

# CORESHARES PREFERENCE SHARE EXCHANGE TRADED FUND

## MINIMUM DISCLOSURE DOCUMENT (FACTSHEET)



30 September 2021

### OBJECTIVE

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

This index measures performance of non-convertible, floating rate perpetual preference shares.

### CONSTITUENTS

Constituents	Weight (%)	Constituents	Weight (%)
Standard Bank Group Ltd Pref	19.4	Investec Bank Ltd Preference Share	6.1
Absa Bank Ltd Preference Shares	16.6	Discovery B Preference Shares	3.3
Firststrand Ltd B Preference Shares	16.6	Invicta Holdings Ltd Pref Shares	3.0
Nedbank Ltd Preference Shares	15.8	Grindrod Ltd Cum Pref Share	2.7
Investec Ltd Preference Share	11.3	Netcare Preference Share Ltd	2.5

### ANNUALISED PAST PORTFOLIO PERFORMANCE ENDING 30 SEPTEMBER 2021<sup>[2]</sup>

	1 Year	3 Year	5 Year	Since inception
CoreShares Preference Share Exchange Traded Fund	39.2%	9.7%	8.1%	6.8%
J251 Total Return	40.7%	10.6%	8.1%	6.7%

Lowest 12 month return	Highest 12 month return
-24.1%	39.7%

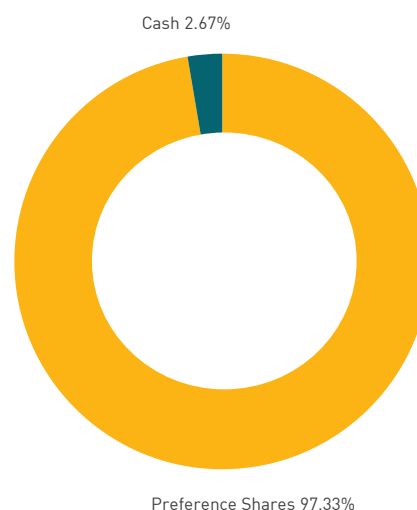
Source: CoreShares Asset Management

The past portfolio performance is calculated on a rolling monthly basis, lump sum, NAV to NAV and distributions reinvested. Annualised return is weighted average compound growth rate over period measured. The investor performance may differ as a result of advisor fees (where applicable), actual investment date, date of reinvestment and dividend withholding tax. Past performance is not necessarily a guide to future performance. The lowest and highest returns show the lowest and highest consecutive 12 month return experienced since inception.

### FUND INFORMATION

Classification	South African - Equity - Unclassified
Benchmark	FTSE/JSE Preference Share Index (J251)
Inception (Conversion)	19 December 2013
Number of holdings	10
Fund size	R352 904 175
Current price/NAV	R8.63
Shares in issue	40 885 819
Annual Management fee (incl in TER)	0.45%
Last 12 month distributions	62.57
Historic yield <sup>[1]</sup>	7.25%
JSE Share code	PREFTX
Original price	R10.87
Tracking error	0.27%
Distribution dates	March, June, September, December
Trustee and custodian	Nedbank Limited
Market maker	Sanlam Private Wealth (SPW)
Fund manager	CoreShares Asset Management
Risk profile	Conservative (2/5) ●●●○○
TER	0.55%
TC	0.03%
TIC	0.58%

### ASSET ALLOCATION



<sup>[1]</sup> Historic Yield calculated using the last 12 months distribution (gross of tax, net of fees) and the end of month NAV price.

<sup>[2]</sup> The return differential is as a result of the SHFF corporate action. The FTSE/JSE J251 Preference Share Index (J251) excluded SHFF at a value of R0.00 however as a tradable share the value released for the PREFTX ETF portfolio was R50.00 resulting in the return difference.

## WHY CHOOSE THIS FUND?

CoreShares Preference Share Exchange Traded Fund is an Exchange Traded Fund (ETF) which tracks the performance of the Preference Share Index.

The benefits of CoreShares Preference Share Exchange Traded Fund are the following:

- Attractive yield
- Tax efficient income for individual tax payers
- Offers quarterly distribution
- Cost-effective
- Accessible
- Transparent
- Useful asset allocation tool for investors

## RISKS

As with all investments, there are certain risks of investing in Coreshares PrefTrax:

- Index Tracking Risk – The ETFs returns may not match the index returns due to operating costs.
- An investment in the ETF involves risks similar to those of investing in any fund or ETF such as liquidity risk and capital risk.

## HOW TO INVEST (CORESHARES PREFERENCE SHARE EXCHANGE TRADED FUND)

CoreShares Preference Share Exchange Traded Fund is listed on the JSE which means it can be bought or sold just like shares, throughout the day, through any authorised individual or any online platform. i.e Stock Brokers, Online Share Trading platforms and CoreShares Online.

## MANAGER INFORMATION

Coreshares Index Tracker Managers (RF) (Pty) Ltd  
4th Floor, Grindrod Tower, 8A Protea Place, Sandton.  
PO Box 78011, Sandton, 2146.

