The definitions and interpretations commencing on page 6 of this document ("Offering Circular") apply mutatis mutandis to this document, including this cover page.

THIS OFFERING CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT CORESHARES INDEX TRACKER COLLECTIVE INVESTMENTS SCHEME ("THE SCHEME") AND ITS VARIOUS EXCHANGE TRADED FUND SECURITIES AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

The directors of CoreShares Index Tracker Managers (RF) Proprietary Limited, whose names are set out on page 3 of this updated Offering Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this updated Offering Circular and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement herein false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this Offering Circular contains all information required by law and the JSE Limited Listings Requirements.

Under the terms of this updated Offering Circular, CITM may from time to time establish portfolios in the CoreShares Collective Investment Scheme and issue and list on the JSE participatory interests over an Index (or such other investment mandate approved by the regulator). Each issue of participatory interests will be issued on the terms set out herein and under the conditions and on such additional terms as will be set out in the relevant Supplement to the Offering Circular, which will be submitted to and approved by the JSE prior to the date of listing of such participatory interests in accordance with the JSE Listings Requirements. This updated Offering Circular is to be read and construed in conjunction with any such relevant Supplement to the Offering Circular.

CoreShares Index Tracker Managers (RF) Proprietary Limited
Registered in the Republic of South Africa in terms of the Collective Investment Schemes Control Act, 45 of 2002

CORESHARES™
Where smart money works.

CORESHARES UPDATED OFFERING CIRCULAR

Copies of this updated Offering Circular and the related Supplements to the Offering Circular are available in English only, at the registered office of CITM as well as on the CoreShares website hosted at https://coreshares.co.za.

Corporate advisor and Sponsor

GRINDROD BANK

Investors in the securities or participatory interests issued by CoreShares ("CoreShares securities" or "CoreShares participatory interests") referred to herein, as with any other ETF, should ensure that they fully understand the nature of the CoreShares securities and the extent of their exposure to risks and that they consider the suitability of the CoreShares securities as an investment in light of their own circumstances and financial position. Specialist securities involve a high degree of risk, including the risk of losing some or a significant part of their initial investment. Whilst highly unlikely, potential investors should be prepared to sustain a total loss of their investment in such securities. The securities represent participatory interests in a Collective Investment Scheme registered in terms of the Collective Investment Schemes Control Act, No 45 of 2002. Furthermore, potential investors should also seek their own independent tax advice. The JSE's approval of the listing of the CoreShares securities should not be taken in any way as an indication of the merits of CoreShares or of the CoreShares securities. The JSE has not verified the accuracy and truth of the contents of the documentation submitted to it and, to the extent permitted by law, will not be liable for any claim of whatever kind. Claims against the JSE Guarantee Fund may only be made in respect of trading in CoreShares securities on the JSE and in accordance with the Rules of the JSE Guarantee Fund and can in no way relate to the new issue of CoreShares securities.

Risk factors

Investment in a CoreShares securities carries substantial risk. There can be no assurance that the CoreShares securities investment objectives will be achieved and investment results may vary substantially over time. Investment in a CoreShares securities is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in these securities is suitable for them in light of their circumstances and financial resources (see further under paragraph 10. Risks of investing in CoreShares securities).

Date of issue: 30 August 2019

CORPORATE INFORMATION

Corporate Advisor and Sponsor
Grindrod Bank Limited
(Corporate Finance Division)
(Registration number 1994/007994/06)
Grindrod Tower, 4th floor,
8a Protea Place
Sandton
2146
(PO Box 78011, Sandton, 2146)

Trustee and custodian
Societe Generale
(Registration number 1996/006193/10)
2nd floor
160 Jan Smuts Avenue
Rosebank
2196
(PO Box 6872, Johannesburg, 2000)

Asset Manager
CoreShares Asset Management (Pty) Limited
Registration number: 2014/135757/07
CoreShares,
4th Floor, Grindrod Tower,
8a Protea Place,
Sandton
2146
(PO Box 78011, Sandton, 2146)

Holding company of the Manager and registered address
CoreShares Holdings (Pty) Ltd
Registration: 2013/184705/07
CoreShares,
4th Floor, Grindrod Tower,
8a Protea Place,
Sandton
2146
(PO Box 78011, Sandton, 2146)

Authority of Collective Investments Schemes
c/o Financial Sector Conduct Authority
446 Rigel Avenue
Erasmusrand, 0181
(PO Box 35655, Menlo Park, Pretoria, 0102)

Sponsor
Grindrod Bank Limited
(Registration number: 1994/007994/06)
4th Floor, Grindrod Tower
8a Protea Place, Sandton
Johannesburg, 2196
(PO BOX 78011, Sandton, 2146)

Registered office of the Manager
CoreShares Index Tracker Managers (RF) Proprietary Limited
(Registration number 2006/006498/07)
Grindrod Tower, 4th floor,
8a Protea Place
Sandton
2146
(PO Box 78011, Sandton, 2146)

Date of Incorporation: 2 March 2006

Auditors
Deloitte & Touche
2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia Ridge
4051
(P O Box 243, Durban, 4000)

Market Maker
Sanlam Private Wealth (Pty) Ltd
(Registration: 2000/023234/07)
Farm 1, Building B
Vineyard Office Estate
99 Jip de Jager Drive
Welgemoed
7530

Company secretary of the Manager
GFS Holdings (Pty) Ltd
(Registration number 2006/012864/06)
5 Arundel Close
Kingsmead Office Park
Durban
4001
(PO Box 3211, Durban, 4000)

Directors of the Manager
David Andrew Polkinghorne*
Colin Michael Linnett †
Craig Brabazon Hallowes†
Gareth Craig Stobie^

* Non-executive
† Independent non-executive
^ Managing Director

TABLE OF CONTENTS

			Page
CORPORATE INFORMATION AND ADVISORS			
DEFINITIONS AND INTERPRETATIONS			**6**
1.	**INTRODUCTION**		
	1.1	CoreShares	10
	1.2	Collective Investment Scheme	…10
	1.3	ETFs	10
	1.4	Index	10
	1.5	CoreShares participatory interest	10
	1.6	Rights of CoreShares participatory interests' holders	10
	1.7	NAV of CoreShares securities	11
	1.8	Buying and selling CoreShares securities	11
	1.9	Price and other information relating to CoreShares securities	11
	1.10	Change in rights attached to CoreShares participatory interests	11
	1.11	Index calculations	11
	1.12	Index adjustments	11
	1.13	Constituent company takeover bid	….11
	1.14	Total expense ratio	11
	1.15	Passive management	12
2.	**INVESTMENT OBJECTIVE AND BENEFITS**		
	2.1	Investment objective of the CoreShares portfolios	12
	2.2	Benefits of investing in the CoreShares portfolios	12
3.	**MANAGEMENT AND OPERATION OF CORESHARES**		
	3.1	Management and operation	13
	3.2	Alternative investment techniques	13
	3.3	Regulation	13
	3.4	Reports to investors of CoreShares portfolios	13
	3.5	Voting rights in constituent companies	14
	3.6	Borrowing powers	14
4.	**STRUCTURE OF CORESHARES**		
	4.1	The Structure	14
	4.2	CoreShares Manager	14
	4.3	The Asset Manager	15
	4.4	The Trustee	15
	4.5	The Market Maker	15
5.	**INCOME AND COSTS**		
	5.1	Fees payable by investors	15
	5.2	Distributions to investors	15
	5.3	Costs and expenses	16
6.	**AN INITIAL OFFER**		
	6.1	Initial offer	16
	6.2	Issue price	16
	6.3	Minimum number of CoreShares participatory interests	16
	6.4	Salient dates	16
	6.5	Uncertificated securities	17
	6.6	Participating in an initial offer	17
7.	**PURCHASE AND SUBSCRIPTION AND SALE OR REDEMPTION OF CORESHARES PARTICIPATORY INTERESTS AFTER AN INITIAL OFFER**		
	7.1	Trading in CoreShares participatory interests on the secondary market	17
	7.2	Purchasing CoreShares participatory interest after an initial offer	17

7.3 Selling CoreShares participatory interests 17
7.4 Process for subscriptions and redemptions 17
7.5 Suspension or repurchase of CoreShares participatory interests 18
7.6 Price of participatory interest after an initial offer 18
7.7 Calculation of NAV of participatory interests 18
7.8 Daily publication of information on the CoreShares website 19

8. EXCHANGE CONTROL CONSEQUENCES 19

9. TAXATION CONSEQUENCES 21

10. RISKS OF INVESTING IN CORESHARES PORTFOLIOS **21**

11. GENERAL
11.1 King Code of Corporate Governance 22
11.2 Use of proceeds 22
11.3 Listing on the JSE 22
11.4 Litigation 23
11.5 Responsibility statement 23
11.6 Experts consent 23
11.7 Material contracts 23
11.8 Material change 23
11.9 Other jurisdictions 23
11.10 Documents available for inspection 24

ANNEXURE A FORM OF SUPPLEMENT 25

ANNEXURE B SALIENT PROVISIONS OF THE CORESHARES DEED 26

ANNEXURE C SALIENT PROVISIONS OF THE CITM MEMORANDUM OF INCORPORATION 36

DEFINITIONS AND INTERPRETATIONS

In this updated Offering Circular, unless the context clearly indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following words and expressions bear the meanings assigned to them below:

"Act"	the Collective Investment Schemes Control Act, 45 of 2002 (as amended or replaced from time to time) and the regulations promulgated thereunder;
"accounting period"	the accounting or distribution period applicable to the portfolio in question, as described in the relevant Supplement to the Offering Circular;
"applicant"	an investor who applies to subscribe for CoreShares participatory interests on the basis described herein;
"Asset Manager"	CoreShares Asset Management (Pty) Limited (Registration number 2014/135757/07) or such other asset manager appointed by the Manager from time to time;
"Auditors"	The auditors of both CoreShares and the Manager being Deloitte & Touche, as at the date of this updated Offering Circular, or such other internationally recognised auditing firm appointed from time to time;
"Authority" of "FSCA"	the Financial Sector Conduct Authority;
"base level"	a number chosen as the starting point of an Index which is divided into the aggregate market capitalisation of the constituent companies included in the Index in order to calculate the Index level;
"basket" or "basket of constituent securities"	a portfolio of securities which comprises the relevant minimum number of shares or other securities issued by each of the constituent companies contained in a relevant Index (in the same weighting as they are included in an Index) that can be acquired with a relevant amount of money having a certain Rand value (the relevant ratio of number of securities to Rand value may differ for each ETF) . The composition of a basket on a given day may be obtained from the Manager. One basket entitles an investor, in respect of an *in specie* application, to 100 000 CoreShares participatory interests;
"calculation agent"	the party responsible for calculating an Index, which may vary from Index to Index and/or from time to time;
"cash subscriptions"	applications for the acquisition of new participatory interests to be settled in cash;
"closing date"	the date on which an initial offer closes, as specified in the relevant Supplement to the Offering Circular;
"common monetary area"	includes South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
"constituent companies" or "Index constituents	the entities or companies included in the Index, the securities of which are intended to be held by the CoreShares portfolio in the same proportions in which they are housed in the Index;
"constituent securities"	securities issued by the constituent companies;
"CoreShares"	CoreShares Collective Investment Scheme, a collective investment scheme in securities established in South Africa in terms of the Act and registered as such by the Authority on 20 July 2007;
"CoreShares Deed"	collectively, the principal deed read together with the applicable supplemental deed;

