



CoreShares S&P500 ETF



○ ● ● Introduction to CoreShares



An Introduction to CoreShares

- CoreShares is a leading passive investment management business in Africa with a particular focus on Smart Beta
- CoreShares is owned by Grindrod, RMI Investment Managers, Yellowwoods Capital and Management
- An approved manager of a Collective Investment Scheme and an authorised Financial Services provider (Cat I & II)
- Full service set across ETFs, unit trusts and segregated mandates
- Products are utilised by multiple investor types from “self directed” individuals through to institutional clients. CoreShares has over 10 000 retail clients
- Committed to low cost products, innovation, transparent portfolio construction and accurate tracking



CoreShares Timeline

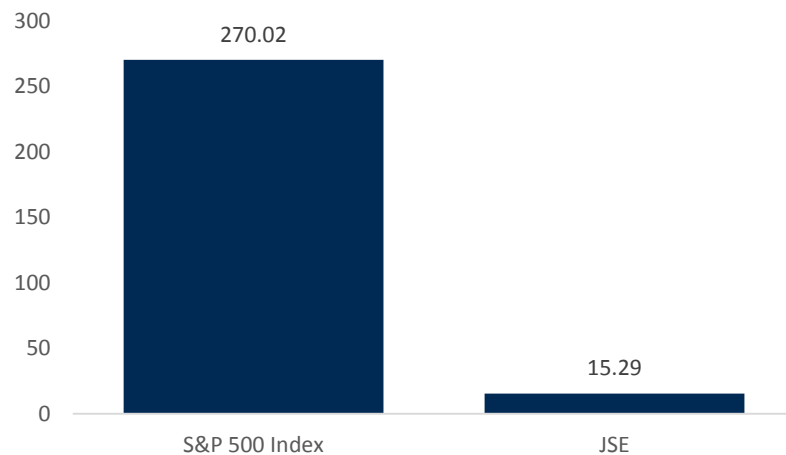
2007	<ul style="list-style-type: none">▪ PTXSPY Listed (owned by Resilient)
2011	<ul style="list-style-type: none">▪ PTXTEN Listed (owned by Resilient)
2012	<ul style="list-style-type: none">▪ Grindrod Bank lists PREFEX
2013	<ul style="list-style-type: none">▪ Grindrod buys Proptrax Manco from Resilient (PTXSPY & PTXTEN) renamed GTrax▪ PREFEX converts to CIS format and named PREFTRAX
2014	<ul style="list-style-type: none">▪ Listed 2 smart beta ETFs DIVTRX and LVLTRX▪ S&P relationship forged
2015	<ul style="list-style-type: none">▪ Name change to CoreShares▪ Amalgamation with Betta Beta▪ Listed Top50 ETF▪ RMI and Yellowwoods become shareholders
2016	<ul style="list-style-type: none">▪ Appointed portfolio manager of Investment Solutions multi-asset portfolios▪ Amalgamation with Betta Beta became effective (8 ETFs on JSE)▪ ETFs listed on 3 African exchanges▪ Launched 4 unit trusts (3 smart beta)

○ ● ● S&P 500[®] Overview



Go Global With S&P 500

- Created in 1957, the S&P 500 was the first US market cap weighted equity market index
- Includes 500 of the top companies in leading industries of the US economy
- Over \$7.8trn benchmarked to the index with index assets c.\$2.2trn of the total
- Captures c.80% of available market cap
- The market cap of the S&P 500 eclipses that of the JSE exchange (ZAR'trn)



