

The directors of the Company, whose names are set out on page 17 of this Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information contained in this Pre-Listing Statement 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 Pre-Listing Statement contains all information required by law and the Listings Requirements. Furthermore, the directors of the Company accept full responsibility for the accuracy of the information contained in this Pre-Listing Statement and the annual financial report or the amendments to the annual financial report from time to time, except as otherwise stated therein.

If a prospective investor is in any way unclear as to the correct procedure to be followed or the terms and conditions applicable to subscriptions for the securities referred to herein, the investor is advised to contact his JSE broker or professional advisor.



Where smart money works.

**CoreShares S&P 500 Exchange Traded Fund**

a cell in

**CoreShares Global Investments PCC**

**(a Mauritius Protected Cell Public Company Limited by Shares)**

Short name: **CoreSP500**

Share code: **CSP500**      ISIN: **MU0519N00036**

*A copy of this Pre-Listing Statement in the English language, accompanied by copies of the documents available for inspection (as described herein) is available at the registered office of CITM.*

Prospective purchasers of any securities should ensure that they fully understand the nature of the Securities and the extent of their exposure to risks, and that they consider the suitability of the 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 an investor's initial investment. Potential investors should be prepared to sustain a total loss of their investment in such securities. The Securities represent general, unsecured, unsubordinated, contractual obligations of the Fund and rank *pari passu* in all respects with each other. Potential investors are reminded that the Securities constitute obligations of the Fund only and no other person. Therefore, potential purchasers should understand that they are relying on the creditworthiness of the Fund.

This Pre-Listing Statement has been approved by the JSE, in conformity with the Listings Requirements.

The JSE's approval of the listing of the CoreShares S&P 500 Exchange Traded Fund securities should not be taken in any way as an indication of the merits of the Fund nor its securities. The JSE has not verified the accuracy 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 S&P 500 Exchange Traded Fund securities on the JSE and in accordance with the Rules of the JSE Guarantee Fund, and can in no way relate to a default by the Company of its obligations in terms of the issues of CoreShares S&P 500 Exchange Traded Fund securities. Application has been made to and granted by the JSE for the listing of the CoreShares S&P 500 Exchange Traded Fund securities under the short name "CoreSP500" in the "Exchange Traded Funds" sector on the JSE.

**Corporate Advisor & Sponsor**



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## IMPORTANT INFORMATION

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### Registration in Mauritius

Permission was granted by the LEC on 3 May 2016 (Listing Particulars no.: LEC/1/03/2016) for the listing of the CoreShares S&P 500 Exchange Traded Fund on the Official Market of the SEM on 23 May 2016. A total of 488 296 Securities were issued and listed on the Official Market of the SEM on 23 May 2016 at a price of c. US\$2.05 per Security.

The Company is incorporated under the PCC Act and has been issued a Category One Global Business Licence under the Financial Services Act 2007 and is authorised pursuant to the Securities Act 2005 to operate as a Collective Investment Scheme.

### General

**Mauritius:** The Company has been incorporated under the PCC Act, has been issued with a Category One Global Business Licence under the Financial Services Act 2007 and is authorised pursuant to the Securities Act to operate as a Collective Investment Scheme. Investors in the Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the Fund's failure. The FSC does not vouch for the financial soundness of the Company or the Fund or for the correctness of any statements made or opinions expressed with regard to it. On Monday, the 23<sup>rd</sup> of May 2016, the Fund listed its Securities on the Official Market of the SEM for the purposes of raising capital both in Mauritius and internationally and to afford investors in the Fund with liquidity.

**South Africa:** The Fund has been registered and authorised by the South African Financial Services Board as a foreign collective investment scheme and will be regulated under section 65 of CISCAs as at the date of this Pre-Listing Statement. Securities in the Fund are only offered or sold in South Africa in circumstances which do not constitute an offer to members of the public within the meaning of the Companies Act or CISCAs.

CITM, is a local approved manager of collective investment scheme(s). CITM currently manages the locally domiciled and JSE listed "CoreShares" ETFs. CITM has entered into a Representative Agreement with the Manager in order to represent the foreign Manager in South Africa in terms of Section 65 of the CISCAs. The Representation Agreement puts certain onuses on CITM to ensure compliance with regulation, advertising standards and the like – a copy of the agreement is available on request. CITM will also act as the primary contact point for investors wanting to communicate with the Issuer.

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## CORPORATE INFORMATION AND ADVISORS

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<p><b>Issuer</b> CoreShares Global Investments PCC (Company number C137806, C1/GBL) 22 Saint Georges Street Port Louis Republic of Mauritius Place of incorporation: Mauritius Date of incorporation: 14 April 2016</p> <p><b>Corporate advisor and sponsor</b> Grindrod Bank Limited (Corporate Finance Division) (Registration number 1994/007994/06) Grindrod Tower, 4th floor, 8a Protea Place Sandton 2196 (PO Box 78011, Sandton, 2146)</p> <p><b>Custodian</b> Societe Generale (Registration number 1996/006193/10) 2nd floor 160 Jan Smuts Avenue Rosebank 2196 (PO Box 6872, Johannesburg, 2000)</p> <p><b>Administrator and transfer agent</b> Cim Fund Services Ltd (Registration number C07057472) 33 Edith Cavell Street Port Louis Republic of Mauritius</p> <p><b>Legal advisor to the Fund</b> Norton Rose Fullbright (Registration number 1984/003385/21) 15 Alice Lane Sandton 2196</p> <p><b>Banker</b> The Mauritius Commercial Bank Limited 10<sup>th</sup> Floor, MCB Head Office Sir William Newton Street Port Louis Republic of Mauritius</p>	<p><b>Manager</b> CoreShares ETF Managers Ltd (Registration number 136492 C1/GBL1) 22 Saint Georges Street Port Louis Republic of Mauritius Place of incorporation: Mauritius Date of incorporation: 25 February 2016</p> <p><b>Auditors</b> Deloitte &amp; Touche Mauritius 7th Floor Raffles Tower 19 Cybercity Ebene Republic of Mauritius</p> <p><b>Market Maker</b> Grindrod Securities (a division of Grindrod Asset Management Proprietary Limited) (Registration number 2004/024647/07) 5 Arundel Close Kingsmead Office Park Durban 4000 (PO Box 32111, Durban, 4001)</p> <p><b>CITM (Local Manager)</b> CoreShares Index Tracker Managers (RF) Proprietary Limited (Registration number 2006/006498/07) Grindrod Tower, 4th floor, 8a Protea Place Sandton 2196 (PO Box 78011, Sandton, 2146) Place of incorporation: PKF House, 15 Girton Road, Parktown, 2193</p> <p><b>Transfer Secretary (JSE Listing)</b> Computershare (Pty) Ltd (Registration number 2004/003647/07) 70 Marshall Street Johannesburg 2001 (PO Box 61051, Marshalltown, 2107)</p>
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## IMPORTANT DATES AND TIMES RELATING TO THE OFFER

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The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this section.

	<b>2016</b>
JSE grants formal approval for listing	Friday, 14 October
Declaration announcement released on SENS	Friday, 14 October
Opening date of the initial subscription at 09h00 on:	Monday, 24 October
Closing date of the initial subscription at 16h00 on <sup>1</sup> :	Tuesday, 25 October
Letters of allotment (each an LA) issued <sup>2</sup> :	Wednesday, 26 October
Ramp-up Period in respect of cash subscriptions commences:	Wednesday, 26 October
Announcement of results and conversion ratio in respect of initial subscription:	Wednesday, 2 November
Ramp-up Period in respect of cash subscriptions ends on or before 12h00 on:	Thursday, 3 November
Listing of Securities <sup>3</sup> from commencement of trading at 09h00 on:	Friday, 4 November

1. Applicants should contact their broker to ascertain the timing for submission of applications as this will vary dependent on the broker in question.
2. One LA will be issued for every one Rand subscription against a Shareholder's broker account being debited with the Rand amount. Once the baskets of constituent Securities have been acquired by the Fund, the Administrator and Transfer Agent will convert the LAs to Securities and will instruct the CSDP to credit the accounts of the shareholders in accordance with the conversion ratio to be released on SENS.
3. Securities will be issued in dematerialised format only.

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## DEFINITIONS AND INTERPRETATION

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In this Pre-Listing Statement, unless the context indicates a contrary intention, 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 expressions bear the meanings assigned to them below:

“Administrator”	means Cim Fund Services Ltd, the administrator of the Company;
“Applicant”	means an investor who applies to subscribe for CoreShares S&P 500 Exchange Traded Fund securities on the basis described in this Pre-Listing Statement;
“Auditors;	means Deloitte Mauritius;
“Board”	means the Directors at any time or the Directors present at a duly convened meeting (including a committee meeting) at which a quorum is present;
“Business day”	means any day other than a Saturday, Sunday or official public holiday in South Africa or means any day (except Saturday and Sunday and such other days as the Directors may determine) on which banks are open for business in Mauritius;
“Cash subscriptions”	means collectively, Rand cash subscriptions;
“CSDP”	means a South African Central Securities Depository Participant;
“Cell”	means a cell created by the Company for the purposes of segregating liabilities and Cellular Assets in the manner provided by the PCC Act;
“Cellular Assets”	means the assets of the Company attributable to a particular Cell, comprising assets represented by the proceeds of the issue of Securities of that Cell, reserves (including retained earnings, capital reserves and share premiums) and all other assets attributable to that Cell;
“CITM” or “Local Manager”	means 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;
“CISCA”	means South African Collective Investment Schemes Control Act, No. 45 Of 2002;
“Closing date”	means the date on which the initial offer/subsequent offer closes, as set out in this Pre-Listing Statement;
“Common Monetary Area”	means the inclusion of South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
“Companies Act”	means the South African Companies Act 71 of 2008;
“Company” or “Issuer”	means CoreShares Global Investments PCC incorporated in Mauritius on 14 April 2016 under the PCC Act with its registered address at 22 Saint Georges Street, Port Louis, Mauritius;

"Constituent Securities"	means the securities/assets included in the Index or predefined group of assets, which will be held by the CoreShares S&P 500 Exchange Traded Fund in substantially the same proportions in which they are held in the Index;
"Constitution"	means the constitution of the Company;
"Controlled Clients"	means the clients of a broking member of the JSE whose funds and uncertificated Securities are under the control of such broking member. A controlled client does not have a direct relationship with a CSDP, the client's Securities being held in the broker's nominee account with the broker's CSDP. The cash balances of controlled clients are, in accordance with the requirement of the Act, held by JSE Trustees to ensure segregation between broker and client funds;
"Core Assets"	means the assets of the Company which are not attributable to any Cell;
"CoreShares"	means CoreShares Holdings Proprietary Limited (Reg: 2013/184705/07), an investment holding company duly incorporated in accordance with the laws of South Africa;
"CSDP"	means a participant duly accepted by Strate as a Central Securities Depository Participant in terms of the Companies Act;
"Custodian"	means the custodian to the Fund, at the date of this Pre-Listing Statement being Société Générale, Johannesburg branch;
"Dealing day"	means every Business Day;
"Director"	means a director of the Company from time to time;
"ETF"	means an Exchange Traded Fund, being an open-ended fund listed on a stock exchange and traded like an ordinary share, enabling investors to gain exposure to an Index or a specific group of assets through the purchase of one security;
"Exchange Control Regulations"	means the Exchange Control Regulations promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933;
"FSC"	means the Financial Services Commission of Mauritius;
"Fund" or "CoreShares S&P 500 Exchange Traded Fund"	means the Cell in the Company named CoreShares S&P 500 Exchange Traded Fund, to which this Pre-Listing Statement relates;
"Ground Rules"	means the published ground rules of the Index, as amended from time to time;
"Holder" or "Investor"	means in relation to CoreShares S&P 500 Exchange Traded Fund's participatory interests, the person or entity whose name is recorded in the register as the holder of such Securities;
"Income Tax Act"	means the South African Income Tax Act, 58 of 1962;
"Index" or "S&P 500®"	means the S&P 500® Index, an American stock market index based on the market capitalizations of the 500 largest companies having common stock listed on the New York Stock Exchange or Nasdaq Stock Market;
"Index Constituents"	means the Securities comprising the Index in the same proportion as in which they are represented in the Index;

"Index Currency" or "Foreign Currency"	means the currency in which the Index is domiciled, as set out in this Pre-Listing Statement;
"Index Currency Unit"	means one unit of the Index currency, for example if the Index currency is British Pounds, one GBP or if the Index currency is US Dollars, one US\$;
"Index Level"	means the level of the Index calculated by the Index Provider periodically during a trading day;
"Index Provider"	means the S&P Dow Jones Indices LLC, the authority responsible for the administration of the index as described in this Pre-Listing Statement;
"Initial Offer"	means the first offer made to individuals and qualifying institutional investors in South Africa to subscribe for CoreShares S&P 500 Exchange Traded Fund participatory interests, as set out in this Pre-Listing Statement;
"Initial Offer Period"	means the period during which the Initial offer will be open, being 09:00 on the Opening date until 16:00 on the Closing date;
"JSE"	means the JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa (registration number 2005/022939/06) and licenced as an exchange under the South African Securities Services Act;
"Laws"	means the laws of Mauritius, including the Mauritius Companies Act, the Mauritius Securities Act, the PCC Act and any other act, regulation, rule, proclamation, order or revision thereof for the time being in force and applying to global business companies and as amended, supplemented or replaced;
"LEC"	means the Listing Executive Committee of the SEM;
"Listing Particulars"	means the listing particulars of the CoreShares S&P 500 Exchange Traded Fund, a cell in CoreShares Global Investments PCC;
"Listings Requirements"	means the Listings Requirements of the JSE;
"Management Fee"	means the fee to be paid to the Manager in respect of its management of the CoreShares S&P 500 Exchange Traded Fund;
"Management Share"	means a non-redeemable share in the capital of the Company with US\$1.00 par value, designated as a Management Share, attributable to the Core Assets and having the rights provided for under the Constitution and Pre-Listing Statement;
"Management Shareholder"	means the holder of the Management Share, initially being the Manager;
"Manager"	means the manager of the Fund, CoreShares ETF Managers Ltd incorporated in Mauritius with its registered office at 22 Saint Georges Street, Port Louis, Mauritius;
"Market Maker"	means Grindrod Securities Proprietary Limited;
"Mauritius Companies Act"	means the Companies Act No. 15 of 2001 of Mauritius as may be amended, supplemented or replaced from time to time;
"Mauritius Securities Act"	means the Securities (Collective Investment Scheme and Closed-end Funds) Regulations 2008 of Mauritius;



"Mauritius"	means the Republic of Mauritius;
"Minimum Investment Criteria"	means compliance by a proposed investor with the South African Financial Intelligence Centre Act, 38 of 2001 and with the minimum investment limits imposed by the Manager from time to time;
"MRA"	means the Mauritius Revenue Authority;
"NAV"	means the net asset value of the Fund determined in accordance with the Constitution and this Pre-Listing Statement;
"Opening Date"	means the date on which the initial offer/subsequent offer opens, as set out in this Pre-Listing Statement;
"PCC Act"	means the Protected Cell Companies Act No. 37 of 1999 of Mauritius as may be amended or supplemented from time to time;
"PCC"	means a Mauritius Protected Cell Public Company Limited;
"Pre-Listing Statement"	means this document, including all the annexures, dated 12 October 2016;
"Public Holiday"	means includes public holidays in South Africa and other countries in which the Index is domiciled, as set out in this Pre-Listing Statement;
"R" or "Rand" or "cents"	means South African rand and cents, the lawful currency of South Africa;
"Ramp-Up Period"	means the period during which the Fund will acquire baskets of constituent securities with the cash proceeds derived pursuant to the initial subscription or pursuant to subsequent cash subscriptions, as the case may be, which period shall commence on the day immediately succeeding the closing date of the initial subscription or the date of receipt of such cash subscriptions, as applicable;
"Register"	means the register of CoreShares S&P 500 Exchange Traded Fund participatory interests, which register shall be maintained by Strate;
"Representation Agreement"	means the agreement entered into by the Manager and the Local Manager dated 31 <sup>st</sup> of May 2016;
"S&P"	means S&P Dow Jones Indices LLC, a division of S&P Global;
"Secondary Market"	means a market in which an investor purchases a security from another investor rather than the issuer, subsequent to the Initial offer in the primary market;
"Securities"	means shares, stocks and depository receipts in public companies and other equivalent equities, notes, derivative instruments, bonds, debentures, participatory interests in a collective investment scheme as defined in CISCAs, and units or any other form of participation in a foreign collective investment scheme approved by the Registrar of Collective Investment Schemes in terms of CISCAs; units or any other form of participation in a collective investment scheme licensed or registered in a foreign country, and instruments based on an index;
"SEM"	means the Stock Exchange of Mauritius Ltd;
"SENS"	means the Stock Exchange News Service, the news service operated by the JSE;

“Share”	means an ordinary share in the capital of the Company issued as a class 1 share attributable to the Fund with a par value of US\$1.00 with the rights set out in the Constitution (as summarised in Annexure 1);
“Shareholder”	means any holder of Securities;
“South Africa”	means the Republic of South Africa;
“Subscription Price”	means the price per share at which Securities are issued;
“Strate”	means Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, which is a registered central securities depository in terms of the South African Financial Markets Act 19 of 2012, which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Subsequent offer”	means offers made to investors and Qualifying Institutional Investors in South Africa, post the Initial offer, to subscribe for further CoreShares S&P 500 Exchange Traded Fund participatory interests, as set out in this Pre-Listing Statement;
“transaction costs”	means the costs payable by the investor in respect of the transfer of ownership of Securities, 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 any other brokerage and other transaction charges;
“US Dollars” or “Dollars” or “US\$”	means the currency of the United States of America;
“Valuation Point”	means in relation to a particular Dealing Day, the close of business on the immediately preceding Business Day and/or such other day or days as the Directors may from time to time determine;
“Vanguard ETF”	means the Vanguard S&P 500 ETF, an Undertaking for Collective Investment in Transferable Securities (UCITS) registered in the Republic of Ireland; and
“VAT”	means Value-Added Tax.