"CoreShares portfolio", "fund" or "portfolio"	any one of the portfolios in CoreShares, the participatory interests issued by each of which portfolios is or will in the future be separately listed on the JSE;
"CoreShares security" or "participatory interest"	a security, issued by a CoreShares portfolio, representing a beneficial interest in such CoreShares portfolio;
"CoreShares website"	The CoreShares website, the address of which is www.coreshares.co.za;
"CSDP"	a participant duly accepted by Strate as a Central Securities Depository Participant in terms of the Securities Services Act;
"distribution"	any distribution, as set out in paragraph 5.2, declared by a constituent company;
"ETF"	an Exchange Traded Fund and specifically, any of the Exchange Traded Funds to be operated under the name CoreShares as described in this offering circular;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Financial Markets Act"	The Financial Markets Act, 2012 (No. 19 of 2012), as amended;
"ground rules"	The published ground rules of the relevant Index, as amended from time to time;
"holder"	In relation to any CoreShares participatory interests, the person or entity whose name is entered in the register as the holder of such participatory interests;
"*in specie* subscriptions"	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 100 000 CoreShares securities;
"income accruals"	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;
"Income Tax Act"	the Income Tax Act, 58 of 1962;
"Index"	the index to be tracked by any particular CoreShares portfolio, which shall be as specified in the relevant supplemental deed and relevant Supplement to the Offering Circular;
"Index currency" or foreign currency"	The currency in which the Index is domiciled, as set out in the relevant Supplement to the Offering Circular;
"Index exchange"	the JSE or if not listed on the JSE, any other exchange on which the securities of the constituent companies are listed;
"Index Level"	the level of the Index calculated periodically during a trading day and published by the JSE, which is to form the basis for tracking by the relevant ETF;
"initial offer"	the first offer made to investors in South Africa to subscribe for CoreShares participatory interests in any CoreShares portfolio(s), as described in this updated offering circular as read together with the relevant Supplements to the Offering Circular;
"initial offer period"	the period during which an initial offer will be open, being 09:00 on the opening date until 12:00 on the closing date, or as detailed in the relevant Supplement to the Offering Circular;

"investors"	holders of CoreShares participatory interests;
"JSE"	the exchange, licensed under the Financial Markets Act, operated by JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"Manager" or "CoreShares Managers" or "CITM"	CoreShares Index Tracker Managers (RF) Proprietary Limited (Registration number 2006/006498/07), a private company duly incorporated in accordance with the laws of South Africa, with its registered office at Grindrod Tower, 4th floor, 8a Protea Place, Sandton, 2146, (PO Box 78011, Sandton, 2146);
"management fee"	the fee to be paid to the Manager in respect of its administration of the portfolios, the details of which are set out in the relevant Supplements to the Offering Circular;
"Market Maker"	Sanlam Private Wealth (Pty) Ltd, details of which are set out on the inside front cover of this updated offering circular or such other market maker appointed by the Manager from time to time;
"minimum investment criteria""	compliance by a proposed investor with the Financial Intelligence Centre Act, 38 of 2001 and with the minimum investment limits imposed by the Manager from time to time;
"NAV"	net asset value of a Fund;
"new CoreShares fund" or "new CoreShares portfolio"	a portfolio in CoreShares;
"opening date"	the date on which an initial offer opens, as specified in the relevant Supplement to the Offering Circular;
"principal deed"	the written deed (as amended, novated and/or replaced from time to time) concluded by the Manager and the Trustee on 17 July 2007 in terms of which CoreShares was established as a collective investment scheme in securities, the salient provisions of which Deed are set out in Annexure 1;
"ramp up period"	the period during which the Manager will procure the acquisition of baskets with the cash proceeds derived pursuant to an initial offer or pursuant to subsequent cash subscriptions, as the case may be, which shall commence on the day immediately succeeding the closing date or the date of receipt of such cash subscriptions, as applicable, and shall end on a date as specified in the relevant Supplement to the Offering Circular;
"register"	the register of CoreShares participatory interests, which register shall be maintained by Strate;
"SENS"	the Stock Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"South African business day"	day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in Rand in Johannesburg;
"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 Stamps or 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;

"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
"Strate system"	the electronic settlement system utilised by the JSE and administered by the Central Securities Depository, Strate, which facilitates the electronic clearing and settlement for all transactions concluded on the JSE;
"Supplement to the Offering Circular"	Any supplement issued before or after this updated Offering Circular, which sets out the terms and conditions relating to a specific CoreShares ETF;
"supplemental deed"	a written supplemental deed (as amended, novated and/or replaced from time to time) concluded by the Manager and the Trustee, establishing a portfolio of CoreShares. Each portfolio is established by means of a separate supplemental deed, the salient terms of which will be set out in the relevant Supplement to the Offering Circular;
"trading day"	a day on which the JSE is open for trading;
"transaction costs"	the costs payable by the investor in respect of the transfer of ownership of participatory interests or the repurchase of participatory interests, including the JSE's Insider Trading levy plus any other costs or levies as determined by the JSE from time to time, including, but without being limited to, Stamps or STT and any other brokerage and other transaction charges;
"Trustee"	Societe Generale (Registration number 1996/006193/10), the trustee for the time being of CoreShares appointed in terms of the Act or such other trustee appointed by the Manager in accordance with the CoreShares Deed and the Act from time to time;
"updated Offering Circular"	this offering circular, together with all the annexures hereto contained in this bound document, initially issued on 13 August 2007 and subsequently amended on 30 August 2019, as read together with the relevant Supplements;
"VAT"	Value-Added Tax; and
"VAT Act"	the Value-Added Tax Act, 89 of 1991.

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. any reference to a time of day is a reference to South African Standard Time, unless a contrary indication appears;
2. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
3. a reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, varied, novated or supplemented at any time;
4. should any provision in a definition be a substantive provision conferring rights or imposing obligations on any person, effect shall be given to that provision as if it were a substantive provision in the body of this Circular;
5. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
6. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.
7. references to law and regulation or any similar such word shall be deemed to include the JSE Listings Requirements;
8. no rule of construction shall be applied to the disadvantage of a party because that party was responsible for or participated in the preparation of this Circular or any part of it; and
9. all references to "Rand", "R" or "ZAR" or "cents" are references to the lawful currency of South Africa.

1. INTRODUCTION

1.1 CoreShares

CoreShares is an issuer of exchange traded funds and is established as a collective investment scheme in securities in terms of the Act, the portfolios of which are listed on the JSE in the Exchange Traded Funds sector of the JSE's Main Board. The investment objective of each of the CoreShares portfolios is to replicate as far as possible the price and yield performance of a specified Index (or such other investment mandate approved by the regulator). Further details regarding the investment objectives of CoreShares are set out in section 2: Investment Objective and Benefits, of this updated Offering Circular.

Each fund is regulated by an appropriate regulator. The relevant Supplement to the Offering Circular pertaining to each fund covers its specific structure, investment objective and policies. The format of a Supplement to the Offering Circular is detailed in Annexure A.

1.2 Collective investment scheme

A collective investment scheme is a scheme established in terms of the Act in which members of the public are invited or permitted to invest money or other assets in one or more funds (known as portfolios) and share the risks and benefit in the underlying assets of the particular fund or portfolio in which they have invested.

The assets of each portfolio comprise shares, debentures, linked or combined units, participatory interests or other securities in the constituent companies which make up the relevant Index (or such other investment mandate approved by the regulator) from time to time. Each portfolio holds securities of each of the constituent companies in the same proportion as the securities are represented in the relevant Index.

1.3 ETFs

An ETF, otherwise known as an exchange traded fund or an Index tracking fund, is a passively managed investment fund the aim of which is to track the performance of a particular Index, (or such other investment mandate approved by the regulator) the units of beneficial interest in which fund are listed on an exchange.

There are currently approximately 6 500 ETF's listed globally, into which in excess of R5 trillion has been invested. ETFs are regarded as low cost investment products providing access to specified classes of assets.

1.4 Index

An Index, in the context of a securities market or exchange, is a notional portfolio of securities representing a particular market or a portion of a particular market. Each Index has its own calculation methodology and is usually expressed with reference to and in terms of a change from a base value. Indices are used as benchmarks for securities markets. Some ETF's do not track an Index.

Some ETF's do not track an Index but is based on another investment mandate approved by the regulator.

1.5 CoreShares participatory interest

Each of the CoreShares portfolios is divided into units of beneficial interest known as participatory interests, much like shares in a company. A CoreShares participatory interest is a security issued by the fund and listed on the JSE. Each CoreShares participatory interest affords the owner thereof a proportionate interest in the portfolio in respect of which it is issued (which proportion is equivalent to the percentage which a single CoreShares security represents in relation to all CoreShares securities issued by such portfolio).

1.6 Rights of CoreShares participatory interests' holders

One CoreShares participatory interest entitles the holder thereof to a proportionate share in the risks in and benefits of the underlying assets of the CoreShares portfolio in which the holder is invested (including a proportionate share in the distributions thereof). As a holder of a participatory interest in a portfolio, one is effectively a co-owner of that CoreShares portfolio. There are no preferential exchange or conversion rights applicable to CoreShares securities.

The rights of holders of CoreShares participatory interests are set out in the Act and the CoreShares Deed. The salient provisions of the CoreShares Deed are set out in **Annexure C**.

1.7 NAV of CoreShares securities

Unless participatory interests are offered at a fixed price pursuant to section 94(1)(b) of the Act, the Manager must (subject to 5.1) issue participatory interests in a portfolio at the NAV price per participatory interest, which price is calculated on the date on which any participatory interest is issued or the previous date, whichever is consistently applied, according to the formula set out in the CoreShares Deed. The NAV of each ETF will be expressed in Rand.

