CoreShares Index Tracker Managers (RF) Proprietary Limited
CoreShares PropTrax 10 ETF
Share code: PTXTEN
ISIN: ZAE000155362

CoreShares PropTrax SAPY ETF
Share code: PTXSPY
ISIN: ZAE000101911

Portfolios in the CoreShares Index Tracker Collective Investment Scheme registered as such in terms of the Collective Investment Schemes Control Act, 45 of 2002, managed by CoreShares Index Tracker Managers (RF) Proprietary Limited ("CoreShares").

BALLOT PROCEDURES IN RESPECT OF (1) THE AMENDMENT OF THE INVESTMENT POLICY OF THE CORESHARES PROPERTY TOP TEN EXCHANGE TRADED FUND ("PTXTEN"); AND (2) AMALGAMATING THE CORESHARES PROPERTY SAPY EXCHANGE TRADED FUND WITH CORESHARES PROPERTY TOP TEN EXCHANGE TRADED FUND.

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

CoreShares Index Tracker Managers (RF) (Pty) Ltd, a Manager appointed in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 ("the Act"), hereby effects ballot voting procedures in terms of Section 67 of the Deed and Section 99 of the Act in order to obtain approval for:

1. Amendment of the investment policy of the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") to track a new index, the **South African Property Income Index.**
   PLEASE NOTE: ONLY INVESTORS OF THE PTXTEN ARE REQUIRED TO VOTE ON THIS AMENDMENT.

   Notification of the amendment to the name of the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") **to CoreShares South African Property Income Exchange Traded Fund ("CSPROP").**

2. Amalgamation of the CoreShares Property SAPY Exchange Traded Fund ("PTXSPY") into the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN").

   PLEASE NOTE: INVESTORS OF BOTH THE CORESHARES PROPERTY SAPY EXCHANGE TRADED FUND ("PTXSPY") AND CORESHARES PROPERTY TOP TEN EXCHANGE TRADED FUND ("PTXTEN") ARE REQUIRED TO VOTE ON THIS AMALGAMATION.

Action required

1. Please complete the enclosed Ballot Form **as it relates to you** and return it to our registered Auditors; Deloitte and Touche before close of business on **28 June 2019**. You may email to **zadurcoreshares@deloitte.co.za**.
2. If you have disposed of your participatory interests in the portfolio, no action is required.

BACKGROUND

1. Introduction

Listed property **(Real Estate Investment Trusts (REITS) and other Property Companies)** fulfil a useful function within a balanced portfolio. This is because the asset class is somewhat of a hybrid between equity and fixed income with characteristics of both. Property securities provide for a growing income stream through time. Accordingly, from a diversification and correlation perspective they provide for a useful allocation within client portfolios.

South Africa has a growing and sophisticated listed property sector both in terms of the size of the market but also in terms of the number of funds offering exposure to this segment. CoreShares has two index funds (ETFs); the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") and Coreshares Property SAPY Exchange Traded Fund ("PTXSPY") within this asset class. It is our intention to amalgamate these funds and restructure the index which the remaining single fund will track. The reasons for this are two-fold:

I. CoreShares manages two ETFs which, by index fund standards, are sub scale (R170mln & R275mln). By combining these funds, we are able to run a larger product and provide better economies of scale. This will allow us to reduce the management fee of the remaining product. Furthermore, the local listed property sector (whilst at a decent size) does not warrant two ETF products within the asset class.

II. The new index (South African Property Income Index) (referred to in paragraph 1 above) has been constructed with the 'use case' or 'outcome' of listed property front of mind - chiefly to achieve a high, reliable, growing income stream without taking on undue risks as opposed to more simplistic market cap or equal weighted indexes.

A property ETF that is focused on a yield outcome should resonate well with investors who widely use the asset class for this very purpose. This creates a more investor centric proposition.

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2. A summary of our existing property offerings and impact of proposed changes

Below we provide an overview of our two existing property ETFs, the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") and CoreShares Property SAPY Exchange Traded Fund ("PTXSPY") and also highlight the impact of the proposed changes on the current investment policies of the ETFs under the heading "**List of Similarities and Differences"**.

I. CoreShares Property Top Ten Exchange Traded Fund (R275m AUM)

Initially launched in 2011, "the investment policy of the portfolio is to track the FTSE/JSE SA Listed Property Top 10 Equal Index (a custom index calculated independently by FTSE/JSE) as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of quarterly Index reviews or corporate actions...".