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# INTRODUCTION AND SALIENT FEATURES

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## 1. INTRODUCTION

This Pre-Listing Statement contains information pertaining to the CoreShares S&P 500 Exchange Traded Fund (which has a primary listing on the Official Market of the SEM), which seeks to track the investment performance of the S&P 500® Index. Initially this will be done by investing in the Vanguard ETF, an exchange-traded share class of Vanguard 500 Index Fund, which uses full replication. The Manager reserves the right to replicate the Index by directly investing in the underlying constituents, as and when this becomes a more efficient means of tracking the Index.

## 2. SALIENT FEATURES

### 2.1. EXCHANGE TRADED FUNDS

ETFs are listed investment products that track the performance of a group or “basket” of shares, bonds or commodities. These “baskets” are known as indices.

Shares or units represent an interest in the portfolio of securities held by the issuing fund. ETFs provide the returns of a tracker fund (such as a unit trust) while providing the liquidity of a listed security.

ETFs are traded at prevailing market prices which are approximately the same price as the net asset value of their underlying assets over the course of a trading day.

Some of the principal benefits of investing in an ETF include:

- providing investors with exposure to a variety of underlying instruments;
- shares in an ETF can be bought and sold quickly at a low cost;
- ETFs are regulated by the exchange and financial services regulator in the jurisdiction of their formation and listing; and
- while the price of an ETF and its underlying instruments may fluctuate, the risk of financial losses is reduced given the diversification of the underlying instruments that the ETF invests in.

### 2.2. CREATION OF THE COMPANY AND THE FUND

The Company is a protected cell company incorporated in Mauritius with limited liability and governed by the Laws. It was incorporated on 14 April 2016 and has an unlimited life. The Company has been issued with a Category One Global Business Licence, number C116015613 C1/GBL by the FSC and is governed by the Mauritius Companies Act and the PCC Act.

The Fund has been created as a separate Cell of the Company having its own Cellular Assets separate from the Core Assets and the Cellular Assets of any other Cell of the Company. The Fund was created on 14 April 2016.

The Fund's principal sphere of activity is investment in foreign securities.

A protected cell company, or PCC, in general, is a special legal structure made up of Cellular Assets and Core Assets. It provides for the legal segregation and protection of Cellular Assets attributable to each cell of the PCC whether owned by individuals or bodies corporate. A PCC is required to keep segregated assets and investments registered in the name of a particular and distinct cell. Each cell operates independently so that in the event that one cell becomes insolvent, only the assets of that cell and, if those assets are exhausted, the Core Assets, are available to creditors of that cell. The other cells remain protected. With regard to third party creditors (except the MRA), there is thus no cross liability among the cells. Shareholders in a Cell are not, except as required by the Laws, entitled to any information in relation to the other Cells.

Shareholders in a cell shall participate pro rata in any profits generated, declared and distributed by such cell but shall not have any entitlement to participate in the profits of any other cell. Furthermore, Shareholders in a cell shall not have the right to participate directly or indirectly in the share capital, current or cumulative profits or reserves in the PCC whether or not of a capital nature, to the extent not attributable to the assets and liabilities of such Shareholders' cell. Core Assets comprise the assets which are not attributable to any cell.

### 2.3. BASE CURRENCY

The base currency of the Fund locally will be Rand, however, the Fund will effectively be offering investors U.S. dollar currency exposure. Refer to paragraph 4.4 for additional information regarding currency risk.

### 2.4. PRIMARY LISTING

Permission was granted by the LEC of the SEM on 3 May 2016 for the listing of the Securities on the Official Market of the SEM on 23 May 2016.

### 2.5. SUBSCRIPTIONS AND REDEMPTIONS

The Fund is open ended and securities may also be subscribed and redeemed from the Fund. Each participant in the initial subscription must subscribe a minimum amount of R1 000. Subsequent subscriptions for Securities must be for a minimum amount of 100 000 Securities or multiples thereof per Applicant or Shareholder, as applicable or for such lower number of Securities (or multiples thereof) as may be approved by the Manager and the JSE on a case by case basis.

### 2.6. TRADING AND INTRA-DAY PRICING

The Vanguard ETF will trade on the London Stock Exchange (“LSE”) whilst the SEM and JSE is open for trading on each Business Day. Accordingly, intra-day price movements of the Fund on the SEM and JSE will closely correlate to the price movements of the Vanguard ETF

on the LSE as adjusted for costs, minor timing differences and currency conversions. These intra-day trading price movements will reflect the underlying Index price movements.

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 the following website: <http://us.spindices.com/indices/equity/sp-500>.

## **2.7. MANAGEMENT FEES**

The Manager is entitled to a Management Fee in respect of the Fund calculated as a percentage of the Net Asset Value of the Fund accrued daily and payable monthly in arrears. The Management Fee in each month shall be calculated as follows:

$$\mathbf{A \times 0.45\% \div 365 \times B}$$

where:-

**A** is the average daily Net Asset Value of the Fund for the relevant month (but prior to deduction of any accrued Management Fee)

**B** is the number of days in the relevant month

Additional detail in relation to the Management Fee and other fees (including custodian fees, audit fees, etc.) is contained in Annexure 9.

### 3. INVESTMENT OBJECTIVE AND POLICY

#### 3.1. INVESTMENT OBJECTIVE

The Fund will seek to provide Shareholders with an efficient and easily accessible means by which to achieve a return that tracks the price and yield performance of the Index by subscribing for and holding shares in the Vanguard ETF, provided that the Fund may, in its sole and absolute discretion, elect to track the Index directly. The Fund will attempt to place Shareholders in substantially the same position from both a capital and an income perspective as if they held the underlying securities of the Index in their correct weightings.

#### 3.2. INVESTMENT POLICY

The investment policy of the Fund shall be to:

- track the Index to the fullest extent possible, either by investing in the Vanguard ETF, or directly;
- buy only constituent securities included in the same weightings in which they have been included in the Index;
- sell only securities which are excluded from the Index from time to time as a result of a review of the Index or corporate actions, so as to ensure that at all times the Fund holds securities included in the Index in the same weightings as they are included in the Index; and
- aim to be invested in at least 100% of the component securities comprising the Index.

The Fund shall not buy or sell securities (whether in the Vanguard ETF or directly) for the purpose of making a profit nor for any other purpose other than tracking the Index.

#### 3.3. INFORMATION RELATING TO THE INDEX PROVIDER

##### 3.3.1 INDEX DESCRIPTION

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over US\$ 7.8 trillion benchmarked to the index, with index assets comprising approximately US\$ 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

##### 3.3.2 INDEX ATTRIBUTES

Launched on 4 March 1957, the S&P 500® was the first U.S. market-cap weighted stock market index. Today it's the basis of many listed and over the counter investment instruments. This world renowned index includes 500 of the top companies in leading industries of the U.S. economy.

##### 3.3.3 METHODOLOGY CONSTRUCTION

- **Universe:** all constituents must be U.S. companies
- **Eligibility market cap:** companies with a market cap of US\$ 5.3 billion or greater
- **Public float:** at least 50% of shares must be available for trading
- **Financial viability:** companies must have positive as reported earnings over the most recent quarter, as well as over the most recent four quarters (summed together)
- **Adequate liquidity and reasonable price:** consists of highly tradable stocks with active deep markets

##### 3.3.4 PERFORMANCE OF THE INDEX

Information regarding the historic performance of the Index is provided in Annexure 7.

##### 3.3.5 COMPOSITION OF THE INDEX

Information regarding the composition of the Index and its constituents is provided in Annexure 6.

##### 3.3.6 MISCELLANEOUS

The Fund shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any take-over bid or other corporate action occurs in relation to any entity the securities of which are included in the Fund, the Fund shall not surrender any securities held by the Fund which may be subject to such take-over 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 take-over 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 Fund, shall be disposed of by the Fund and the proceeds derived from such disposal shall be applied in effecting the appropriate adjustments to the Fund so as to ensure same tracks the Index.

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 S&P 500® index (subject to necessary regulatory approvals, holders' approval, and due processes).

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.

In the event that dividends are issued by any of the constituent securities held by the Fund, Security Holders are entitled to receive such distributions, less costs, as authorised by the Manager and/or Issuer.

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 licensor's website: <http://us.spindices.com>.

The summary document:

- sets out details on the process involved when there are changes to the Index, including but not limited to any corporate action (where applicable) and how those changes are communicated to investors;
- requires that any changes pertaining to the Index be published publicly on the Index licensor's website and in a timely manner, via a notice, for Index users to be able to replicate the Index as far as practically possible, as must corrected Index data in the event of erroneous distribution of data; and
- sets out a clear policy in relation to the publication and correction of errors.

### 3.4. VANGUARD ETF

The Vanguard ETF is registered as an Undertaking for Collective Investment in Transferable Securities (UCITS) in the Republic of Ireland and as such the Vanguard ETF is regulated by the Irish Central Bank.

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. The Equity Investment Group manages indexed and structured equity portfolios covering U.S. and international markets. It has developed sophisticated portfolio construction methodologies and efficient trading strategies that seek to deliver returns that are highly correlated with target portfolio benchmarks. The Vanguard Group has advised the Vanguard ETF since 2010.

The Vanguard ETF seeks to track the investment performance of the Index. The Vanguard ETF is an exchange-traded share class of the Vanguard 500 Index Fund. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the Index. The experience and stability of Vanguard's Equity Investment Group has permitted the continuous refinement of techniques for reducing tracking error. The group uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with the Index characteristics. Vanguard's refined indexing process, combined with low management fees and efficient trading, has provided tight tracking, net of expenses.

Further details relating to the Vanguard ETF can be found at:

<http://www.vanguard.com/funds/reports/sp968etf.pdf?cbdForceDomain=true#view=FitH&navpanes=0&pagemode=none>

## 4. RISK FACTORS

The nature of the Fund'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. 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 must make himself/herself aware of the risk factors of an investment in the Fund 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 Fund under the laws of their country of citizenship, residence or domicile.

### 4.1. 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 Fund 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 Fund, the Index or the Manager or its affiliates is no assurance of future success.

**Distribution risks:** Pursuant to the Companies Act, the Fund may only make a distribution to its Shareholders if it satisfies the solvency test prescribed by the Companies Act. Under the Companies Act, the Fund, provided it continues to qualify as an investment company, satisfies the solvency test when it is able to pay its debts as they become due in the normal course of business and the value of its assets is greater than the aggregate value of its liabilities. In addition, the Fund may only pay dividends out of retained earnings, after having made good any accumulated losses at the beginning of the accounting period. These limitations may adversely affect the ability of the Fund to make distributions or to pay redemption proceeds to a Shareholder in respect of any redeemed Securities.

**Compulsory redemption or transfer of a Shareholder's Securities:** The Directors may compulsorily redeem or transfer some or all of the Securities held by a Shareholder in accordance with the Constitution. Such redemption may occur at a price that is not optimal for a Shareholder, relative to the Net Asset Value(s) at which such Shareholder subscribes into the Fund.

**Fees and expenses:** The Fund will incur obligations to pay various fees, costs and expenses that may be substantial and that are payable regardless of whether the Fund realises any profits. In addition, the Fund will be obligated to pay the Manager a monthly Management Fee. The operating and other expenses of the Fund could increase above expectations or may be adversely impacted by factors within or outside of the control of the Board, which could materially adversely impact its financial position and prospects.

**Conflicts of interest:** Potential conflicts of interest between the Fund, on the one hand, and the Manager and its officers and managers, on the other, will at all times be managed in accordance with the Fund's conflict of interest policy, should such potential conflicts of interests arise.

### 4.2. MARKET-RELATED RISK FACTORS

**Foreign exchange risk:** Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment. Losses may result from the imposition of exchange control, confiscations and other government restrictions, or from problems in share registration or settlement and custody. The Fund will also be subject to the risk of adverse foreign currency rate fluctuations, which may cause the value of the securities denominated in such foreign currency to decline in value. Currency exchange rates may fluctuate significantly over short periods of time.

**Market risk:** The value of the securities in which the Fund 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 Fund 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 Fund should not constitute a complete investment program.

**Suspension of Security redemption:** Investors are reminded that in certain circumstances their right to redeem Securities may be suspended (see under the section headed "Redemptions" on page 20).

**Cash depository risk:** The Fund will be exposed to the credit risk of any depository used where cash is held. In the event of insolvency of a depository, the Fund will be treated as a general creditor of the depository in relation to cash holdings of the Fund. The Fund's securities are however managed in segregated accounts and should be protected in the event of insolvency of a depository.

**Foreign investment risk:** Investments in foreign securities of issuers are subject to all the risks of investing in the markets of such issuers' country, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and abrupt changes in stock prices. Because of investing in foreign securities, the Fund may be subject to the risks listed below. These risks may decrease the value of the investment:

- less liquid and efficient securities markets;
- greater securities price volatility;
- exchange rate fluctuations and exchange controls;
- less publically available information about issuers;
- imposition of withholding and other taxes;
- imposition of restrictions on the expatriation of funds or other assets of the Fund;
- higher transaction and custody costs and delays in attendant settlement procedures;
- difficulties in enforcing contractual obligations;
- less regulation of securities markets;
- different accounting, disclosure and reporting requirements;
- substantial government involvement in the economy;
- higher inflation rates; and
- greater social, economic and political uncertainty, the risk of nationalisation or expropriation of assets and risk of war.

**Geographic risk:** Some markets in which the Fund 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.

**Management risk:** The Fund may be subject to management risk because the Fund or the Vanguard ETF does not fully replicate the Index and may hold securities that are not included in the Index. Management risk is the risk that the Manager's investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. The Fund is managed in a manner that seeks to track the Index and is therefore subject to passive investments risk.

**Market risk:** The Fund's NAV will react to securities market movements. A Shareholder could lose money over short periods due to fluctuations in the Fund's NAV in response to market movements and over longer periods during market downturns. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the markets. The value of a security may decline due to general market conditions, economic trends or events that are not specifically related to a company or to factors that affect a particular industry or industries. During a general economic downturn in the securities markets, multiple asset classes may be negatively affected.

