

THIS APPLICABLE PORTFOLIO SUPPLEMENT CONTAINS IMPORTANT INFORMATION ABOUT THE NEWFUNDS LOW VOLATILITY EQUITY ETF, A PORTFOLIO UNDER THE NEWFUNDS COLLECTIVE INVESTMENT SCHEME IN SECURITIES; AND SHOULD BE READ CAREFULLY IN CONJUNCTION WITH THE OFFERING CIRCULAR BEFORE INVESTING. PROSPECTIVE INVESTORS SHOULD CONTACT THEIR PROFESSIONAL INVESTMENT ADVISOR, BROKER OR “CSDP”, “THE PARTICIPANT BROKER” OR THE MANAGER OR THE MANAGERS “CSDP”.

The directors of NewFunds (RF) Proprietary Limited (“the **Manager**”), whose names are set out in section 11 of this Applicable Portfolio Supplement, collectively and individually accept full responsibility for the accuracy of the information contained in this Applicable Portfolio Supplement; and certify that to the best of their knowledge and belief, no facts have been omitted, the omission of which would make any statement in this Applicable Portfolio Supplement false or misleading; and they have made all reasonable enquiries to ascertain such facts; and the Applicable Portfolio Supplement contains all information required by law and the Listings Requirements of the JSE Limited (“**JSE**”).



NewFunds

NEWFUNDS LOW VOLATILITY EQUITY ETF

(a Portfolio under the NewFunds Collective Investment Scheme registered as such in terms of the Collective Investment Schemes Control Act, 2002 - 17 July 2007)

Abbreviated name: NF LowVol; Share Code: NFEVOL; ISIN: ZAE000252458

(“the Portfolio”)

APPLICABLE PORTFOLIO SUPPLEMENT

relating to an initial offer to subscribe for Participatory Interests in the Portfolio, in respect of Cash Subscriptions, at a price per Participatory Interest equal to the net asset value per Participatory Interest on the Business Day immediately preceding the Listing Date which will, in turn, equate to approximately a ratio of 1:1 of the Index Level during the Ramp-Up Period, which fraction may be ascertained immediately after the Closing Date, or, in respect of *In Specie* Subscriptions, by delivery of one or more Baskets entitling the Investor to one Block of Participatory Interest per Basket delivered on the terms and conditions set out herein as read together with the Offering Circular and this Applicable Portfolio Supplement.

Sens announcements of Listing Approval	Friday 15 December 2017
Opening date of Initial Offer at 9:00 on:	Thursday 1 March 2018
Closing date of Initial Offer at 12:00 on†:	Thursday 15 March 2018
Publication of announcement on SENS as to the results of the initial offer:	Friday 16 March 2018
Listing date (In Specie Subscriptions) at 09:00 on:	Monday 26 March 2018
Opening date of Ramp-Up Period at 09:00 on:	Monday 19 March 2018
Closing date of Ramp-Up Period at 12:00 on*:	Thursday 22 March 2018
Listing date (Cash Subscriptions) at 9:00 on*:	Monday 26 March 2018

Co-ordinator



Legal counsel



Index Calculation agent



Date of issue: 5 December 2017

Prospective Investors in Participatory Interests of any Portfolio created under the NewFunds Collective Investment Scheme, as with any other exchange traded fund, should ensure that they fully understand the nature of the Participatory Interests and the extent of their exposure to risk; and that they consider the suitability of the Participatory Interests as an investment in light of their own circumstances and financial position. The JSE takes no responsibility for the contents of this Applicable Portfolio Supplement, or annual report (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Applicable Portfolio Supplement, or annual report. Additionally, the Manager is responsible for any settlement related to the Participatory Interests and the JSE takes no responsibility for any such settlement.

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1. INTERPRETATION

In this Applicable Portfolio Supplement, unless the context clearly indicates a contrary intention, all words and phrases defined in the Offering Circular shall, where used in this Applicable Portfolio Supplement, have the same meanings as that assigned to them in the Offering Circular.