This index consists of the top ten companies, as measured by investable market capitalisation in the FTSE/JSE SAPY Index and are held in equal weightings of 10.0% each (as at each quarterly rebalance date).

The product provides simple exposure to the largest primary listed property shares on the JSE. While it has a beta/size focus, its exposure/objective is more closely defined as an equally-weighted factor. The challenge with single factor strategies is their susceptibility to lumpy performance outcomes, giving investors a volatile experience of the risk asset class.

Accordingly, a yield focused property ETF which has been aligned to the client need should be more suitable than a simple equal weighted proposition.

We are therefore embarking on this process to obtain your approval to change the investment policy of the PTXTEN to track the South African Property Income Index. In the event that this ballot is approved/successful the name of the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") will be changed to **CoreShares South African Property Income Exchange Traded Fund** ("CSPROP") in order to reflect the new index it will be tracking.

We will also reduce the management fee from 0.425% p.a. to 0.35% p.a.

List of Similarities and Differences

EXISTING	**PROPOSED** ***(Proposed effective date: 31 July 2019)***
FUND NAME: CORESHARES PROPERTY TOP TEN EXCHANGE TRADED FUND ("PTXTEN")	**FUND NAME:** CORESHARES SOUTH AFRICAN PROPERTY INCOME EXCHANGE TRADED FUND ("……")
PORTFOLIO BENCHMARK: FTSE/JSE SA LISTED PROPERTY TOP TEN EQUAL WEIGHTED INDEX	**PORTFOLIO BENCHMARK:** SOUTH AFRICAN PROPERTY INCOME INDEX
INVESTMENT POLICY: The investment policy of the portfolio shall be to track the Index as closely as reasonably possible by, to the fullest extent possible, by buying only securities include in the Index in the weightings in which they have been included in the Index; and selling only securities which are excluded from the Index from time to time as a result of the quarterly Index reviews or corporate actions, so as to ensure that at all times the portfolio holds securities included in the Index in the same weightings as they are included in the Index; and As a further objective, to manage the securities held by the portfolio to generate income for the benefit of investors. The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index. Investors may obtain participatory interests in the portfolio on the secondary market or by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object, the manager may, subject to the Act and the Deed, create and issue an unlimited number of participatory interests in the portfolio. The portfolio will be passively managed in that the manager will not buy and sell securities based on economic, financial and /or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be full replication of the Index. Accordingly, the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself.	**INVESTMENT POLICY:** The investment policy of the portfolio shall be to track the South African Property Income Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of Index reviews or corporate actions, so as to ensure that at all times the portfolio holds securities included in the Index in the same weightings as they are included in the Index; and As a further objective, to manage the securities held by the portfolio to generate income for the benefit of investors. The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index. Investors may obtain participatory interests in the portfolio on the secondary market or by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object, the manager may, subject to the Act and the Deed, create and issue an unlimited number of participatory interests in the portfolio. The portfolio will be passively managed in that the manager will not buy and sell securities based on economic, financial and /or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be full replication of the Index. Accordingly, the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself.

The composition of the portfolio will be adjusted quarterly to conform with changes in the composition of the Index. The portfolio shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any takeover bid other corporate action occurs in relation to any entity the securities of which are included in the portfolio, the portfolio shall not surrender any securities held by the portfolio which may be subject to such takeover bid or other corporate action, unless such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction over the portfolio and / or the applicable securities. However, if any such takeover bid or corporate action results in an entity previously included in the Index no longer qualifying for inclusion in the Index, any securities in such entity held by the portfolio, shall be disposed of by the portfolio and the proceeds derived from such disposal shall be in applied in effecting the appropriate adjustments to the portfolio so as to ensure same tracks the Index. Assets in liquid form will form a minor part of the portfolio's assets. The portfolio's ability to replicate the price and yield performance of the Index shall be affected by the costs and expenses incurred by the portfolio.	<u>The composition of the portfolio will be adjusted semi-annually to conform with changes in the composition of the Index.</u> The portfolio shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any takeover bid other corporate action occurs in relation to any entity the securities of which are included in the portfolio, the portfolio shall not surrender any securities held by the portfolio which may be subject to such takeover bid or other corporate action, unless such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction over the portfolio and / or the applicable securities. However, if any such takeover bid or corporate action results in an entity previously included in the Index no longer qualifying for inclusion in the Index, any securities in such entity held by the portfolio, shall be disposed of by the portfolio and the proceeds derived from such disposal shall be in applied in effecting the appropriate adjustments to the portfolio so as to ensure same tracks the Index. Assets in liquid form will form a minor part of the portfolio's assets. The portfolio's ability to replicate the price and yield performance of the Index shall be affected by the costs and expenses incurred by the portfolio.
CHARGES: Management fee: 0.425% p.a.	**CHARGES:** <u>Management fee: 0.35% p.a.</u>
DISTRIBUTION: March, June, September, December	**DISTRIBUTION:** March, June, September, December
REBALANCING: Quarterly	**REBALANCING:** <u>Semi-annually</u>