**Passive investments risk:** The Fund is not actively managed. The Fund may be affected by a general decline in the stock market segments or foreign market segments relating to the Index. The Fund 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.

**Security risk:** Some markets in which the Fund invests have experienced acts of terrorism or have strained international relations due to territorial disputes, historical animosities or other defence concerns. These situations may cause uncertainty in markets and may affect the performance of their economies.

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

### 4.3. TAX RISK

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.**

#### 4.3.1. South African resident investors: Taxation

South African residents are subject to tax on their world-wide income, including any income received from instruments in the Fund.

#### 4.3.2. Receipt of distributions

Dividends paid by the Fund will be subject to dividend withholding tax at a rate of 15% for South African persons who are natural persons. The beneficial owner of the Security will be liable for the withholding tax however, the CSDP will withhold the monies due to the Revenue Authorities. Persons exempt from dividend tax include, inter alia:

- a company that is a resident;
- the Government of the Republic in the national, provincial or local sphere;
- an approved public benefit organization;
- a trust referred to in section 37A of the Income Tax Act, whose object is to apply its property solely for the environmental rehabilitation of mining areas upon closure;
- an institution, board or body established by law and approved by the Commissioner in terms of section 10(1)(cA) of the Income Tax Act;
- a pension, pension preservation, provident, provident preservation or retirement annuity fund referred to in section 10(1)(d)(i) of the Act or a benefit fund referred to in section 10(1)(d)(ii) of the Income Tax Act;
- the Council for Scientific and Industrial Research, the South African Inventions Development Corporation, the Armaments Development and Production Corporation of South Africa, National Roads Agency Limited, traditional council or traditional community, regional electricity distributor or water services provider referred to in section 10(1)(t) of the Income Tax Act;
- a shareholder in a registered micro business paying the dividend, to the extent that the aggregate amount of dividends paid by the micro business to its shareholders during the year of assessment in which the dividend is paid does not exceed R200 000;
- a small business funding entity as contemplated in section 10(1)(cQ) of the Income Tax Act;
- a person who is not a resident and the dividend is paid by a company that is not a resident if the share in respect of which that dividend is paid is a listed share;
- a portfolio of an 'equity' collective investment scheme;
- any person to the extent that the dividend constitutes income;
- any person to the extent that the dividend was subject to the secondary tax on companies;
- any fidelity or indemnity fund referred to in section 10(1)(d)(iii) of the Income Tax Act; or
- a natural person in respect of a dividend paid in respect of a tax-free investment as 'contemplated in' section 12T(1) of the Income Tax Act.

A declaration and undertaking must be completed by such person stating the nature of the exemption.

In terms of paragraph 76B(2) of the Eighth Schedule, where the investors receive or become entitled to a distribution which constitutes a 'foreign return of capital', they must reduce the expenditure in respect of the share (ie, base cost) by the amount of the cash received or accrued on the date that the amount is so received or accrues.

Where the amount of the foreign return of capital exceeds the expenditure in respect of the Securities to which the return relates, the excess must be treated as a capital gain during the year of assessment in which the return of capital is received or accrued capital gains tax on the capital gain realised on the disposal of Securities. No withholding tax will be applied to this gain.

#### 4.3.3. Capital gains tax ("CGT")

In respect of 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.

#### 4.3.4. 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 Shareholders.

### 4.4. CURRENCY RISK

Depending on an investor's currency of reference, currency fluctuations between U.S. dollar and the base currency of the Fund may adversely affect the value of an investment in the Fund and may result in losses.

### 4.5. SECONDARY TRADING RISK

The Market Maker will attempt to ensure that a liquid secondary market in CoreShares S&P 500 exchange traded securities will develop but will not guarantee such a market. CoreShares S&P 500 exchange traded securities may trade at a discount or premium to their NAV on the secondary market. However, investors may redeem their securities from the manager at the NAV less any applicable fees. The Fund will be listed on both the JSE and the SEM, however, there is no guarantee of their continued listing. Any termination of listing would be subject to the JSE Listings Requirements and SEM Listing Rules.

### 4.6. POLITICAL RISK

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



## 5. THE ISSUER

### 5.1. STRUCTURE

The current structure of the Company is set out in Annexure 2.

### 5.2. MANAGEMENT

#### 5.2.1 The Directors of the Company

The Directors are responsible for the overall management and control of the Fund. The Directors will review the operations of the Fund at regular meetings and it is the current intention of the Directors to meet at least quarterly. For this purpose, the Directors will receive periodic reports from the Manager and the Administrator detailing the performance of the Fund. The Manager and the Administrator will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

Full name	Business address	Function	Executive/Non-executive	Qualifications and experience
Gareth Stobie <sup>^</sup>	4th Floor, Grindrod Tower, 8a Protea Place, Sandton, 2196	Managing Director	Executive	Gareth Stobie, residing at 27 Durris Road, Forest Town, Johannesburg, South Africa, is the Managing Director of CoreShares Holdings Proprietary Limited and leads the business in all its facets. Mr Stobie has 13 years' financial services experience across structured finance, banking and investment management, and has been working within the ETF industry specifically for 4 years. Mr Stobie joined Grindrod Bank Limited in 2003 and over this time Grindrod Bank developed the CoreShares business to its current stature. Mr Stobie has an MBA from Wits Business School.
Gyaneshwarnath Gowrea <sup>*</sup>	Les Cascades Building, 33 Edith Cavell Street, Port-Louis, Mauritius	Non-Executive	Non-Executive	Gyaneshwarnath Gowrea, residing at 15 Reverend Lebrun Street, Rose Hill, Mauritius, is a Fellow member of the Chartered Association Certified Accountants (UK), International Tax Affiliate of the Chartered Institute of Taxation (UK) and Fellow member of the Mauritius Institute of Directors. Mr Gowrea is also a Member of the Society of Trust and Estate Practitioners (UK) and the International Fiscal Association. He completed his M.Sc. in Accounting from De Monfort University in Leicester, UK. He holds a Diploma in International Taxation. He has more than fifteen years' experience in international tax and advises on tax structures set up by multinational corporations, fund managers and high net-worth individuals. Mr Gowrea is also the chairman of the tax committee of Global Finance Mauritius, the apex organisation for financial services.

Mohamed Hyder Aboobakar	Les Cascades Building, 33 Edith Cavell Street, Port-Louis, Mauritius	Non-Executive	Non-Executive	CEO's office of CIM Group in May 2015 as Manager - Investments. He is responsible for defining the strategic plans and implementing investment and M&A strategy of the group. He also guides the team managing the investment advisory function in structuring investment solutions and products for Global clients. A CFA charter holder, FRM holder and a graduate in Economics and Finance, Mr Aboobakar brings over 11 years of experience in the Investment and Finance industry. Prior to joining the CIM Group, he was the Investment Manager at TVF Capital Management Ltd, with a corpus of over USD250m under management. Earlier, he worked at Superfund Asset Management Ltd as trader and led the risk management team.
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<sup>^</sup> Citizens of the Republic of South African

<sup>\*</sup> Citizens of the Republic of Mauritius

The names of all companies and partnerships in which each of the directors is or has been a director or partner at any time in the previous five years are listed in Annexure 5.

### 5.2.2 The Manager

CoreShares ETF Managers Ltd has been appointed as Manager to the Fund. The Manager was incorporated in Mauritius on 25 February 2016 as a wholly owned subsidiary of CoreShares. The Manager is responsible for the research into and recommendations made regarding investments into the Vanguard ETF and/or the Index in accordance with the Fund's investment objective and policy, in particular as a passive investor.

The Manager has been issued with a Category One Global Business Licence, number 136492 C1/GBL and has been licenced as a CIS manager by the FSC.

The Manager has deep knowledge of international investment environments and specific knowledge, expertise and experience in managing exchange traded funds. With current technology the Manager is able to instantly access the most current international research and communicate on a daily basis.

The broader CoreShares business is a leading African passive investment business. CITM (a 'sister' company to the Manager) currently manages 8 ETFs on the JSE across local equity, listed property and preferred stock and is developing further products. CoreShares has registered a second collective investment scheme with the South African Financial Services Board running passive unit trusts in addition to ETFs.

In 2015, CoreShares entered into an agreement with Nedbank Capital to amalgamate Nedbank's two ETFs with those of CoreShares. Accordingly, CoreShares assumed responsibility for these two ETFs (one of which is cross listed on the Botswana Stock Exchange and the corresponding client base from Nedbank during the course of 2016).

CoreShares is a respected issuer within the South African ETF community and has a seat on the JSE Product Advisory Committee.

The Manager is also the promoter of the Fund. In accordance with the Securities Regulations 2008, the Manager is required to maintain a minimum stated unimpaired capital of at least Rs 1 million or its equivalent in another currency.

No cash, securities or other benefit is proposed to be, paid, allotted or given by the Manager, nor has any been so paid, allotted or given by the Manager within the 2 years immediately preceding the date of this Pre-Listing Statement, to any promoter.

### 5.2.3 Administrator and transfer agent

The Company has appointed Cim Fund Services Ltd, a company incorporated under the laws of Mauritius, to serve as Administrator of the Company and the Fund under the terms and conditions of an administration agreement between the Administrator and the Company dated 3 May 2016. The Administrator is also the secretary and transfer agent of the Company.

### 5.2.4 Custodian

The Company has appointed Société Générale Johannesburg branch to serve as Custodian of the Fund. The Custodian is located at 160 Jan Smuts Avenue, 2nd Floor, Rosebank, South Africa, 2196 and is registered as an external company with the Companies and Intellectual Property Commission in South Africa. It is a branch of Société Générale, a société anonyme, registered under the single identification number 552 120 222 R.C.S Paris, having its registered office 29 boulevard Haussmann, 75009 Paris (France). The Custodian is acting through and appointed under the terms and conditions of a Custody Agreement between the Custodian and the Company dated 3 May 2016.

The Custodian has been approved by the FSC as a remote custodian under the Securities (Recognition of Remote Custodians) Rules 2013. The Custodian has appointed Mauritius International Trust Company of 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius as its local agent in Mauritius.

### **5.2.5 The Market Maker**

The Manager has appointed Grindrod Securities Proprietary Limited, a company incorporated under the laws of South Africa, to serve as Market Maker of the Fund. The Market Maker shall maintain a secondary market in the Securities and it will always, in normal market circumstances, endeavour to provide and maintain a reasonable bid and offer. Additional market makers may be appointed from time to time.

### **5.2.6 CITM**

CITM, is a local approved manager of collective investment scheme(s). CITM currently manages the locally domiciled and JSE listed CoreShares ETFs. CITM has entered into a Representative Agreement with the Manager in order to represent the foreign Manager in South Africa in terms of Section 65 of the CISCA.

## **5.3. ADMINISTRATION**

### **5.3.1 Operation**

The Fund will be an open ended index portfolio replicating the Index.

### **5.3.2 Distribution policy**

Subject to compliance with the Laws, the Board may, on a semi-annual basis, authorise and declare a dividend or other distribution at such time and of such amount as it thinks fit.

The Management Share does not confer the right to any distribution save and except for a return out of the Core Assets equal to the subscription price of such Management Share at the time of liquidation, winding up or dissolution of the Company.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Fund until claimed. No dividend shall bear interest against the Fund. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a Security into a separate account shall not constitute the Fund as a trustee in respect thereof and any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Fund.

In the event of winding up of the Fund, the liquidator shall apply the assets of the Fund in satisfaction of creditors and Shareholders claims in accordance with the provisions of the Companies Act, the PCC Act, the Constitution and any applicable law.

### **5.3.3 Annual report**

The financial year of the Issuer ends on 31 December in each year.

An annual report and audited financial statements for the Issuer in respect of each financial year prepared in accordance with IFRS will be made available on the Local Manager's website (<http://www.coreshares.co.za>) within 3 months of the end of the Issuer's financial year.

Audited annual financial statements of the Issuer will also be made available for inspection at the office of the Administrator and at the registered office of the Issuer.

The first audited financial statements will cover the period from the date of the Issuer's incorporation until 31 December 2016.

No audited financial statements have been prepared in respect of the Issuer to date.

The Issuer's audited financial statements will be submitted to the FSC on an annual basis within six months of the balance sheet date.

### **5.3.4 Website**

The contents of this Pre-Listing Statement, annual reports, the NAV of the Fund and the composition of the Index will be published daily on the Local Manager's website (<http://www.coreshares.co.za>).

The following information will be published on each business day on the Local Manager's website:

- the NAV of the Fund's exchange traded securities;
- the accrued reserves distributable to holders of the securities, if applicable;
- the Index level for the preceding day;
- the costs applicable to the portfolio and investors;
- the constituents of the Index;
- any change in the composition of the Index; and
- the cash portion for creations and redemptions.

The price at which the securities trade on the secondary market may be distributed by business newspapers daily.

## **6. MATERIAL CHANGES**

The directors of the Issuer confirm that there were no material changes in the financial or trading position of the Issuer from the date of incorporation to the date of this Pre-Listing Statement. The directors of the Issuer confirms that the aforementioned material change statement has been made after due and careful enquiry and that there has been no involvement by the auditors in making such statement.

## 7. LITIGATION

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

## 8. LIMITATION OF LIABILITY

The JSE takes no responsibility for the contents of this Pre-Listing Statement and the annual reports (as amended from time to time) or the amendments to the annual reports in relation to this ETF and 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 this Pre-Listing Statement or the annual report (as amended or restated from time to time).

## 9. RESPONSIBILITY STATEMENT

The directors of the Manager, whose names are set out on page 17 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 CoreShares Pre-Listing Statement contains all information required by the JSE Listings Requirements and applicable law.

## 10. SUBSCRIPTION, ISSUE AND DELIVERY OF SECURITIES

### 10.1. GENERAL

The Fund is open ended. Any person (Applicant) may at any time offer to subscribe for Securities by executing an application form and delivering it to the Fund and transferring cleared funds in the amount of the subscription to the Fund's bank account (details of which are set out in the application form). The Applicant will be bound by the terms of the application form and Pre-Listing Statement.

### 10.2. SUBSCRIPTION PRICE

Following payment of their respective subscription amounts, participants in the initial subscription will initially receive letters of allotment (LAs) at a price of R1.00 per LA. LAs represent a notional entitlement to Securities upon issue. During the Ramp-up Period, pursuant to the cash subscriptions, the Fund will acquire the underlying basket of constituent securities until the Fund is fully replicated, the Manager will then establish and announce the conversion ratio, being the number of Securities to be issued per LA at the date of listing. It is the Manager's preference that the Security price trades as a function of the existing US\$ share price, as such share price trades on the SEM at any given day.

For example, assume that the aggregate subscription amount is R3 000 000. At a subscription price of R1.00 per LA, the notional amount of LAs issued will be 3 000 000. Assuming that the US\$ share price closes at US\$2.00 on the eve of the listing day, and the R/\$ exchange rate is at R15.00, the conversion ratio will be 0.0333 ( $(1/R/\$) \times \text{US\$ share price}$ ). Consequently, 100 000 Securities ( $3\,000\,000 \times 0.0333$ ) will be listed on the first day of listing at an indicative price of R30.00 per Security.

Thereafter, the Subscription Price on each Dealing Day on which Securities are issued will be equal to the Net Asset Value per Security as at the relevant Valuation Point, adjusted for trading costs and tracking errors.

Securities will be issued against receipt of payment of cleared funds. Fractions of Securities will, if necessary, be issued and rounded down to 2 decimal places.

The Fund reserves the right to reject any application form in whole or part at its absolute discretion.

### 10.3. MINIMUM TRANCHE SIZE

Each participant in the initial subscription must subscribe a minimum amount of R1 000. Subsequent subscriptions for Securities must be for a minimum amount of 100 000 Securities or multiples thereof per Applicant or Shareholder, as applicable or for such lower number of Securities (or multiples thereof) as may be approved by the Manager and the JSE on a case by case basis.

### 10.4. SECURITIES ALLOTTED AGAINST CONTRIBUTIONS OF INVESTMENTS

Securities may, at the discretion of the Directors, be issued against contributions in kind of investments to the Fund if such investments:

- comply with the Fund's investment policy; and
- have a value equal to the Subscription Price of the Securities.