Please refer to the Offering Circular for definitions referred to but undefined in this Applicable Portfolio Supplement, including but not limited to the following terms:

1. Basket;
2. Business Day;
3. Cash Subscriptions;
4. Closing Date;
5. Creation Fee;
6. Constituent Securities;
7. Dematerialized;
8. CSDP;
9. Index Level
10. In Specie Subscription
11. Investor
12. Letter of Allotment;
13. Listing Date
14. NewFunds
15. Principal Deed
16. Ramp-Up Period
17. RSA; and
18. Specified Cash Amount.

2. INTRODUCTION

The contents of this Applicable Portfolio Supplement form part of the written offering circular issued by the Manager in relation to NewFunds on 3 September 2007 (the “**Offering Circular**”). The provisions of the Offering Circular will therefore apply to this Applicable Portfolio Supplement. As such, in order to be fully appraised with important information regarding NewFunds and the Portfolio, Applicants should read these two documents together. In the event of a conflict between the provisions of this Applicable Portfolio Supplement and the Offering Circular, the provisions of this Applicable Portfolio Supplement will prevail.

NewFunds was established under the Principal Deed and was created in order to establish various portfolios, each of which aims to track a specific index, which then determines the composition of securities in each portfolio for the purpose of providing investors with diversified exposure to the South African equity market in an easy tradeable form, through the acquisition of a participatory interest in the portfolio.

This Applicable Portfolio Supplement pertains to the establishment of the NewFunds Low Volatility Equity Exchange Traded Fund established by way of Supplemental Deed (the “**Portfolio**”) under NewFunds Collective Investment Scheme in Securities, which aims to track the NewFunds Wits Risk-Controlled SA Low Volatility Index or, upon this index being discontinued, any substitute index chosen by the Manager for purposes of delivering on the objectives of the Portfolio as more fully described herein (the “**Index**”).

NewFunds Low Volatility Equity Portfolio has been established with the intention of allowing an Investor to obtain market exposure to a diversified basket of Constituent Securities in the South African equity market which exhibit low volatility-risk characteristics in their performance by tracking the NewFunds Wits Risk-Controlled SA Low Volatility Index. The Index was created by Absa Bank Limited (“Absa”) in collaboration with Wits University using their FinData database in consultation with A+ Proprietary Limited. The collaboration between Absa and Wits University is contained in an Agreement concluded between them; Absa has transferred its rights of use and ownership of the Index contained in the aforementioned agreement to NewFunds. The Index shall be calculated and maintained by S&P Opco LLP as the calculation agent. The constituents of the Index and their relative weightings at the date of issue hereof are set out, for information purposes only, in Annexure A.

Whilst the investment objective of the Portfolio is to provide investment results that generally correspond to the price and yield performance of the Index, there can be no assurance that this investment objective can be achieved. There is also no assurance that active trading markets for the Participatory Interests will develop, nor is there a certain basis for predicting the price levels at which the Participatory Interests will trade. Participatory Interests in the Portfolio have been approved for listing by the JSE on the Exchange Traded Funds sector of the JSE. Once issued, Participatory Interests may be traded in the secondary market on the JSE on a per Participatory Interest basis and need not be traded in any minimum number.

3. SALIENT DATES AND TIMES

Words in this section shall have the same meaning as defined in this Applicable Portfolio Supplement as read in conjunction with the offering circular, unless they are defined in section 2.

Expected timetable of principal events

Sense announcements of Listing Approval	Friday 15 December 2017
Opening date of Initial Offer at 9:00 on:	Thursday 1 March 2018
Closing date of Initial Offer at 12:00 on†:	Thursday 15 March 2018
Publication of announcement on SENS as to the results of the initial offer:	Friday 16 March 2018
Letters of allocation issued	Friday 16 March 2018
Settlement of the LA	Monday 19 March 2018
Opening Date of Ramp-Up Period at 09:00 on	Monday 19 March 2018
Closing Date of Ramp-Up Period* at 17:00 on	Thursday 22 March 2018
Conversion ratio published	Friday 23 March 2018
Listing Date (<i>In Specie</i> Subscriptions) at 09:00 on	Monday 26 March 2018
Listing Date (Cash Subscriptions)* at 09:00 on	Monday 26 March 2018

†Applicants should contact their professional investment advisor, JSE broker member, investment/trading platform, the Participant Broker or CSDP to ascertain the timing for submission of applications, as this will vary dependant on the professional investment advisor, broker, investment/trading platform or CSDP in question.