II. CoreShares Property SAPY Exchange Traded Fund (R170m AUM)

Initially launched in 2007, the "investment policy of the portfolio is to track the FTSE/JSE SAPY Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of quarterly Index reviews or corporate actions...".

This product simple vanilla index exposure to the listed property market in South Africa, with an average of 20 shares listed by their market capitalisation. The index it tracks is limited to the 20 largest property counters that have a primary listing on the JSE. As the market has grown, the parameters of this index have become more onerous with time. For instance, the South African property market has become more global in the last decade, but the FTSE/JSE SAPY index has not fully benefited from this development. Additionally, the limitation to the 20 largest counters opens itself to a scenario where the index becomes less representative of the market as more counters are listed in our market (and as these listings begin to gain increasing market share).

For these primary reasons, CoreShares has embarked on a search for an alternative index that would better serve the market.

3. Amalgamating our property fund offerings

As explained above, we wish to amalgamate the two existing property funds in our range (CoreShares Property SAPY Exchange Traded Fund ("PTXSPY" and CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") to meet the outcomes-based element of our product development framework.

The "new" amalgamated portfolio will be tracking the *South Africa Property Income Index*, which is designed to measure the performance of large South African listed property companies with an emphasis towards companies with sustainable higher yields. The objective of this approach is to provide South African investors with property exposure that has a greater income tilt than what is currently available in the market.

The table below summarises the key characteristics of the two existing property indices which are tracked by the CoreShares Property SAPY Exchange Traded Fund ("PTXSPY") and CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") the (FTSE/JSE SAPY Index and FTSE/JSE SA Listed Property Top 10 Equal Index) respectively. These are compared alongside the new South Africa Property Income Index.

Index characteristic	**Old**		**New**
	FTSE/JSE SAPY	**FTSE/JSE Prop10**	**SA Property Income**
Index provider	**FTSE/JSE**	**FTSE/JSE**	**S&P DJI**
Index review	**Quarterly**	**Quarterly**	**Semi-annually**
Inclusion criteria	**MCap + Liquidity**	**MCap + Liquidity**	**MCap, Liquidity & Yield**
Primary listing requirement	Index includes only JSE listed property	Index includes only JSE listed property stocks with	Index includes JSE listed property stocks with either a primary or

	stocks with a primary listing on the JSE	a primary listing on the JSE	secondary listing on the JSE (i.e. The index methodology does not have an exclusionary criteria for JSE listed property stocks in as far as their primary and/or secondary listings are concerned).
Weighting method	Market Cap	Market Cap	Market Cap (25%) + Average Yield (75%)
Stock capping	None	1/(Number of shares)	1.5x cap on median index yield
Typical # of shares	~20	10	~>25
Asset class	Domestic Property	Domestic Property	Domestic Property
ASISA Category	SA Real Estate General	SA Real Estate General	SA Real Estate General
Management fee	0.425%	0.425%	0.35%

The key takeaways are as follows:

I. The new portfolio has a more defined outcome and more closely meets a need in the market for property allocations that have both a growth and income component.

II. The fee structure, asset class and ASISA categories are similar across all three indices, therefore placing the investor on the same footing on these features.

III. The new index is structurally more diversified. This is because it considers both local and global primary listings on the JSE. Additionally, its stock count is typically higher.