The Directors may declare that any part of the duties and charges arising in connection with the vesting of the investment in the Fund be paid by the Fund or by the contributing investor, or partly by the Fund and partly by the contributing investor.

## 11. REDEMPTIONS

### 11.1. GENERAL

Subject to the Companies Act and the Constitution, Securities are redeemable at the option of the Shareholder on any Dealing Day. Shareholders must send a completed Redemption Request to the Administrator at least 2 Business Days prior to the relevant Dealing Day, or such later date as the Directors may in any particular case determine. Shareholders should be aware that where the 2 Business Days' notice period expires on a day which is not a Dealing Day, Securities will be redeemed on the next succeeding Dealing Day.

Redemption Requests may be sent by facsimile or email, but redemption proceeds will not be remitted until the Administrator has received the Shareholder and the number of Securities to be redeemed.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld).

### **11.2. MINIMUM TRANCHE SIZE**

Redemptions of Securities must be for a minimum amount of 100 000 Securities or multiples thereof per Shareholder or such lower number of 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 Shareholder holding less than 100 000 Securities, all of the Securities held by such Shareholder will be redeemed.

### **11.3. REDEMPTION PRICE**

The redemption price per Security will be equal to the Net Asset Value per Security as at the Valuation Point immediately preceding the relevant Dealing Day, less trading costs and adjusting for tracking errors.

### **11.4. SETTLEMENT**

Payment of redemption proceeds will normally be made within 10 Business Days of the relevant Dealing Day. Payment can be made in Rand by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and cost.

### **11.5. SUSPENSION**

The Directors may declare a suspension of the redemption of Securities in certain circumstances as described in Annexure 4. No Securities will be redeemed during any such period of suspension.

### **11.6. COMPULSORY REDEMPTIONS**

The Directors have the right, in their absolute discretion, to require the compulsory redemption of all Securities held by or for the benefit of any person if the Directors determine that such person is or has become an Ineligible Applicant.

In addition, the Directors have the right at any time and in their absolute discretion to require the compulsory redemption of all or a portion of the Securities held by or for the benefit of all Shareholders, provided that the Fund shall in these circumstances be required to redeem the same proportion of Securities held by or for the benefit of each Shareholder.

The Directors also have the right to compulsorily redeem Securities in the circumstances described in Annexure 1.

### **11.7. DEFERRED REDEMPTIONS**

In the event that redemption requests are received for redemption of Securities and/or the Directors have resolved to compulsorily redeem Securities on a particular Dealing Day representing in aggregate more than 20% of the total number of Securities then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders in respect of whom Securities are to be redeemed on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 20% of the Securities then in issue (or such higher percentage thereof as the Directors may determine). Securities which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves together with any other Securities to be redeemed on the next Dealing Day exceed 20% of the Securities then in issue) in priority to any other Securities for which redemption requests have been received.

The Directors intend not to exercise such power to defer redemptions except to the extent they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

## **12.NET ASSET VALUE**

The Net Asset Value of the Fund and the Net Asset Value per Security are determined at each Valuation Point or, where not possible, at such other times as the Directors may reasonably determine. The Net Asset Value of the Fund is equal to the value of its total assets less its liabilities.

The Directors have appointed the Administrator to determine the Net Asset Value and the Net Asset Value per Security.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

1. a listed security will be valued at its last reported traded price, or if no traded price is available, at the mean between the exchange quoted bid and asked prices for the relevant security at the relevant Valuation Point and as adjusted in such manner as the Directors, in their sole discretion, think fit, having regard to the size of the holding. If a security is traded and/or listed on more than one exchange or system, the exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security, will be used;
2. deposits will be valued at their cost plus accrued interest;
3. liabilities will be valued at the nominal amount outstanding plus accrued interest; and
4. any value (whether of an investment or cash) otherwise than in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Directors in their absolute discretion deem applicable as at close of business at the relevant Valuation Point, having regard, among other things, any premium or discount which they consider may be relevant and to costs of exchange.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

The Net Asset Value per Security at any Valuation Point will be calculated by dividing the Net Asset Value of the Fund by the number of Securities in issue as at that Valuation Point and rounding up or down to 2 decimal points.

## **13.EXCHANGE CONTROL CONSEQUENCES**

A summary of the Exchange Control Regulations relating to the Fund are set out in Annexure 3.

## 14. FINANCIAL INFORMATION

Financial information of the Fund will be disclosed in accordance with paragraphs 5.3.3 and of this Pre-Listing Statement.

## 15. GENERAL

### 15.1. KING CODE OF CORPORATE PRACTICE AND CONDUCT

The directors of the Fund confirm their commitment to the principles of transparency, integrity and accountability as advocated by the Third King Report on Governance (Code of Corporate Practices and Conduct). The directors of the Issuer confirms that the Issuer will at all times adhere to the principles of transparency, integrity and accountability as advocated by the Third King Report on Governance (Code of Corporate Practices and Conduct).

Shareholders and other stakeholders may derive assurance that the Fund is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. These procedures and policies will be reviewed from time to time.

### 15.2. LISTING ON THE JSE

Application was made and approved by the JSE for the listing of the CoreShares S&P 500 Exchange Traded Fund.

### 15.3. DIRECTOR'S RESPONSIBILITY

The directors of the Fund, whose names are set out on page 17 of this Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information contained in this Pre-Listing Statement and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement in this Pre-Listing Statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the Pre-Listing Statement contains all information required by law and the JSE Listings Requirements.

### 15.4. EXPERT'S CONCENT

The Corporate Advisor & Sponsor, Auditor, Market Maker, Custodian, Manager and the Local Manager whose names are set out in this Pre-Listing Statement have consented to their names being referred to in this Pre-Listing Statement in the form and context in which they are included and had not withdrawn their consent at the last practicable date.

### 15.5. OTHER

- The Fund has a primary listing on the Official Market of the SEM (since the 23<sup>rd</sup> of May 2016).
- CoreShares S&P 500 Exchange Traded Fund participatory interests are not in any way sponsored, endorsed, sold or promoted by the JSE and it does not make 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 Index and/or the value at which the said Index stands at any particular time on any particular day or otherwise. In the case of exercise or settlement (as applicable) of the CoreShares S&P 500 Exchange Traded Fund participatory interests, the responsibility of such exercise or settlement shall be borne by the Manager and not the JSE nor any other exchange.
- Any changes to the terms of the CoreShares S&P 500 Exchange Traded Fund, which are deemed to be material, shall be made in accordance with the relevant regulatory guidelines, which governs the Fund.
- The Fund shall hold securities purely for the economic rights and benefits attaching thereto and, accordingly, if there is any take-over bid or other corporate action occurs in relation to any entity the securities of which are included in the Fund, the Fund shall not surrender any securities held by the Fund which may be subject to such take-over 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 Fund and/or the applicable securities. However, if any such take-over 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 Fund, shall be disposed of by the Fund and the proceeds derived from such disposal shall be applied in effecting the appropriate adjustments to the Fund so as to ensure same tracks the Index.

### 15.6. MATERIAL CONTRACTS AND DOCUMENTS AVAILABLE FOR INSPECTION

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

- a signed copy of this Pre-Listing Statement (available in English only), establishing the CoreShares S&P 500 Exchange Traded Fund on the Exchange Traded Fund market of the JSE;
- the memorandum of incorporation of the Manager;
- the "Indices Agreement" entered into between Grindrod Bank Limited and S&P in respect of the Index;
- audited financial statements of the Issuer will be made available on the Local Manager's website and on request to an investor;
- the written consents referred to in paragraph 15.4 above; and
- the "Representation Agreement".

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SIGNED AT JOHANNESBURG BY GARETH STOBIE ON BEHALF OF ALL OF THE DIRECTORS OF THE MANAGER AT SANDTON ON 14 OCTOBER 2016

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## ANNEXURE 1: SALIENT GENERAL AND STATUTORY INFORMATION

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*The information in this section includes a summary of some of the provisions of the Constitution and material contracts described below and is provided subject to the general provisions of each of such documents.*

### **The Company**

The Company was incorporated as a public protected cell company with limited liability in Mauritius on 14 April 2016 under the provisions of the PCC Act. It is authorised to operate as a collective investment scheme under the Securities Act. The Company's objects, as set out in article 7 of its Constitution, are unrestricted and include the carrying on of the business of an investment company.

The Company has been registered as Category One Global Business License Company by the FSC. The fact that it has been registered should not, however, be taken to imply that the FSC accepts any responsibility for overseeing or regulating its investment activities. The Fund has been created as a separate Cell of the Company having its own Cellular Assets separate from the Core Assets and the Cellular Assets of any other Cell of the Company.

### **Share capital**

One Management Share of US\$1.00 par value has been issued as fully paid up with the rights and subject to conditions as set out in the Constitution and this Pre-Listing Statement. The Management Share is held by the Management Shareholder.

The stated capital of the Fund consists of shares of US\$1.00 par value each which are issued and designated as class 1 ordinary shares attributable to the Fund with rights and subject to conditions as set out in the Constitution and this Listing Particulars. The stated capital of the Fund may be increased.

The Constitution provides that the Directors may by resolution offer, issue, grant options over or otherwise dispose of shares to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. All Shares are issued in registered form only.

Prospective investors should note that the provisions under the Companies Act conferring pre-emption rights on the holders of Shares or the Management Share have been negated in the Constitution.

No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option.

Following payment of their respective subscription amounts, participants in the initial subscription will initially receive letters of allotment (**LAs**) at a price of US\$1.00 per LA. LAs represent a notional entitlement to Shares upon issue. Once the Fund has bought the underlying basket of constituent securities and its portfolio is hedged, the Manager will establish and announce the conversion ratio, being the number of Shares to be issued per LA at the date of listing. It is the Manager's preference that the Share price trades as a fraction (1/1000) of the price Index level and consequently, the conversion ratio is a function of the Index level at the conversion date. It is the Manager's view that this approach better aligns the Share price on listing with the actual Index level. The Manager estimates that up to 600 000 Shares will be issued at listing at a price of approximately US\$2.09 per Share. Note that these figures may change depending on the level of the Index on the date of listing.

### **Rights of the Management Share**

The Management Share confers on its holder the right to participate in so much only of the profits and assets of the Company as are attributable to the Core Assets. The Management Share is not redeemable.

The Management Shareholder shall be entitled to receive notice of and to attend meetings of shareholders, and shall be entitled to one vote in respect of the Management Share. The Management Shareholder shall be entitled to vote in respect of the appointment or removal of any Director and it shall have an exclusive voting right in this regard. Subject to the foregoing and to the provisions in the section headed "Rights of the Shares" below, the Management Share carries exclusive voting rights in respect of all matters on which shareholders of the Company are entitled to vote, including in relation to the winding up of the Fund or the Company.

### **Rights of the Shares**

The holders of Shares shall only be entitled to vote on:

1. matters affecting the rights attaching to the Shares; and
2. such other matters as are determined by the Board and set out in this Listing Particulars,

such voting rights being exercisable in any separate class meeting for holders of the Shares, and shall not have any other voting rights. In relation to item (1) above, subject to the provisions of the Law, all or any of the special rights for the time being attached to any shares of a class for the time being issued may (unless otherwise provided by the terms of issue of the shares or the Constitution) from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of such class.

The holders of Shares shall have no right to vote at any meeting of holders of any other class of shares.

Shares carry an equal right to such dividends and other distributions as the Directors may declare in relation to the Fund.

### **Employees**

The Company does not have any employees.

### **Change in share capital**

The Fund may divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount.

### **Transfers of Shares off-exchange**

The Shares may not be transferred off-market, provided off-market transfers or transmissions may, with the prior approval of the Board, be made where required by operation of law or in the case of successions, donations, and corporate re-organisations or restructurings.

### **Trading of Shares on the SEM**

The Shares are freely transferrable and can be traded on the SEM under the terms of rules established by the SEM and the CDS. Therefore, an investor must have a securities account, or open a securities account via a CDS participant, with the CDS to receive and hold the Shares on the CDS. An investor wishing to acquire Shares should contact their licensed brokers.

Shareholders wishing to dispose of Shares should do so on the SEM's platform. Transfers of Shares that are listed on the SEM will be effected through the Automated Trading System (ATS) in accordance with the trading procedures established by SEM.

Any dealings on the SEM must be done as per the provisions of Rule 3.A of the Stock Exchange (Conduct of Trading Operations) Rules 2001. All dealings that take place on the SEM shall be cleared and settled through the CDS as per section 3(3) of the Securities (Central Depository, Clearing and Settlement) Act 1996.

Temporary suspension of Net Asset Value calculations and of issues and redemptions of Shares

The Directors may declare a temporary suspension of the determination of the Net Asset Value of the Fund (and hence the Net Asset Value per Share) during:

1. any period (other than ordinary holiday or customary weekend closings) when one or more stock exchange or other regulated markets which provide the basis for valuing any assets of the Fund are closed, or if dealings therein are restricted or suspended when in respect of securities forming a substantial part of the Cellular Assets attributable to the Fund;
2. any period when the determination of the net asset value of the Vanguard ETF (an Undertaking for Collective Investment in Transferable Securities (UCITS) which tracks the S&P 500® Index) is suspended for whatever reason;
3. any period when any emergency exists as a result of which disposal by the Fund of its assets is not practically feasible;
4. any period when for any reason the prices of a material portion of the assets of the Fund cannot be reasonably, promptly or accurately ascertained;
5. any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, assets of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
6. any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account.

No Shares will be issued or redeemed on any Dealing Day when the determination of the Net Asset Value of the Fund is suspended. In such a case, a Shareholder may withdraw his Share application or redemption request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications and redemption requests will be acted upon on the first Dealing Day after the suspension is lifted at the relevant Subscription Price or relevant redemption price (as the case may be) prevailing on that Dealing Day.

Notice of the suspension and its termination will be given to all persons who have requested a redemption of Shares. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

### **Publication of prices**

The Directors will apply to newspapers or periodicals for publication of the Net Asset Value per Share from time to time. The most recent Net Asset Value per Share will be available from the Administrator on request, or on the SEM website ([www.stockexchangeofmauritius.com](http://www.stockexchangeofmauritius.com)). The Local Manager will also publish the following details on a monthly basis in a factsheet which will be available from the Local Manager's website (<http://www.coreshares.co.za>):

1. the closing month end Net Asset Value and Net Asset Value per Share;
2. the accrued reserves distributable to Shareholders (if applicable);
3. the Index level at month end;
4. the costs incurred in the Fund; and
5. the top Index constituents.

### **Compulsory redemption**

If:

1. the Directors become aware that a Shareholder is or has become an Ineligible Applicant or has failed to provide any information or declaration required by the Directors within ten Business Days of being requested to do so; or
2. the Directors in their discretion determine that redemption of a Shareholder's Shares would be appropriate to protect the Fund, the Manager or its/their affiliates from adverse tax consequences or from other adverse legal or regulatory consequences,

the Directors may in their absolute discretion either (i) direct such Shareholder to redeem or to transfer its Shares to a person who is qualified or entitled to own or hold such Shares or (ii) compulsorily redeem such Shareholder's Shares.

Shareholders are required to notify the Company immediately if at any time they become Ineligible Applicants.

The Directors also have the right, in their absolute discretion, to require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the prescribed minimum holding. If the Directors decide to exercise their right to compulsorily redeem Shares in these circumstances, they will notify the Shareholder in writing and allow such Shareholder thirty days to purchase additional Shares to meet the minimum requirement.



Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and/or who fails to transfer or redeem his Shares pursuant to the above provisions or any other applicable provisions of Pre-Listing Statement and/or the Constitution shall indemnify and hold harmless each of the Directors, the Fund, the Administrator, the Manager and the Shareholders (each an Indemnified Party) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to Pre-Listing Statement and/or the Constitution.

#### **Directors' interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Shares are set out below:

1. Gareth Stobie is a director of the Manager which receives a Management Fee from the Fund; and
2. Gyaneshwarnath Gowrea and Mohamed Hyder Aboobakar are a director and an officer respectively of the Administrator, which receives an administration fee from the Fund.