*The duration of the Ramp-Up Period may be extended depending on prevailing market liquidity, in which event the Listing Date in respect of Cash Subscriptions will occur on a later date.

One Letter of Allotment (“LA”) will be issued for every one Rand subscription against a subscriber’s CSDP or broker account being debited with the Rand amount. Once the Baskets have been acquired on behalf of the Portfolio, CSD will convert the LAs to Participatory Interests in the CSDP accounts in accordance with the conversion ratio to be published on SENS.

4. SUBSCRIPTIONS FOR PARTICIPATORY INTERESTS (INITIAL OFFER)

Words in this section shall have the same meaning as defined in this Applicable Portfolio Supplement as read in conjunction with the offering circular, unless they are defined in section 2.

SUMMARY OF THE OFFERING

Portfolio	NewFunds Low Volatility Equity Exchange Traded Fund
Issuer	The Manager
ISIN	ZAE000252458
Share code	NFEVOL
Abbreviated Name	NF LowVol
Long Name	NewFunds Low Volatility ETF
Index	NewFunds WITS Risk-Controlled SA Low Volatility Index or, upon the Index being discontinued by the Manager, any substitute index chosen by the Manager for the purpose of delivering the Portfolio Objectives
Index Provider	Absa in collaboration with Wits University and S&P Dow Jones Indices
Description of Participatory Interests	NewFunds participatory interests issued in respect of the Portfolio
Distribution period	All amounts received by the Portfolio will be notionally distributed to the holders of Participatory Interests within twelve months of receipt thereof (although no cash will flow to the Investors), and such distributions will then be reinvested on a quarterly basis in the Portfolio by way of acquisition of additional Constituent Securities.
Any other special conditions and modifications to the terms and conditions in respect of the Participatory Interests	Refer to Section 12
Investment policy	Refer to Annexure B
Management and other fees	Refer to section 10 and Annexure C
Composition of the Index	Refer to Annexure A
Performance of the Index	Refer to Annexure A

Initial offer

During the Initial Offer, Applicants shall be entitled to subscribe for Participatory Interests either in **cash** or **in-specie** at the Offer Price. There is no minimum or maximum number of Participatory Interests which may be issued in terms of the Initial Offer. All Applications in respect of the Initial Offer will be made on the terms and conditions set out in the Offering Circular as read with this Applicable Portfolio Supplement (together with all annexes thereto). Applications for Participatory Interests may only be made via a relevant investment/trading platform, Participating Broker, any other JSE broker member used by the Investor or, in respect of Non-Controlled Clients, the Applicant's CSDP. Participatory Interests will be issued and registered in the name of an Applicant on the Listing Date. After the close of the Initial Offer, Applicants will be able to acquire the Participatory Interests on the secondary market for cash or by way of in specie subscriptions via the Manager.

Offer Structure

The Initial Offer comprises an offer of Participatory Interests in the Portfolio at the Offer Price to institutional and retail Investors; and is available via an Investment or Trading Platform, Participant Broker, any other JSE Broker member or the Applicants CSDP. There is no maximum number of Participatory Interests which may be issued in terms of the Initial Offer.

Offer Price

The Offer Price of each Participatory Interest will equate to the average price at which Baskets of the Constituent Securities are acquired during the Ramp-Up Period, which in turn equates to approximately 1:1 of the average Index Level during the Ramp-Up Period; and will be determined on the following basis:

The Offer Price for each Participatory Interest will be inclusive of taxes (where applicable) and costs or fees payable in respect thereof, and such Offer Price is payable in full, in Rand, without any deduction or set-off at the time an application for Participatory Interests is submitted. The Offer Price may be discharged in one of two ways: in cash or *in specie* (i.e. by delivery of one or more Baskets).

