

This supplement contains important information about the CoreShares Index Tracker Collective Investments Scheme ("the Scheme") and the CoreShares South African Property Income Exchange Traded Fund ("ETF") (previously "CoreShares Property Top Ten ETF") securities and should be read carefully, together with the Coreshares Index Tracker Collective Investment Scheme in Securities offering circular and prelisting statement issued on 13 August 2007 and the subsequent supplements published thereto ("CoreShares offering circular") registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 ("the Act"), before investing. If you have any questions about the content of the CoreShares offering circular or this supplement, you should consult your professional advisor.

The directors of CoreShares Index Tracker Managers (RF) Proprietary Limited ("CITM" and/or "Manager" and/or "CoreShares"), whose names are set out on page 4 of this supplement, collectively and individually, accept full responsibility for the accuracy of the information contained in this supplement (as read together with the CoreShares 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 supplement (as read together with the CoreShares offering circular) contains all information required by law and the JSE Limited ("JSE") Listings Requirements. Furthermore, the directors of the Manager shall accept full responsibility for the accuracy of the information contained in the placing document, pricing supplements and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

CoreShares currently manages two separate property funds within the ETF sector, being the CoreShares Property SAPY ETF and the CoreShares Property Top Ten ETF. Management has decided to amalgamate the two existing property portfolios and create a new portfolio that will be tracking the South African Property Income Index, which is designed to measure the performance of large South African listed property companies with an emphasis towards higher yielding companies. The objective of this approach is to provide South African investors with property exposure that has a greater income tilt than what is currently available in the market.

The amalgamation is subject a successful ballot voting procedure to firstly, obtain the approval of the underlying investors in the CoreShares Property Top Ten ETF to amend the investment policy of the CoreShares Property Top Ten ETF, in order to track the new South African Property Income Index and secondly, obtain the approval of the underlying investors in both the CoreShares Property SAPY ETF and the CoreShares Property Top Ten ETF, to amalgamate the CoreShares Property SAPY ETF into the CoreShares Property Top Ten ETF. The name of the CoreShares Property Top Ten ETF will be changed to the CoreShares South African Property Income ETF. (the "Amendments"). As a result of this change CoreShares will also be able to seek out additional cost and scale benefits which it intends passing back to the client, as such the management fee will be reduced by approximately 17%. The amendments shall be treated as one overarching change where the ballot approvals are contingent on one another.

Investors are referred to section 2.2 of this twelfth supplement for actions to be taken by investors with regard to the ballot voting procedure.

If an investor is in any way unclear as to the implementation of the Amendments or the terms and conditions applicable to subscriptions for the securities referred to herein, the investor is advised to contact his JSE broker, professional advisor or CoreShares.

CoreShares South African Property Income Exchange Traded Fund (previously “CoreShares Top Ten Exchange Traded Fund” and “CoreShares Property SAPY Exchange Traded Fund”)



TWELFTH SUPPLEMENT

to the

CORESHARES OFFERING CIRCULAR

Relating to the Amendments of the securities in the CoreShares South African Property Income ETF (previously “CoreShares Top Ten ETF” and CoreShares PropTrax SAPY ETF) (over the South African Property Income Index (“the Index”)), on the terms and subject to the conditions set out in the CoreShares offering circular as read together with this supplement. Application has, subject to a successful ballot, been made to and granted by the JSE for the listing of the CoreShares South African Property Income participatory interests under the short name “CoreSAPII” in the “Exchange Traded Funds” sector on the Main Board of the JSE.

Long name: “CoreShares SAProp Income”, previously “CoreShares Top Ten” and “CoreShares PropTrax SAPY”

Short name: “CoreSAPII”, previously “PropTrax Ten” and “PropTrax SAPY”

Share code: CSPROP”, previously “PTXTEN” and “PTXSPY”

ISIN: ZAE000273165, previously ZAE000155362 and ZAE000101911

Expected timeline for the implementation of the Amendments

201

Declaration and Finalisation Data SENS announcement of approval of the Amendments	Friday, 17 Ma
Last day of investors to return respond to their JSE brokers/ CSDPs on whether they approve the Amendments as set out in this supplement or not	Friday, 28 Juni
Last Day to Trade in the CoreShares PropTrax 10 ETF and CoreShares PropTrax SAPY ETF	Tuesday, 30 Jul
Suspension of trading of CoreShares PropTrax 10 ETF and CoreShares PropTrax SAPY ETF on the JSE	Wednesday, 31 Jul
Commencement of trading in the CoreShares SAProp Income ETF on the JSE	Wednesday, 31 Jul
Record date	Friday, 02 August
Accounts of dematerialized securities holders updated at their CSDPs or brokers	Monday, 05 August
Termination of trading of CoreShares PropTrax 10 ETF and CoreShares PropTrax SAPY ETF on the JSE	Tuesday, 06 August

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

Corporate advisor and Sponsor



A copy of this supplement in the English language, accompanied by copies of the documents available for inspection (as described herein) is available at the registered office of CITM as well as on the website hosted at <https://coreshares.co.za>.