Other than as stated above, none of the Directors nor any person connected to a Director has or will have (insofar as is ascertainable by the Directors as at the date of Pre-Listing Statement) a direct or indirect interest in any Shares.

There are no existing or proposed service agreements between the Fund and any of the Directors.

No shareholding qualification for Directors is required under Mauritius law. The Directors or companies of which they are officers or employees, including the Manager may, however, subscribe for Shares. Their applications will rank pari passu with all other applications.

Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.

#### **Directors' remuneration**

The Constitution provides that the remuneration of the Directors in respect of services rendered or to be rendered to the Company shall be determined by the Board. Directors' fees will be borne by the Manager. The Company shall allocate the fees payable to the Directors to each cell on a pro rata basis. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors, general meetings of the Company or in connection with the business of the Company.

#### **Retirement and/or removal of Directors**

The Constitution does not provide for retirement of Directors by rotation. The office of Director of the Company, being a public company, shall become vacant at the conclusion of the annual meeting commencing next after the Director attains an age of 70 years. A person over the age of 70 years may by resolution of the Management Shareholder, be appointed and re-appointed as a Director of the Company to hold office until the next annual meeting of the Company or be authorised to continue to hold office as a Director until the next annual meeting of the Company.

The office of a Director shall be vacated in any of the following events namely:

1. if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
2. if he becomes insolvent or makes any arrangements or composition with his creditors generally;
3. if he is absent from three consecutive meetings of the Directors without leave expressed by a resolution of the Directors, and the Directors resolve that his office be vacated;
4. if he becomes disqualified pursuant to the provisions of Section 133 of the Companies Act;
5. if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;
6. if he is requested by all the other Directors to vacate office;
7. if he is removed from office by ordinary resolution of the Management Shareholder in accordance with the provisions set out under "Rights of the Management Share"; or
8. if he dies.

#### **Director's qualification shares**

A Director need not be a Shareholder of the Company but shall be entitled to receive notice of and attend all meetings of shareholders of the Company.

#### **Borrowing**

As at the date of this document, the Company does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, or guarantees or other contingent liabilities.

The Company shall not be entitled to enter into any borrowing.

#### **Meetings of the shareholders**

The Directors may convene meetings of the shareholders or of shareholders in a Cell at such time and in such manner and place as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of shareholders holding 5% or more of the voting rights entitled to be exercised on the issue.

At least 14 Business Days' notice specifying (i) the place, day and time of the meeting; (ii) the nature of the business to be transacted at such meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and (iii) the text of any special resolution to be submitted at such meeting.

No business shall be transacted at any meeting of shareholder unless a quorum of shareholder is present at the time when such meeting proceeds to business. For any meeting at which a special resolution is to be considered, the quorum shall consist of one or more shareholders present in person or by proxy, representing at least one quarter of the shares entitled to vote on resolutions of shareholder to be considered at such meeting, and for any meeting at which an ordinary resolution is to be considered, the quorum shall consist of one or more shareholders present in person or by proxy, representing at least one tenth of the votes of the shares entitled to vote on resolutions of the shareholders to be considered at such meeting.

If within half an hour of the time appointed for any shareholders meeting, a quorum is not present, such meeting, if convened under Section 118(1) (b) of the Companies Act or if convened at the requisition of or by shareholders, shall be dissolved. In any other case, it shall stand adjourned for a period of between 15 and 30 days. At such adjourned meeting, the quorum shall be any two shareholders entitled to vote on resolutions of shareholders to be considered at such meeting present in person or by proxy.

All Shares only carry such voting rights as are specified in the Constitution and Pre-Listing Statement.

The vote of the person first named in the register of shareholders shall, in the case of joint holders, be accepted as the vote of the joint shareholders, to the exclusion of the votes of the other joint holders.

Votes may be cast in person or by proxy.

### **Indemnity**

Subject to the provisions of the Companies Act, the Company may indemnify a Director or other officer of the Company for any costs incurred by him, the Fund or the Company in respect of any proceedings:

1. that relate to liability for any act or omission in his capacity as a Director or officer; and
2. in which judgment is given in his favour, or in which he is acquitted, or which is discontinued or in which he is granted relief under Section 350 of the Companies Act or where proceedings are threatened and such threatened action is abandoned or not pursued,

provided that such Director or officer acted honestly and in good faith with a view to the best interests of the Company or the Fund (as appropriate) and had no reasonable cause to believe that his conduct was unlawful. The determination of the Directors in this respect is, in the absence of fraud, conclusive unless a question of law is involved.

The Company may indemnify a Director or other officer of the Company in respect of:

1. any liability to any person, other than the Company or the Fund, for any act or omission in his capacity as a Director or officer; or
2. any costs incurred by that Director or officer in defending or settling any claim or proceedings relating to any such liability,

provided that such Director or officer acted honestly and in good faith with a view to the best interests of the Company or the Fund as appropriate and had no reasonable cause to believe that his conduct was unlawful and provided further that no such Director or officer shall be entitled to an indemnity from the Company in respect of any criminal liability or any liability which arises, in the case of a Director, for breach of any directors' duty under the Companies Act. The determination of the Directors in this respect is, in the absence of fraud, conclusive unless a question of law is involved.

### **Winding up**

In the event of winding up of the Company, the liquidator shall apply the assets of the Company in satisfaction of creditors' and shareholders' claims in accordance with the provisions of the Companies Act, the PCC Act and any applicable law.

If the Company shall be wound up, the liquidator shall discharge the liabilities of each Cell out of the Cellular Assets comprised in that Cell and no recourse shall be had to the assets of one Cell to meet the liabilities of any other Cell. Liabilities not attributable to any Cell shall be discharged out of Core Assets. The liquidator shall apply the assets of a Cell in satisfaction of creditors' claims relating to that Cell in such manner and order as he thinks fit, subject to prior charges whether fixed or floating, if any. The Cellular Assets available for distribution among the shareholders of a particular Cell shall then be applied in the following priority:

1. first, in the payment to the holders of the shares of that Cell of a sum in the base currency of that Cell as nearly as possible equal to the amount paid up on the Cell Shares of such Cell provided that there are sufficient Cellular Assets available in the relevant Cell to enable such payment to be made. In the event there are insufficient Cellular Assets available to enable such payment to be made, the available Cellular Assets shall be distributed exclusively to the holders of the shares of that Cell pro rata to their respective shareholdings provided that no recourse shall be had to the Core Assets nor to the Cellular Assets of any other Cell;
2. second, in the payment to the holders of shares of such Cell of any balance then remaining, in that relevant Cell, such payment being made in proportion to the number of shares held in that Cell subject to the terms of issue of such shares or such class or such series, if applicable.

The Core Assets available for distribution among the holders of the Management Shares shall then be applied in the following priority:

1. in the payment to the holders of the Management Shares of a sum as nearly as possible equal to the amount paid up on the Management Shares. In the event that there are insufficient assets to enable such payment in full, the available Non-Cellular Assets shall be distributed to the holders of the Management Shares pro rata to their respective shareholdings. No recourse shall be had to any other assets of the Company whether comprised within any of the Cells or otherwise;
2. in the payment to the holders of Management Shares of any balance then remaining as Core Assets such payment being made as nearly as practicable in proportion to the number of Management Shares held.

### **Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund prior to the date of Pre-Listing Statement and are, or may be, material:

1. A Management Agreement dated 3 May 2016 between the Fund and the Manager, whereby the Fund appointed the Manager, subject to the control of and review by the Directors, to provide the Fund with management and advisory services in relation to the investments of the Fund.

The Management Agreement will continue in force until terminated in accordance with its terms. The Manager is entitled to terminate the Management Agreement at any time upon 6 months' written notice to the Fund. Under the Management Agreement, the Fund indemnifies the Manager and each of its officers, directors, shareholders, employees, affiliates and agents (each an Indemnified Person) from and against any and all liabilities, actions, proceedings, claims, costs, demands or expenses (including reasonable legal fees) incurred by reason of the performance of such Indemnified Person's obligations or duties under or pursuant to the Management Agreement, save for where such liabilities, actions, proceedings, claims, costs, demands or expenses arise from the wilful misconduct, fraud, bad faith or gross negligence of such Indemnified Person with respect to such obligations or duties;

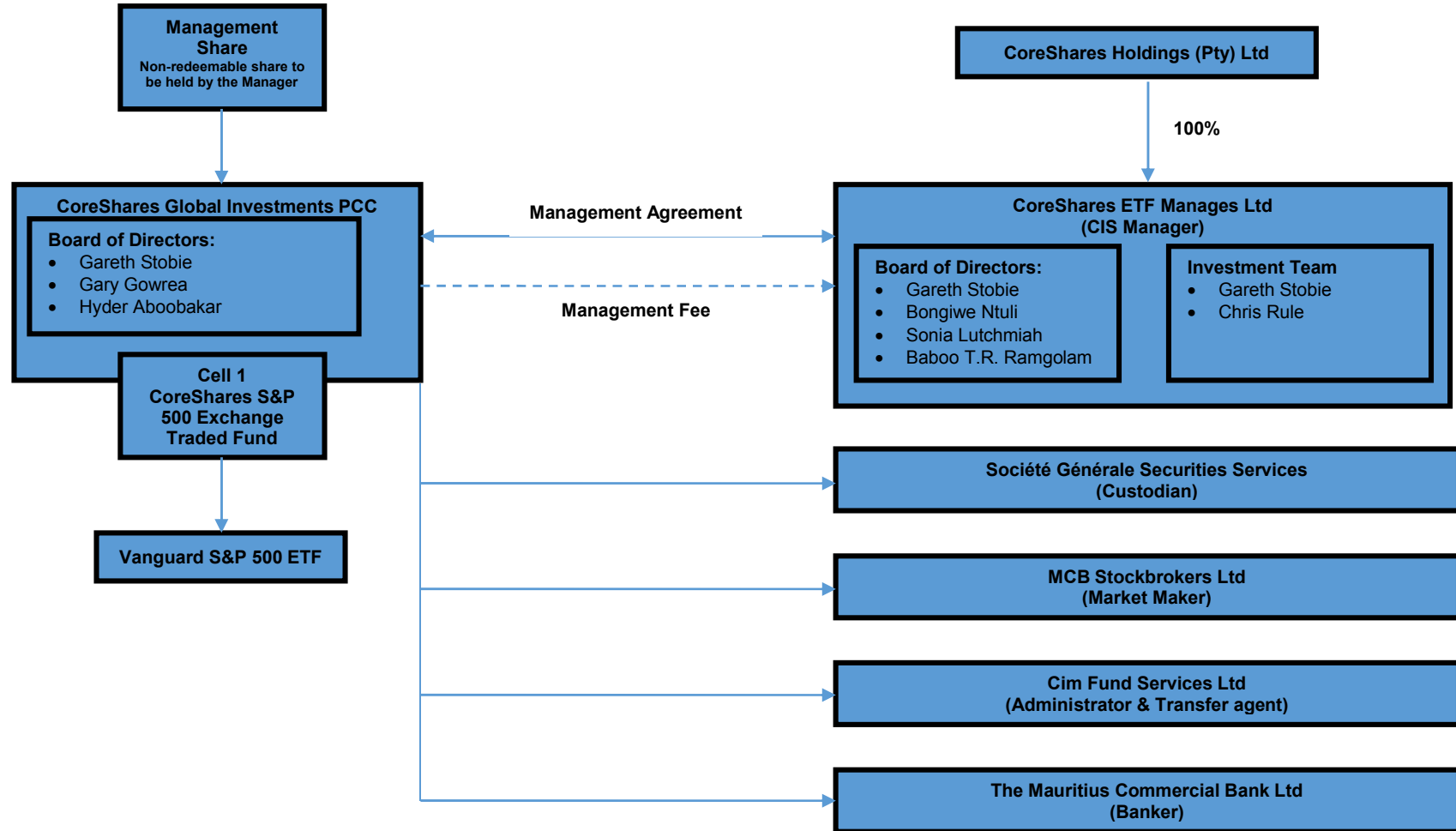
2. An Administration Agreement dated 3 May 2016 between the Company and the Administrator whereby the Administrator has been appointed to provide certain administration, accounting, registration, transfer agency, secretarial and related services to the Company and the Fund. The Administrator is entitled to resign its appointment by giving not less than 60 days' notice to expire at any time. The Company undertakes to hold harmless and indemnify and provide adequate insurance to the Administrator against all actions proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of its performance or non-performance of its obligations or functions and which shall have arisen directly or indirectly out of or in connection with the Administrator's accepting proper instructions from the Company and acting thereon (other than due to gross negligence, fraud, bad faith or wilful default on the part of the Administrator or persons designated by it).
3. A Custody Agreement dated 3 May 2016 between the Company and the Custodian under which the Custodian has been appointed to provide certain custody and related services to the Fund. The Custody Agreement may be terminated by either party giving no less than 30 days' written notice to the other. The Fund indemnifies the Custodian in respect of all claims, demands, actions, losses and damages of whatsoever nature which may be brought against the Custodian. The Fund indemnifies the Custodian, its employees, contractors and agents and sub-custodians against any amounts claimed by any third parties due to loss suffered by such third parties arising out of or attributable to the Custodian and its employees, contractors, agents and sub-custodians carrying out any of their obligations in terms of the Custody Agreement. The indemnities under the Custody Agreement do not absolve the Custodian from liability in respect of losses or damages suffered by the Client as a result of any unlawful, fraudulent or grossly negligent acts of the Custodian or any breach of the Custody Agreement by the Custodian. The Custodian shall not be entitled to any indemnity from the Fund in respect of any liability, cost or expense suffered by the Custodian which arises from or is attributable to the unlawful, fraudulent or grossly negligent act(s) of the Custodian or its nominee or its sub-custodian.

Save as expressly provided otherwise by applicable law or regulation, investors shall have no claim against the Custodian in relation to the restitution of assets or funds in the case of a loss of any of the Fund's assets or a diminishing in value of the assets of the Fund arising from any cause other than the negligence or fraud on the part of the Custodian.

#### **Miscellaneous**

1. The Company was incorporated on 14 April 2016 and the Fund was formed on 14 April 2016. The Fund will commence trading on 23 May 2016. Since the date of its formation, the Fund has not paid or declared a dividend, nor drawn up any accounts.
2. Save as disclosed herein, no commissions are payable and no discounts, brokerages or other special terms have been granted by the Fund in connection with the issue of the Shares.
3. Any placement agent or promoter fees incurred in relation to subscriptions for Shares will be borne by the Manager.
4. No share or loan capital of the Fund is under option or has been agreed conditionally or unconditionally to be put under option or has been issued or is proposed to be issued for a consideration other than cash.
5. Neither the Company nor the Fund is, nor has it been since its incorporation or formation, as appropriate, engaged in any litigation or arbitration and the Directors are not aware of any litigation or arbitration or claims pending or threatened against the Company or the Fund.
6. The Company has not established and does not intend to establish a place of business in South Africa.
7. The Company has no subsidiaries and neither the Company nor the Fund has any employees.
8. The Fund will be entitled in its discretion to disclose information relating to Shareholders to the Manager to assist the same in connection with its functions in relation to the Fund.

## ANNEXURE 2: COMPANY STRUCTURE



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## ANNEXURE 3: EXCHANGE CONTROL REGULATIONS

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Section H(A) of the Exchange Control Rulings provides that any products which offer South African investors exposure to offshore reference assets in Rand must be listed on the JSE. Any instruments which are offered to investors on an “over the counter” basis must be approved by the Financial Surveillance Department of the South African Reserve Bank (FinSurv).

As the Securities are approved by FinSurv, South African individuals, corporates, trusts and partnerships may invest in all approved inward listed instruments without any restrictions.

### **THE EXCHANGE CONTROL CONSEQUENCES OF AN INVESTMENT IN A SECURITY IN THE PORTFOLIO BASED ON FOREIGN UNDERLYING ASSETS**

#### **1. South African Individuals**

The subscription for Securities in terms of this Pre-Listing Statement or the acquisition of Securities on the market by a South African private individual will not affect such person’s foreign investment allowance under Exchange Control Regulations. A South African private individual need not take any additional administrative actions and can instruct its broker to accept, buy and sell Securities on its behalf in the Fund as it would with any other listed security on the JSE. Such Securities are on the South African register and are Rand-denominated.