Please note that no late applications will be accepted.

Applications in respect of the Initial Offer

Applications for Participatory Interests must be based on the total monetary amount the Applicant wishes to invest in Participatory Interests and not on a specific number of Participatory Interests. By making an application to acquire Participatory Interest, an Applicant will be deemed to have offered to acquire the maximum number of Participatory Interests that may be applied for with the relevant amount specified in such Application. All applications in respect of the Initial Offer will be made on the terms and conditions set out in the Offering Circular as read with this Applicable Portfolio Supplement (together with all annexes to such Offering Circular and this Applicable Portfolio Supplement). Applications may only be made for Participatory Interests in Dematerialised form and Applicants may be called upon for evidence of their authority or capacity to apply for Participatory Interests. An Applicant who is a Controlled Client should contact its JSE broker member, investment/trading platform or the Participating Broker who will, on behalf of such Controlled Client, make the Application on behalf of the Applicant. Any Non-controlled Client should contact its nominated CSDP who will make the Application with the Managers CSDP. All payments in respect of Cash Subscriptions should be arranged between the Applicant and its relevant JSE broker member, Investment/Trading Platform, the Participant Broker or CSDP. In relation to *In Specie* subscriptions, qualifying Applicants should deliver the relevant Basket of Constituent Securities to the Trustee of the Manager, following consultation with the Manager, whose contact details are set out on page 18 of this Portfolio Supplement.

Cash subscriptions

There is no minimum Application in respect of Cash Subscriptions; however a minimum subscriptions value may be set by the relevant investment/trading platform, the Participating Broker, JSE broker member used by an Investor to access the Participatory Interests. There is no maximum Application. By making an Application to acquire a Participatory Interest, an Applicant will be deemed to have offered to acquire the maximum number of Participatory Interests that may be applied for with the relevant amount specified in such Application. Any person applying for or accepting an offer of Participatory Interests on behalf of another, shall be deemed to have represented to the Manager that such person is duly authorised to do so and warrants that it and the purchaser for whom it is acting as agent is duly authorised to do so in accordance with all Applicable Laws and such person guarantees the payment of the Offer Price.

Following the close of the Initial Offer, the Manager will issue LAs to the Applicants in respect of the subscriptions received from such Applicants. The LAs will not be listed on the JSE and will not be transferable. However, such Applicants' statements at Strate will reflect the holding of these LAs. Forthwith upon the issue of the LAs there will, in relation to Cash Subscriptions, be a Ramp-Up Period during which the Manager will acquire the appropriate Constituent Securities. The number of Participatory Interests allotted to an Applicant pursuant to an application will be determined after the expiry of the Ramp-Up Period. Applicants will be informed of the number of Participatory Interests allocated to them by their investment/trading platform, the Participating Broker, JSE broker member (as may be applicable). Participatory Interests will then be issued to holders of the LAs in accordance with the number of Participatory Interests allocated as aforesaid.

Each Applicant must, as soon as possible after the Opening Date, forward to its investment/trading platform, the Participating Broker or JSE broker member all information required by the relevant intermediary, and must instruct its intermediary to pay against the issue of the LAs, the aggregate Offer Price to the designated account of the Manager. Such information and instructions must be confirmed to the Applicant's intermediary. Accordingly, each Applicant must place its funds with its investment/trading platform, the Participating Broker, JSE broker member or make other necessary arrangements to enable its intermediary to make payment against the issue of the LA in accordance with the Applicant's agreement with its intermediary.