IV. The management fee will decrease to 0.35%.

4. Objectives of the "new" amended portfolio (CoreShares South African Property Income Exchange Traded Fund).

- The investment objective of the portfolio aims to provide investors with a return that tracks the price and yield performance of the South Africa Property Income Index.
- The index is rebalanced semi-annually, with all securities having a minimum market cap of R2 billion at the time of inclusion.
- Where there is point-in-time illiquidity for particular shares, the portfolio will endeavour to track the index as closely as possible, using sampling techniques where necessary. Where sampling is used, this will be implemented through physical replication**.**

5. Key characteristics of the "new" amended portfolio (CoreShares South African Property Income Exchange Traded Fund).

- The investment policy of the portfolio shall be to track the South Africa Property Income Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of Index reviews or corporate actions. As a further objective, the policy shall also be to manage the securities held by the portfolio to generate income for the benefit of investors.
- Constrained within South African listed property shares. The index has minimum market cap and liquidity criterion (for invest-ability) and the shares are ranked by both yield (income) and market capitalisation (size).
- Quarterly distribution in March, June, September and December.
- The fund will sit in the (ASISA) South African Real Estate General category.

In terms of section 99 of the Act, the ballot will be valid if the majority of investors, excluding the manager, vote in favour of the amalgamation. Absence of a response will be regarded as a vote in favour of the amalgamation.

Section 99 (3)(a) of the Act stipulates that on the effective date, every investor "shall hold in the new scheme or portfolio, such participatory interests with an aggregate money value that is not less that the lower of the net asset value or market value, as may be fair and reasonable in the circumstances of the participatory interests which such investor, immediately before the date on which the proposed transaction becomes effective, held in an original scheme or portfolio". In other words, when the portfolios are amalgamated, investors will be issued with replacement participatory interests in the new portfolio. The replacement participatory interests will be equal in market/monetary value to the participatory interests held pre-amalgamation.

A special interim distribution on both portfolios shall take place due to the amalgamation.

The name of the amalgamated portfolio will also be amended to the **CoreShares South African Property Income Exchange Traded Fund,** should the ballot be successful.

The changes to the Portfolio are summarised as follows:

The impact of list of similarities and differences

EXISTING		**PROPOSED** *(Proposed effective date: 31 July 2019)*
CORESHARES PROPERTY SAPY EXCHANGE TRADED FUND	**CORESHARES PROPERTY TOP TEN EXCHANGE TRADED FUND**	**CORESHARES SOUTH AFRICAN PROPERTY INCOME EXCHANGE TRADED FUND**
PORTFOLIO BENCHMARK: FTSE/JSE SA LISTED PROPERTY INDEX (SAPY)	**PORTFOLIO BENCHMARK:** FTSE/JSE SA LISTED PROPERTY TOP TEN EQUAL WEIGHTED INDEX	**PORTFOLIO BENCHMARK:** SOUTH AFRICAN PROPERTY INCOME INDEX
INVESTMENT POLICY: The investment policy of the portfolio shall be to track the Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index; and selling only securities which are excluded from the Index from time to time as a result of the quarterly Index reviews or corporate actions or which are required to be sold to ensure that the portfolio holds constituent securities in the same weighting as they are included in the Index. The portfolio shall not buy or sell constituent securities or any other securities for the purpose of making a profit or influencing the outcome of any proposed corporate action, nor for any purpose other than tracking the Index. As a further objective, the securities held by the portfolio shall be managed to generate income for the benefit of investors, but only in line with income generated by the constituent securities and not through any method of active management. Investors can obtain participatory interests in the portfolio on the secondary market or	**INVESTMENT POLICY:** The investment policy of the portfolio shall be to-Track the Index as closely as reasonably possible by, to the fullest extent possible – buying only securities include in the Index in the weightings in which they have been included in the Index; and selling only securities which are excluded from the Index from time to time as a result of the quarterly Index reviews or corporate actions, so as to ensure that at all times the portfolio holds securities included in the Index in the same weightings as they are included in the Index; and As a further objective, to manage the securities held by the portfolio to generate income for the benefit of investors. The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index. Investors may obtain participatory interests in the portfolio on the secondary market or by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object the manager may, subject to the Act and the Deed, create and	**INVESTMENT POLICY:** The investment policy of the portfolio shall be to track the South African Property Income Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of Index reviews or corporate actions, so as to ensure that at all times the portfolio holds securities included in the Index in the same weightings as they are included in the Index; and As a further objective, the policy shall also be to manage the securities held by the portfolio to generate income for the benefit of investors. The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index. Investors may obtain participatory interests in the portfolio on the secondary market or by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object the manager may, subject to the Act and the Deed, create and issue an unlimited number of participatory interests in the portfolio.