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 the CoreShares South African Property Income ETF carries substantial risk. There can be no assurance that the CoreShares South African Property Income ETF's investment objectives will be achieved and investment results may vary substantially over time. Investment in the CoreShares South African Property Income ETF 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. Risk Factors).

Date of issue: 17 May 2019

CORPORATE INFORMATION

Corporate Advisor and Sponsor

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Registered office of the Manager

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Date of Incorporation: 2 March 2006

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Directors of the Manager

David Andrew Polkinghorne*
Colin Michael Linnett †
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* Non-executive

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**SUPPLEMENT IN RESPECT OF THE INITIAL OFFERTO SUBSCRIBE FOR PARTICIPATORY INTERESTS
IN THE CORESHARES SOUTH AFRICAN PROPERTY INCOME PORTFOLIO OF THE CORESHARES
INDEX TRACKER COLLECTIVE INVESTMENT SCHEME IN SECURITIES**

1. SALIENT DATES AND TIMES

Expected timeline for the implementation of the Amendments	2019
Declaration and Finalisation Data SENS announcement of approval of the Amendments	Friday, 17 May
Last day of investors to return respond to their JSE brokers/ CSDPs on whether they approve the Amendments as set out in this supplement or not	Friday, 28 June
Last Day to Trade in the CoreShares PropTrax 10 ETF and CoreShares PropTrax SAPY ETF	Tuesday, 30 July
Suspension of trading of CoreShares PropTrax 10 ETF and CoreShares PropTrax SAPY ETF on the JSE	Wednesday, 31 July
Commencement of trading in the CoreShares SAProp Income ETF on the JSE	Wednesday, 31 July
Record date	Friday, 02 August
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** Any changes to the above dates will be announced on SENS.

2. AMENDMENTS TO CORESHARES PROPERTY TOP TEN ETF

2.1 Background

Listed property (Real estate investment trusts and other property companies) fulfil a useful function within a client's portfolio. This is because the asset class is somewhat of a hybrid between equity and fixed income with characteristics of both. Property securities provide for a growing income stream through time. Accordingly, from a diversification and correlation perspective they provide for a useful allocation within client portfolios.

South Africa has a growing, sophisticated listed property sector both in terms of the size of the market, but also in terms of the number of funds offering exposure to this segment. CoreShares currently manages two ETF's within this asset class. CoreShares has decided to amalgamate these strategies and restructure the index which the amalgamated strategy will track. The reasons for this are two-fold:

- The two ETFs managed by CoreShares are, by index fund standards, sub scale (approximately R170 million and approximately R275 million). Through combining them, CoreShares is able to run a larger product and seek out better economies of scale. This will allow for a reduction of the management fee of the product. Furthermore, the local listed property sector (whilst at a decent size) doesn't warrant two ETF products within this asset class.
- The new South Africa Property Income Index has been constructed with the 'use case' or 'outcome' of listed property front of mind - chiefly to achieve a high, reliable, growing income stream without taking on undue risks as opposed to more simplistic market cap or equal weighted products.

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

2.2 CoreShares Property SAPY ETF

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

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

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

2.3 CoreShares Property Top Ten ETF

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

The FTSE/JSE SA Listed Property Top 10 Equal Index consists of the top ten companies, as measured by investable market capitalisation in the FTSE/JSE SAPY Index and are held in equal weightings of 10% each (as at the quarterly rebalancing date). The product provides simple exposure to the largest property primary listed shares on the JSE. While it has a beta/size focus, its exposure/objective is more closely defined as an equally-weighted factor. The challenge with single factor strategies is their susceptibility to lumpy performance outcomes, giving investors a volatile experience of the risk asset class.

2.4 Amalgamating the existing property offerings

CoreShares will amalgamate the existing CoreShares Property Top Ten ETF and the CoreShares Property SAPY ETF to meet the outcomes-based element of its product development framework.