On the Listing Date, the Participatory Interests will be credited to the Applicant's account with the relevant investment/trading platform, the Participating Broker, JSE broker member. Participatory Interests will not be issued unless the Manager is satisfied that the requisite cash amount has been received

In-specie subscriptions

In the case of *In Specie* Subscriptions, upon acceptance of an Application, the Manager or the relevant CSDP will notify the Applicant of same and will give details of the exact number of each of the Constituent Securities which the Investor is required to deliver in order to be issued with the Participatory Interests to be allotted to that Applicant. The Applicant will be required to instruct its CSDP to register the relevant Constituent Securities in the name of the Trustee on the next business day following the Closing Date of the Initial Offer for settlement 3 Business Days later. Participatory Interests will not be issued in the case of *In Specie* Subscriptions unless the Manager is satisfied that the relevant Basket of Constituent Securities has been transferred into the name of the Trustee and the relevant Creation Fee and Specified Cash Amount received or, in the case of Cash Subscriptions that the requisite cash amount has been received. Participatory Interests will be issued and registered in the name of a successful Applicant on the Listing Date, provided that the aforesaid requirements have been fulfilled. Applicants should be aware of a 3 day settlement period applicable to Baskets of Constituent Securities.

Investors applying for an *in specie* creation, will be required to pay the applicable Creation Fee in cash, following consultation with the Manager. The basis of allocation of the Participatory Interests in the Initial Offer will be determined by the Manager after consultation with the Trustee. The minimum application in the case of *In Specie* Subscriptions is one Basket and there is no maximum application.

Applicants subscribing for Participatory Interests *in specie*, by delivery of one or more Baskets, will be obliged to subscribe for 1 000 000 Participatory Interests (a "Block"), and will be required to deposit the relevant Constituent Securities with the CSDP of the Manager's Trustee, together with cash in payment of the Creation Fee and the Specified Cash Amount and an instruction to its CSDP confirming the details. Applicants wishing to subscribe *in specie* should, in the case of a Controlled Client, contact their investment/trading platform, the Participating Broker, JSE broker member and, in the case of a Non-Controlled Client, contact NewFunds' CSDP. Prior to the close of trading on the Trading Day preceding the Listing Date in respect of the Initial Offer, the Manager (or its duly appointed agent) will determine and specify the number of Participatory Interests to be issued for the following Trading Day.

Dematerialisation

The Participatory Interests will be issued to the Applicants in Dematerialised form. Each Applicant's investment/trading platform, the Participating Broker, JSE broker member will receive the Participatory Interests on its behalf. In the case of *In Specie* Subscriptions, the Applicants CSDP or Broker will receive the Participatory Interest on its behalf once the Manager and Trustee has confirmed receipt of the Basket of Constituent Securities which has been successfully transferred into the name of the Trustee, and the applicable Creation Fee and the Specified Cash amount paid.

Listing on the JSE

The JSE has approved the listing of the Participatory Interests in the "Exchange Traded Funds" sector of the JSE lists under the Abbreviated name: NF LowVol, Share code: NFEVOL, ISIN: ZAE000252458 as specified. The listing of the Participatory Interests is expected to be effective from the Listing date as specified.

5. POST-LISTING SUBSCRIPTIONS AND REDEMPTIONS

Words in this section shall have the same meaning as defined in this Portfolio Supplement as read in conjunction with the Offering Circular, unless they are defined in section 2.

Subscriptions

Subsequent to the Listing Date, Investors shall be able to acquire Participatory Interests in the following ways: (i) *In Specie* Subscription and (ii) purchase on the secondary market.

In Specie Subscriptions

Subsequent to the Initial Offer, any Investor wishing to subscribe for Participatory Interests should contact the Manager. No Cash Subscriptions will be permitted after the Initial Offer. Applicants subscribing for Participatory Interests *in specie*, by delivery of one or more Baskets, will be obliged to subscribe for Participatory Interests in one or more Blocks and will be required to deposit the relevant Constituent Securities with their CSDP together with any tax (where applicable) thereon, the applicable Creation Fee (where applicable), the Specified Cash Amount and an instruction that such Constituent Securities are to be transferred to the Securities Account of the Trustee.

If an Application is accepted, the Applicant will receive an acknowledgment confirming that the application has been accepted. Applicants will be informed of the number of Participatory Interests allocated to them by their CSDP or broker (as may be applicable).

