

# NewFunds GOVI Exchange Traded Fund

Minimum Disclosure Document

Report Date: 31 December 2018

## Fund 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.

## Fund Details

<b>Issuer</b>	NewFunds CIS	<b>Annualised TER**1</b>	0.29%
<b>Manager</b>	NewFunds (Pty) Ltd	<b>Maximum Management Fee<sup>2</sup></b>	0.35%
<b>Originator</b>	Absa Bank Limited acting through Absa CIB division and Absa Alternative Asset Management (Pty) Ltd	<b>Transaction Cost<sup>3</sup></b>	0.00%
<b>Trustees</b>	Standard Bank (SA) Ltd	<b>Effective Annual Cost (EAC)<sup>4</sup></b>	0.29%
<b>Benchmark index</b>	GOVI Total Return Index	<b>Risk Profile<sup>5</sup></b>	Moderate
<b>Sector</b>	Exchange Traded Funds	<b>Index rebalance frequency</b>	Monthly
<b>Fund Category</b>	South African – Interest Bearing – Variable Term	<b>Dividend frequency</b>	Monthly
<b>JSE code</b>	NFGOVI	<b>No. of securities issued</b>	11,225,000
<b>ISIN</b>	ZAE000161949	<b>Ex Div Date of last distribution</b>	19/12/2018
<b>Base currency</b>	ZAR	<b>Amount of last distribution</b>	46.58 cents per index security
<b>Listing date</b>	26/01/2012	<b>Next distribution payment</b>	Ex Date 23/01/2019 Record Date 25/01/2019 Pay Date 28/01/2019
<b>Net Asset Value</b>	690,148,005	<b>Fund Valuation</b>	17h00
		<b>Tracking Error</b>	0.09%
		<b>Daily price information</b>	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 31 December 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 Performance<sup>6</sup> History as of 31 December 2018\***

Performance Period	GOVI ETF	GOVI Total Return Index
Return since inception	7.12%	7.40%
1 year return	6.47%	6.88%
2 year return	8.27%	8.61%
3 year return	10.28%	10.67%
4 year return	6.61%	6.96%
5 year return	7.26%	7.52%

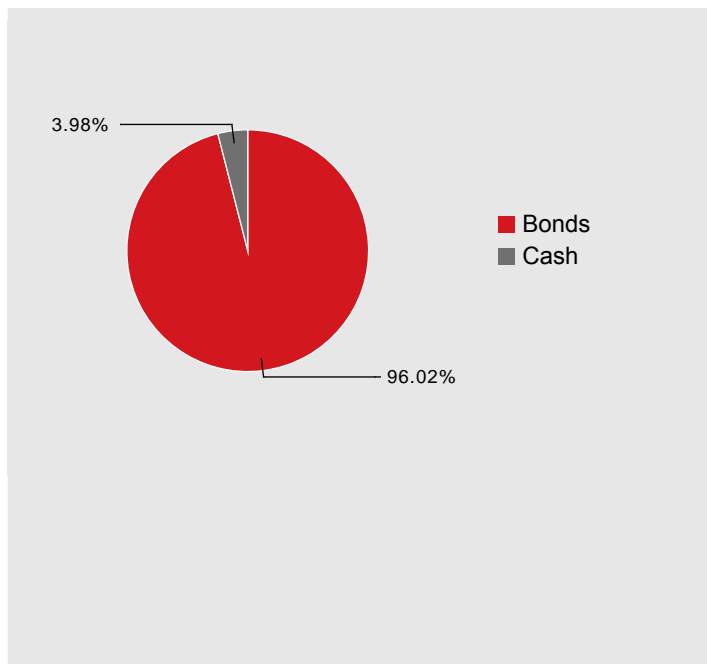
**Income Distribution in the past 12 months**

Month	Income in Cents	Month	Income in Cents
February 18	43.72	August 18	42.11
March 18	38.60	September 18	44.20
April 18	40.40	October 18	36.59
May 18	15.28	November 18	47.29
June 18	15.53	December 18	46.58
July 18	36.89		

**Risk statistics since listing\***

	Highest annual return	Lowest annual return
GOVI ETF	20.23%	-7.58%
GOVI Total Return Index	20.28%	-7.44%

**Asset Class Allocation**



REPUBLIC OF SOUTH AFRICA	19.58%	Republic of South Africa Government Bond	7.25%
REPUBLIC OF SOUTH AFRICA	15.42%	REPUBLIC OF SOUTH AFRICA	6.65%
REPUBLIC OF SOUTH AFRICA	9.57%	Republic of South Africa Government Bond	6.47%
REPUBLIC OF SOUTH AFRICA	9.04%	REPUBLIC OF SOUTH AFRICA	5.96%
REPUBLIC OF SOUTH AFRICA	8.57%	Cash/Other for ABSA ETF Position	3.98%
REPUBLIC OF SOUTH AFRICA	7.51%		

**Maturity Bands**

Below 3 Years	0.00%
3-7 Years	6.65%
7-12 Years	28.62%
More than 12 Years	47.03%

**Historical NAV chart\***



\* Source: Absa - December 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

Website: <http://etfcib.absa.co.za>

### 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 bonds only, as a result it lacks diversification into other asset classes and is sensitive to interest rates changes. The fund aims to deliver moderate growth over the medium to longer term investment horizon with minimised price volatility. However, capital losses can occur over the short term due to price volatility.
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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