relative price performance of BHP Billiton Ltd, resulted in the RESI no longer complying with the limits and conditions as determined in Board Notice 80 of 2012, the applicable regulation at that time. As a result, Satrix applied for and was granted until 30 September 2014, an exemption from the provision of paragraph 3(10) of Board Notice 80 of 2012.

(4) During March 2015 Sasol Ltd, the third largest company by market capitalisation in the RESI Index, was reclassified to the Speciality Chemicals subsector and was consequently no longer eligible for inclusion in the RESI Index. Given the exclusion of Sasol, the quarterly index rebalancing resulted in the BHP Billiton Ltd weighting in the RESI Index increasing to 57 per cent, in contravention of the maximum weighting of 35 per cent per security prescribed in paragraph 3(10) of the Notice.

(5) In order to address the breach of paragraph 3(10) of the Notice and in an attempt to comply with the investment policy of the RESI, Satrix engaged with the JSE regarding the creation of a new resources index for the RESI that will comply with the investment limits of the Notice and the FTSE/JSE Capped Resources 10 Index was created as a result. However, the inclusion of this index in the investment policy of the RESI can only be effected through a ballot of all investors in the RESI in terms of section 98 of the Act, which process normally takes up to 11 weeks.

(6) The purpose of the exemption is to exempt Satrix with regard to the RESI from the prescribed requirements of paragraph 3(10) of the Notice to allow sufficient time for Satrix to ballot investors to effect the change in the RESI investment policy.

(7) The Registrar is satisfied that the exemption complies with the requirements of section 22 of the Act.

### **3. The extent of the exemption and conditions**

(1) Satrix is exempted from paragraph 3(10) of the Notice in respect of the RESI subject to the weighting of BHP Billiton Ltd in the RESI Index to a maximum limit of 57 per cent.

(2) The exemption applies for the limited period specified in paragraph 4 only.

### **4. Commencement**

This exemption comes into operation on date of publication and will cease to apply on 30 June 2015.