Each Applicant must, as soon as possible after being informed by its CSDP or broker that its Application has been successful, forward to its CSDP or broker all information required by that CSDP or broker and must instruct the CSDP to deliver to the Manager that number of Constituent Securities as is equivalent to the number of Blocks allocated to the Applicant (together with Creation Fees and the Specified Cash Amount, if applicable) to the Securities Account of the Trustee. Such information and instructions must be confirmed by the Applicant's CSDP or broker by no later than the close of trading on 2 Business Days prior to the Listing Date.

Accordingly, each Applicant must ensure that the CSDP is in a position to commit in Strate to receive the allocated Blocks of Participatory Interests against confirmation of the transfer of the Baskets of Constituent Securities to the Trustee.

Purchase on the secondary market

All Participatory Interests issued by NewFunds are to be listed on the JSE. Investors will therefore be able to acquire Participatory Interests on the secondary market by purchasing through a member of the JSE.

Redemptions

Although in terms of the Principal Deed, the Manager is obliged to repurchase Participatory Interests offered to it by an Investor (for cash or one or more Baskets at the election of the Investor, provided that the Manager can never be obliged to deliver part of a Basket), typically, since Participatory Interests are listed on the JSE, Investors will sell their Participatory Interests on the secondary market (and may contact either of the Participating Brokers or the market maker in this regard).

The repurchase price payable by the Manager for Participatory Interests redeemed for cash is the net asset value of the Participatory Interests as at the Valuation Point, as determined on the basis described in the Offering Circular.

The Manager's obligations in respect of the repurchase of Participatory Interests are more fully described in the Offering Circular.

6. DESCRIPTION OF INDEX AND INDEX METHODOLOGY

Description of the Index

The Index is aimed at providing Investors with diversified exposure to securities in the South African equity market that exhibit Low Volatility-Risk characteristics in their performance. The low volatility risk premia is measured by a multi factor low-volatility approach (low absolute volatility and low systematic risk). The index applies liquidity filters to target only highly liquid securities from the JSE Listed Equity universe; and is weighted using a risk parity approach. Research has shown that low volatility strategies that rank securities based on their level of relative volatility as measured by standard deviation or beta, deliver superior relative performance to the overall market-cap weighted market index over the medium to long-term.

If the Index is discontinued, the Manager is entitled to substitute it, at its sole discretion, with any other index that has similar low volatility characteristics, properties and investment strategies

Description of Constituent Securities

The NewFunds WITS Risk-Controlled SA Low Volatility Index screens constituents from JSE listed Equity universe by applying 2 liquidity filters (Securities with more than 5% 'zero trade days' are filtered out and ranked by the average value traded) to derive the top 60 most liquid listed equity securities evaluated over 250 trading days. The top 60 most liquid securities are selected for the sub universe from which approximately 20 securities with optimal Low Volatility characteristics are selected as the 'Low Volatility Index' constituents, and rebalanced quarterly. Security's weights in the 'Low Volatility Index' are determined by applying an equal risk contribution weighting scheme. The strategy of the Index more fully described in the Index rules books, as amended, novated and/or replaced from time to time ("the Rule Book").

Index Calculation Agent

S & P Opco, LLC, a subsidiary of S & P Dow Jones Indices LLC ("S & P") has been appointed to calculate and publish the Index pursuant to the agreement between the Manager and S&P dated [7 March 2017] and ("the Index Calculation Agreement").

Frequency with which the Index is updated and published

The Index formation is re-balanced quarterly at the end of February, May, August and November of each year. Similarly, the Portfolio composition will be adjusted periodically to align with the composition of the Index.

Procedures following the modification or discontinuance of the Index

If the Index is discontinued, the Manager is entitled to substitute it, at its sole discretion, with any other index that has similar Low Volatility characteristics and investment strategies. Material changes will follow the procedure and fully described in the NewFunds Collective Investment Scheme in Securities main deed.

The Manager will publish Constituent Securities applicable to the Index daily. Any change effected to the composition of the Index shall be published by the Manager. All Portfolio changes are announced via SENS.

At the last practicable date, the Index closing level is 10 336.89 ZAR cents as at 28 November 2017.