1.8. Buying or selling CoreShares securities

An investor may buy or sell CoreShares securities through a registered member of the JSE or through the Manager (via the Market Maker).

1.9 Price and other information relating to CoreShares securities

On each trading day the Manager publishes the NAV per CoreShares security, on the CoreShares website the market value of CoreShares securities and the Index level for the preceding day. Any other information which an investor may require in respect of CoreShares securities and any rights attaching thereto shall be available from the Manager on request or on the CoreShares website.

1.10 Change in rights attaching to CoreShares participatory interests

The rights attaching to CoreShares participatory interests could be changed if the provisions of the Act or the CoreShares Deed were varied. Any amendment of the CoreShares Deed may only be effected if the consent of the Authority 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 clause 67 of the CoreShares Deed (as set out in **Annexure C**).

The CoreShares Deed may (with the approval of the Authority) be amended, if the amendment:

- is required only to enable the provisions of the Act or the CoreShares 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 CoreShares Deed; and does not release the Trustee or the Manager from any responsibility to the investors.

1.11 Index calculations

The Indexes are calculated by the relevant calculation agent on the basis of the ground rules and a specified calculation methodology. The relevant calculation agent will be identified in the relevant Supplement to the Offering Circular , together with information on how to obtain information in respect of the applicable ground rules and calculation methodology.

1.12 .Index adjustments

The Indexes 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 Indexes 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 relevant 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 portfolios will be made in such a way that the portfolios will at all times remain as closely aligned as practicably possible with the relevant Index level.

Other adjustments may be made to the Index rules from time to time, these may include, but are not limited to, liquidity and market capitalisation criteria, inclusion or exclusion of certain markets, changes to the methodology so as to give effect to the central goal of the relevant Index.

1.13 Constituent company takeover bid

The ground rules for each relevant Index stipulates the treatment in the event of a constituent company takeover bid and other relevant corporate actions.

1.14 Total expense ratio

The total expense ratio of a fund, which will be calculated on a quarterly basis and published by the Manager, refers to the total costs (less securities lending revenue) incurred by a portfolio (i.e. at the

level of the fund and not the costs incurred by the Manager for its own account) as a percentage of the closing NAV of that portfolio during the year in question.

1.15 Passive management

Active management involves the buying and selling of securities based on economic, financial and market analysis and through the exercise of investment judgment. Passive management on the other hand involves the buying and selling of securities only due to movements in an Index with the aim of tracking that Index. No independent economic, financial and market analysis or investment judgment will be applied in making adjustments to the portfolio, save as is necessary in order to track an Index.

In line with the principles of passive management, a portfolio will hold constituent securities purely for the economic rights and benefits attaching thereto and accordingly the voting rights in respect of constituent securities will not be exercised, including in respect of corporate actions of constituent companies.

2. INVESTMENT OBJECTIVE AN BENEFITS

2.1 Investment objective of the CoreShares portfolios

The investment objective of each of the CoreShares portfolios is set out in the investment policy of each ETF, the general objective of the Index tracking ETF will be to replicate, as far as reasonably possible, the price and yield performance of the relevant Index (or such other investment mandate approved by the regulator) by holding a portfolio of securities substantially equivalent to the basket of securities comprising that Index in the same weighting as that Index. The relevant CoreShares portfolio will be adjusted as determined by the ground rules to conform to changes in the basket of securities comprising the relevant Index so as to ensure that the composition and weighting of the securities comprising the relevant CoreShares portfolio at all times reflects, as closely as reasonably possible, the composition and weighting of the securities comprising the relevant Index.

It is important to be aware that it may not be possible at all times and in all circumstances for a portfolio to hold securities that are substantially equivalent to the basket of securities comprising the relevant Index in the same weighting as the relevant Index.

A CoreShares portfolio's ability to replicate the price and yield performance of the relevant Index will be affected by the costs and expenses incurred by the portfolio in question and by the liquidity of the constituent securities. Costs and expenses may result in the relevant Index not being replicated perfectly by the portfolio. Any adverse cost implications may be countered through the generation of securities lending revenue. In addition, the Manager may, where necessary or in the interests of countering any adverse cost implications, use derivatives for investment purposes. Securities lending and derivative transactions will only be used within the lending and investment limits stipulated in the CoreShares Deed, Supplemental Deeds and the Act.

2.2 Benefits to investing in the CoreShares portfolios

Accessibility

Tracking an Index through a direct investment in its constituents is very difficult, particularly for a small investor. To track an Index effectively, investors need to monitor the Index and any Index developments on a daily basis. All constituents of an Index have to be traded individually and interest, dividends and other distributions have to be managed whenever paid. CoreShares participatory interests confer on the holder of one CoreShares security a proportionate share in the economic benefits of all of the securities issued by the constituent companies comprising an Index. The CoreShares securities are attractive to professional investors, providing a useful asset allocation and cash management tool.

Liquidity and tight spreads

Given that CoreShares securities are listed instruments, they are capable of being bought and sold on the JSE through a JSE member. In addition, investors can sell their participatory interests to the Manager, which is obliged to buy them from the investor, or is obliged (but not obligated) to procure their purchase by the Market Maker.

Further, the Market Maker will, always in normal market circumstances, endeavour to provide and maintain a high degree of liquidity through continuously offering to buy and sell CoreShares participatory interests at prices around the NAV of the participatory interest, thereby ensuring tight buy and sell spreads. The investor will under normal circumstances and conditions be able to buy CoreShares securities from or sell them to the Market Maker.

The most transparent way to invest
The exact composition of the Index, the NAV of the CoreShares participatory interests and the market price thereof will be published daily on the CoreShares website. This allows an investor full price transparency and the ability at any time to compare the traded value of CoreShares participatory interests with the actual value of the corresponding constituent securities at any time.

Low cost
Investing in CoreShares participatory interests is an efficient way of gaining diversified equity market exposure at low costs while avoiding the costs and risks associated with active investment management. The Manager may waive some or all of the upfront fees, exit fees and/or management fees which it is entitled to charge in respect of an investment in CoreShares.

Flexibility
The minimum unit of investment in CoreShares securities in terms of an initial offer for cash subscriptions will be R1 000 (or multiples of R1 000). After the listing on the JSE of Coreshares participatory interests, an investor will be able to purchase as few as one participatory interest on the secondary market.

3. MANAGEMENT AND OPERATION OF CORESHARES

3.1 Management and operation

The CoreShare portfolios are not generally actively managed (i.e. through the buying and selling of securities based on economic, financial and market analysis and investment judgement) but are rather 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 Asset Manager is obliged to ensure tracking of an Index by purchasing and holding the actual securities comprising that Index in the correct proportions, to the extent possible. In exceptional circumstances, the Asset Manager may, on a short-term basis only, employ other investment techniques and acquire other listed securities as will ensure the most efficient tracking of an Index, subject always to the terms of its mandate with the Manager.

3.2 Alternative investment techniques

The need to employ alternative investment techniques would only arise in the event of a liquidity problem, for example if it is not possible to acquire any of the securities comprising an Index or dispose of securities falling out of that Index due to there being no market in such a security.

The portfolio may utilize sampling techniques wherein most but not all of the securities within the Index are held as such that sufficient exposure to that Index is achieved without full replication.

The portfolio may invest in other funds and/or ETFs so as to give effect to the investment.

In addition, the Manager may, where 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 CoreShares Deed and the Act.

3.3 Regulation

CoreShares portfolios are, unless specified to the contrary, managed by CoreShares Managers, a registered Manager in terms of the Act. The Manager is bound by the provisions of the Act, the CoreShares Deed and the JSE Listings Requirements. The salient provisions of the CoreShares Deed are set out in Annexure C.

3.4 Reports to investors of CoreShares portfolios

In terms of the Act, the Manager must, not later than 90 days after the close of the financial year of a portfolio, report to investors, the information determined by the Authority in relation to that portfolio.

Audited financial statements for each of the CoreShares portfolios will be published on SENS, made available on the CoreShares website and on request to an investor. The latest set of financial information available on the CoreShares website is for the year ended 31 December

2018.

Detailed statements reflecting the breakdown of distributions and detailing the component elements of the distributions will be published on SENS.

3.5 Voting rights in constituent companies

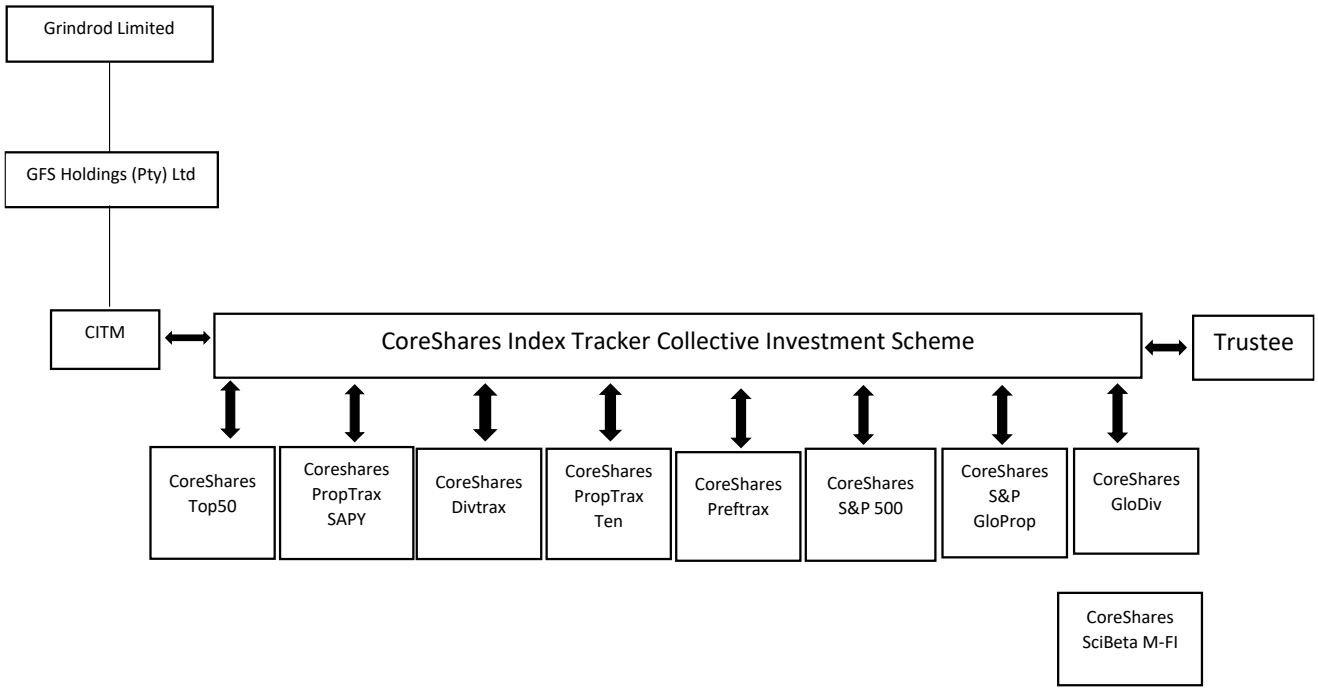
In terms of the CoreShares Deed, the Trustee may delegate to the Manager or its nominee the right to attend or vote at a meeting of a constituent company or to take part in or consent to any action of a constituent company. However, no investor has any right in relation to any of the underlying assets of a relevant CoreShares portfolio or to attend or vote at any meetings or take part in or consent to any action of constituent companies.

