NewFunds Equity Momentum Exchange Traded Fund

Minimum Disclosure Document

Report Date: 30 December 2016

Fund Objectives

NewFunds Equity Momentum ETF is designed to capture absolute price momentum observed in the South African equity market through replication of the NewFunds Risk-Controlled WITS SA-Momentum Index. An index consisting of the top 20 stocks ranked by their absolute price momentum, weighted per their risk contribution which achieves equal risk contribution of the index constituents.

Equity Momentum ETF is structured as a Financial Services Board (FSB) approved Collective Investment Scheme Portfolio, issued under the NewFunds CIS umbrella. Listed on the JSE Limited, Equity Momentum ETF is suitable for investors seeking low-cost convenient alternatives to traditional non-listed products. The Equity Momentum ETF can act as a building block for investors to use when constructing their own portfolios.

Fund Details

Issuer	NewFunds CIS
Manager	NewFunds (Pty) Ltd
Originator	Absa Bank Limited acting through Absa CIB division and Absa Alternative Asset Management (Pty) Ltd
Trustees	Standard Bank (SA) Ltd
Benchmark index* **	NewFunds Risk-Controlled WITS SA-Momentum Index
Sector	Exchange Traded Funds
Fund Category	South African – Equity – Large Cap
JSE code	NFEMOM
ISIN	ZAE000162236
Base currency	ZAR
Listing date* **	26/01/2012
Net Asset Value	39,288,203

Annualised TER[**1]	0.37%
Transaction Cost[2]	1.20%
Effective Annual Cost (EAC)[3]	1.57%
Risk Profile[4]	Aggressive
Index rebalance frequency	Monthly
Dividend frequency	Monthly
No. of securities issued	1,400,000
Ex Div Date of last distribution	21/12/2016
Amount of last distribution	0.00 cents per index security
Net distribution payment	0.00 cents per index security
Fund Valuation	17h00
Tracking Error	0.32%
Daily price information	etfcib.absa.co.za

* A total return ETF reinvests distributions back into the fund so as to increase the net asset value of the portfolio. Investors are also advised to speak to their tax or financial advisor about the tax treatment of distributions.
** As published on Finswitch for the quarter ended 30 December 2016
*** The Index being replicated by the ETF changed to NewFunds Risk-Controlled WITS SA-Momentum Index, on 1 September 2016

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 Performance[5] History as of 30 December 2016*

Performance Period	NewFunds Equity Momentum ETF	NewFunds Risk-Controlled WITS SA-Momentum Index
Return since inception	12.70%	14.43%
1 year return	1.57%	2.25%
2 year return	2.60%	3.55%
3 year return	5.04%	6.53%
4 year return	8.34%	9.98%
5 year return	N/A	N/A

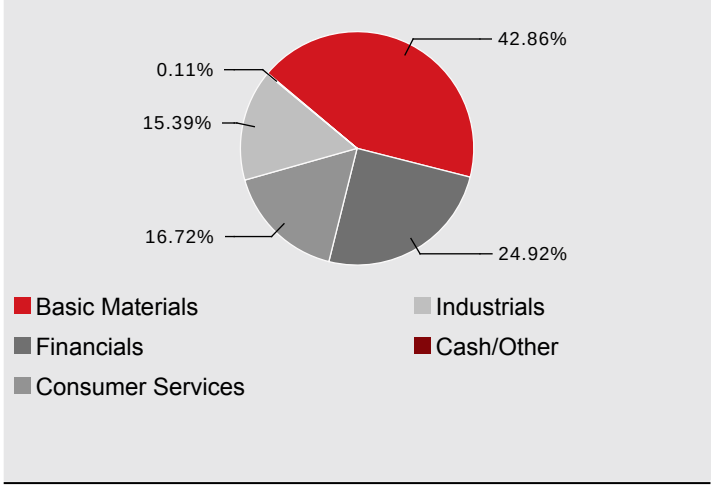
Income Distribution in the past 12 months

Month	Net Income in Cents
March 16	14.34
June 16	14.34
September 16	7.09
December 16	0.00

Risk statistics since listing*

	Annualised standard deviation[6]	Highest annual return	Lowest annual return
NewFunds Equity Momentum ETF	18.05%	39.55%	-11.88%
NewFunds Risk-Controlled WITS SA-Momentum Index	18.42%	42.94%	-12.04%

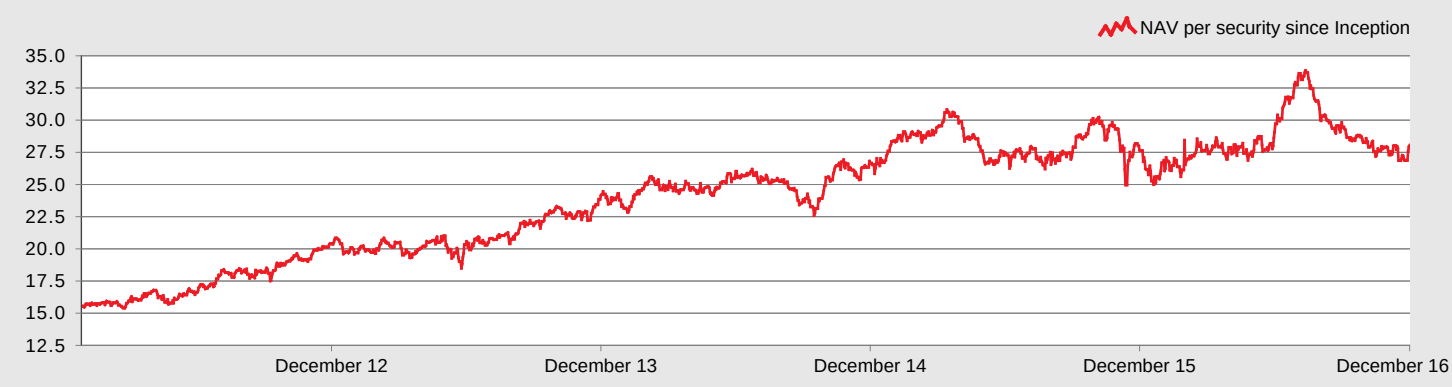
Sector allocation*



Top 10 Holdings*

Clicks Group Ltd	10.06%
Capitec Bank Holdings Ltd	7.72%
Bidvest Group Ltd	7.35%
Harmony GM Co Ltd	6.97%
AngloGold Ashanti Ltd	6.66%
Shoprite Holdings Ltd	6.66%
Coronation Fund Managers	6.03%
Nedbank Group Ltd	5.95%
Sibanye Gold	5.94%
Standard Bank Group Limited	5.22%

Historical NAV chart*



* Source: Absa - December 2016
All returns are annualised. Annualised returns represent an average growth rate of an investment per year, over a given time period.

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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. 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.
3. 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.
4. 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.
5. 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 that 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.
6. 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.
7. Highest annual return represents the highest one year return of the ETF since inception.
8. Lowest annual return represents the lowest one year return of the ETF since inception.
9. Performance is calculated for the portfolio and it differs from individual investments performance due to fees.
10. The fund does not engage in securities lending.

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