#### **2. South African Institutional Investors**

As per the announcement made by the Minister of Finance in the 2011 Medium-Term Budget Policy Statement, all inward listed shares on the JSE traded and settled in Rand are now classified as domestic for the purposes of Exchange Control. Accordingly, South African entities who have registered with the SARB Exchange Control Department as institutional investors for Exchange Control purposes and Authorised Dealers approved as such by SARB (including retirement funds, long-term insurers, collective investment scheme management companies and asset managers) may now invest in such shares without affecting their permissible foreign portfolio investment allowances or foreign exposure limits. In terms of this Pre-Listing Statement, South African institutional investors may therefore subscribe for Securities or acquire Securities on the market without affecting their foreign portfolio investment allowances or foreign exposure limits.

#### **3. South African Corporate Entities, Banks, Trusts and Partnerships**

South African corporate entities, banks, trusts and partnerships are allowed to subscribe for Securities in terms of this Pre-Listing Statement or acquire Securities on the market without restriction.

#### **4. Non-Residents of the Common Monetary Area**

Former residents of the common monetary area who have emigrated may use emigrant blocked funds to subscribe for Securities in terms of this Pre-Listing Statement or acquire the Securities on the market.

Non-residents of the common monetary area may subscribe for Securities in terms of this Pre-Listing Statement or acquire Securities on the market, provided that payment is received in foreign currency or Rand from a non-resident account. Non-residents may sell Securities on the market and repatriate the proceeds without restriction. Former residents of the common monetary area who have emigrated may use emigrant blocked funds to subscribe for Securities in terms of this Pre-Listing Statement or acquire the Securities on the market. The Securities will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios. The sale proceeds derived from the sale of the Securities will be transferred to the Authorised Dealer in foreign exchange controlling the emigrants’ blocked assets for credit to the emigrants’ blocked account.

#### **5. Movement of Securities Between Registers**

The Securities are fully fungible and may be transferred between registers, subject to investors obtaining necessary exchange control approvals where necessary. South African resident investors may only acquire Securities, via the JSE, that are already on the South African branch register maintained by the Administrator. Member brokers of the JSE may acquire Securities on foreign exchanges and transfer Securities to the South African register. Non-residents are not subject to Exchange Control Regulations and may freely transfer Securities between branch registers.

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## ANNEXURE 4: SALIENT SUBSCRIPTION CONDITIONS AND PROCEDURES

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The subscription conditions and procedures set out below are applicable both to an initial offer and any subsequent subscriptions (other than secondary market trades) thereafter. For so long as the securities are listed, you will be able to buy and sell CoreShares S&P 500 Exchange Traded Fund securities on the JSE through your broker or CSDP.

### 1. OFFER STRUCTURE

An initial offer comprises an offer to the public consisting of an offer both to institutional investors and to retail investors. There is no maximum number of CoreShares S&P 500 Exchange Traded Fund securities which may be issued in terms of an initial offer.

### 2. CONDITIONS OF AN INITIAL OFFER

- You cannot withdraw an application once submitted. It will be irrevocable.
- All subscriptions for CoreShares S&P 500 Exchange Traded Fund securities will be treated as primary market acquisitions. No application forms are required.
- All subscribers for CoreShares S&P 500 Exchange Traded Fund securities must have a valid account with a broking member of the exchange and must either be a controlled or a non-controlled client. Subscribers that do not have an account with a JSE member can contact the participating broker or any other broker on the JSE to open an account. A list is available on the JSE website ([www.jse.co.za](http://www.jse.co.za)).
- CoreShares S&P 500 Exchange Traded Fund securities are listed securities as defined in the Securities Services Act and accordingly the provisions of section 140A of the Act (pertaining to the disclosure of beneficial interests in securities) shall apply to holders of CoreShares S&P 500 Exchange Traded Fund securities. If a prospective investor is in any way unclear as to the correct procedure to be followed, or the terms and conditions applicable to subscriptions for CoreShares S&P 500 Exchange Traded Fund securities under an initial offer, the investor is advised to contact his professional advisors, alternatively to contact the Local Manager directly.
- A controlled client should liaise with its broker which will send a message to its nominated CSDP.
- A non-controlled client should liaise with its nominated CSDP which will send a message to the Issuer CSDP.

### 3. CASH SUBSCRIPTIONS

Cash subscriptions under an initial offer must be in a minimum amount of R1 000 (or in multiples of R1 000). A cash subscription under an initial offer will be based upon the amount which an applicant applies to invest in CoreShares S&P 500 Exchange Traded Fund securities rather than a function of how many CoreShares S&P 500 Exchange Traded Fund securities an applicant wishes to acquire in terms of the subscription. The cash subscription price and the number of CoreShares S&P 500 Exchange Traded Fund securities to be issued to an applicant for cash will be determined by the amount which the applicant invests (net of the transaction costs) and will be a function of the pro rata cost to the fund of acquiring the underlying basket.

Cash applicants should be aware that the applicable transaction costs and fees (determined by reference to the applicable supplement) will be deducted from any payment accompanying their applications and, accordingly, the net amount will be invested in CoreShares S&P 500 Exchange Traded Fund securities.

Following the close of an initial offer letters of allotment ("LAs") will be issued for the total Rand amount subscribed for on the basis of R1,00 for one LA. Applicants' statements at Strate will reflect the holding of their LAs. There shall be a ramp up period during which the fund will acquire the appropriate underlying baskets of shares (comprising the Index) utilising the cash raised during an initial offer period.

The duration of this ramp up period shall be dependent upon prevailing market liquidity and the aggregate amount received in cash subscriptions under an initial offer.

After the ramp up period the Manager shall publicly announce the number of CoreShares S&P 500 Exchange Traded Fund securities allotted and issued per the LAs together with details of the basis on which CoreShares S&P 500 Exchange Traded Fund securities were allocated under an initial offer.

Investors should be aware that transaction costs will be deducted from the subscription amount accompanying their applications and accordingly, the relevant subscription amount (less transaction costs) shall be invested in CoreShares S&P 500 Exchange Traded Fund securities. In the ordinary course, the transaction costs should not exceed 1% of the subscription value. The LAs will then be converted into CoreShares S&P 500 Exchange Traded Fund securities in accordance with the published conversion ratio. Although the basis of allocation will be publicly announced on the trading day following the end of the ramp up period, applicants will only be informed of their actual individual allocations on receipt of their statements from their broker or CSDP. Accordingly applicants who deal prior to receipt of their statements do so at the risk of selling CoreShares S&P 500 Exchange Traded Fund securities in respect of which they have not received confirmation of an allocation.

If a cash subscription is accepted in part, the balance of the money paid on application (in excess of R15,00) will be returned to the applicant without interest. Amounts less than R15,00 will be used to defray costs and expenses incurred by the fund. If following the allotment and issue of CoreShares S&P 500 Exchange Traded Fund securities under an initial offer, it is apparent that an applicant's cash subscription (net of the applicable transaction costs) is not an exact multiple of the cash subscription price under an initial offer, then the applicant in question shall be allotted and issued with as many CoreShares S&P 500 Exchange Traded Fund securities as may be fully paid up out of his subscription application (less the applicable transaction costs) and the balance of the applicant's cash subscription amount shall be applied to costs and expenses of the portfolio. The portion of an applicant's cash subscription not utilised to acquire CoreShares S&P 500 Exchange Traded Fund securities will not exceed an amount representing the cash subscription price in respect of a single CoreShares S&P 500 Exchange Traded Fund security – in other words it shall be less than a Rand amount equal to approximately 1/10th of the Index level.

All taxes (including, but without limitation, UST), duties, custody charges, brokerage fees, JSE Insider Trading fees and any other costs and expenses will be for the investor's account.

CoreShares S&P 500 Exchange Traded Fund securities will not be issued unless CoreShares S&P 500's CSDP (as appointed by the Manager from time to time) ("Issuer CSDP"), is satisfied that the relevant constituent Securities and the requisite cash amount have been received by it.

CoreShares S&P 500 Exchange Traded Fund securities will be issued to successful applicants and will be booked to applicants' relevant securities account in the books of their broker or CSDP on the listing date, provided that the aforesaid requirements have been fulfilled and the minimum investment criteria have been met.

Neither CoreShares, the Trustee & Custodian, the Manager, nor the JSE will accept responsibility for any payment made, LA or statement that is lost or stolen in the post.

**PLEASE NOTE THAT NO LATE APPLICATIONS WILL BE ACCEPTED UNDER AN INITIAL OFFER.**

If an application is rejected or unsuccessful, then the party with whom the application was lodged shall be responsible for returning any money in excess of R15,00 received by it in respect of any unsuccessful or rejected application to the appropriate applicant, as soon as is reasonably possible.

**4. SUBSCRIPTIONS AFTER AN INITIAL OFFER**

After the listing date investors shall be able to acquire CoreShares S&P 500 Exchange Traded Fund securities on any trading day in any one or more of the following ways: (i) on the secondary market; or (ii) by subscription for cash.

**Secondary market purchases through a broker**

Investors can acquire CoreShares S&P 500 Exchange Traded Fund securities through a member of the JSE. These purchases will be made at the current market price of the securities plus a brokerage fee that is negotiable with the broker and any transaction costs applicable.

**Subscriptions for cash**

Investors wishing to subscribe for cash should contact the Local Manager, contact details of whom are set out on the inside front cover of this circular. The Local Manager will advise you of the applicable terms and conditions which apply.

**5. REDEMPTIONS**

**Procedure for taking delivery of a basket of constituent Securities**

In addition to being able to sell CoreShares S&P 500 Exchange Traded Fund securities through a trade on the JSE, holders of in excess of 100 000 CoreShares S&P 500 Exchange Traded Fund securities shall be entitled to take delivery of one basket per 100 000 participatory interests delivered on any trading day. There are certain circumstances in which the Manager may suspend the repurchase of CoreShares S&P 500 Exchange Traded Fund securities.

In addition to the physical delivery of one or more baskets, a holder will be entitled to receive from the Manager an amount in cash representing a proportionate interest in any accrued distribution amount within the portfolio (less any applicable transactions costs). The value of such interest may be determined by multiplying the accrued distribution amount by the number of securities held by the holder, divided by the number of securities in issue.

The CoreShares S&P 500 Exchange Traded Fund securities delivered to the Manager in exchange for one or more baskets shall be cancelled against delivery of the prescribed number of baskets (together with the appropriate cash amount) to that holder.

The standard settlement period for the delivery of baskets (and the payment of any ancillary cash amounts) shall be the standard Strate settlement periods applied to securities traded on the JSE in the ordinary course.

**Redemptions for cash**

In addition to being able to dispose of CoreShares S&P 500 Exchange Traded Fund securities in the secondary market (on the JSE) for cash on any trading day, the Manager will redeem (or repurchase) CoreShares S&P 500 Exchange Traded Fund securities from holders for cash on any trading day, subject to the suspension of repurchases in the circumstances described in paragraph 5 of Part VII of this circular. In effect the Manager will dispose of the relevant CoreShares S&P 500 Exchange Traded Fund securities in the secondary market on behalf of the holder. The holder will receive an amount in cash equal to the market price at which the Manager is able to dispose of the CoreShares S&P 500 Exchange Traded Fund securities, less an administration fee plus a pro rata portion of the accrued distributable amount. The administration fee will be a function of the number of CoreShares S&P 500 Exchange Traded Fund securities required to be redeemed. Details of the administration fee are set out in the applicable supplement and on the Local Manager's website (<http://www.coreshares.co.za>).

Any UST or stamp duty incurred in the disposal of the constituent Securities, as a consequence of redemption as well as the cost of any settlement by electronic bank transfer or other costs shall be for the account of the holder.

**6. OTHER**

**Publication of the NAV of the CoreShares S&P 500 Exchange Traded Fund securities**

Except where the determination of the net asset value has been suspended, in the circumstances described below, the net asset value per CoreShares S&P 500 Exchange Traded Fund security (calculated as at close of trade on the previous trading day) shall be made available on the website (<http://www.coreshares.co.za>) and at the office of the Local Manager on or before the close of business on each trading day. Such information is published for information purposes only.

#### **Temporary suspension of valuation of CoreShares S&P 500 Exchange Traded Fund securities**

The Manager may temporarily suspend the determination of the net asset value and the creation and/or redemption of CoreShares S&P 500 Exchange Traded Fund securities subject to compliance with the Act. Such suspension may also lead to the suspension of trading CoreShares S&P 500 Exchange Traded Fund securities on the JSE. Any such suspension shall be published by the Manager in such manner as it may deem appropriate to the persons likely to be affected thereby. Where practicable, the Manager shall take all reasonable steps to bring such a suspension to an end as soon as possible.

The Directors may declare a temporary suspension of the determination of the Net Asset Value of the Fund (and hence the Net Asset Value per Share) during:

1. any period (other than ordinary holiday or customary weekend closings) when one or more stock exchange or other regulated markets which provide the basis for valuing any assets of the Fund are closed, or if dealings therein are restricted or suspended when in respect of securities forming a substantial part of the Cellular Assets attributable to the Fund;
2. any period when the determination of the net asset value of the Vanguard ETF (an Undertaking for Collective Investment in Transferable Securities (UCITS) which tracks the S&P 500® Index) is suspended for whatever reason;
3. any period when any emergency exists as a result of which disposal by the Fund of its assets is not practically feasible;
4. any period when for any reason the prices of a material portion of the assets of the Fund cannot be reasonably, promptly or accurately ascertained;
5. any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, assets of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
6. any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account.

No Shares will be issued or redeemed on any Dealing Day when the determination of the Net Asset Value of the Fund is suspended. In such a case, a Shareholder may withdraw his Share application or redemption request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications and redemption requests will be acted upon on the first Dealing Day after the suspension is lifted at the relevant Subscription Price or relevant redemption price (as the case may be) prevailing on that Dealing Day.