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

The table below summarises the key characteristics of the two existing property indices, FTSE/JSE SAPY Index and FTSE/JSE SA Listed Property Top 10 Equal Index, compared to the new South Africa Property Income Index. The key takeaways are as follows:

- The new portfolio has a more defined outcome and more closely meets a need in the market for property allocations that have both a growth and income component.
- The fee structure, asset class and Association for Savings and Investment South Africa ("ASISA") categories are similar across all three indices, therefore placing the investor on the same footing on these features.
- The new index is structurally more diversified. This is because it considers both local and global primary listings on the JSE. Accordingly, the number of shares included in the index is higher.

Index characteristic	Old		New
	FTSE/JSE SAPY	FTSE/JSE Prop10	SA Property Income
Index provider	FTSE/JSE	FTSE/JSE	CoreShares & S&PDJI
Index review	Quarterly	Quarterly	Semi-annually
Inclusion criteria	Market Capitalisation and Liquidity	Market Capitalisation and Liquidity	Market Capitalisation, Liquidity and Yield
Primary listing requirement	South Africa only	South Africa only	South Africa and Global
Weighting method	Market Capitalisation	Market Capitalisation	Market Capitalisation (25%) + Average Yield (75%)
Stock capping	None	1/(Number of shares)	1.5x cap on median index yield
Typical # of shares	~20	10	~>25
Asset class	Domestic Property	Domestic Property	Domestic Property
ASISA Category	South Africa Real Estate General	South Africa Real Estate General	South Africa Real Estate General

2.5 Objectives of the CoreShares South African Property Income ETF

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

2.6 Key characteristics of the CoreShares South African Property Income ETF

The investment policy of the portfolio shall be to track the South Africa Property Income Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time

as a result of Index reviews or corporate actions. As a further objective, the policy shall also be to manage the securities held by the portfolio to generate income for the benefit of investors.

Constrained within South African listed property shares. The index has minimum market capitalisation and liquidity criterion (for invest-ability) and the shares are ranked by both yield (income) and market capitalisation (size).

The fund will sit in the ASISA South African Real Estate General category.

2.7 Ballot voting procedure and implementation of the Amendments

CoreShares will effect a ballot voting procedure to firstly, obtain the approval of the underlying investors in CoreShares Property Top Ten ETF, to amend its investment mandate from its current form of tracking the FTSE/JSE Listed Property Top Ten Equally Weighted Index to change to track the South Africa Property Income Index and to secondly, obtain the approval of the underlying investors in both the CoreShares Property Top Ten ETF and the CoreShares Property SAPY ETF to amalgamate the two ETFs. As such investors in the CoreShares Property SAPY ETF will also be exposed to the new index. The name of the CoreShares Property Top Ten ETF will be changed to the CoreShares South African Property Income ETF.

CoreShares is regulated by the Financial Sector Conduct Authority (formerly the Financial Services Board). In terms of Section 98(2) of the Collective Investment Schemes Control Act of 2002 and clause 67 of the Main Deed of the Scheme, investor consent is required to effect the proposed amendment, which allow:

- Regulations state that investors holding no less than 25% in value of the total number of participatory investors in the Portfolio, excluding CoreShares, must respond to the ballot request, for it to be successful.
- If the majority of those who have responded to the ballot, have voted in favour, then the amendment will be successful.
- Where less than 25% of investors respond, a second ballot will be conducted.

The implementation of the Amendments is subject to the balloting voting procedure being successful.

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

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

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

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

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

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

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

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

the proposed effective date and the name of the PTXTEN will remain unchanged.

2.8 Action required by investors

- 2.8.1 Existing unit holders are requested to notify their JSE Brokers/ CSDPs by no later than Friday, 28 June 2019, as to whether they approve the Amendments as set out in this supplement or not;
- 2.8.2 The various Brokers/CSDPs will then submit the ballot responses to CoreShares' registered Auditors, Deloitte and Touché, before close of business on Monday, 1 July 2019;
- 2.8.3 If you have disposed of your participatory interests in the portfolio, no action is required.