Source: S&P Dow Jones Indices, JSE as at 30 September 2016



S&P 500 Index Methodology

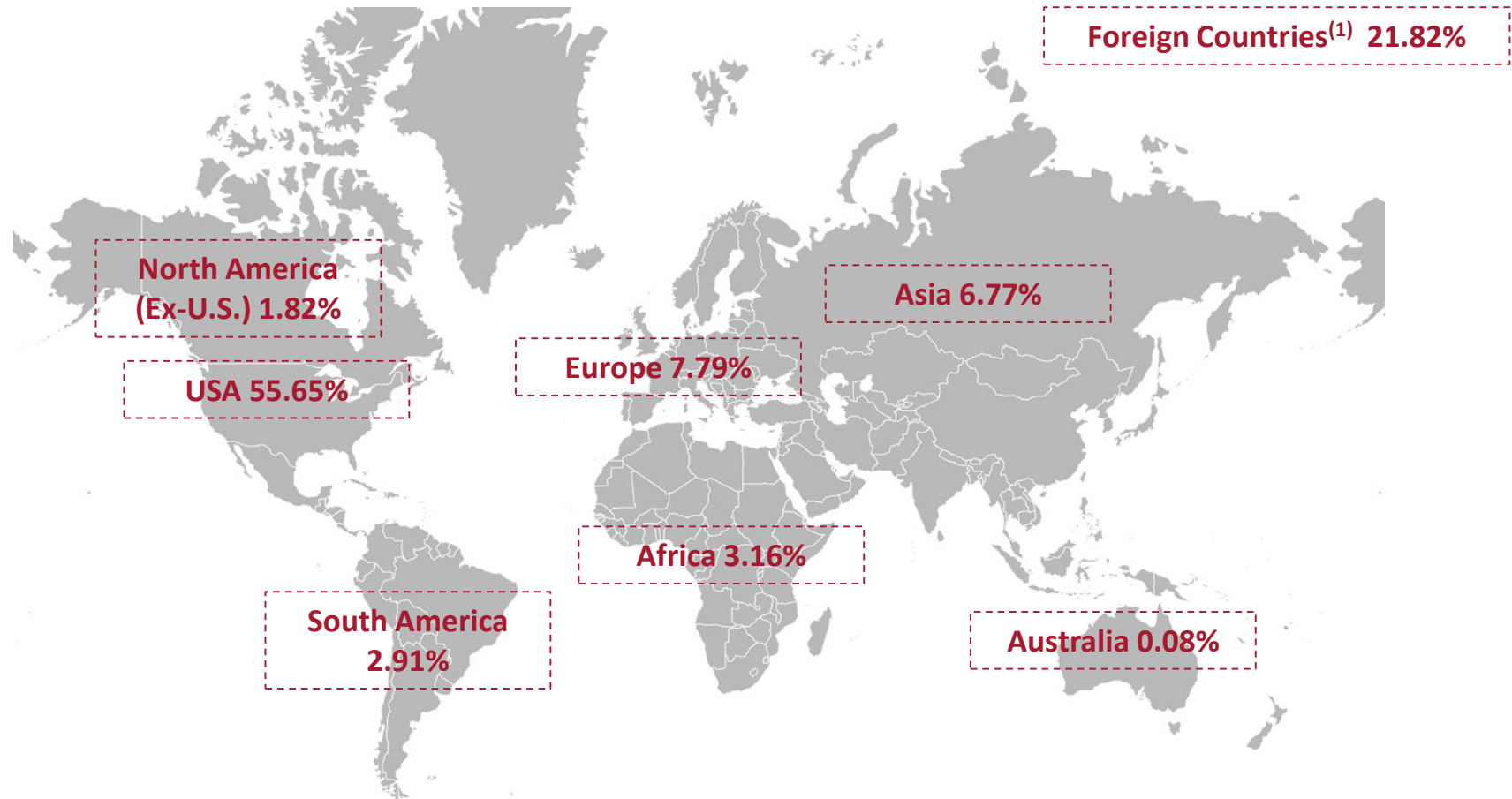
S&P uses US companies as the starting universe

- **Size** – Companies must have an unadjusted company market cap of US\$ 5.3 billion or more
- **Liquidity** – Adequate liquidity and reasonable price
- **Weighting** – float adjusted market cap