by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object the manager may, subject to the Act and the Deed create and issue an unlimited number of participatory interests in the portfolio. The portfolio will not be managed according to traditional methods of active management which involve the buying and selling of securities based on based on economic, financial and market analysis and investing management. Instead the investment objective and style will be full replication of the Index. As a result the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio unless the securities of such company or entity are removed from the Index itself. The portfolio will acquire and hold a portfolio of securities that substantially represents all of the component securities in the Index in substantially the same weighting as in the Index. However the portfolio shall also be entitled, in its discretion and only on a temporary basis, to employ such other investment techniques and instruments as will most effective give effect to the object or the investment policies of the portfolio. The composition of the portfolio will be adjusted periodically to conform to changes in the composition and weighting of the securities in the Index so as to ensure that the composition and weighting of the securities in the portfolio are a reflection of the composition and weighting of the securities contained in the Index. The portfolio will hold securities purely for the economic rights and benefits attaching thereto and accordingly, the voting rights in respect of the constituent securities will not be exercised, including, without limitation, the exercise thereof in regard to corporate actions and the exercise thereof in the event of a takeover bid being made for any	issue an unlimited number of participatory interests in the portfolio. The portfolio will be passively managed in that the manager will not buy and sell securities based on economic, financial and /or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be full replication of the Index. Accordingly the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself. The composition of the portfolio will be adjusted quarterly to conform with changes in the composition of the Index. The portfolio shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any takeover bid other corporate action occurs in relation to any entity the securities of which are included in the portfolio, the portfolio shall not surrender any securities held by the portfolio which may be subject to such takeover bid or other corporate action, unless such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction over the portfolio and / or the applicable securities. However, if any such takeover bid or corporate action results in an entity previously included in the Index no longer qualifying for inclusion in the Index, any securities in such entity held by the portfolio, shall be disposed of by the portfolio and the proceeds derived from such disposal shall be in applied in effecting the appropriate adjustments to the portfolio so as to ensure same tracks the Index.	The portfolio will be passively managed in that the manager will not buy and sell securities based on economic, financial and /or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be full replication of the Index. Accordingly the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself. The composition of the portfolio will be adjusted quarterly to conform with changes in the composition of the Index. The portfolio shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any takeover bid other corporate action occurs in relation to any entity the securities of which are included in the portfolio, the portfolio shall not surrender any securities held by the portfolio which may be subject to such takeover bid or other corporate action, unless such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction over the portfolio and / or the applicable securities. However, if any such takeover bid or corporate action results in an entity previously included in the Index no longer qualifying for inclusion in the Index, any securities in such entity held by the portfolio, shall be disposed of by the portfolio and the proceeds derived from such disposal shall be in applied in effecting the appropriate adjustments to the portfolio so as to ensure same tracks the Index. Assets in liquid form will form a minor part of the portfolio's assets. The portfolio's ability to replicate the price and yield performance of the Index shall be affected by the costs and expenses incurred by the portfolio.

company the securities of which are included in the Index. In the event of such a takeover bid, the portfolio will not tender shares in respect thereof and securities held by the portfolio which are subject to a takeover bid will only be surrendered if such surrender is mandatory (and then only to the extent o0f such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction. If a takeover bid results in a company no longer qualifying for inclusion in the Index, any shares of the company held by the portfolio after the takeover bid will be disposed of by the portfolio, and the proceeds will be applied in effecting the appropriate adjustments to the portfolio. Assets in liquid form will form a minor part of the portfolio's assets. The portfolio's ability to replicate the price and yield performance of the Index will be affected by the costs and expenses incurred by the portfolio and by the liquidity of the constituent Securities from time to time.	Assets in liquid form will form a minor part of the portfolio's assets. The portfolio's ability to replicate the price and yield performance of the Index shll be affected by the costs and expenses incurred by the portfolio.	
CHARGES: Management Fee: 0.425% p.a.	**CHARGES:** Management fee: 0.425% p.a.	**CHARGES:** Management fee: 0.35% p.a.
DISTRIBUTION: March, June, September, December	**DISTRIBUTION:** March, June, September, December	**DISTRIBUTION:** March, June, September, December
REBALANCING: Quarterly	**REBALANCING:** Quarterly	**REBALANCING:** semi-annually