3 General

- 3.1 The contents of this supplement which forms part of the CoreShares offering circular issued on 13 August 2007 (as updated by the information set out in Annexure E hereto), is available on the Manager's website (www.coreshares.co.za), including a copy of this twelfth supplement. The contents of the CoreShares offering circular will apply to the issue and listing of the securities described herein and will be supplemented by the contents of this supplement. In the event of any conflict between the contents hereof and the contents of the CoreShares offering circular, the contents hereof will prevail.
- 3.2 The securities being issued pursuant to this 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.
- 3.3 CoreShares South African Property Income ETF participatory interests are not in any way sponsored, endorsed, sold or promoted by the JSE or S&P Dow Jones Indices ("S&P") and none of these parties makes any warranty or representation whatsoever, expressly or implied, either as to the basis of calculation of, or as to the results to be obtained from the use of the South Africa Property Income Index and/or the value at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated on behalf of and on the instructions of CoreShares. However, S&P shall not be liable (whether in negligence or otherwise) to any person for any error in the index and S&P shall not be under any obligation to advise any person of any error therein.
- 3.4 CoreShares South African Property Income ETF is a Collective Investment Scheme in local securities.
- 3.5 The market maker will endeavor to provide and maintain a reasonable bid (price where investors can sell) and offer (price that investors can buy) through the central trading book of the JSE subject to the conditions set out in the market making agreement.
- 3.6 Upon exercise or settlement (as applicable), the issuer is responsible for settlement and not the JSE nor any other exchange.
- 3.7 All definitions as per the main CoreShares offering circular dated 13 August 2007 are applicable to this supplement circular.
- 3.8 Any amendments to the terms of this portfolio, other than changes which are of formal, minor or technical nature or are made to correct a manifest error or to comply with mandatory provisions of the law, will require not less than 66.67% approval of holders that participated in the vote, excluding the votes of CoreShares and its associates. Any such amendments require the JSE's and FSCA's approval, where applicable.
- 3.9 Any material changes to the index methodology will be communicated to the JSE and also communicated to the market via an announcement on the Stock Exchange News Services (SENS) before it is implemented.
- 3.10 The treatment of corporate actions of constituents in the underlying funds is governed by the index rules. No investor shall have any right in relation to an asset held in the portfolio. In the event of a capitalisation issue, scrip dividend or rights offer, the Manager reserves the right to adopt such changes necessary, which will result in the closest tracking of the Index.

3.11 As originally indicated in the CoreShares' offering circular, redemptions of CoreShares securities must be for a minimum amount of 100 000 CoreShares securities or multiples thereof per security holder, or such lower number of CoreShares securities (or multiples thereof) as may be approved by the Manager and the JSE on a case by case basis. If, a redemption request, once actioned, would result in a security holder holding less than 100 000 CoreShares securities, all of the Securities held by such security holder will be redeemed.

3.12 CoreShares South African Property Income ETF is a CIS in securities domiciled in South Africa investing in local listed securities. Accordingly, there are no exchange control considerations.

4 **EXPERT'S CONSENT**

The relevant parties listed under the Corporate Information section on page 3 of this supplement, 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 at the last practicable date.

5 **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.

6 **RESPONSIBILITY STATEMENT**

The directors of the Manager, whose names are set out on page 3 of this supplement, 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.

7 **MATERIAL CHANGES**

The directors of the Manager confirm that, after due and careful enquiry and without the involvement of the external auditors, there were no material changes in the financial or trading position of the Manager since the end of the last financial period for which annual financial statements have been published.

8 **LIMITATION OF LIABILITY**

The JSE takes no responsibility for the contents of the placing document, pricing supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of placing document, pricing supplements, or the annual report (as amended or restated from time to time).