3.6 Borrowing powers

The Act allows the Manager to borrow on behalf of the portfolios only the necessary funds for the repurchase or cancellation of participatory interests, where insufficient liquidity exists in a portfolio or where the underlying assets of a fund cannot be realised, subject to a borrowing limit of 10% of the market value of a portfolio at the time of borrowing and subject to the terms of the CoreShares Deed. The portfolios are not permitted to incur any other borrowings, liabilities or commitments.

4. STRUCTURE OF CORESHARES

4.1 The Structure



4.2 CoreShares Manager

CoreShares is managed by CITM whom are approved and registered by the Authority to manage the CoreShares scheme.

The relationship between CoreShares and the Manager is governed by the CoreShares Deed, the salient terms of which are summarised in Annexure C.

Effective October 2016, CITM became a wholly owned subsidiary of CoreShares Holdings (Pty) Ltd.

Details of the directors of the Manager is set out below:

Full name	Business address	Function
Colin Michael Linnett	4th Floor, Grindrod Tower, 8a Protea Place, Sandton, 2196	Independent Non-executive
David Andrew Polkinghorne	1st Floor North, 20 Kingsmead Boulevard, Kingsmead Office Park, Durban, 4001	Non-executive
Craig Brabazon Hollowes	39 Coleraine Drive, river Club, Sandton, 2191	Non-executive
Gareth Craig Stobie	4th Floor, Grindrod Tower, 8a Protea Place, Sandton, 2196	Managing Director

All directors are South African citizens.

None of the directors of CoreShares Managers has been appointed for any specific term of office and they will not retire by rotation. Each of the directors of CoreShares Managers will accordingly hold office until he/she resigns, is replaced by the person that appointed him/her or otherwise becomes ineligible to be a director of a company.

The salient provisions of the memorandum of incorporation of the Manager are set out in **Annexure C.**

4.3 The Asset Manager

CoreShares Asset Management (Pty) Ltd (FSP 46695), a Category II authorised Financial Services Provider, has been appointed as the Asset Manager.

4.4 The Trustee

Societe Generale was appointed as the Trustee of CoreShares on 28 January 2014. Its responsibilities are governed by the Collective Investment Schemes Control Act, No. 45 of 2002 and the CoreShares Deed, and encompass, inter alia, the protection of investors' interests, acting as Trustee of the assets of each of the CoreShares portfolios and ensuring compliance by the Manager with the CoreShares Deed. Prior to this, Absa Bank Limited was Trustee of the CoreShares portfolios.

4.5 The Market Maker

Sanlam Private Wealth (Pty) Ltd was appointed as Market Maker of the CoreShares portfolios on 1 December 2018. Their function is to encourage and facilitate liquidity in the secondary market.

5. INCOME AND COSTS

5.1 Fees payable by investors

Management fee

The Manager is entitled to an all-in management fee in respect of the administration of each portfolio on the basis set out in the CoreShares Deed (and as disclosed in the relevant supplement) (in the manner determined in the CoreShares Deed, to a higher fee) calculated as a percentage of the market value of the total assets of the portfolio (excluding any income accruals and permissible deductions, if any) accrued daily and payable out of the distributable income of the portfolio after the end of every accounting period. In the event of a shortfall in the distributable income, the management fee may be paid by the issue of CoreShares securities to the Manager or an amount, equivalent to the shortfall, may be deducted from the capital account of the portfolio. If this occurs, a tracking error would likely result. In order to ensure efficient tracking of the Index, the Manager may (but is not obliged to) waive its fee (or a portion thereof).

Upfront and exit fees

The Manager is also permitted in terms of the CoreShares Deed to charge either an upfront fee or an exit fee in connection with the expenditure incurred and administration performed by it in respect of the creation, issue and sale of participatory interests and the repurchase of participatory interests, respectively. Such fees (disclosed in the applicable supplement) would be expressed as a percentage of the consideration received from or payable to an investor and/or charged on a sliding scale.. The Manager may at any time in its discretion waive or rebate the upfront and/or exit fee (or any portion thereof) in respect of all investors, any category of

investor or any particular investor.

Other costs and charges
All taxes (including, but without limitation, Stamps or STT if applicable), duties, administration, transaction and custody charges and brokerage fees are for the investor's account.

5.2 Distributions to investors

As the constituent companies of any relevant Index declare distributions, such distributions will accrue to the relevant CoreShares portfolio. In addition, scrip lending revenue (if any) generated by that CoreShares portfolio, 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 referred to in paragraph 1 above) will be deducted from such gross income figure and the net income will be distributed. The distribution policy for each CoreShares ETF will be detailed in the relevant supplement.

At the end of every accounting period, the relevant CoreShares portfolio will distribute all of its net income to investors in proportion to the number of participatory interests held by them.

5.3 Costs and expenses

The deduction of expenditure from the income of the portfolio is restricted to the following items, subject to the terms of the Act and as stipulated and/or otherwise allowed by the Authority from time to time:

- charges payable on the buying and selling of assets for the fund such as broking commissions, value added tax or stamp duties;
- auditors' fees, bank charges, trustee and custodian fees, asset management and administration fees and other levies or taxes directly related to the fund on the basis permitted by the Authority;
- costs incurred in the creation and issue of participatory interests;
- any permissible service charges payable to the Manager; and
- any other costs or expenses incurred with the prior approval of the Authority or as may be permitted in terms of the Act from time to time.

Any costs and expenses over and above those permitted to be deducted in terms of the Act will be borne and paid by the Manager.

6. AN INITIAL OFFER

6.1 Initial offer

An initial offer is an initial public offering to investors regarding an investment in CoreShares participatory interests for the price and on the terms detailed in the relevant supplement.

6.2 Issue price

The price payable by an investor for subscribing for participatory interests during an initial offer period may be settled in one of two ways, either by a payment in cash in Rand or by the delivery of one or more complete baskets of constituent securities (i.e. *in specie* subscriptions).

A cash transaction fee will be payable on all subscriptions for CoreShares securities. The transaction fee will be a function of the cost to CoreShares of issuing the participatory interests in question and shall include an administration fee. Investors will be liable for any brokerage or other transaction costs, including any taxes payable, incurred in acquisition of constituent securities.

In specie subscriptions
In respect of *in specie* subscriptions, the minimum price payable by an investor is one basket of constituent securities.

The value of the CoreShares participatory interest is subject to fluctuation from time to time relative to the market value of the assets comprised in the relevant CoreShares portfolio and is a function of supply and demand in respect of CoreShares participatory interests.

6.3 Minimum number of CoreShares participatory interests

Given that the portfolios are not closed-ended funds, there is no upper limit on the number of participatory interests available for purchase by investors.

In respect of cash subscriptions, the subscription pursuant to an initial offer must be made for a minimum amount of R1 000. After an initial offer period, investors will be able to trade in as few as one participatory interest through their broker, CSDP or the Market Maker.

6.4 Salient dates

The dates on which the listing on the JSE of new CoreShares securities will commence will be announced on SENS and detailed in the relevant Supplement to the Offering Circular applicable to the CoreShares securities in question.

6.5 Uncertificated securities

CoreShares participatory interests are in dematerialised form only, meaning that they are not evidenced by a certificate, but instead are held in electronic form and recorded in a sub-register maintained by a CSDP.

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.

6.6 Participating in an initial offer

In order to participate in an initial offer investors must contact their brokers. If you do not have a broker then contact the participating broker. Information regarding the subscription procedures, together with conditions of the offer, is set out in section 7 below

7. PURCHASE AND SUBSCRIPTION AND SALE OR REDEMPTION OF CORESHARES PARTICIPATORY INTERESTS AFTER AN INITIAL OFFER

7.1 Trading in CoreShares participatory interests on the secondary market

Once listed, it should be possible to trade the securities at any time during market hours (being 09:00 until 17:00 in South Africa) on business days given normal trading conditions. Investors wishing to trade in CoreShares participatory interests should contact their JSE broker who will be able to assist in the purchase or sale of CoreShares participatory interests. A list of JSE members may be found on the JSE website (www.jse.co.za).

7.2 Purchasing CoreShares participatory interests after an initial offer

Given that the CoreShares portfolios are not closed ended funds, there is no restriction on the number of participatory interests that may be issued. Investors can acquire additional participatory interests from the Manager or on the secondary market through their broker. Once listed, it should be possible to trade the participatory interests at any time during market hours (being 09:00 until 17:00 in South Africa) on South African business days given normal trading conditions.

7.3 Selling CoreShares participatory interests

Should an investor wish to sell their participatory interests they should contact their broker to facilitate their sale on the JSE.

CoreShares participatory interests are freely tradeable. Given that they are issued only in dematerialised form, any trades are settled through Strate. In terms of the Act, investors may also contact the Manager who will repurchase their participatory interests from the investor or procure the purchase of their participatory interests by the Market Maker, except in circumstances when the repurchase of participatory interests may be suspended (as set out in paragraph 7.5 below). If the Manager effects a repurchase from an investor, the investor may elect to receive the consideration in cash or may take delivery of one or more baskets taking into account any exit fees charged by the Manager and transaction costs.

The Market Maker will also purchase the investors securities from them.

Upon exercise or settlement (as applicable), the issuer is responsible for settlement and not the JSE nor any other exchange.

7.4 Process for subscriptions and redemptions

If investors choose not to trade on the secondary market but rather to apply for the creation of new CoreShares participatory interests or to redeem their participatory interests (i.e. sell them back to the Manager), then they should contact the Manager. No *in specie* creations will be permitted without delivery of the underlying securities in full baskets together with the specified cash amount. Likewise, no *in specie* redemptions will be permitted otherwise than in respect of full baskets.

