

NewFunds S&P Namibia Bond ETF

Minimum Disclosure Document - 31 December 2019



Portfolio objectives

The Portfolio has been established with the intention of allowing an Investor to obtain market exposure to the Top 10 largest Sovereign Bonds issued by the Government of the Republic of Namibia. The Portfolio will track and replicate the total return version of the S&P Namibia Sovereign Bond 1+ year Top 10 Index in local currency of the Republic of Namibia, an index whereby each constituent bond has a maturity of greater than or equal to 12 months. The index is created and maintained by S&P Dow Jones Indices, and is a subset of the full Namibia Sovereign Bond Index. The Portfolio will replicate the performance of the index in local currency, rebalance monthly in line with the Index, and reinvest all income received by the Portfolio into the constituents securities of the index thereby increasing the net asset value of the Portfolio. The Portfolio will be listed on both the Namibian Stock Exchange (NSX) and Johannesburg Stock Exchange (JSE) as an Exchange Traded Fund (ETF), and can be traded throughout any trading day at prevailing market prices.

Performance and statistics

Index levels chart



Source: S&P Dow Jones Indices. The index did not exist prior to 15 March 2019. As such, all returns and statistical data is based on theoretical back tests of the application of index methodology as prescribed by S&P Dow Jones Indices.

Returns table

Period	Index
3 Months	1.3%
YTD	12.3%
1 Year (Ann.)	12.3%
3 Years (Ann.)	10.8%
5 Years (Ann.)	-
Full Period (Ann.)	10.5%

Risk statistics

Statistic	Index
Risk (Ann.)	4.2%
Max. Drawdown	-3.8%
Best Month	4.3%
Worst Month	-1.1%
Best Annual Return	17.3%
Worst Annual Return	6.6%

Risk profile

Moderate



Portfolio details

Manager	NewFunds (RF) (Pty) Ltd
Asset Administrator and Pricing House	Maitland Fund Services (Pty) Ltd
Market Maker	Absa Capital Securities (Pty) Ltd and Cirrus Securities (Pty) Ltd
Trustees	Standard Bank (SA) Ltd
Benchmark Index	S&P Namibia Sovereign Bond 1+ Year Top 10 Index
Index Calculation Agent	S&P Dow Jones Indices
Fund Category	Regional - Interest Bearing - Variable Term
Exchange	JSE / NSX
JSE Code	NFNAMB
NSX Code	NFNAMA
ISIN	ZAE000276770
Base Currency	ZAR
Portfolio Listing Date	29 November 2019
Net Asset Value	R249 003 761
Securities Issued	17 862 246
Notional Distribution Frequency	Mar, Jun, Sep & Dec
Fund Valuation	17h00
Rebalance Frequency	Monthly
Price Information	etfcib.absa.co.za

Investor benefits

Diversification: Investors obtain diversified exposure to a basket of Namibian Sovereign Debt securities.

Easy market access: Investors can access difficult to reach markets.

Liquidity: Absa Capital Securities (Pty) Ltd and Cirrus Securities (Pty) Ltd act as market makers and provide daily liquidity on the ETF.

Transparency: The Portfolio holdings, investment methodology, constituent details and net asset value information is available to investors daily.

Lower cost: ETFs have a lower fee structure.

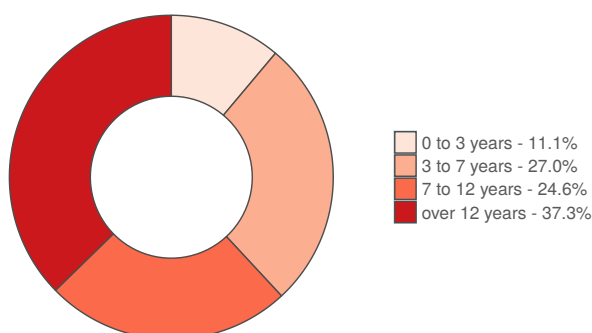
Investor protection: ETFs are fully backed by the underlying securities.

Traded like a share: ETFs are Unit Trust Portfolios which trade on the JSE and NSX.

Regulation: NewFunds ETFs are registered as Collective Investment Schemes and regulated by the Financial Services Board.

Exposure

Index years to maturity allocation



Source: Absa CIB.

Top 10 index holdings

Name	Type	Weight
GC24 10.500 10/15/24	3 to 7 years	14.3%
GC27 8.000 01/15/27	7 to 12 years	13.7%
GC25 8.500 04/15/25	3 to 7 years	12.7%
GC22 8.750 01/15/22	0 to 3 years	11.1%
GC30 8.000 01/15/30	7 to 12 years	10.9%
GC32 9.000 04/15/32	over 12 years	8.9%
GC35 9.500 07/15/35	over 12 years	8.0%
GC40 9.800 10/15/40	over 12 years	7.5%
GC37 9.500 07/15/37	over 12 years	6.8%
GC45 9.850 07/15/45	over 12 years	6.1%
Total:		100.0%

Contact us

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Portfolio details (cont.)

Max Management Fee	0.10% ¹
Annualised TER	0.23% ²
Annualised Transaction Cost	0.00% ³
Effective Annual Cost	0.23% ⁴

Notes

1. Maximum management fee is the maximum fee which the manager charges for the Portfolio and will be net of scrip lending income. Where the TER is lower than the management fee, the Manager has subsidized or waived allowable expenses. Such subsidies and waivers are not guaranteed perpetually and a higher TER may incur in the future.
2. The Total Expense Ratio (TER) is expressed as a percentage of the daily NAV calculated over a rolling 3 year annualised period.
3. The Transaction Cost of the Portfolio is expressed as a percentage of the daily NAV and is calculated over a rolling 3 year annualised period.
4. The Effective Annual Cost (EAC) measure is a combined sum of the TER and Transaction costs.
5. Scrip Lending - The portfolio may engage in scrip lending from time to time.
6. The utility ratio for the portfolio was 21% as at 31 December 2019.

Glossary of terms

Annualised Return - The weighted average compound growth rate over the period being measured.

Annualised Risk - A measure of how much the investment return varies from its average over time.

Constituent Security - A stock which is part of a larger portfolio.

Exchange Traded Funds (ETF) - A listed instrument listed on the JSE whereby the investor essentially owns a proportionate share of the underlying investments held by the Portfolio.

Liquidity - The ease of buying and selling a financial instrument for cash.

Market Maker - The market maker attempts to maintain a high degree of liquidity through continuously offering to buy and sell participatory interests at prices around the NAV, thereby ensuring tight buy and sell spreads.

Net Asset Value (NAV) - The NAV is the total assets of the portfolio less the liabilities.

Net Distribution - Accrued income and dividends less portfolio expenses, which is distributed to investors.

Portfolio Risk - A measure of the risk inherent in a portfolio incorporating individual stock volatility as well as the covariance structure of stocks in the portfolio.

Rebalancing - Rebalancing is when the asset manager buys and/or sells constituents in a portfolio in order to bring the portfolio in line with the index being tracked.

Reinvestment - The practice of having all amounts received by the Portfolio (other than capital gains on disposals) which will predominantly comprise of coupons/interest being reinvested, so as to increase the net asset value of the Portfolio.

Scrip Lending - The lending of securities from one party (being the holder of the securities) to another party (the borrower). The borrower provides collateral for the securities borrowed.

Total Expense Ratio (TER) - This is the total costs associated with managing and operating an investment (excluding financial planning). These costs consist primarily of management fees and other operational expenses such as audit and custody fees. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

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