9 SUMMARY DETAILS OF CORESHARES SOUTH AFRICAN PROPERTY INCOME ETF

9.1	Portfolio	The CoreShares South African Property Income ETF Portfolio, a portfolio in the CoreShares Index Tracker Collective Investment Scheme in Securities, registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002.
9.2	ISIN	ZAE000273165, previously, ZAE000155362 and ZAE000101911
9.3	Share code	CSPROP, previously PTXTEN and PTXSPY
9.4	Long name of portfolio	CoreShares SAProp Income, previously CoreShares Top Ten and CoreShares PropTrax SAPY
9.5	Issuer name	CITM
9.6	Short name of portfolio	CoreSAPII, previously PropTrax Ten and CoreShares PropTrax SAPY ETF
9.7	Index	South Africa Property Income Index, which is designed to measure the performance of large South African Listed Property companies with an emphasis towards higher yielding companies. The starting universe "Universe" will comprise of Listed Property constituents listed on the JSE Securities Exchange. The Universe will be provided to S&P, prior to the last business day of May annually by CoreShares Asset Management Pty Ltd "CoreShares".
9.8	Index calculation agent	S&P
9.9	Description of participatory interest or securities	CoreShares South African Property Income ETF participatory interests or CoreShares South African Property Income ETF securities.
9.10	Frequency of Index publication and update	The Net Asset Value is calculated in a transparent manner on a daily basis and the underlying investments of the Fund are sufficiently liquid to ensure that there will be proper price information. The closing Net Asset Value and Net Asset Value per Security, will be published on a daily basis on the Local Manager's website (http://www.coreshares.co.za). In addition hereto, updates and publications of the Index will be published daily on CoreShares' website.
9.11	Distribution or accounting period	Quarterly periods ending on the last day of March June, September and December in each year, or such other date as may be determined by the Manager in consultation with the trustee from time to time.
9.12	Any other special conditions and modifications to the terms and conditions in respect of the CoreShares South African Property Income ETF participatory interests	In the event that the Index is discontinued and/or modified and is no longer deemed suitable for the purposes as outlined in this Pre-Listing Statement, then the existing Index will be replaced with an index that is suitably similar to the current standing South Africa Property Income Index (subject to necessary regulatory approvals, holders' approval, and due processes).
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	At the date of this supplement there are 16 739 868 CoreShares Property Top Ten ETF securities in issue at an issue price of R16.00 per security, that will be converted to CoreShares South Africa Property Income ETF securities in a one for one ratio. Additionally, the 3 127 800 securities in issue at an issue price of R50.40 of the CoreShares Property SAPY ETF will be converted at a ratio that ensures that the investors' economic interest remains exactly the same. By way of example, if the price of the SAPY ETF is R50 and that of the PTXTEN ETF is R25 at conversion date, then SAPY ETF investors would receive 2 securities of the TEN ETF for every 1 security they hold in the SAPY ETF.
9.18	Proceeds from subsequent issues of securities	Proceeds from subsequent issues of securities will continue to be used to invest in the Index in accordance with the investment policy as set out in Annexure A

Please refer to the CoreShares offering circular for further information regarding the CoreShares participatory interests.

10. RISK FACTORS

The nature of the CoreShares South African Property Income 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 the CoreShares South African Property Income ETF that it is aware of the risk factors of an investment in the CoreShares South African Property Income 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 the CoreShares South African Property Income 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 the CoreShares South African Property Income 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 the CoreShares South African Property Income ETF, the Index or the Manager or its affiliates is no assurance of future success.

Conflicts of interest: Potential conflicts of interest between the CoreShares South African Property Income 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 the CoreShares South African Property Income 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, the CoreShares South African Property Income 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 the CoreShares South African Property Income ETF should not constitute a complete investment program.

Geographic risk: Some markets in which the CoreShares South African Property Income 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.

Passive investments risk: The CoreShares South African Property Income ETF is not actively managed. The CoreShares South African Property Income ETF may be affected by a general decline in the stock market segments or foreign market segments relating to the Index. The CoreShares South African Property Income ETF invests in the securities included in, or representative of, the Index regardless of their investment merits. The Manager does not attempt to take defensive positions in declining markets.

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



Signed at Johannesburg by Gareth Craig Stobie on behalf of all the directors of the Manager on 17 May 2019 in terms of the board resolution passed by them.

ANNEXURE A: INVESTMENT POLICY

- The investment policy of the portfolio shall be to track the South Africa Property Income Index as closely as possible, by buying only constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of Index reviews or corporate actions, so as to ensure that at all times the portfolio holds securities included in the Index in the same weightings as they are included in the Index.
- As a further objective, the policy shall also be to manage the securities held by the portfolio to generate income for the benefit of investors.
- The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index.
- Investors may obtain participatory interests in the portfolio on the secondary market or by subscribing for new participatory interests in the portfolio on the primary market. In order to achieve this object, the manager may, subject to the Act and the Deed, create and issue an unlimited number of participatory interests in the portfolio.
- The portfolio will be passively managed in that the manager will not buy and sell securities based on economic, financial and /or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be full replication of the Index. Accordingly, the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself.
- The composition of the portfolio will be adjusted semi-annually to conform with changes in the composition of the Index.
- The portfolio shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any takeover bid or other corporate action occurs in relation to any entity the securities of which are included in the portfolio, the portfolio shall not surrender any securities held by the portfolio which may be subject to such takeover bid or other corporate action, unless such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of any applicable law or under the rules of a regulatory authority or body having jurisdiction over the portfolio and / or the applicable securities. However, if any such takeover bid or corporate action results in an entity previously included in the Index no longer qualifying for inclusion in the Index, any securities in such entity held by the portfolio, shall be disposed of by the portfolio and the proceeds derived from such disposal shall be applied in effecting the appropriate adjustments to the portfolio so as to ensure same tracks the Index.
- Assets in liquid form will form a minor part of the portfolio's assets.
- The portfolio's ability to replicate the price and yield performance of the Index shall be affected by the costs and expenses incurred by the portfolio.