The Manager is entitled to charge upfront or exit fees, in accordance with the provisions of the Act or the Deed and as published in any marketing material and on the CoreShares website from time to time, on creations and redemptions.

The conditions and detailed description of the procedures for subscriptions and redemptions is set out in 7.5 below

7.5 Suspension or repurchase of CoreShares participatory interests

The repurchase of participatory interests may, subject to the Act and the CoreShares Deed, be suspended temporarily in exceptional circumstances. For example, this would occur if:

- pursuant to a request by an investor for delivery of one or more baskets, the Manager is unable to deliver any of the constituent securities to an investor due to the fact that trading in any one or more of the CoreShares securities are restricted, terminated or suspended and/or assets are not at the Manager's disposal as a result of a suspension or delisting of any of the Index constituents or for any other reason (in which event, such security or securities shall be excluded from the portfolio and delivered to the investor within three business days after the suspension is lifted or after the delisted securities become available, as the case may be); or
- offers for the repurchase of participatory interests are received, the aggregate amount of which (after netting off any subscriptions on the same day) is more than five per cent of the market value of a portfolio (provided that the Manager may agree with the investor in question to a more restrictive basis on which the repurchase offer will be honoured).

The repurchase of participatory interests, irrespective of their aggregate amount or value, may not be suspended if 10 business days' valid notice of the offer for repurchase has been given to the Manager or if participatory interests offered for repurchase by an investor do not exceed an aggregate amount or value of R50 000 on the day of the offer.

If the Manager is unable to deliver any of the constituent securities to the investor pursuant to a repurchase request for any reason other than a suspension or de-listing, then the security or securities in question will be excluded from the basket of securities delivered to the investor and such investor will instead be paid an amount in cash equal to the value of the security or securities in question (being the ruling price quoted on the JSE at close of trade on the date on which the repurchase notice was received by the Manager).

7.6 Price for participatory interests after an initial offer

If investors buy or sell their participatory interests on the JSE after an initial offer, the price that they pay or receive for their participatory interests (net of brokerage commission and any other trading costs) will be determined by the prevailing market price on the JSE at the time of the trade. At any point in time the market value of the CoreShares securities may be expected to reflect approximately 1/10th of the Index level plus an amount which represents a pro rata portion of any income accruals (less permissible expenses). Actual market values may be affected by supply and demand, liquidity and other market factors, but the ability of a holder of CoreShares securities to take delivery of the underlying basket of constituent securities, should operate to substantially avoid or minimise any differential which may otherwise arise between the price at which the CoreShares securities trade and the value of the underlying basket of securities.

If you subscribe to the Manager for new participatory interests after an initial offer closes or redeem your participatory interests, the price (which is calculated on every trading day) will be the NAV of the participatory interest at the time of issue or redemption thereof (less any transaction costs, upfront fees or exit fees payable to the Manager).

If you buy or sell your participatory interests on the secondary market then the price will be the market price of the participatory interest, being the price agreed between a willing buyer and a willing seller. Any transaction on the secondary market will be subject to the customary Strate fees, brokerage and transfer duties associated with trading on the JSE.

Due to market influences, the NAV per participatory interest may differ from the market price obtainable on the secondary market.

7.7 Calculation of NAV of the participatory interests

The NAV of the portfolio is calculated by deducting all permissible deductions from the value of the assets held by the fund (which is determined with reference to the market value of the underlying securities on the Index exchange and takes into account both income for distribution received by the fund on behalf of investors and amounts which investors must pay the Manager on the creation of new participatory interests to afford them equal participation in the income which has accrued in the portfolio). The NAV per participatory interest is calculated by dividing the NAV of the portfolio by the number of participatory interests in issue at the time of the calculation. This information is determined at close of trade on each trading day. A detailed explanation as to the calculation of the NAV is set out in clause 28 of the CoreShares Deed, the salient features of which are set out in Annexure B. The NAV will be published on the CoreShares website daily.

7.8 Daily publication of information on the CoreShares website

The information set out below will be published on each business day on the CoreShares website:

- the NAV of the CoreShares participatory interests;
- the accrued reserves distributable to holders of CoreShares securities, if applicable;
- the index level for the preceding day;
- the accrued costs incurred in operating the CoreShares portfolio and investors;
- the constituents of the Index.
- any change in the composition of the Index is published on SENS; and
- constituent shares applicable to the Index for creation and redemption purposes is published on SENS.

8. EXCHANGE CONTROL CONSEQUENCES

8.1 Exchange control consequences of an investment in a security in CoreShares ETFs based on South African underlying assets

The following summary is intended as a guide only and is not comprehensive. Any applicants who are in doubt as to their applications should consult their professional advisors.

Non-South African residents

If any CoreShares participatory interests are issued to non-residents of the common monetary area, the custody or broker accounts of such investors will be designated “Non-Resident”.

A person who is not resident in the common monetary area should obtain advice as to whether any governmental and/or legal consent is required and/or whether any other formality must be observed to enable a subscription for CoreShares Securities to be made under an initial offer and thereafter.

Nothing contained in this offering circular constitutes an offer in any area of jurisdiction in which it is illegal to make such an offer. In such circumstances, this offering circular is sent for information purposes only.

Emigrants from the common monetary area with blocked Rand

Former residents of the common monetary area who have emigrated are permitted to use their emigrant blocked funds (i.e. money which, in terms of the Exchange Control Regulations is not permitted to be taken out of South Africa or paid into a non-South African resident’s bank account) (“blocked Rand”) to subscribe for CoreShares participatory interests.

All payments using blocked Rand must be made through the authorised dealer controlling their blocked funds.

CoreShares securities issued pursuant to the use of blocked Rand will be credited to the applicants' blocked share accounts at the CSDP controlling their blocked portfolios.

If applicable, refund monies payable in respect of unsuccessful or partially successful applications for CoreShares securities emanating from emigrant blocked accounts will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicants' blocked accounts.

8.2 Exchange control consequences of an investment in a security in CoreShares ETFs based on foreign underlying assets.

South African individuals

South African individuals are permitted to acquire securities in CoreShares ETFs without restriction and as such, an investment in CoreShares ETFs will not affect or constitute a portion of the individuals applicable offshore investment allowance. However, South African individuals are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of a basket of offshore securities upon redemption of securities in CoreShares ETFs securities or to receive payment of distributions in non-Rand denominated currency.

South African Institutional Investors

Qualifying Institutional Investors are eligible for a foreign portfolio investment allowance. The exchange control limit on foreign portfolio investment by institutional investors will be applied to an institution's total retail assets. "Retail assets" refer to assets received from individuals and other entities such as companies, trusts and the like and include assets received indirectly through an intermediary, such as a nominee company or investment manager not regarded by the Exchange Control Department as a Qualifying Institutional investor.

Retirement funds and long-term insurers for exchange control purposes may invest up to 15% of their total retail assets in CoreShares ETFs that hold foreign securities, whilst registered investment managers and collective investment scheme management companies are permitted to invest up to 20% in such funds (subject to changes in the prevailing legislation).

Qualifying Institutional investors which are non-controlled clients may elect to receive their distributions in Index currency, provided that their CSDP and the Manager are appropriately notified.

Qualifying Institutional investors should contact their professional advisers or the Exchange Control Department for information on the reporting and compliance requirements.

South African Corporate Entities and Trusts

South African Corporate Entities and Trusts are permitted to acquires securities in CoreShares ETFs without restriction and as such, an investment in CoreShares ETFs will not affect or constitute a portion of the Corporate Entities' and Trust' applicable offshore investment allowance. However, South African Corporate Entities and Trusts are not permitted (without obtaining approval from the South African Reserve Bank) to take delivery of a basket of offshore securities upon redemption of securities in CoreShares ETF securities or to receive payment of distributions in non-Rand denominated currency.

Non-South African Residents

If any CoreShares ETF securities are issued to non-residents of the common monetary area, the custody or broker accounts of such investors will be designated "non-resident." Any funds

due to a non-resident in respect of their CoreShares ETF securities may, in terms of the Exchange Control Regulations, be paid or transferred abroad only if the securities were acquired using foreign currency introduced into South Africa and provided the custody7 or broker account is designated as “non-resident”.

Emigrants from the common monetary area with blocked Rand

The Exchange Control Department has advised that former residents of the common monetary area who have emigrated are not permitted to use their blocked Rand to subscribe to CoreShares ETFs that hold foreign securities.

9. TAXATION CONSEQUENCES

The following is based on the Fund's understanding of and advice received on certain aspects of the law and practice currently in force in South Africa. There can be no guarantee that the tax position or proposed tax position at the date of this updated Offering Circular or at the time of an investment will endure indefinitely.

Investors should consult their professional advisors on the possible tax and other consequences of their subscribing for, purchasing, holding, selling, exchanging or redeeming Securities under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Income

Income will be distributed to investors in the form it was received net of any necessary dividend withholdings taxes, other taxes or charges.

Capital gains tax (“CGT”)

In respect of new Securities purchased on capital account, the amount expended by the South African investors to purchase the Securities will constitute base cost for tax purposes.

The sale or transfers of the Securities may have CGT implications calculated as consideration received less base cost with reference to the appropriate rate for the taxpayer in question.

If Securities are held as trading stock, then the proceeds from the sale or transfer thereof will be of a revenue nature and will be included in “gross income” for income tax purposes at that taxpayer’s marginal rate.

General

The Directors, the Fund, the Manager and each of the Fund's agents shall have no liability in respect of the individual tax affairs of security holders.

10. RISKS OF INVESTING IN CORESHARES PORTFOLIOS

The nature of the CoreShares ETF 's investments involves certain risks. An investment in securities therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment however, unlikely this may be. Prospective investors should consider, among others, the following factors before subscribing for securities, noting that it is not possible to identify every risk factor relevant to such investments and further recognising that any risks identified herein should not be treated as exhaustive.

Each prospective investor will be required to represent to CoreShares that it is aware of the risk factors of an investment in a CoreShares ETF as contained herein. Prospective investors should consult their professional advisors on the possible tax consequences of subscribing for, buying, holding, selling, transferring or redeeming securities in a CoreShares ETF under the laws of their country of citizenship, residence or domicile.

General

A prospective investor should be aware that investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of securities will occur or that the investment objectives of a CoreShares ETF will actually be achieved. The value of an investment in securities and the income derived therefrom may fall as well as rise and

investors may not recoup the original amount invested.

Past performance: Past performance of a CoreShares ETF, the Index or the Manager or its affiliates is no assurance of future success.

Conflicts of interest: Potential conflicts of interest between a CoreShares ETF, on the one hand, and the Manager and its officers and Managers, on the other, may arise. CoreShares has a policy to deal with such conflicts of interests.