6. Scenarios for the impact of different outcomes of the two ballot procedures:

BALLOT OUTCOME 1: CONSENT FOR BOTH THE AMENDMENT OF THE INVESTMENT POLICY OF THE PTXTEN AND AMALGAMATION OF PTXSPY AND PTXTEN OBTAINED FROM INVESTORS

The proposed amendment to the investment policy of the PTXTEN and the amalgamation of the PTXSPY and PTXTEN are expected to become effective simultaneously should the affected investors of both ballot procedures provide consent for the proposed changes.

The name of the CoreShares Property Top Ten Exchange Traded Fund ("PTXTEN") will also change to CoreShares South African Property Income Exchange Traded Fund ("CSPROP") should investors provide consent for both the proposed amendment to the investment policy of the PTXTEN and the amalgamation of the PTXSPY and PTXTEN in the ballot procedures.

BALLOT OUTCOME 2: CONSENT FOR ONLY THE AMENDMENT OF THE PTXTEN OBTAINED FROM INVESTORS

Should investors of the PTXTEN provide consent for the amendment of the portfolio to track a new index and investors of both the PTXSPY and PTXTEN do not provide consent for the amalgamation of the two portfolios, then the amendment to the investment policy and name of the PTXTEN will **NOT** be implemented on the proposed effective date.

BALLOT OUTCOME 3: CONSENT FOR ONLY THE AMALGAMATION OF THE PTXSPY AND PTXTEN OBTAINED FROM INVESTORS

Should investors of both the PTXSAPY and PTXTEN provide consent for the amalgamation of the two portfolios and investors of the PTXTEN do not provide consent for the amendment of the portfolio to track a new index, then the amalgamation of the PTXSPY and PTXTEN will **NOT** be implemented on the proposed effective date and the name of the PTXTEN will remain unchanged.

IMPORTANT TO NOTE:

Consent from investors of each of the portfolios in both ballot procedures must be obtained for either of the changes to be implemented on the proposed effective date.

If consent is obtained for only one of the ballot procedures, then the other will also not proceed.

In the event that quorum is not achieved specifically in the ballot for amendment of the investment policy of the PTXTEN (i.e. less than less than 25% of investors respond to the ballot), then a second ballot will be conducted thus causing delays, please note that the result of the ballot for the amalgamation of the PTXSPY and PTXTEN will not be impacted by this delay (i.e. result will remain unchanged pending the result of the second ballot for amendment of the investment policy of the PTXTEN).

How does the proposed amalgamation impact your investment?

Please reference the table of comparisons above ("Index characteristics") for a comprehensive list of similarities and differences.

In summary, the new fund would track a property index that takes both market cap as well as quality and stable income into account when determining the weightings of the stocks that make up the portfolio. Additionally, there is no limit to the number of shares that the new index can invest in (although there are minimum market cap and liquidity requirements for risk and investability controls). The index is expected to be more diversified and generate a higher level of income.

There shall be no tax impact or change in investment value for investors as a result of the amalgamation.

Your rights as an Investor:

The rights of investors are firmly entrenched in the Collective Investment Schemes Control Act and the Main Deed of the Scheme:

****** HOLDERS OF PTXTEN**

In relation to the change in investment policy of the PTXTEN ETF Section 98(2) of Collective Investment Schemes Control Act of 2002 and clause 67 of the Main Deed of the Scheme indicate:

(a) Regulations state that investors holding no less than 25% in value of the total number of participatory investors in the Portfolio, excluding CoreShares, must respond to the ballot request, for it to be successful.
(b) If the majority of those who have responded to the ballot, have voted in favour, then the amendment will be successful.
(c) Where less than 25% of investors respond, a second ballot will be conducted where only the majority result of those who have responded, will determine whether the amendment will be successful or not (i.e. 25% quorum is not required).

****** HOLDERS OF PTXTEN AND PTXSPY**

(d) All investors in the portfolios are given an opportunity to vote in favour of, or against, the proposed amalgamation in terms of clause 99 of the Act.
(e) An independent auditor will verify the outcome of the ballot.
(f) If investors do not participate in the amalgamation ballot timeously, they will be deemed to have voted in favour of the amalgamation.
(g) The amalgamation will be a Capital Gains Tax (CGT) roll-over event, so no CGT will be payable upon amalgamation.