ANNEXURE B: MANAGEMENT AND OTHER FEES

The Manager is entitled to a service fee per calendar month (exclusive of value added tax ("VAT")) calculated as follows:

(daily market value of the total assets of the portfolio, excluding income accruals and permissible deductions, if any, x 35 basis points)/365 x number of days in the relevant month; or any lower amount nominated at the Manager's discretion (including a waiver by the Manager of all or part of the service fee).

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

- not less than three months' written notice has been given to every investor; and
- the necessary amendments to the Deed have been effected in consultation with the Registrar and the JSE (if applicable).

Recovery of costs

In addition, the Manager is entitled to recover costs in connection with the actual expenditure incurred and administration performed by it in respect of the creation, issue and sale, redemption or repurchase of participatory interests. This includes, but is not limited to, all taxes (including, but without limitation, STT), duties, forex charges, transaction and custody charges and brokerage fees. These costs are for the investor's account. The Manager reserves the right to waive these costs at their discretion at any point in time. These costs should, in the ordinary course, not exceed 1% of the applicable value.

As per CISC conventions the portfolio may also attract other direct sundry costs such as Audit Fees (approximately R82 500 per annum), Bank Charges and VAT payments (15% of vatable fees and expenses).

ANNEXURE C: COMPOSITION OF THE INDEX

Index Description:

The South Africa Property Income Index is designed to measure the performance of large South African Listed Property companies with an emphasis towards higher yielding companies.

Starting Universe:

The starting universe "Universe" will comprise of Listed Property constituents listed on the JSE Securities Exchange. The Universe will be provided to S&P Dow Jones Indices, prior to the last business day of May annually by CoreShares Asset Management Pty Ltd "CoreShares".

Selection rules

To qualify for The Index constituents must meet criteria based on Size and Liquidity. The criteria which are applied to the Universe are as follows:

- Size: To be included in The Index, companies must have a float-adjusted market capitalization equal to or greater than ZAR 2 billion (ZAR 1.5 billion for existing constituents).
- Liquidity: To be included in the Index, stocks must have an annual value traded of at least ZAR 1 billion over the previous 12 months for inclusion. (ZAR 750 million for existing constituents)
- The constituents that have qualified based on the size and liquidity screening are hereafter referred to as the "Qualifying Constituents".

Weighting rules applied at semi-annually rebalance.

- The Qualifying Constituents will have the following weighting methodologies applied at the semi-annually rebalance:
 - o Market capitalisation weighted: Simple float-adjusted market capitalization methodology is applied to the Qualifying Constituents
 - o Yield weighting: Wherein the Qualifying Constituents weightings are determined by their yield.
 - $\text{Yield Weight} = (\text{Qualifying Constituent Yield} / \text{Sum of Qualifying Constituent Yield}) \cdot \text{Qualifying Constituent Yield}$ is as defined as the average of the last three years yield at the point on time of rebalance. i.e. $(\text{June 2018 Yield} + \text{June 2017 Yield} + \text{June 2016 Yield})/3$.
 - In addition, Qualifying Constituent Yield is capped at 1.5 multiplied by the median yield of the Qualifying Constituents.
 - If yields are not available for a particular year, use the average of the years available. i.e. $(\text{June 2018 Yield} + \text{June 2017 Yield})/2$
- A factor of 0.75 will be applied to the Yield Weight and 0.25 to the Market Capitalization weight. (Thus, The Index weight of each Qualifying Constituent will be comprised of 75% of the Yield Weight and 25% of the Market Capitalization weight)
- The combined allocation to foreign classified stocks will be capped at 50% at the June rebalance. Should the foreign allocation breach 50% at the September, December and March quarterly rebalance reference days, the foreign allocation will be capped at 50% for that specific quarterly rebalance. CoreShares will define stocks as foreign in the Universe supplied to S&P DJI at the June reconstitution.