Market-related risk factors
Market risk: The value of the securities in which a CoreShares ETF invests may go up or down in response to the prospects of individual companies, particular industry sectors or governments and/or general economic conditions. Price changes may be temporary or last for extended periods.

Asset class risk: The securities in the underlying Index may underperform the returns of other securities or Indexes that track other industries, groups of industries, markets, asset classes or sectors. Various types of securities or Indexes tend to experience cycles of outperformance and underperformance in comparison to the general securities market.

Concentration risk: To the extent that the Index is concentrated in securities of companies in a particular market, industry, group of industries, sector or asset class, a CoreShares ETF may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class. An investment in a CoreShares ETF should not constitute a complete investment program.

Geographic risk: Some markets in which a CoreShares ETF invests may be located in parts of the world that have historically been prone to natural disasters such as earthquakes, volcanoes or tsunamis or are economically sensitive to environmental events. Any such event could cause a significant impact on their respective economies and investments in these countries.

Tracking error risk: Imperfect correlation between a CoreShares ETF's security and those in the relevant Index, rounding of prices, changes to the underlying Index and regulatory requirements may cause a CoreShares ETF's performance to diverge from the performance of the relevant Index. This is called "tracking error." Tracking error may also result because a CoreShares ETF incurs fees and expenses while the relevant Index does not incur such expenses.

Regulatory, economic and political risk: The performance of the funds 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.

11. GENERAL

11.1 King Code of Corporate Governance

The directors of the Manager confirm their commitments to the principles of transparency, integrity and accountability as advocated by the King Code. Shareholders and other stakeholders may derive assurance that the Manager is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices.

The directors have, accordingly, established procedures and policies appropriate to the CoreShares business in keeping with its commitment to best practices in corporate governance. Although the CoreShares portfolios will be listed on the JSE, CoreShares is a statutory entity and is regulated in terms of the Act. Certain of the requirements of the code are therefore not directly applicable to CoreShares. The directors of the Manager recognize that they are ultimately responsible for the performance and affairs of CoreShares.

The directors of the Manager have appointed Societe Generale as the Trustees of the scheme. Its responsibilities are governed in terms of the Act and the CoreShares Deed encompasses protecting the interest of holders of participatory interest, acting as the Trustee of the fund's assets and ensuring compliance by the Manager of the CoreShares Deed.

11.2 Use of proceeds

The proceeds received from investors will be used to purchase securities in order to replicate the exposure to the underlying Index, as described in the relevant Supplement.

11.3 Listing on the JSE

At the time of publication of this updated offering Circular, [insert] ETFs have been approved and listed on the JSE. Application will made for any further listing of CoreShares ETF securities.

ETF	JSE share code	Launch date	Index name [3]
CoreShares Global Prop	GLPROP	4 November 2016	S&P Global Property 40 Index
CoreShares S&P 500	CSP500	4 November 2016	S&P 500® Index
CoreShares GlobalDivTrax	GLODIV	22 February 2018	S&P Global Dividend Aristocrats Blend Index
CoreShares SciBeta M-FI	SMART	10 July 2019	Scientific Beta CS South-Africa Multi-Beta Multi-Strategy Six-Factor EW Index
CoreShares DivTrax	DIVTRX	14 April 2014	S&P South Africa Aristocrats Index
CoreShares PropTrax Ten[1]	PTXTEN	Launched in 2011	FTSE/JSE SA Listed Property Top 10 Equal Index
CoreShares Top 50	CTOP50	13 May 2015	S&P South Africa 50 Index
CoreShares PropTrax SAPY[1]	PTXSPY	Launched in 2007	FTSE/JSE SAPY Index
CoreShares PrefTrax	PREFTX	28 March 2012	FTSE/JSE Preference Share Index

Notes:

1. To be amalgamated to CoreShares PropTrax SAPY (Share Code: CSPROP), to track the South African Property Income Index calculated by S&P/ CoreShares. Expected to List on 30 October 2019, subject to the outcome of the second ballot procedure announced on 12 August 2019.
2. Details of each ETF is contained in the relevant Supplement to the Offering Circular approved by the JSE and subsequent announcements released on SENS.

11.4 Litigation

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 CoreShares since its establishment.

11.5 Responsibility statement

The directors of the Manager, whose names are set out on page [insert] of this updated Offering Circular, collectively and individually, accept full responsibility for the accuracy of the information given 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 and that all reasonable enquiries to ascertain such facts have been made and that this supplement to the CoreShares offering circular contains all information required by the JSE Listings Requirements.

11.6 Experts consent

The relevant parties listed under the Corporate Information section on page [insert] of this updated Offering Circular, have consented to their names being referred to in this CoreShares offering circular in the form and context in which it is included and have not withdrawn their consent as at the date of this Offering Circular.

11.7 Material contracts

In order to run the funds, the Manager will rely upon the CoreShares Deed, the salient provisions of which are set out in Annexure B. Which is available for inspection at the registered office on the dates stipulated in paragraph 11.10 below. Save for the CoreShares Deed, and the Asset Management Agreement referred to in paragraph [insert], neither the Manager nor the Trustee has entered into any material contract since the establishment of CoreShares.

11.8 Material change

There have been no material changes in the financial or trading position of the issuer since the end of the last financial year end, 31 December 2018, for which annual financial statements

have been published. The board of directors confirms that it has made due and careful enquiry and that there has been no involvement by the Auditors in making the above statement.

11.9 Other Jurisdictions

The securities being issued pursuant to this updated Offering Circular and relevant supplement 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.

11.10 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 CoreShares Managers;
- the CoreShares Deed;
- the Asset Management Agreement referred to in paragraph 3 of Part IV;
- the written consents referred to in paragraph 8 above; and
- a signed copy of this offering circular and any supplement issued in connection herewith.

Signed at Johannesburg by Gareth Craig Stobie on behalf of all the directors of the Manager on [insert date] 2019 in terms of the board resolution passed by them dated [insert date] 2019.

ANNEXURE A: FORM OF SUPPLEMENT

SUMMARY OF THE OFFERING

9.1	Portfolio	
9.2	ISIN	
9.3	Share code	
9.4	Long name of portfolio	
9.5	Issuer name	
9.6	Short name of portfolio	
9.7	Index	
9.8	Index calculation agent	
9.9	Description of participatory interest or securities	
9.10	Frequency of Index publication and update	
9.11	Distribution or accounting period	
9.12	Any other special conditions and modifications to the terms and conditions	
9.13	Investment policy	Refer to Annexure A.
9.14	Management and other fees	Refer to Annexure B.
9.15	Composition of the Index	Refer to Annexure C.
9.16	Performance of the Index	Refer to Annexure D.
9.17	Number of securities in Issue	
9.18	Proceeds from subsequent issues of securities	

ANNEXURE B: SALIENT PROVISIONS OF THE CORESHARES DEED

EXTRACT FROM THE PRINCIPAL DEED

5. "REMUNERATION OF MANAGER

5.1 The Manager is remunerated for its services and reimbursed for its expenses in performing its obligations under this deed.

5.2 The Manager may at any time in its discretion waive or rebate its remuneration or reimbursement or any part thereof."

6. "POWERS OF MANAGER

Subject to the Act and this deed, the Manager may in its absolute and uncontrolled discretion:

6.1 do all such things and enter into all such arrangements as are necessary for the administration of the scheme and to achieve the investment objectives of a portfolio of the scheme;

6.2 select, purchase, sell, exchange or change any of the assets of a portfolio;

6.3 in writing appoint persons to exercise powers and perform duties on its behalf and, in particular, appoint transfer secretaries, secretaries and agents; and

6.4 act on the advice or information obtained from professional advisers and others considered by it to be experts;

6.5 borrow money under section 96 of the Act subject to the following limits and conditions:

6.5.1 the Manager must obtain the prior consent of the trustee to the borrowing;

6.5.2 the term of the loan may not exceed 61 days where such loan is applied for the settlement of repurchases or cancellation of participatory interests and in all other cases the term of the loan may not exceed eight calendar days. Provided that if insufficient liquidity continues thereafter the loan may be renewed with the consent of the trustee;

6.5.3 the loan may not bear a penalty for early settlement;

6.5.4 the loan must be serviced in sequence of priority out of:

6.5.4.1 inflows to the portfolio; and

6.5.4.2 realisation of assets;

6.5.5 the outstanding capital amount of the loan must be used when computing a portfolio's net asset value price in terms of clause 27;

6.5.6 as security for the repayment of the loan the Manager may:

6.5.6.1 cede a proportionate share of the assets of the portfolio to the lender on condition that ownership of the ceded assets will only be transferred to the lender if the Manager is in default; or

6.5.6.2 grant an option to the lender to purchase a proportionate share of the assets, equal in value to the outstanding amount of the loan, at the end of the term of the loan;

6.5.7 the Manager may only borrow funds if liquidity cannot reasonably be obtained without encumbering the assets of the portfolio;

6.5.8 the amount borrowed must be limited to an amount necessary to repurchase or cancel participatory interests;

6.5.9 the Manager must disclose in its offering documents, point of sale documents and/or relevant marketing material that the Manager may borrow up to 10 per cent of the market value of the portfolio to bridge insufficient liquidity;

6.6 engage in scrip lending under section 85 of the Act subject to the following limits and conditions:

6.6.1 the scrip lending must be beneficial to all investors;

6.6.2 the Manager may lend or offer to lend securities with a value not exceeding 50 per cent of the market value of all the securities included in a portfolio;

6.6.3 the securities that may be lent to one borrower are limited in accordance with the limits determined by the Authority for the inclusion of money market instruments in a portfolio;

6.6.4 collateral security for the securities loaned must have an aggregate value that exceeds the market value of the securities loaned by not less than five per cent at all times and may only consist of:

6.6.4.1 cash; or

6.6.4.2 other securities; or

6.6.4.3 a combination of cash and other securities;

6.6.5 securities may not be lent for a period longer than 12 months;

6.6.6 securities may not be lent unless subject to a right of recall;

6.6.7 all fee income earned from securities lending, less necessary expenses, must be administered for the benefit of investors;

6.6.8 the Manager must disclose in the quarterly and annual financial statements the securities that are lent, the value thereof and the composition and the nature of the collateral security held in respect of such loan;

6.6.9 the agreement of loan and the agreement relating to the security furnished by the borrower must be in writing and must at least provide for:

6.6.9.1 the period of notice of termination of the loan;

6.6.9.2 payments that may be made by the borrower to the portfolio in lieu of dividends accrued or paid in respect of the securities borrowed;

6.6.9.3 fees or charges payable by the borrower to the portfolio;

6.6.9.4 charges payable by the borrower to the portfolio to compensate investors for additional taxes in respect of taxable earnings in the form of payments by the borrower to the Manager in lieu of dividends accrued or paid on the securities loaned;

6.6.9.5 reservation of the right of execution without court order and immediate transfer to the

Manager of the ownership of and all rights, including voting rights, attached to the collateral security, if the borrower defaults or becomes insolvent;

6.6.9.6 an undertaking by the borrower to deliver to the portfolio securities equivalent to any rights in respect of the loaned securities that may become exercisable before redelivery of the loaned facilities."