**ANNEXURE 5: PREVIOUS AND CURRENT DIRECTORSHIPS AND PARTNERSHIPS HELD BY THE DIRECTORS OF THE COMPANY**

Full name	Directorships/ Partnerships held over the past 5 years
Gyaneshwarnath Gowrea	SYBEXMAURITIUSLIMITED, TCGAVIATION(MAURITIUS)LTD, TCGDEVELOPMENTMANAGEMENT(MAURITIUS)COMPANY, TCGLIFESCENCESMAURITIUSLTD, TECHPACIFICMAURITIUSLTD, TECHPACMAURITIUSLIMITED, SUGARPONDINVESTMENTLTD, SUNNYBEACHINVESTMENTLTD, SVAMAURITIUS(PTY)LTD, WESTGLOBELIMITED, WILLOWBAYINVESTMENTLTD, WILMAHHOSPITALITYLTD, TOPSIDEINVESTMENTLTD, TRANSASIAPETROLEUMINC, TOLGAHOLDINGS, THEINDIAPHARMAFUNDLIMITED, THEUTIINDIAFUNDLIMITED, TIPEFINVESTMENTMANAGEMENTLTD, TRANSAFRICAHOLDINGSLIMITED, TRIMARK, TWINSTARENERGYHOLDINGSLTD, TWINSTARHOLDINGSLTD, TWINSTARINFRASTRUCTURELTD, TWINSTARINVESTMENTLTD, TWINSTARMAURITIUSHOLDINGSLTD., TWINSTAROVERSEASLTD, THLZINCLTD, THLZINCVENTURES LTD, SWANLANDINVESTMENTLTD, SWEETCLOVERINVESTMENTLTD, STERLITEGLOBALVENTURES(MAURITIUS)LIMITED, STONERIDGEINVESTMENTLTD, STORMMOUNTAINDIAMONDSHOLDINGS, STEMPEUTICSRESEARCHINTERNATIONAL, SITARASOLUTIONSLIMITED, SCAVIATIONMAURITIUSLIMITED, SCMANAGEMENT(M)LIMITED, SEAPEOPLEINVESTMENTSLIMITED, SEACRESTINVESTMENTLTD, SESASTERLITEMAURITIUSHOLDINGSLIMITED, SINGULARCAPITALHOLDINGS, SINGULARINDIAGROWTHFUND, SABHOLDINGSPRIVATELIMITED, REDWOODINVESTMENTLTD, ROLLINGHILLSINTERNATIONAL(CHENGDE)WINDPOWERCOMPANYLTD, QUANTUM(M)LIMITED, QUANTUMSTRATEGIC(M)LIMITED, RAINBOWVENTURESLIMITED, QPINVESTMENTS(M)LIMITED, PUMAENERGYSERVICESAFRICALTD, PUMAENERGYMAURITIUSLTD PUMAENERGYMAURITIUSINVESTMENTSLIMITED, PUMAENERGY(SENEGAL)HOLDINGLTD PRETORIAPORTLANDCEMENTINTERNATIONALHOLDINGS, PPCMOZAMBIQUEHOLDINGS PINERIDGEINVESTMENTLTD, PAPERBIRCHINVESTMENTLTD, PENCHHOLDINGS(MAURITIUS)COMPANY, PINCHERRYINVESTMENTLTD, PACIFICCONVERGENCE(MAURITIUS)LIMITED, XTECINTERNATIONAL(MAURITIUS)LIMITED, YELLOWBIRCHINVESTMENTLTD, YEOMAN3-RIGHTSVALUEASIAFUND, WOODCRESTINVESTMENTLTD WPICELANDINVESTMENTLTD, UNITEDPHOSPHORUSLIMITED, UPLLIMITED, VANILLARESOURCE&INVESTMENTCOMPANY, VIDAINVESTMENTS, VORNADOREALTYTRUSTADVISORS, WARBURGPINCUSASIALTD, WARBURGPINCUSFINANCIALGLOBALLTD, WARBURGPINCUSFINANCIALINTERNATIONALLTD, WATERLEAFINVESTMENTLTD, MOUNTAINMINTINVESTMENTLTD, NACALAINTERMODALTERMINALINVESTMENTS, MONTEROSAASSETMANAGEMENTLTD, MNIVENTURES, METECHOHOLDINGS, MEMGINTERNATIONALLTD, MAPLEWOODINVESTMENTLTD, MARIMARHOLDINGSLTD-MC, NEXUSOPPORTUNITYFUNDII LTD, NEXUSVENTURESSPONSORSIV,LTD. MANIPALHEALTHSYSTEMSINTERNATIONAL, MANIPALINFRASTRUCTURESERVICESPTE.LTD, MANIPALRESEARCH&MANAGEMENTSERVICESINTERNATIONAL, MANIPALGLOBALHEALTHSERVICES MANIPALEUCATION(MAURITIUS)PRIVATELIMITED, MANIPALACADEMICSERVICESINTERNATIONAL MAGATARCOALHOLDINGSLIMITED, MAGATARMININGIP(PROPRIETARY)LIMITED, MAKEMYTRIPLIMITED, KINNEVIK(MAURITIUS)LTD, JAZZLEAFINVESTMENTLTD, INDIAALTERNATEPROPERTYHOLDINGSLIMITED, INDIAALTERNATEPROPERTYLIMITED, INDIAPROPERTYHOLDINGSLIMITED, INDIAPROPERTYMAURITIUSLIMITED, INDIATRADING(MAURITIUS)LIMITED, HIGHDELLINVESTMENTLTD, HOLLOWCREEKINVESTMENTLTD, HURONHOLDINGSLIMITED
Gareth Craig Stobie	MELVILLE SECURITY INITIATIVE S21

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Mohamed Hyder Aboobakar KUBERA CROSS-BORDER FUND (MAURITIUS) LIMITED - MC  
SWISS FINANCE CORPORATION (MAURITIUS) LIMITED - MC  
RUI HUA INVESTMENT HOLDING LIMITED - MC  
CIM INVESTMENT ADVISORS LTD - MC  
AFRICAN MICRO-FINANCE EQUITIES - MC  
SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED - MC  
AA DEVELOPMENT CAPITAL INDIA FUND 1, LLC  
ST. JAMES INVESTMENT MANAGEMENT LIMITED  
GLOBAL OPPORTUNITY ADVISORS (MAURITIUS) LIMITED- MC  
ALLIANCEBERNSTEIN INDIA GROWTH (MAURITIUS) LIMITED - MC  
ALLIANCE CAPITAL (MAURITIUS) PRIVATE LTD - MC  
WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC - MC  
SHORECAP II LIMITED - MC  
NJ GLOBAL ASSET MANAGEMENT LIMITED - MC  
MATRIX PARTNERS INDIA MANAGEMENT II, LLC - MC  
IZWE AFRICA HOLDINGS  
OLD MUTUAL US DOLLAR MONEY MARKET FUND  
SOACH GLOBAL STRATEGIC HOLDINGS LIMITED  
CORESHARES GLOBAL INVESTMENTS PCC  
CANOPY CAPITAL MANAGEMENT LIMITED  
METIER PRIVATE EQUITY INTERNATIONAL  
FUTUREGROWTH ASSET MANAGEMENT (MAURITIUS) LIMITED - MC  
FIL MANAGEMENT INDIA VENTURES (MAURITIUS) LIMITED - MC  
MATRIX PARTNERS INDIA MANAGEMENT, LLC - MC  
PRIME ASSET MANAGEMENT - MC  
AFRICAN MICRO-FINANCE HOLDINGS - MC  
AFRICAN MICRO-FINANCE CORPORATION - MC

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## ANNEXURE 6: COMPOSITION OF THE INDEX

Company	Index Weight
Apple Inc.	3.25%
Microsoft Corp	2.39%
Exxon Mobil Corp	1.93%
Amazon.com Inc	1.76%
Johnson & Johnson	1.72%
Facebook Inc A	1.59%
Berkshire Hathaway B	1.46%
General Electric Co	1.42%
AT&T Inc	1.33%
JP Morgan Chase & Co	1.28%
Procter & Gamble	1.28%
Alphabet Inc A	1.26%
Alphabet Inc C	1.23%
Verizon Communications Inc	1.13%
Pfizer Inc	1.10%
Wells Fargo & Co	1.07%
Chevron Corp	1.04%
Intel Corp	0.95%
Merck & Co Inc	0.92%
Coca-Cola Co	0.88%
Bank of America Corp	0.85%
Cisco Systems Inc	0.85%
Comcast Corp A	0.85%
Home Depot Inc	0.85%
PepsiCo Inc	0.84%
Visa Inc A	0.83%
Philip Morris International	0.80%
Intl Business Machines Corp	0.74%
Walt Disney Co	0.73%
Citigroup Inc	0.73%
Unitedhealth Group Inc	0.71%
Amgen Inc	0.67%
Altria Group Inc	0.66%
Medtronic plc	0.64%
Oracle Corp	0.63%
Schlumberger Ltd	0.58%
Wal-Mart Stores	0.58%
3M Co	0.57%
Gilead Sciences Inc	0.56%
AbbVie Inc.	0.55%
QUALCOMM Inc	0.54%

McDonald's Corp	0.53%
Mastercard Inc A	0.52%
CVS Health Corporation	0.51%
Allergan plc	0.49%
Bristol-Myers Squibb	0.48%
Honeywell Intl Inc	0.47%
Union Pacific Corp	0.43%
Celgene Corp	0.43%
Starbucks Corp	0.42%
United Technologies Corp	0.42%
Lilly Eli & Co	0.42%
Boeing Co	0.41%
Accenture plc A	0.41%
United Parcel Service Inc B	0.40%
The Priceline Group Inc	0.39%
NIKE Inc B	0.38%
Texas Instruments Inc	0.38%
US Bancorp	0.37%
Walgreens Boots Alliance Inc	0.37%
Biogen Inc	0.37%
Mondelez International Inc	0.36%
Broadcom Limited	0.36%
Costco Wholesale Corp	0.36%
Colgate-Palmolive Co	0.35%
Simon Property Group A	0.35%
Lowe's Cos Inc	0.34%
Thermo Fisher Scientific	0.33%
Abbott Laboratories	0.33%
Time Warner Inc	0.33%
Goldman Sachs Group Inc	0.32%
Lockheed Martin	0.32%
American Intl Group Inc	0.32%
E. I. du Pont de Nemours and Company	0.31%
Charter Communications Inc A	0.31%
Chubb Limited	0.31%
Dow Chemical	0.31%
NextEra Energy Inc	0.30%
Occidental Petroleum	0.30%
Duke Energy Corp	0.29%
Adobe Systems Inc	0.29%
ConocoPhillips	0.29%
The Kraft Heinz Company	0.28%
EOG Resources	0.28%
Caterpillar Inc	0.28%
Southern Co	0.27%
American Express Co	0.27%

TJX Cos Inc	0.26%
Metlife Inc	0.26%
American Tower Corp A	0.26%
Danaher Corp	0.25%
Morgan Stanley	0.25%
Ford Motor Co	0.25%
Dominion Resources Inc	0.25%
PayPal Holdings Inc.	0.25%
Salesforce.com	0.25%
Kimberly-Clark	0.24%
General Motors Company	0.24%
Monsanto Co.	0.24%
General Dynamics	0.24%
Express Scripts Holding Co.	0.24%
Kinder Morgan Inc	0.24%
PNC Finl Services Group	0.24%
BlackRock Inc	0.24%
Johnson Controls International plc	0.23%
FedEx Corp	0.23%
The Bank of New York Mellon Corp	0.23%
NetFlix Inc	0.23%
Aetna Inc	0.22%
Automatic Data Processing	0.21%
Raytheon Co	0.21%
Target Corp	0.21%
Reynolds American Inc	0.21%
Halliburton Co	0.21%
Illinois Tool Works Inc	0.20%
Becton Dickinson & Co	0.20%
Northrop Grumman Corp	0.20%
General Mills Inc	0.20%
Schwab Charles Corp	0.20%
Hewlett Packard Enterprise Co	0.20%
Yahoo Inc	0.20%
McKesson Corp	0.20%
Nvidia Corp	0.20%
Capital One Financial	0.19%
Stryker Corp	0.19%
Phillips 66	0.19%
Prudential Financial Inc	0.19%
CME Group Inc A	0.19%
Emerson Electric Co	0.19%
Marsh & McLennan Companies	0.19%
Anadarko Petroleum Corp	0.18%
eBay Inc.	0.18%
Praxair Inc	0.18%

Yum! Brands Inc	0.18%
Cigna Corporation	0.18%
S&P Global Inc	0.18%
Public Storage	0.18%
Travelers Cos Inc	0.18%
Anthem Inc	0.18%
Applied Materials Inc	0.17%
Air Products & Chemicals Inc	0.17%
Boston Scientific Corp	0.17%
Intercontinental Exchange Inc	0.17%
Ecolab Inc	0.17%
Crown Castle Intl Corp	0.17%
American Electric Power	0.17%
Pioneer Natural Resources	0.17%
BB&T Corp	0.16%
Exelon Corp	0.16%
PG&E Corporation	0.16%
Regeneron Pharmaceuticals Inc	0.16%
Activision Blizzard Inc	0.16%
Spectra Energy Corp	0.16%
Eaton Corp plc	0.16%
Aon plc	0.16%
Constellation Brands Inc A	0.16%
Delta Air Lines	0.16%
AFLAC Inc	0.16%
Cognizant Tech Solutions Corp	0.15%
CSX Corporation	0.15%
Norfolk Southern Corp	0.15%
ProLogis Inc	0.15%
Kroger Co	0.15%
Intuitive Surgical Inc	0.15%
PPG Industries Inc	0.15%
LyondellBasell Industries N.V.	0.15%
Alexion Pharmaceuticals Inc	0.15%
Intuit Inc	0.14%
Sempra Energy	0.14%
Welltower Inc	0.14%
Illumina Inc	0.14%
O'Reilly Automotive	0.14%
HP Inc	0.14%
Humana Inc	0.14%
Zimmer Biomet Holdings Inc	0.14%
Waste Management Inc	0.14%
Twenty-First Century Fox Inc A	0.14%
Zoetis Inc	0.14%
Allstate Corp	0.14%

Electronic Arts	0.14%
Edwards Lifesciences Corp	0.14%
Equinix Inc	0.14%
State Street Corp	0.14%
Ross Stores Inc	0.14%
Newell Brands Inc	0.14%
Fidelity National Information	0.13%
Sysco Corp	0.13%
Ventas Inc	0.13%
Cardinal Health Inc	0.13%
Deere & Co	0.13%
Archer-Daniels-Midland Co	0.13%
Corning Inc	0.13%
Valero Energy Corp	0.13%
AvalonBay Communities Inc	0.13%
Apache Corp	0.13%
Southwest Airlines Co	0.13%
Weyerhaeuser Co	0.13%
Edison Intl	0.13%
Equity Residential	0.13%
PPL Corp	0.13%
Baxter Intl Inc	0.12%
Devon Energy Corp	0.12%
Consolidated Edison Inc	0.12%
TE Connectivity Ltd.	0.12%
Discover Financial Services	0.12%
St Jude Medical Inc	0.12%
AutoZone Inc	0.12%
HCA Holdings Inc	0.12%
CBS Corp B	0.12%
Tyson Foods Inc A	0.12%
Sherwin-Williams Co	0.12%
Synchrony Financial	0.12%
SunTrust Banks Inc (GA)	0.12%
Fiserv Inc	0.12%
Vertex Pharmaceuticals Inc	0.12%
Baker Hughes Inc	0.12%
Marriott Intl A	0.11%
Marathon Petroleum Corp.	0.11%
Public Service Enterprise Grp	0.11%
Carnival Corp	0.11%
The Williams Companies Inc	0.11%
Boston Properties Inc	0.11%
Xcel Energy Inc	0.11%
Newmont Mining Corp	0.11%
PACCAR Inc	0.11%

Molson Coors Brewing Co B	0.11%
Omnicom Group	0.11%
Amphenol Corp A	0.11%
Cummins Inc	0.11%
Monster Beverage Corp New	0.11%
Analog Devices Inc	0.11%
Intl Paper Co	0.11%
ConAgra Foods Inc	0.10%
Estee Lauder Cos. A	0.10%
Kellogg Co	0.10%
Concho Resources Inc	0.10%
Delphi Automotive PLC	0.10%
American Airlines Group Inc.	0.10%
WEC Energy Group Inc	0.10%
Dollar Tree Inc	0.10%
VF Corp	0.10%
Paychex Inc	0.10%
Cerner Corp	0.10%
Stanley Black & Decker	0.10%
Roper Technologies, Inc	0.10%
Micron Technology Inc	0.10%
Progressive Corp	0.10%
M&T Bank Corp	0.10%
Dollar General Corp	0.10%
Moody's Corp	0.10%
Nielsen Holdings plc	0.10%
HCP Inc	0.09%
Mylan NV	0.09%
Ingersoll-Rand Plc	0.09%
Vornado Realty Trust	0.09%
Realty Income Corp	0.09%
Willis Towers Watson PLC	0.09%
Eversource Energy	0.09%
L Brands Inc	0.09%
Dr Pepper Snapple Group	0.09%
Parker-Hannifin Corp	0.09%
DTE Energy Co	0.09%
Western Digital Corp	0.09%
T Rowe Price Group Inc	0.09%
Hartford Finl Services Group	0.09%
Bard C.R. Inc	0.09%
Clorox Co	0.09%
General Growth Properties Inc	0.09%
Ameriprise Financial Inc	0.09%
Equifax Inc	0.09%
Rockwell Automation Inc	0.08%