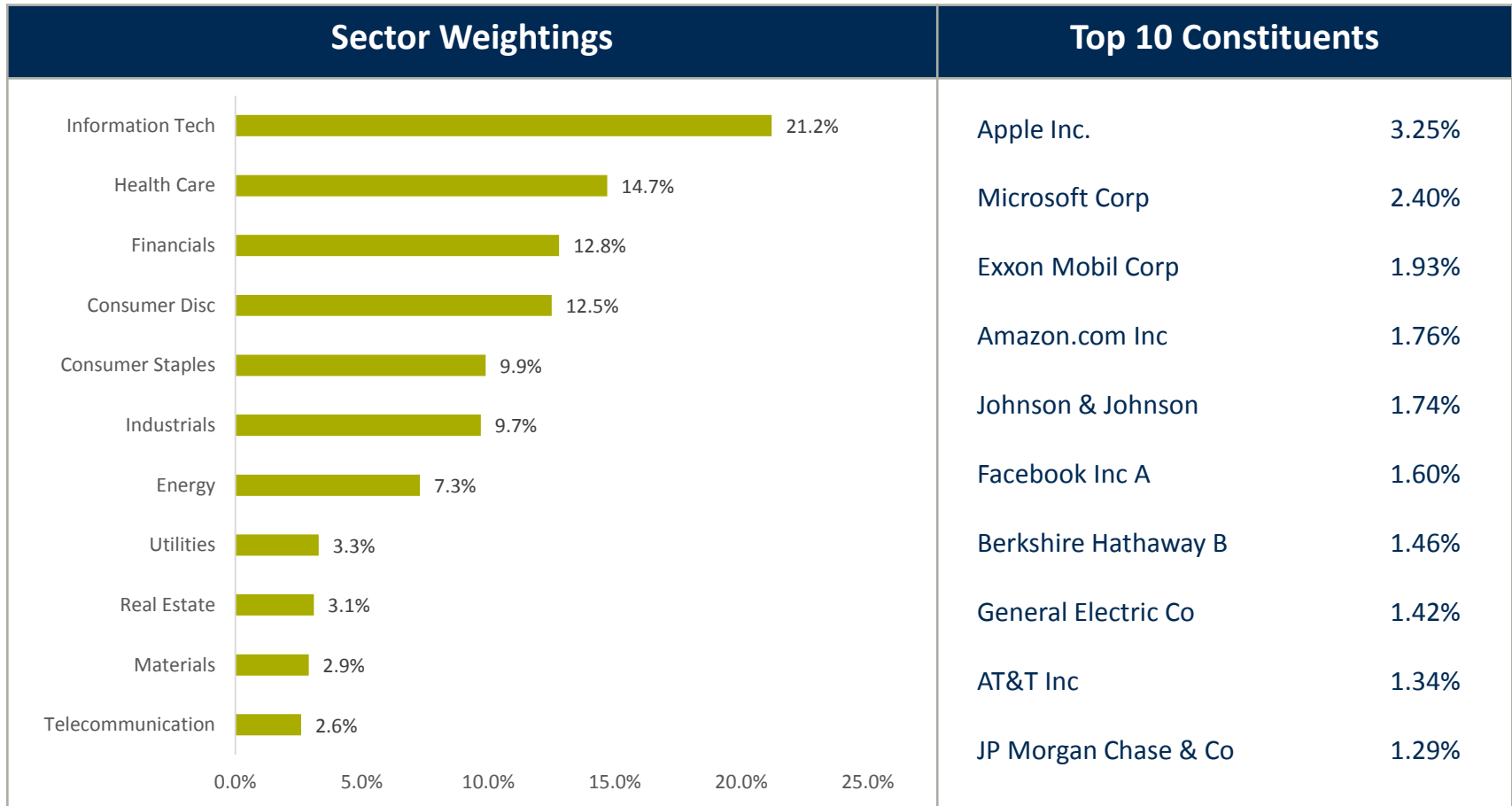
S&P 500 Global Sales



(1) The largest "region" declared continues to be a generalized area, which S&P classify as "foreign countries," meaning that no further country or regional breakdown was given