## WHERE TO VIEW THE INDEX AND ITS PERFORMANCE

CoreShares Preference Share Exchange Traded Fund.

CoreShares Preference Share Exchange Traded Fund tracks the price and yield performance of the J251 Index which can be found on the JSE under the ticker code: J251.

## DISCLOSURES

CoreShares Index Tracker Managers (RF) (Pty) Ltd ("the Manager"), Registration number 2006/006498/07, is a company incorporated in South Africa registered as a manager of collective investments schemes in securities in terms of Section 42 of the Collective Investments Schemes Control Act and is regulated by the Financial Sector Conduct Authority. The registered address of the Manager is 4th Floor, Grindrod Tower, 8A Protea Place, Sandton, 2196. The Trustee and Custodian is Nedbank Limited, Tel: +27 10 227 2514; Address: 16 Constantia Boulevard, 2nd Floor, Lakeview Campus, Constantia Kloof, Roodepoort, 1709. The Investment Management of the portfolios is outsourced to CoreShares Asset Management (Pty) Ltd, FSP 46695, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Client administration (Unit Trusts only) and the Asset Administration (ETFs and Unit Trusts) is outsourced to Prescient Fund Services (Pty) Limited, Tel: +27 21 700 5475; Address: Prescient House, Westlake Office Park Otto Close, Westlake, 7945, Cape Town. 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, 2002 and, therefore, investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued by the Manager. Exchange Traded Funds (ETFs) and Unit Trusts (standard CIS portfolios) are both collective investment schemes portfolios in terms of Collective Investment Schemes Control Act, No. 45 of 2002 ("CISCA") and are therefore regulated by the Financial Sector Conduct Authority – however, ETFs are listed on the JSE and are therefore also regulated by the JSE. ETFs and Unit Trusts may seem similar in nature as they both hold a basket of shares but there are many differences between the two. The differences not only lie within the investment approach but also: Trading – ETFs are listed on the JSE; Transparency – you know exactly what shares the ETF holds; Costs – as ETF are listed on an exchange, they may therefore incur normal costs associated with listed securities including brokerage, settlement costs, Uncertified Securities Tax (UST), other statutory costs and administrative costs; Fees and minimum investment differs between the funds, ETFs take a passively managed approach whereas active Unit Trusts focus more on an active strategy. 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 ETFs trade on the JSE during JSE trading hours. The NAV is published daily and is available on the website [www.coreshares.co.za](http://www.coreshares.co.za). For a tracking error of the portfolio refer to Minimum Disclosure Document. The index and its performance as tracked by the exchange traded fund can also be viewed on the website [www.coreshares.co.za](http://www.coreshares.co.za). Participatory interests in the portfolios issued by the Manager qualify as investment instruments for the purposes of Tax-Free Savings and Investment account by virtue of Section 12T of the Income Tax Act (available on certain LISPs). Collective investments are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax.

Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Past portfolio performance is measured on a rolling monthly basis. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. The portfolio may borrow up to 10% of its net assets on a temporary basis. Such borrowings are permitted only to meet the portfolio's obligations in relation to (i) the administration of the portfolio relating to purchase or sale transactions; and/or (ii) the redemption or cancellation of participatory interests in the portfolio. Borrowings in relation to (i) the administration of the portfolio relating to purchase or sale transactions are only permitted for a period of up to 8 calendar days, and in respect of (ii) redemption or cancellation of participatory interests in the portfolio, borrowings are limited for a period of 61 calendar days. A schedule of fees and charges and maximum commissions is available on request from the Manager free of charge. ETFs track the performance of a particular index and so outperformance of the index is not the objective and, therefore, there are no performance fees charged in the portfolio. Commission and incentives may be paid and if so, would be included in the overall costs. The portfolio may from time to time invest in foreign securities which could be accompanied by additional risks such as macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks as well as potential limitations on the availability of market information. Additional information on a portfolio such as the annual reports, prospectuses, brochures and quarterly general investor reports are published on our website [www.coreshares.co.za](http://www.coreshares.co.za) and will also be made available to investors on request free of charge, the application form for investment in a portfolio will be made available to investors on request. The Manager has a right to close the portfolio to new investments at any time in order to be managed more efficiently in accordance with its mandate. CoreShares shall, wherever possible, avoid situations which may cause conflicts between the interests of the Manager and the interests of investors. Where it is not possible to avoid conflicts of interest, CoreShares shall disclose to investors all conflicts or possible conflicts and the manner in which such conflicts are managed. Total expense ratio (TER) is a measure of a portfolio's assets that have been expended as payment for services rendered in the management of the portfolio or collective investment scheme (CIS), expressed as a percentage of the average daily value of the portfolio or CIS calculated over rolling three-year periods coinciding with a calendar quarter end and annualised. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs (TC) is a measure to determine the costs incurred in buying and selling the underlying assets of a portfolio or CIS, expressed as a percentage of the average daily value of the portfolio or CIS calculated over a period of three years on an annualised basis. TC are a necessary cost in administering the portfolio or CIS and impacts returns. It should not be considered in isolation as returns may be impacted by many other factors over time including costs relating to the investment of the portfolio or CIS.

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