Index Maintenance:

The Index is calculated by S&P Dow Jones Indices.

Rebalance Schedule:

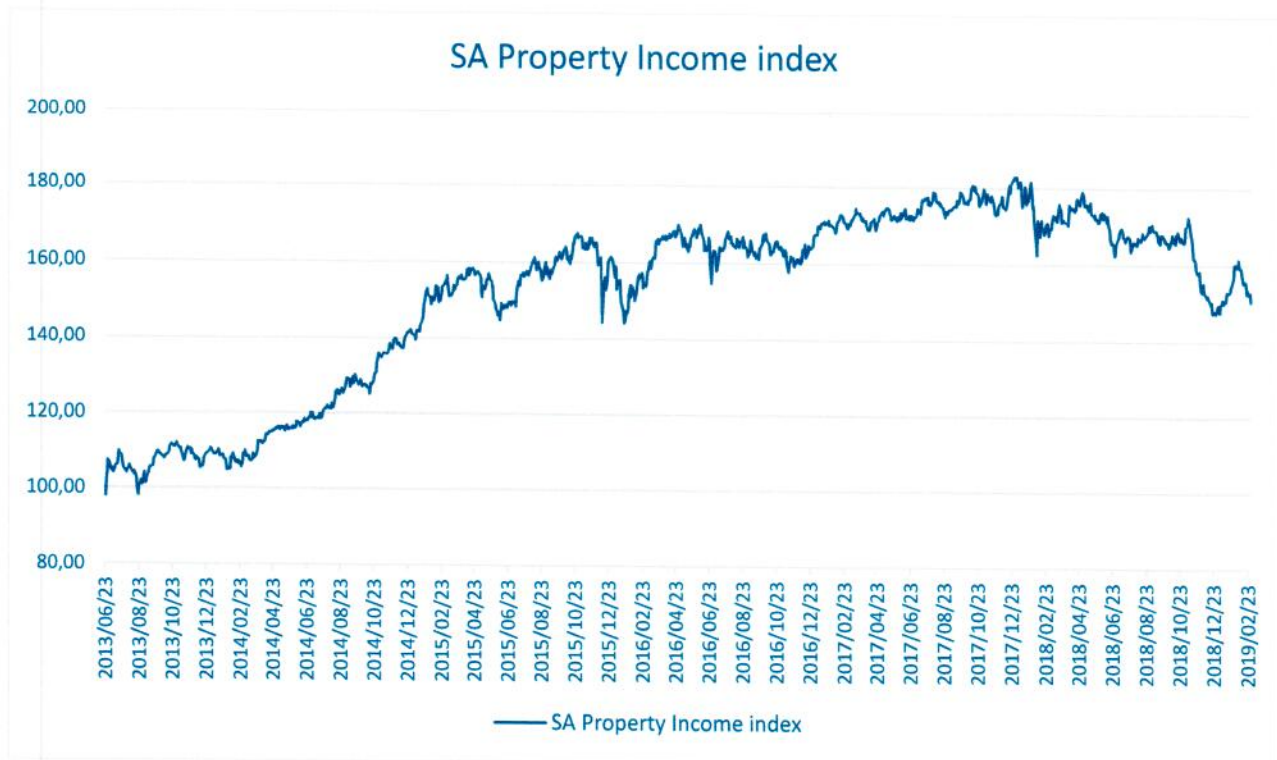
- Annual reconstitution: At the close of the 3rd Friday in June
- Effective day: At the close of the 3rd Friday in June and December
- Pro-Forma schedule: 5 days prior to effective rebalance
- Reference day: 3 days prior to the pro-forma start

The Constituents of the Index as at 31 December 2018 are set out below:

TICKER	COMPANY	INDEX WEIGHT
AWA	Arrowhead Properties Ltd A	4.1%
ATT	Attacq Ltd	2.5%
CCO	Capital & Counties Properties PLC	2.0%
DLT	Delta Property Fund Ltd	5.6%
EPP	Echo Polska Properties NV	3.5%
EMIJ	Emira Property Fund Limited	4.4%
EQU	Equites Property Fund Ltd	3.0%
FFA	Fortress REIT Ltd.-A	4.3%
FFB	Fortress REIT Ltd.-B	3.6%
GRT	Growthpoint Properties	7.0%
HMN	Hammerson Plc	4.3%
HYP	Hyprop Investments Ltd	3.8%
ITU	Intu Properties PLC.	4.4%
IPF	Investec Property Fund Ltd	3.4%
L2D	Liberty Two Degrees	2.8%
MSP	MAS Real Estate Incorporated	2.1%
NRP	NEPI Rockcastle	4.5%
OCT	Octodec Investments Ltd	4.2%
RPL	RDI REIT Plc	3.4%
REB	Rebosis Property Fund	4.8%
RDF	Redefine Properties Ltd	6.4%
RES	Resilient REIT Limited	3.2%
SACJ	SA Corporate Real Estate Limited	3.7%
SRE	Sirius Real Estate Ltd	2.2%
STP	Stenprop Limited	2.8%
VKE	Vukile Property Fund	3.9%

