

NewFunds NewSA Index Exchange Traded Fund

Minimum Disclosure Document

Report Date: 28 September 2018

Fund Objectives

The NewSA Index Exchange Traded Fund (NewSA ETF) is the first investment product in South Africa that enables investors to recognise and reward transformation by investing in SA Companies that have, to a certain extent implemented broad-based black economic empowerment (B-BBEE).

NewSA tracks the price* performance of the NewSA Index, a modified Top 40 index that weights the top 40 JSE listed companies in accordance with their empowerment ratings (as measured by Empowerdex, an independent empowerment rating agency). These ratings are calculated according to the Department of Trade and Industry's (DTI's) Codes of Good Practice on B-BBEE. The NewSA index is independently calculated by the FTSE and the JSE and updated daily.

Investing in the NewSA ETF is not only socially responsible, it is an intelligent investment option as highly empowered companies tend to perform better, particularly at a time when the South African government is driving large scale infrastructural development.

Fund Details

Issuer	NewFunds CIS
Manager	NewFunds (Pty) Ltd
Originator	Absa Bank Limited
Trustees	Standard Bank (SA) Ltd
Benchmark index	NewSA Index
Sector	Exchange Traded Funds
Fund Category	South African – Equity – Large Cap
JSE code	NEWFSA
ISIN	ZAE000104055
Base currency	ZAR
Listing date	01/12/2008
Net Asset Value	37,407,924

Annualised TER**1	0.54%
Maximum Management Fee²	0.40%
Transaction Cost³	0.08%
Effective Annual Cost (EAC)⁴	0.61%
Risk Profile⁵	Aggressive
Index rebalance frequency	Quarterly
Dividend frequency	Mar, Jun, Sep & Dec
No. of securities issued	772,724
Ex Div Date of last distribution	18/07/2018
Amount of last distribution	42.64 cents per index security
Net distribution payment	34.25 cents per index security
Next distribution payment	Ex Date 17/10/2018 Record Date 19/10/2018 Pay Date 22/10/2018
Fund Valuation	17h00
Tracking Error	0.08%
Daily price information	etfcib.absa.co.za

* A price return ETF pays out distributions to investors. Investors are advised to speak to their tax or financial advisor about the tax treatment of distributions.

** As published on Finswitch for the quarter ended 28 September 2018

Benefits

- **Diversification:** exposure to the whole market / asset classes
- **Liquidity:** Absa market maker provides full liquidity to enable investors to easily buy or sell the ETF
- **Transparency:** The ETFs constituent assets, holdings and investment methodology are published regularly
- **Lower costs:** due to ETFs being passive in nature, they tend to have a low fee structure than actively managed funds
- **Investor protection:** ETF securities are fully backed by the underlying assets
- **Traded like a share:** ETFs are funds listed and traded like ordinary shares on a stock exchange
- NewFunds ETFs are registered as Collective Investment Schemes (CIS)

ETF Performance⁶ History as of 28 September 2018*

Performance Period	NewSA ETF	FTSE/JSE Top 40 Index
Return since inception	11.98%	13.46%
1 year return	3.99%	0.18%
2 year return	5.13%	5.86%
3 year return	1.33%	5.24%
4 year return	1.19%	5.15%
5 year return	4.71%	7.09%

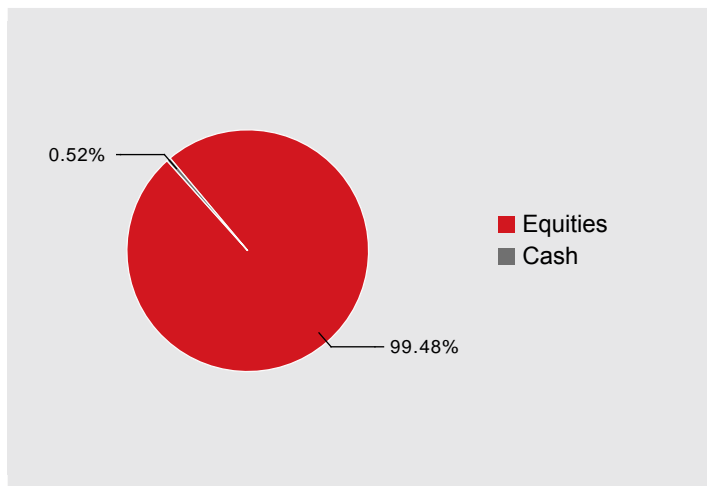
Income Distribution in the past 12 months

Month	Net Income in Cents
December 17	15.65
April 18	14.65
July 18	34.25

Risk statistics since listing*

	Highest annual return	Lowest annual return
NewSA ETF	54.99%	-16.59%
FTSE/JSE Top 40 Index	56.47%	-9.59%

Asset Class Allocation



Top 10 Holdings*

Naspers Limited	34.02%
Standard Bank Group Limited	6.37%
Sasol Limited	5.48%
FirstRand Ltd	5.15%
MTN Group Limited	4.20%
Old Mutual plc	3.50%
Sanlam Limited	3.37%
Mondi Plc	3.14%
British American Tobacco PLC	2.87%
Absa Group Ltd	2.58%

Historical NAV chart*



* Source: Absa - September 2018
All returns are annualised. Annualised returns represent an average growth rate of an investment per year, over a given time period.



Contact Information

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NewFunds Investment Plan

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Absa CIB ETPs

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Trustees Information

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Notes

1. The Total Expense Ratio (TER) is a measure of the ETFs assets that have been sacrificed as payment for services rendered (allowable charges per prescribed industry standards) in the management of the ETF (the TER excludes brokerage and transactional costs), expressed as a percentage of the daily average value of the portfolio and calculated over a 12 month rolling period. 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.
2. Maximum management fee is the maximum fee which the manager charges for the portfolio. Where the TER is lower than the management fee, the Manager has subsidized the portfolios or waived allowable expenses. Such subsidies and waivers are not guaranteed perpetually and a higher TER will incur in the future.
3. The Transaction Cost is the cost incurred in the buying and selling of the underlying assets of an ETF. It is expressed as a percentage of the daily average value of the ETF and it is calculated over a 1 year period.
4. EAC is a measure of the charges that an investor will likely incur by investing in an ETF. It includes the investment management costs (TER and transaction costs), administration costs, advice costs and other costs. Our ETFs do not charge an administration or advice fees, these fees maybe payable through an investment platform chosen by the investor. A schedule of management fees and transactions costs is available on request from the Manager.
5. Through index replication the fund invests in shares only, as a result it lacks diversification into other asset classes. The fund aims to deliver higher growth but can be very volatile during the short term resulting in capital loss.
6. The performance quoted represents past performance and the Manager does not provide any guarantee with respect to capital or future returns of the ETF. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting <http://etfcib.absa.co.za>.
7. The standard deviation of the Fund's monthly returns since inception. This is a measure of how much an investment's return varies from its average over time.
8. Highest annual return represents the highest one year return of the ETF since inception.
9. Lowest annual return represents the lowest one year return of the ETF since inception.
10. Performance is calculated for the portfolio and it differs from individual investments performance due to fees.
11. The fund does not engage in securities lending.

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