

# NewFunds GOVI ETF

Minimum Disclosure Document - 30 September 2019



## Portfolio objectives

The GOVI ETF tracks the total return version of GOVI Index, an index consisting of bonds issued by the South African Government which includes only those issues in which the Department of Finance obliges the primary dealers to make a market and constituting the GOVI. The GOVI is calculated daily by the JSE.

The GOVI ETF is suitable for investors seeking low-cost convenient alternatives to traditional non-listed products. The GOVI ETF can act as a building block for investors to use when constructing their own portfolios.

## Performance and statistics

### Portfolio net asset value chart



Source: Absa CIB.

### Returns table

Period	ETF	Index	Diff.
3 Months	0.5%	0.7%	-0.2%
YTD	8.0%	8.4%	-0.5%
1 Year (Ann.)	10.7%	11.3%	-0.6%
3 Years (Ann.)	8.3%	8.7%	-0.4%
5 Years (Ann.)	7.7%	8.1%	-0.4%
Full Period (Ann.)	7.5%	7.8%	-0.3%

### Risk statistics

Statistic	ETF
Risk (Ann.)	7.0%
Max. Drawdown	-13.1%
Best Month	5.8%
Worst Month	-6.0%
Best Annual Return	20.2%
Worst Annual Return	-5.2%

### Last 4 Distributions

Month	Net Distribution
September 2019	46.43c
August 2019	51.31c
July 2019	42.57c
June 2019	42.80c

Annualised return is the weighted average compound growth rate over the period measured. Performance is calculated using the NAV of the Portfolio and represents only past performance. An individual's performance may differ to that of the portfolio as a result of initial fees, brokerage, actual investment date, dividend withholding tax and income reinvestment date. The reinvestment of income is assumed to be effected on actual distributed amount net of withholding taxes; and on distribution payment date.

The current dividend yield is 8.58%.

## Risk profile

Moderate



## Portfolio details

Manager	NewFunds (RF) (Pty) Ltd
Asset Manager	Absa Alternative Asset Management (Pty) Ltd
Asset Administrator and Pricing House	Maitland Fund Services (Pty) Ltd
Market Maker	Absa Capital Securities (Pty) Ltd
Trustees	Standard Bank (SA) Ltd
Benchmark Index	GOVI Index
Index Calculation Agent	Bloomberg
Fund Category	South African - Interest Bearing - Variable Term
Exchange	JSE
JSE Code	NFGOVI
ISIN	ZAE000161949
Base Currency	ZAR
Portfolio Listing Date	26 January 2012
Net Asset Value	R914 586 989
Securities Issued	13 775 000
Dividend Frequency	Monthly
Fund Valuation	17h00
Rebalance Frequency	Monthly
Price Information	etfcib.absa.co.za

## Investor benefits

**Diversification:** Investors obtain diversified exposure to a basket of SA equity securities.

**Liquidity:** Absa Capital Securities (Pty) Ltd act as market maker 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.

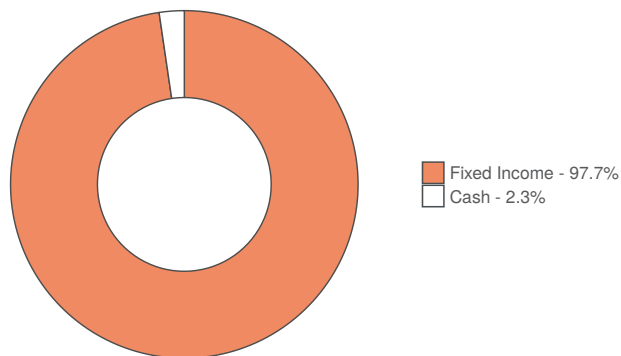
**Investor protection:** ETFs are fully backed by the underlying securities.

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

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

## Exposure

### Portfolio asset allocation



### Top 10 portfolio holdings

Name	Type	Weight
R186 10.50% 211226	Bond	19.9%
Republic of South Africa	Bond	15.6%
Republic of South Africa	Bond	9.9%
Republic of South Africa	Bond	9.6%
Republic of South Africa	Bond	8.7%
Republic of South Africa	Bond	7.7%
R2023 7.75% 280223	Bond	7.6%
Republic of South Africa	Bond	6.6%
Republic of South Africa	Bond	6.3%
R209 6.25% 310336	Bond	5.8%
Total:		97.7%

## Portfolio details (cont.)

Max Management Fee	0.34% <sup>1</sup>
Annualised TER	0.34% <sup>2</sup>
Transaction Cost	0.00% <sup>3</sup>
Effective Annual Cost	0.34% <sup>4</sup>

#### Notes

1. 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 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 12 month period.
3. The Transaction Cost of the Portfolio is expressed as a percentage of the daily NAV and is calculated over a rolling 1 year period.
4. The Effective Annual Cost (EAC) measure is a combined sum of the TER and Transaction costs.
5. Scrip Lending - The portfolio does not engage in scrip lending at this stage.

## 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.

**Drawdown** - A measure of the deterioration of the portfolio from its historical peak (highest level of the fund), measured since the relevant reference point.

**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.

**Price Momentum** - A measure of the performance or the return of a security over a recent time period, generally 12 months (excluding the latest month).

**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.

**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 consists 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.

**Volatility** - Measures the dispersion of price returns around the average over a specific period of time.

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