Smucker J.M. Co	0.08%
Nucor Corp	0.08%
Fifth Third Bancorp (OH)	0.08%
Symantec Corp	0.08%
United Continental Holding Inc	0.08%
Noble Energy Inc	0.08%
Agilent Technologies Inc	0.08%
Fortive Corp	0.08%
Lam Research Corp	0.08%
Vulcan Materials Co	0.08%
CenturyLink Inc	0.08%
Genuine Parts Co	0.08%
Red Hat Inc	0.08%
AmerisourceBergen Corp	0.08%
Mead Johnson Nutrition Co	0.08%
Essex Property Trust	0.08%
Northern Trust Corp (IL)	0.08%
TransDigm Group	0.08%
Hess Corp	0.08%
Ball Corp	0.08%
Skyworks Solutions Inc	0.08%
Digital Realty Trust	0.08%
Linear Technology Corp	0.08%
Autodesk Inc	0.08%
FirstEnergy Corp	0.08%
Lab Corp of America Hldgs	0.08%
Expedia	0.08%
Ulta Salon Cosmetics & Fragr	0.07%
National Oilwell Varco Inc	0.07%
Dentsply Sirona Inc.	0.07%
Principal Financial Group	0.07%
Xilinx Inc	0.07%
Entergy Corp	0.07%
Level 3 Communications	0.07%
Hershey Foods Corp	0.07%
Marathon Oil Corp	0.07%
Microchip Technology Inc	0.07%
Alcoa Inc	0.07%
Schein Henry Inc	0.07%
American Water Works Co Inc	0.07%
Citrix Systems Inc	0.07%
Freeport-McMoRan Inc	0.07%
Viacom Inc B	0.07%
Perrigo Company plc	0.07%
KeyCorp	0.07%
Citizens Financial Group Inc	0.07%

Invesco Ltd	0.07%
Verisk Analytics Inc	0.07%
Waters Corp	0.07%
Cimarex Energy Co	0.07%
Motorola Solutions Inc	0.07%
Mohawk Industries Inc	0.07%
Royal Caribbean Cruises Ltd	0.07%
Alliance Data Systems Corp	0.07%
EQT Corporation	0.07%
Franklin Resources Inc	0.07%
Grainger W.W. Inc	0.07%
Regions Financial Corp	0.07%
Church & Dwight Co	0.07%
Chipotle Mexican Grill Inc.	0.07%
Whirlpool Corp	0.07%
WestRock Co	0.07%
Kimco Realty Corp	0.06%
Fastenal Co	0.06%
Twenty-First Century Fox Inc B	0.06%
Cabot Oil & Gas A	0.06%
Ameren Corp	0.06%
Global Payments Inc	0.06%
Quest Diagnostics	0.06%
Republic Services Inc	0.06%
CMS Energy Corp	0.06%
L-3 Communications Holdings	0.06%
Acuity Brands Inc	0.06%
Host Hotels & Resorts Inc	0.06%
Seagate Technology	0.06%
McCormick & Co	0.06%
Centene Corp	0.06%
Dover Corp	0.06%
Macy's Inc	0.06%
Harris Corp	0.06%
Intl Flavors & Fragrances	0.06%
Loews Corp	0.06%
Martin Marietta Materials	0.06%
Masco Corp	0.06%
Cincinnati Financial Corp	0.06%
Mettler-Toledo Intl	0.06%
AMETEK Inc	0.06%
Universal Health Services B	0.06%
Advance Auto Parts Inc	0.06%
Rockwell Collins	0.06%
Lincoln National Corp	0.06%
DaVita Inc	0.06%

Federal Realty Invt Trust	0.06%
LKQ Corp	0.06%
KLA-Tencor Corporation	0.06%
SL Green Realty Corp	0.06%
ONEOK Inc	0.06%
Hologic Inc	0.06%
Textron Inc	0.06%
Huntington Bancshares (OH)	0.06%
Pentair PLC	0.06%
Campbell Soup Co	0.06%
Best Buy Co Inc	0.06%
CA Inc	0.06%
SCANA Corp	0.06%
Mattel Inc	0.06%
Hormel Foods Corp	0.05%
Horton D.R. Inc	0.05%
Carmax Inc	0.05%
Coach Inc	0.05%
Western Union Co	0.05%
Kansas City Southern Inc	0.05%
CH Robinson Worldwide Inc	0.05%
Centerpoint Energy Inc	0.05%
Eastman Chemical Co	0.05%
Extra Space Storage Inc	0.05%
NetApp Inc	0.05%
Macerich Co	0.05%
Cintas Corp	0.05%
UDR Inc	0.05%
Albemarle Corp	0.05%
Hanesbrands Inc	0.05%
Tesoro Corp	0.05%
Harley-Davidson Inc	0.05%
Xylem Inc	0.05%
Expeditors Intl of WA Inc	0.05%
Varian Medical Systems Inc	0.05%
Akamai Technologies Inc	0.05%
XL Group Ltd	0.05%
Juniper Networks Inc	0.05%
Iron Mountain Inc	0.05%
Foot Locker Inc	0.05%
Whole Foods Market Inc	0.05%
Sealed Air Corp	0.05%
Gallagher Arthur J. & Co	0.05%
Tractor Supply Co	0.05%
Interpublic Group Cos	0.05%
Hasbro Inc	0.05%

Fortune Brands Home & Security Inc	0.05%
PVH Corp	0.05%
Snap On Inc	0.05%
Cooper Companies Inc	0.05%
Alliant Energy Corp	0.05%
Brown-Forman Corp B	0.05%
Newfield Exploration Co	0.05%
Xerox Corp	0.05%
Mosaic Co	0.05%
Goodyear Tire & Rubber Co	0.05%
AES Corp	0.05%
Pinnacle West Capital (AZ)	0.05%
CBRE Group Inc.	0.04%
Unum Group	0.04%
F5 Networks Inc	0.04%
Comerica Inc (MI)	0.04%
Alaska Air Group Inc	0.04%
E*TRADE Financial Corp	0.04%
Lennar Corp A	0.04%
Michael Kors Holdings Ltd	0.04%
Kohl's Corp	0.04%
Total System Services Inc	0.04%
Tiffany & Co	0.04%
Affiliated Managers Grp	0.04%
Nisource Inc	0.04%
Darden Restaurants Inc	0.04%
Wynn Resorts Ltd	0.04%
Nasdaq Inc	0.04%
Mallinckrodt plc	0.04%
Wyndham Worldwide Corp	0.04%
Range Resources Corp	0.04%
Helmerich & Payne Inc	0.04%
VeriSign Inc	0.04%
TripAdvisor Inc. A	0.04%
Apartment Investment & Mgmt	0.04%
Fluor Corp	0.04%
Hunt J.B. Transport Services	0.04%
Qorvo, Inc	0.04%
Torchmark Corp	0.04%
Under Armour Inc A	0.04%
Borgwarner Inc	0.04%
Avery Dennison Corp	0.04%
Southwestern Energy Co	0.04%
Stericycle Inc	0.04%
United Rentals Inc	0.04%
FMC Technologies Inc	0.04%

Bed Bath & Beyond Inc	0.04%
Allegion plc	0.04%
FMC Corp	0.03%
Zions Bancorp (UT)	0.03%
Flowserve Corp	0.03%
Jacobs Engineering Group Inc	0.03%
Under Armour Inc-C	0.03%
Pulte Group Inc	0.03%
Leucadia National Corp (NY)	0.03%
PerkinElmer Inc	0.03%
Leggett & Platt	0.03%
Scripps Networks Interactive A	0.03%
Nordstrom Inc	0.03%
Discovery Communications Inc C	0.03%
Harman Intl Industries Inc	0.03%
Ralph Lauren Corp A	0.03%
CF Industries Holdings	0.03%
Signet Jewelers Ltd	0.03%
Staples Inc	0.03%
Assurant Inc	0.03%
Garmin Ltd	0.03%
News Corp A	0.03%
Block H & R Inc	0.03%
Dun & Bradstreet Corp	0.03%
Robert Half Intl Inc	0.03%
Murphy Oil Corp	0.03%
People's United Financial Inc	0.03%
Frontier Communications Corp	0.03%
Gap Inc	0.03%
TEGNA Inc	0.02%
Navient Corp	0.02%
FLIR Systems Inc	0.02%
Quanta Services Inc	0.02%
Chesapeake Energy Corp	0.02%
Discovery Communications Inc A	0.02%
Teradata Corp	0.02%
Endo International plc	0.02%
CSRA Inc	0.02%
Patterson Cos Inc	0.02%
Transocean Ltd	0.02%
NRG Energy	0.02%
Ryder System Inc	0.02%
Pitney Bowes Inc	0.02%
AutoNation Inc	0.02%
Legg Mason Inc	0.02%
Urban Outfitters	0.02%

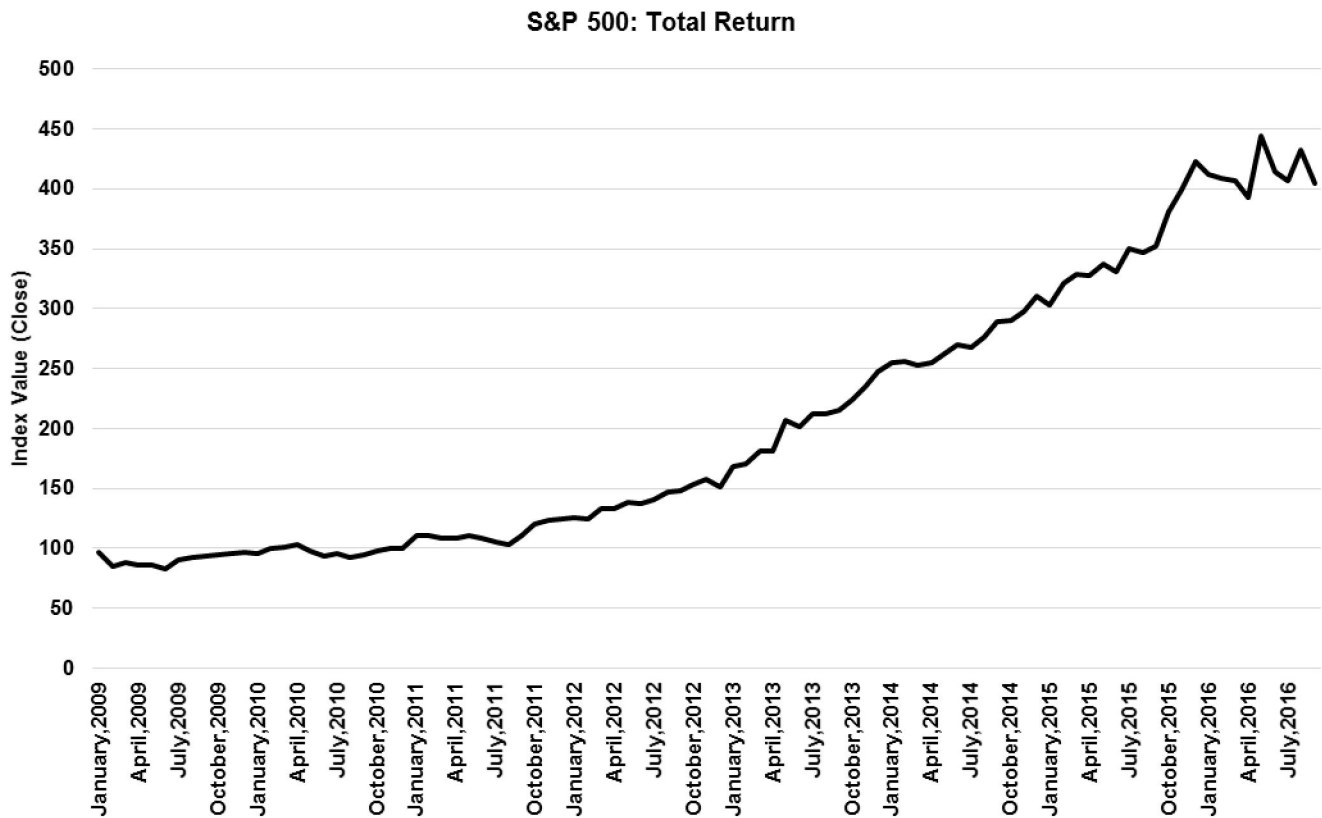
First Solar Inc	0.02%
Owens-Illinois Inc	0.02%
News Corp B	0.01%
Coty Inc. A	0.01%
AdvanSix Inc	0.00%
Versum Materials Inc	0.00%

Date accessed: 30 September 2016

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## ANNEXURE 7: PERFORMANCE OF THE INDEX

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The graph set out above illustrates the total return performance of the S&P 500® for the period indicated in the chart. Note that this information is not necessarily indicative of the future performance of the Index.

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## ANNEXURE 8: PRELIMINARY EXPENSES

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The preliminary expenses in relation to the initial offer (stated exclusive of VAT) together with the ongoing listing and sponsor fees are set out below:

<b>Expense</b>	<b>Rand</b>
Initial listing fee (including document inspection fee) (JSE)	75 559
Printing costs	10 000
Annual listing fee	1 basis point (0.01%) of the value of the ETF up to a maximum of 377 796
Sponsor fees (Grindrod Bank)	30 000 per annum
Corporate advisory fee in relation to the listing (Grindrod Bank)	200 000

These preliminary expenses shall be borne by the Manager.



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## ANNEXURE 9: FEES AND COSTS

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### Management Fee

The Manager is entitled to a Management Fee in respect of the Fund calculated as a percentage of the Net Asset Value of the Fund accrued daily and payable monthly in arrears. The Management Fee in each month shall be calculated as follows:

$$A \times 0.45\% \div 365 \times B$$

where:-

**A** is the average daily Net Asset Value of the Fund for the relevant month (but prior to deduction of any accrued Management Fee)

**B** is the number of days in the relevant month

The Manager may from time to time in its sole discretion, in respect of any month nominate an amount which is lower than amount calculated pursuant to the formula above, as the Management Fee for that month and upon written notice to the Fund waive payment of all or a part of the difference. Any VAT payable on the Management Fee is payable by the Fund.

If the Agreement is terminated in accordance with its terms on any date falling during a calendar month, the Management Fee shall be calculated for that shorter period on a pro rata basis.

The Management Fee is inclusive of all fees related to the management of the Fund, including annual license fees, index tracking fees, director's fees and costs of insurance, including directors' and officers' liability insurance.

### Custodian

The Fund pays the Custodian safe custody fees equal to 0.02% per annum (and 0.2% per annum in respect of assets in emerging market countries), payable on a monthly basis on the average Net Asset Value of the Fund during each month.

An additional fee of €15 per settlement will be charged to the Fund by the Custodian as and when incurred. This fee will be €24 per settlement, in respect of Euro zone and mature markets, and €65 per settlement, in respect of emerging markets.

The Custodian also charges the Fund a fee for clean cash movements, not linked to the settlement of trade instructions or corporate actions, in an amount of €10 per movement for EUR cash movements and €20 per movement for other currencies.

### Vanguard ETF fees

As at the date of Pre-Listing Statement the Vanguard ETF has a Total Expense Ratio ("TER") of 0.07%.

This TER is an implicit cost to the Fund as and when the Fund utilises the Vanguard ETF to fulfil its Investment Policy and may vary from time to time.

### Other fees and expenses

The Fund is, in addition to the expenses described above, responsible for the payment of all other expenses incurred in connection with the operation of the Fund, including the following:

1. all legal fees, auditors' fees, litigation costs, Vanguard ETF (an Undertaking for Collective Investment in Transferable Securities (UCITS) which tracks the S&P 500® Index) management fees, any Vanguard ETF subscription or redemption fees and all bank charges;
2. any taxes, fees or other charges (including VAT) imposed on the Fund by any government authority (whether within or outside Mauritius);
3. all indemnities and other expenses related to litigation or other claims;
4. the fees, if any, of the Market Maker;
5. costs and expenses payable in connection with the dissolution and liquidation of the Fund;
6. costs and expenses incurred in respect of meetings of the Shareholders;
7. the fees and expenses of the Auditors; and
8. if applicable, the costs incurred in respect of the distribution of income to Shareholders.

### Establishment, listing and other Manager expenses

The total costs and expenses of establishing the Company and the Fund were borne by the Manager. The costs incurred in relation to the issue of the Listing Particulars and the listing of the Securities on the SEM will be borne by the Manager.

The Manager will also bear the following costs and expenses:

1. the Company's and Fund's annual registration and license fees in Mauritius;
2. Index tracking fees; and
3. costs incurred in respect of the publication of the Net Asset Value per Security and in respect of the publication and distribution of Pre-Listing Statement and annual reports and accounts of the Issuer.

To the extent that such expenses are incurred by the Fund, the Fund may set off such amounts against the Management Fee payable by it to the Manager.