10. "RETIREMENT AND SUBSTITUTION OR LIQUIDATION OF MANAGER

10.1 The Manager may, with the written approval of the trustee and the Authority, in writing appoint any other company qualified to act as Manager in terms of the Act, as Manager in its stead and may assign to such appointee all its rights and duties as a manager in a form as approved by the trustee and the Authority in terms of which it undertakes to fulfil all the obligations of the retiring Manager. The retiring manager is then, upon payment to the trustee of all sums then due by it to the trustee (without prejudice to the rights of the trustee, investors or other persons, in respect of any act or omission prior to such retirement) absolved and released from all its duties and obligations under this deed. The new manager thereafter exercises all the powers, enjoys all the rights, and performs all the duties and obligations of the Manager under this deed, as if the new Manager has originally been party to this deed.

10.2 The retiring Manager continues to enjoy all the rights of an investor in respect of all participatory interests held by it and may require the new Manager to enter its name in respect thereof in the register and/or otherwise record its ownership of such participatory interests.

10.3 If the Manager is liquidated, the trustee must take immediate steps for the appointment of a new Manager."

11. "APPOINTMENT AND POWERS OF TRUSTEE

Subject to the Act and this deed, Absa Bank Limited is the trustee of the scheme. The trustee has all the powers necessary to protect the interests of investors in terms of the Act and this deed and has, save as otherwise provided in this deed, the powers necessary to perform its functions to achieve the objectives of the scheme and its portfolios."

13. "REMUNERATION OF TRUSTEE

13.1 In every accounting period, the Manager must:

13.1.1 authorise payment to the trustee by way of remuneration for the trustee's services, of such amount as may be agreed between them;

13.1.2 reimburse the trustee for all its expenses incurred in connection with the scheme, other than expenses expressly required by this deed to be paid out of a portfolio, and other than expenses incurred by it as a result of its own negligent and unlawful conduct.

13.2 Such remuneration and reimbursement are in addition to any sums that the trustee may receive or retain under any other provision of this deed."

14. "REGISTRATION AND RETENTION OF ASSETS BY TRUSTEE

14.1 The assets of a portfolio must be registered either in the name of the trustee or with the written consent of the Authority in the name of the nominee company of the trustee. Any reference in this deed to the trustee in relation to the vesting, registration or holding in its name of assets, or to its rights, powers and obligations as the registered owner of the asset, is, unless inconsistent with the context, deemed also to be a reference to the said nominee company. The trustee is liable for any act

or omission of the nominee company in relation to any assets held in the name of the nominee company. Despite the foregoing, the trustee or its nominee company must take delivery of and retain in safe custody and under its own supervision and control the documents of title to the assets.

14.2 Subject to the provisions of this deed with regard to scrip lending and the borrowing of money by the Manager, the assets must be held by the trustee or its nominee company in its name in trust for the investors and the trustee or its nominee company may not allow the whole or any part of such assets to be pledged or encumbered in any way."

20. "REMOVAL OF TRUSTEE

20.1 Subject to the Act, the Manager may with the written approval of the Authority:

20.1.1 pursuant to a ballot of investors in all portfolios (to which clause 59 of this deed applies); or

20.1.2 at the written request of not less than 50 per cent of the investors, excluding the Manager, in all the portfolios holding not less than 50 per cent in value of the total number of participatory interests then in issue, require the trustee by notice in writing to resign from office.

20.2 A trustee appointed in the place of a retiring trustee must execute an instrument in a form approved by the Manager and the Authority in terms of which it undertakes to fulfil all the obligations of the retiring trustee. The retiring trustee is (without prejudice to the rights of the manager, investors or other persons, in respect of any act or omission, liability, negligence or dishonesty, prior to such retirement) absolved and released from all further obligations under this deed. The new trustee thereafter exercises all the powers, enjoys all the rights, and is subject to all the duties and obligations of the trustee under this deed, as fully as if such new trustee had originally been a party to this deed.

20.3 A trustee is deemed to have resigned if its certificate of registration is revoked or suspended under section 69(3) of the Act, and the Manager must in that event immediately appoint another person qualified to act as trustee in terms of the Act."

23. "INITIAL OR ADDITIONAL PORTFOLIO AND OFFER OF PARTICIPATORY INTERESTS

The initial and each additional portfolio must each have a minimum market value as determined by the manager after consultation with the trustee and comprise assets or cash received or deemed to be received by the Manager. The manager is responsible for the payment of all expenses (including permissible deductions) arising out of and relating to the formation of the initial and any additional portfolio. The participatory interests issued to the manager in respect of such assets or cash are deemed to be the first participatory interests in issue in a particular portfolio and must be issued at a minimum price determined by the Manager. At the date on which the Manager commences the sale of participatory interests to the public, the market value of each portfolio must be at least an amount as determined by the manager after consultation with the trustee. The first issue of participatory interests in a portfolio to the public is made in such a manner as the Manager may decide. The said first issue may take the form of an offer by the manager of a specified number of participatory interests at a fixed price not exceeding the net asset value price on a previous date, which date shall not be more than 28 days before the closing of the offer."

24. "CREATION, SALE, REPURCHASE OR CANCELLATION OF PARTICIPATORY INTERESTS IN THE PRIMARY MARKET

24.1 The Manager has the exclusive power to secure the creation and issue of participatory interests in a portfolio.

24.2 For the purposes of the creation and sale or repurchase and cancellation of participatory

interests in relation to the primary market, the relevant prices of participatory interests shall be calculated at the valuation point on each relevant pricing date."

26. "UNDIVIDED INTEREST IN PORTFOLIO

Each investor is, equally with every other investor, entitled to one undivided proportionate participation in a portfolio but is, subject to clause 35, not entitled to any particular asset of the portfolio. Every fraction of a participatory interest ranks *pari passu* proportionately with all other participatory interests in the relevant portfolio.

28. "NET ASSET VALUE AND SALE PRICE OF PARTICIPATORY INTEREST

Unless participatory interests are offered at a fixed price pursuant to section 94(1)(b) of the Act, the Manager must issue participatory interests in a portfolio at the net asset value price per participatory interest, which price is calculated on the date on which any participatory interest is issued or the previous date, whichever is consistently applied, according to the formula:

$$\frac{A + B}{C}$$

Where:

A = the aggregate market value of the assets in the portfolio, excluding the income accruals and payments referred to in B on the last valuation point determined by the manager on the last pricing date, which valuation point may not be more than 24 hours prior to or after such date, excluding weekends and public holidays;

B = the aggregate of all income accruals and payments received in lieu of income accruals from the creation of new participatory interests in the portfolio, during the relevant accounting period up to the said date, but excluding:

(i) any part of those income accruals and payments in lieu of income accruals, set aside at the last preceding distribution date for distribution, but not yet distributed; and

(ii) such further amount, out of those income accruals and payments in lieu of income accruals, as in the opinion of the Manager represents a fair proportion, at the pricing date, of the permissible deductions for the relevant accounting period;

C = the total number of participatory interests in issue in the portfolio on the pricing date."

31. "MANAGER'S CHARGE TO THE INVESTOR

31.1 The Manager shall be entitled to charge the investor any of the charges set out in clause 31.6 below.

31.2 The amount of the Manager's charge, if any, must be determined by the Manager in its discretion; and:

31.2.1 may be expressed as a percentage of the amount received, or proceeds paid; or

31.2.2 may be calculated in terms of clause 31.5 in accordance with a sliding scale as agreed by the investor; or

31.2.3 may be a fixed amount per specific type of transaction, which amount must be disclosed to the investor; or

31.2.4 may be a combination of the above.

31.3 The Manager must give not less than three months' written notice to investors of any increase in the Manager's charge or any change in the method or calculation thereof that could result in an increase thereof.

31.4 Nothing herein contained precludes the Manager from reducing the Manager's charge or from not rendering any Manager's charge.

31.5 The scale of the Manager's charge applicable to varying sizes of investment, if any, must be determined and published by the Manager in all offering documents, point of sale documents or relevant marketing material.

31.6 For the purpose of this scheme the following Manager's charges (if any) shall be applicable in dealing with the Manager:

31.6.1 *Upfront Manager's charge*

In relation to a participatory interest, means that portion of the amount received from an investor which represents the Manager's charge in respect of expenditure incurred and administration performed by it in connection with the creation, issue and selling of such participatory interest which, subject to any notice referred to in clause 31.3,

– is expressed as a percentage of the amount received from an investor; and

– is calculated in terms of clause 31.5 in accordance with a sliding scale.

31.6.2 *Manager's charge, charged on exit*

In relation to a participatory interest, means that portion of the proceeds of the sale of the investor's participatory interests, as determined by the Manager from time to time, which represents the Manager's charge in respect of expenditure incurred and administration performed by it in connection with the repurchase of such participatory interests, which, subject to any notice referred to in clause 31.3,

– is expressed as a percentage of the proceeds from the repurchase of the investor's participatory interests;

– is calculated in terms of clause 31.5 in accordance with a sliding scale reducing over a period as determined by the Manager from time to time; and

– may not be charged in addition to an upfront Manager's charge levied at the time of the purchase of such participatory interests.

31.6.3 The Manager may at any time in its discretion waive or rebate any, or any portion of the charges referred to in clause 31.6, either in respect of all investors, any category of investors or any particular investor."

35. "SALE OR REPURCHASE OF PARTICIPATORY INTERESTS IN PRIMARY MARKET

35.1 Given that the participatory interests are listed on the JSE, investors shall be able to sell their participatory interests on the secondary market through a trade on the JSE, including through any market maker appointed in terms of the JSE Listings Requirements. However, it shall be incumbent on a Manager to repurchase any number of participatory interests offered to it by an investor (as determined in this deed) for cash or one or more baskets, at the election of the investor, provided

that the Manager shall never be obliged to deliver part of a basket.