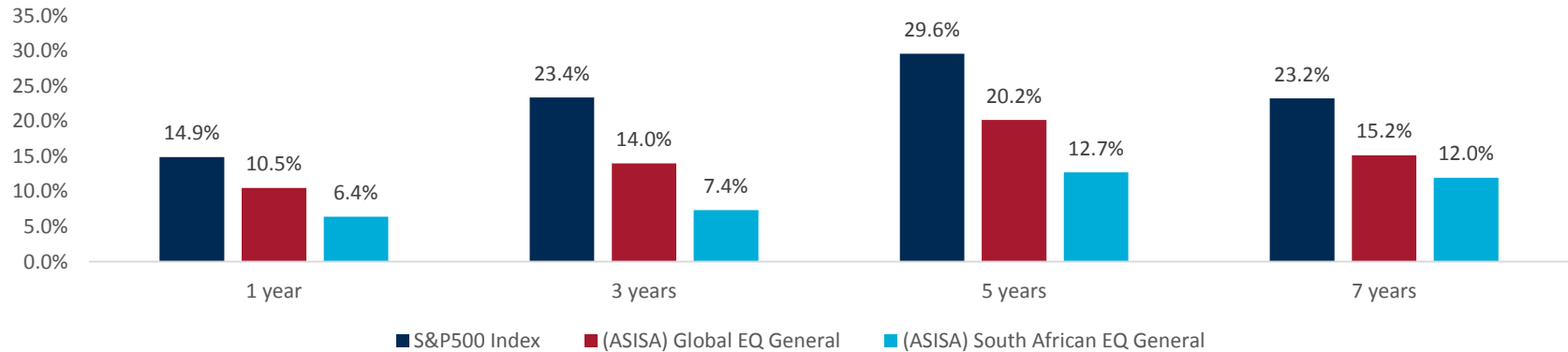
CoreShares S&P500 Sector and Constituents



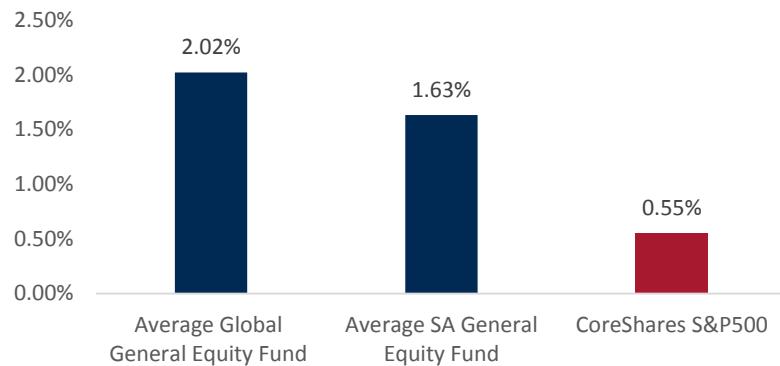


S&P 500 Index vs SA Funds⁽¹⁾

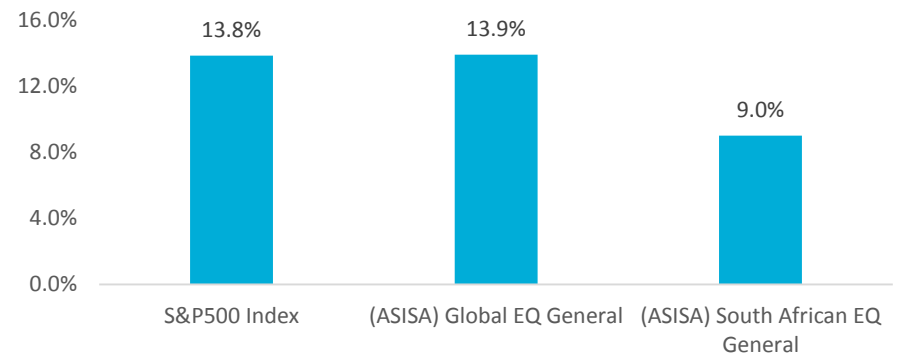
Historic performance period ending 30 September 2016⁽²⁾



Cost Comparison⁽³⁾



Standard Deviation⁽⁴⁾



Source: S&P and Morningstar as at September 2016

(1) Unit trusts in the ASISA Global EQ General and ASISA South African EQ General classification