The ground rules for the construction of the Index, including the treatment of various corporate actions (where applicable), is set out in a summary document, a copy of which is available publicly on the Index licensee's website: www.coreshares.co.za

ANNEXURE D: HISTORICAL PERFORMANCE OF THE INDEX



The graph below illustrates the total return performance of the South Africa Property Income Index for the period in the chart. This has been measured in Rand (ZAR). Note that this information is not necessarily indicative of the future performance of the Index. The closing price as at the last practicable date was 150.54.

ANNEXURE E: UPDATE TO CORESHARES OFFERING CIRCULAR

The information in the CoreShares offering circular is updated to the extent of what is set out below:

1. General history of CoreShares

CoreShares (previously known as “Grindrod (previously Property) Index Tracker Collective Investment Scheme in Securities”) is a collective investment scheme in securities in terms of the Collective Investment Schemes Control Act, No. 45 of 2002. Furthermore, the units issued by the CoreShares scheme are further classified as ETF Securities per the Financial Markets Act No. 19 of 2012. CoreShares’ first portfolio, namely the CoreShares Property SAPY ETF portfolio, was listed on the JSE in 2007. CoreShares PropTrax TEN was listed on the JSE in May 2011. CoreShares PrefTrax was listed on the JSE in March 2012 as PrefEx. In December 2013, PrefEx became a portfolio of CoreShares and the name was changed to CoreShares PrefTrax. In 2015, the name “Grindrod Index Tracker Collective Investment Scheme in Securities” was changed to CoreShares and the CoreShares Top50 portfolio was added to Coreshares. In 2016 CoreShares Green and CoreShares Top40 Equally Weighted were added as well. CoreShares Green was delisted in 2017 and in 2018 CoreShares Global Divtrax was added to the portfolio. In 2019, the CoreShares S&P 500 and CoreShares S&P Global Property ETFs were repatriated from the Mauritian CoreShares entity, to the local Coreshares portfolio and the CoreShares Top40 Equally Weighted was amended to track the Scientific Beta CS South-Africa Multi-Beta Multi-Strategy Six-Factor EW Index and the name changed to CoreShares Scientific Beta Multi Factor Index. 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.

Pursuant to the change of ownership (refer section 3 below) other organisational changes were effected including, but not limited to, changes to the trustees, the asset manager, the market maker, the name of the scheme and the portfolios’ financial year ends. These changes have previously been announced on SENS and regulatory approval obtained where necessary. Further information on the general history or background of CoreShares can be obtained from CoreShares.

2. Price and other information relating to CoreShares securities

The financial information and information set out below will be published on each business day on the CoreShares website (www.coreshares.co.za) in respect of the securities in each of the CoreShares portfolios:

- 2.1 the NAV of the CoreShares securities;
- 2.2 the accrued reserves distributable to holders of CoreShares securities, if applicable;
- 2.3 the index level for the preceding day;
- 2.4 the accrued costs incurred in operating the CoreShares portfolio;
- 2.5 the index constituents; and
- 2.6 constituent shares applicable to the index for creation and redemption purposes.

3. Ownership of the Manager

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

4. Details of directors of the Manager appointed subsequent to the issue of the CoreShares offering circular (13 August 2007)

Full name	Business address	Function	
Colin Michael Linnett	4th Floor, Grindrod Tower, 8a Protea Place, Sandton, 2196	Independent executive	Non-
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	

5. **Asset Manager**

CoreShares Asset Management (Pty) Ltd (FSP 46695) will be appointed as the Investment Manager. CoreShares Asset Management is a Category II authorised Financial Services Provider.

6. **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.

7. **The Market Maker**

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

ANNEXURE F: ONGOING TAX CONSIDERATIONS

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 Pre-Listing Statement 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 will 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.