35.2 Notwithstanding anything to the contrary set out in this deed, if, pursuant to a request from an investor for the delivery of one or more baskets, the Manager is unable to deliver any of the securities comprising the basket of securities to an investor exercising its repurchase rights:

35.2.1 as a result of the suspension or de-listing of one or more of the securities on the relevant exchange, then such security or securities shall be excluded from the portfolio and delivered within three business days after the suspension is lifted or after the de-listed securities become available, as the case may be;

35.2.2 for any reason other than a suspension or de-listing, then the security or securities in question will be excluded from the basket of securities delivered to the investor and such investor will instead be paid an amount in cash equal to the value of the security or securities in question (being the ruling price quoted on the relevant exchange at close of trade on the date on which the repurchase notice was received by the Manager).

35.3 For the purposes of clause 35.1 and subject to clause 35.4 the point in time by when repurchase requests must be received by the manager shall be 17h00 on the business day preceding each pricing date.

35.4 The time determined in terms of clause 35.3 may not be changed unless the deed has been amended accordingly and 30 days' written notice has been given to investors in a form acceptable to both the JSE and the Authority.

35.5 A Manager, when it receives a request for repurchase of participatory interests under circumstances determined by the Authority under section 114(3)(f) of the Act:

35.5.1 may, with the prior consent of the trustee; or

35.5.2 must, without delay when the trustee so requires, suspend the basis of the repurchase of the relevant participatory interests, if the Manager or trustee, as the case may be, is of the opinion that the circumstances referred to, warrant the suspension in the interests of investors.

35.6 The repurchase of such participatory interests shall be priced and settled in accordance with the conditions determined by the Authority under section 114(3)(f) of the Act."

37. "REPURCHASE PRICE IN PRIMARY MARKET

Subject to clause 35, the repurchase price per participatory interest payable by the Manager must be the amount determined in terms of clause 28 at the time when the notice referred to in clause 36 was received by the Manager "

38. "DATE OF PAYMENT OF REPURCHASE PRICE BY MANAGER

Subject to clauses 35.4 and 35.6, payment in respect of an offer for the repurchase of a participatory interest must be made to the holder of such participatory interest within 14 days of the receipt of such offer."

40. "PAYMENT OF RECEIPTS TO TRUSTEE

40.1 The following receipts in cash must be deposited in a separate trust account for each or all portfolios with a bank, registered in terms of the Banks Act, 1990 (Act 94 of 1990), or the Mutual Banks Act, 1993 (Act 124 of 1993), being an account under the control and supervision of the trustee:

40.1.1 all monies which are received for investment as a result of the creation or sale of participatory interests;

40.1.2 all dividends, interest or other income which accrue to the underlying assets; and

40.1.3 the proceeds of all capital profits, rights and bonus issues.

40.2 If any receipts are to be deposited with a foreign bank not approved under the Banks Act, 1990, they must be deposited with a bank, agreed upon between the manager and the trustee, and finally registered as a bank in terms of the laws of a foreign jurisdiction applying regulatory standards which are not less stringent than the equivalent standards in the Republic.

40.3 All assets received as a result of the creation or sale of a participatory interest must be taken into account as an investment for the benefit of the relevant portfolio and new participatory interests must be created in terms of this deed to represent such investment.

40.4 All income accruals received during an accounting period must be credited to an account called the "Income Account" in the books of account for the portfolio concerned and shall form part of such portfolio under the supervision and control of the trustee. If a portfolio receives any bonus, right or benefit in respect of any of the assets, whether in cash or scrip or by warrant, cheque, credit or otherwise, which is in the nature of income, the Manager must convert such bonus, right or benefit into cash for the credit of the relevant Income Account. Any other bonus, right or benefit must be treated as a capital gain and must be included in the relevant portfolio. No new participatory interests may be created out of income accruals or such capital gains.

40.5 All amounts received in lieu of income accruals from the creation and sale of participatory interests in a portfolio during an accounting period and all amounts received as income accruals in terms of clause 40.4 must be credited to the Income Account and must be available for distribution to investors in that portfolio by the next ex dividend date."

41. "MANAGER'S DECISION ON NATURE OF BONUS CONCLUSIVE

If any doubt arises as to whether any bonus, right or benefit referred to in clause 40.4 constitutes an income accrual or a capital gain, such question must be resolved by the Manager after consulting the trustee and the Auditors, and such resolution is conclusive."

42. "DISTRIBUTION OF INCOME

42.1 The Manager must on each declaration date publish an announcement in compliance with the JSE Listings Requirements notifying investors (including the manager in respect of any participatory interests to which it is entitled) registered in the register of a portfolio as at the close of business on the relevant LDT, pro rata to the number of participatory interests then held by such investors in a portfolio, the amount verified by the trustee as available for distribution in that portfolio as hereinafter provided in respect of the accounting period to which such LDT relates.

42.2 On each ex dividend date, the amount required to effect distribution must be set aside and may no longer be taken into account in determining the market value of a portfolio for the purpose of calculating the selling and repurchase prices of a participatory interest. By no later than each declaration date the said amount shall be transferred from the Income Account to a Distribution Account under the supervision and control of the trustee, which must be distributed for the benefit of investors as herein provided. The amount to be distributed in respect of each participatory interest must be rounded down to the nearest one hundredth of a cent, and the amount to be distributed to any one investor must be rounded down to the lower cent. The aggregate balance remaining to the credit of the Distribution Account on completion of the distribution shall be carried forward and added

to the amount available for distribution in the next accounting period.

42.3 The amount available for distribution will be paid to investors on the business day immediately following receipt by the trustee of the last of the income accruals and payments in lieu of income accruals accruing to the portfolio in respect of the accounting period in question, which shall be a date not later than the distribution date."

43. "DETERMINATION OF AMOUNT AVAILABLE FOR DISTRIBUTION

An amount equal to the income accruals during the accounting period plus all payments in lieu of income accruals accruing to the portfolio during the accounting period, and any balance carried forward, less any permissible deductions, must be distributed to investors."

44. "CHARGES AND METHOD OF CALCULATION

44.1 The charges that may be levied in respect of each portfolio and the method of calculation of those charges are set out in this deed and the supplemental deed establishing each portfolio.

44.2 The Manager may with reference to clause 44.1 change any charge of a portfolio or change the method of calculation of such charge or introduce an additional charge: Provided that any such change or introduction of an additional charge that could result in an increase of charges for investors is of no force unless the Manager has given not less than 3 months' written notice to every investor and has effected the necessary amendment to such supplemental deed."

45. "PAYMENT OF SERVICE CHARGE

As soon as practicable after the end of each calendar month, the trustee must pay to the Manager, from the Income Account of a portfolio, in respect of the service charge, an amount based on the applicable annual percentage rate, as specified in the relevant supplemental deed, of the market value of the total assets of that portfolio (excluding income accruals and permissible deductions, if any) for each day of that calendar month: Provided that if there is a shortfall in the Income Account such that the Manager's service charge cannot be paid, or cannot be paid in full:

45.1 participatory interests may be issued to the Manager; or

45.2 an amount deducted from the Capital Account may be paid to the Manager, equal in value to such shortfall."

57. "FINANCIAL YEAR-END OF MANAGER AND PORTFOLIO

The financial year-end of the Manager and of each portfolio of the scheme shall be 30 June each year."

59. "AMENDMENT OF DEED AND BALLOTING OF INVESTORS

The consent of investors for an amendment of this deed must be obtained in the following manner (provided that the consent of the JSE thereto has also been obtained):

59.1 Where such an amendment only affects one portfolio in the scheme, the investors, excluding the Manager, holding no less than 25 per cent in value of the total number of participatory interests then issued in that portfolio must respond in writing in a ballot conducted by the Manager. The amendment must be consented to by investors holding a majority in value of the participatory interests held by the investors who have responded.

59.2 Where the amendment affects more than one or all the portfolios in the scheme, investors, excluding the Manager, holding no less than 25 per cent in value of the total number of participatory interests

then issued in those portfolios affected, must respond in writing. The amendment must be consented to by investors holding a majority in value of the participatory interests held by the investors who have responded.

59.3 If the investors holding less than 25 per cent in value of the total number of participatory interests then issued have responded in accordance with clauses 59.1 and 59.2, a second ballot must be conducted. In this ballot investors holding a majority in value of the participatory interests held by the investors who have responded, must consent to the amendment.

59.4 Every registered investor may vote in the case of a ballot in respect of each participatory interest held by him or her: Provided that an investor or his or her duly authorised representative may exercise all his or her voting rights but is not obliged to exercise all his or her votes or exercise all the votes he or she is entitled to in the same way.

59.5 When a ballot is necessary the manager must dispatch to every investor a ballot paper and a memorandum approved by the Authority containing the reasons for the proposed amendment.

59.6 For the purposes of clauses 59.1, 59.2 and 59.3 only ballot papers which are received by the Manager within thirty business days after dispatch to investors may be taken into account and be regarded as valid. Ballot papers must be counted by the Auditors of the scheme and their finding, as conveyed in writing to the Manager, is final and binding."

ANNEXURE C: SALIENT PROVISIONS OF THE CITM MEMORANDUM OF INCORPORATION

"1.1 INCORPORATION

(1) The Company was incorporated as a private company of the Republic of South Africa. The Company is prohibited from offering any of the Company's securities to the public and the transferability of the Company's securities is restricted.

(2) The Company is incorporated in accordance with and governed by:
   a. Collective Investment Scheme Control Act;
   b. The unalterable provisions of the Act;
   c. The alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and
   d. The provisions of this Memorandum of Incorporation.

(3) The main object and main business of the Company is:
To solely act as the manager of a Collective Investment Scheme in Securities registered under the provisions of the Collective Investment Scheme Act."

"1**.2 POWERS OF THE COMPANY**

(1) The Company shall have all the powers and capacity of an individual that are capable of being exercised or possessed by a juristic person, to the extent that they are consistent with the powers necessary for the attainment of the main object of the Company and with the powers necessary for the compliance with the provisions of the Collective Investment Scheme Act and any deed entered into by the Company with a trustee in relation to a Collective Investment Scheme in property, except for those powers necessary for those other business as approved in terms of Section 86 of the Collective Investment Scheme Act, by the Authority of Collective Investment Schemes from time to time.
(2) The specific powers set out in the Act are excluded to the extent they are inconsistent with the powers necessary for compliance with the provisions of the Collective Investment Schemes Control Act and any deed entered into by the Company with a trustee in relation to a Collective Investment Scheme in property, except for those powers necessary for those other business as approved in terms of section 86 of the Collective Investment Scheme Act, by the Authority of Collective Investment Schemes from time to time.
(3) The Company shall not establish or acquire subsidiary companies, except with the prior written approval of the Authority of Collective Investment Schemes."