(2) Past performance is not an indication of future performance. Index performance is not an indication of ETF performance. Performance in ZAR

(3) Source – iTransact. CoreShares TER is an estimate

(4) Calculated over a 3 year period ending 30 September 2016

○ ● ● Salient Details



CoreShares S&P500 Quick Facts

Currency (JSE)	ZAR
NAV ¹ (JSE)	R 29.40
Index Benchmark	S&P 500® Index
No. of Constituents	502
Distributions	Semi-annually
Rebalancing Frequency	Quarterly
Weighting Method	Float adjusted market cap
Section 65	FSB approved as a Foreign Collective Investment Scheme
FSC	Regulated as a Collective Investments Scheme in Mauritius

As an inward listing, under Regulation 28, the CoreShares S&P 500 ETF is seen as a local asset

(1) Estimate NAV as at 30 September 2016



Expected Timetable and Salient Details for Book build

Expected timetable

12 October	Public announcement
24 October	Opening date of the initial offer
25 October	Closing date of the initial offer – CSDP applications come to a close
26 October	Letters of Allotment issued – Cash collected from CSDs
4 November	Listing of Shares from commencement of trading at 09h00

Salient details

Share Code	CSP500
ISIN	MU0519N00036
Management Fee	0.45%
Other Fees	Trading, settlement, audit
Expected TER	0.55% – 0.65%



Service Providers and Contact Details

Service Providers		
Issuer	CoreShares Global Investments PCC	
Regulators	SEM, JSE, CISCA, FSB	
Auditors	Deloitte	
Legal advisors to the Fund	Norton Rose Fulbright South Africa	
Administrator	CIM Global Business	
Custodian	Société Générale Securities Services, Johannesburg branch	
Book runner	CoreShares	
Market maker	Grindrod Securities	
Contact Details		
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○ ● ● General



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Disclaimer

CoreShares Index Tracker Managers (RF) (Pty) Ltd (“the Manager”), Registration number 2006/006498/07, is a company incorporated in South Africa acting as a manager of collective investments schemes in securities in terms of Section 42 of the Collective Investments Schemes Control Act and is supervised by the Financial Services Board. The Manager entered into a Representation Agreement with the Issuer (CoreShares Global Investments PCC) the terms of which in accordance of Section 65 of CISCA and makes the Manager responsible for, amongst other matters, the marketing and distribution of the Foreign Collective Investment scheme to South African Investors. The Manager therefore may be used as the primary contact point for the ETFs. The registered address of the Manager is 5 Arundel Close, Kingsmead Office Park, Durban, 4001. The Trustee and Custodian is Société Générale Johannesburg Branch. This document and any other information supplied in connection with CoreShares is not “advice” as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act and, therefore, investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued by the Manager. Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges is available on request from the company. Commission and incentives may be paid and if so, would be included in the overall costs. The portfolios track the performance of a particular index and so outperformance of the index is not the objective and, therefore, there are no performance fees at all. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Unlike traditional unit trusts, Exchange Traded Funds (ETFs) are Collective Investment Schemes in Securities (CIS) that trade on stock exchanges. Trading in ETFs will incur the normal costs associated with listed securities, including brokerage, settlement costs, Uncertified Securities Tax (UST), other statutory costs and administrative costs. The price at which ETFs trade on an Exchange may differ from the Net Asset Value price published at the close of the trading day, because of intra-day price movements in the value of the constituent basket of securities. The portfolio is valued on every business day at 17h00. The current price means the net asset value, which is the total market value of all assets in the portfolio including any income accruals and less any quantifiable and non-quantifiable deductions from the portfolio divided by the number of participatory interests in issue. The Manager shall, wherever possible, avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict, The Manager shall advise you of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its conflict of interest Management Policy. You may send a blank email with a subject “conflict of interest” to the compliance officer, should you need a copy of this policy. Complaints should be directed to the Compliance Officer. The Complaints Resolution Policy is available on request. The Compliance Officer’s email address is compliance@coreshares.co.za.