(h) Should you not be comfortable with the proposal in so far as they relate to the portfolio in which you hold participatory interests, you may elect to redeem your participatory interests at any time and withdraw your money at the prevailing price in the market, as defined in the Main Deed, subject to that it is a discretionary investment. By electing to redeem or sell your participatory interests, it will constitute a CGT event for which you will be liable to pay CGT at your next income tax assessment.

(i) If you choose not to withdraw your investments, the proposals as set out in this letter (to the extent that they are approved by investors) will automatically apply to your investment.

7. Action required by investors

7.1 Existing unit holders are requested to notify their JSE Brokers/ CSDPs by no later than Friday, 28 June 2019, as to whether they approve the Amendments as set out in this announcement or not;

7.2 The various Brokers/CSDPs will then submit the ballot responses to CoreShares' registered Auditors, Deloitte and Touché, before close of business on Monday, 1 July 2019;

7.3 If you have disposed of your participatory interests in the portfolio, no action is required.

8. Approval and Commencements

Approval for the amalgamation and amendments was granted by the JSE on [insert date] 2019.

Subject to the ballot voting procedure being successful and approval by the Registrar of Collective Investment Schemes, the amalgamation and amendments will be with effective from commencement of business on [31 July 2019]. Copies of the CoreShares South African Property Income ETF Pricing Supplement, in English, may be obtained during normal business hours from the office of the local manager, CoreShares Index Tracker Managers (RF) Proprietary Limited, located at Grindrod Tower, 4th Floor, 8a Protea Place, Sandton, 2096 and is available on the website: www.coreshares.co.za.

Salient dates in respect of the Amendments are set out below:

Expected timeline for the implementation of the Amendments	**2019**
Declaration and Finalisation Data SENS announcement of approval of the Amendments	Friday, [17 May]
Last day of investors to return respond to their JSE brokers/ CSDPs on whether they approve the Amendments as set out in this supplement or not	Friday, [28 June]
Last day of investors/ their JSE brokers/ CSDPs to return respond to the Auditors on whether they approve the Amendments as set out in this supplement or not	Tuesday, [28 June]
Deadline for Auditors to submit the findings report to Coreshares	Friday, [05 July]

CoreShares to submit the Auditor's findings report to FSCA	Monday, [09 July]
FSCA to advise CoreShares to submit signed supplemental deeds for approval	Monday, [15 July]
Last Day to Trade in the CoreShares PropTrax Ten and CoreShares PropTrax SAPY ETFs	Tuesday, [30 July]
Suspension of trading of CoreShares PropTrax Ten and CoreShares PropTrax SAPY ETFs on the JSE	Wednesday, [31 July]
Commencement of trading in the CoreShares SAProp Income ETF on the JSE (New ISIN: (insert); Share Code:CSPROP)	Wednesday, [31 July]
Record date	Friday, [02 August]
Accounts of dematerialised securities holders updated at their CSDPs or brokers	Monday, [05 August]
Termination of trading of CoreShares PropTrax Ten and CoreShares PropTrax SAPY ETFs on the JSE	Tuesday, [06 August]

Note: Any changes to the expected dates above will be announced on SENS.

9. Notice and restrictions

CoreShares South African Property Income ETF participatory interests are not in any way sponsored, endorsed, sold or promoted by the JSE or S&P Dow Jones Indices ("S&P") and none of these parties makes any warranty or representation whatsoever, expressly or implied, either as to the basis of calculation of, or as to the results to be obtained from the use of the South Africa Property Income Index and/or the value at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated on behalf of and on the instructions of CITM by S&P. However, S&P shall not be liable (whether in negligence or otherwise) to any person for any error in the index and S&P shall not be under any obligation to advise any person of any error therein.

The securities being issued pursuant to this announcement are not eligible for sale in the United States or in any other jurisdiction in which trading in the securities would be illegal. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act has not approved trading in the securities. The securities may not be offered, sold or delivered within the United States or to U.S. persons, nor may any U.S. person at any time trade or maintain a position in the securities.

Should you require any further assistance please send an email to info@coreshares.co.za

17 May 2019

Corporate advisor and sponsor:	Grindrod Bank Limited
Trustee:	Société Générale