7. INVESTMENT CONSIDERATIONS

Investors' attention is drawn to the following investment considerations relating to an investment in Participatory Interests of the Portfolio. This does not purport to be an exhaustive list of the investment considerations, read in conjunction with the investment considerations already referred to in the Offering Circular, relating to the investment in Participatory Interests and each Investor should seek its own independent advice prior to making any investment.

The Manager periodically receives certain information from the independent calculation agent and other parties to the Index. While every effort is made to verify such information, the Manager is not responsible for the accuracy of such information and makes no warranties as to the accuracy thereof. Investors should be aware of the impact thereof and therefore take this risk into consideration.

Distributions

Given that the Portfolio is tracking the Total Return version of the Index, the intention is for all amounts received by the Portfolio (other than capital gains on disposals, which will predominantly comprise dividends derived from Constituent Securities) to be notionally distributed to holders of Participatory Interests within twelve months of receipt thereof (although no cash will flow to such holders) and reinvested, on a quarterly basis, in the Portfolio by the acquisition of additional Constituent Securities (in the weightings of the Index) so as to increase the net asset value of the Portfolio and consequently increase the value of each Constituent Security in the Portfolio.

8. SOUTH AFRICAN EXCHANGE CONTROL CONSIDERATIONS

Words in this section shall have the same meaning as defined in this Portfolio Supplement as read in conjunction with the offering circular, unless they are defined in section 2.

Investors that are non-residents of the RSA, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia (“the Common Monetary Area”) or emigrants from the Common Monetary Area are urged to seek independent professional advice in regard to the investments in the Portfolio.

When Participatory Interests are purchased or subscribed for in cash, South African Rand will be the currency in which such cash will be accepted.

Any amounts payable by the Portfolio in respect of Participatory Interests may not, under the current provisions of the Exchange Control Regulations, be remitted out of the RSA or paid into any non-South African resident bank account without the South African Reserve Bank’s prior approval.

The securities account opened by a CSDP on behalf of the Trustee (“Securities Account”), maintained by the CSDPs for Investors who are emigrants in respect of Participatory Interests in dematerialised form will be restrictively designated as an “emigrant” account. Any certificates issued to Investors who are emigrants in respect of Participatory Interests in materialised form will be restrictively endorsed “non-resident”. Such certificate shall be deposited with an Authorised Dealer controlling such remaining capital and assets. It will be incumbent on any such non-resident to instruct the non-resident’s nominated Authorised Dealer as to how any funds due to such non-resident in respect of Participatory Interests are to be dealt with.

9. SOUTH AFRICAN TAX CONSIDERATIONS

Dividend tax became effective on 1 April 2012. It is imposed at a shareholder level on dividends paid (currently at a rate of 20%), unless an exemption is applicable or a reduced rate applies in terms of a Double Taxation Agreement (“DTA”).

To the extent that the Portfolio invests in shares yielding foreign dividends, they might suffer foreign withholding taxes and the Portfolio might only receive the net foreign dividend. A foreign dividend that is subject to South African Dividend Tax qualifies for a rebate equal to so much foreign tax paid (and that cannot be recovered) to any foreign country on such dividend. The rebate may not exceed the amount of Dividend Tax payable.

NewFunds is exempt from Dividend Tax and will receive the gross dividends from underlying companies in which it invests. However, Dividend Tax will apply to Investors, depending on their tax status.

The distribution (net of Dividend Tax) will be reinvested on behalf of Investors through the purchase of additional Constituent Securities in the appropriate weightings, thereby increasing the net value of the Portfolio.

Dividend Tax from the distribution in terms of the Income Tax Act, 1962 (the “ITA”) will be paid to the South African Revenue Service, in respect of investors that are not exempt from Dividend Tax, by the CSDP, JSE Broker, Investment/Trading Platform, which is the final regulated intermediary in terms of the ITA (“the relevant intermediary”).

Investors that are exempt from Dividend Tax, or investors qualifying for a reduced rate per the relevant DTA, will receive, in cash, the applicable amount of the Dividend Tax (“the cash amount”) from their relevant intermediary, provided they have completed and timeously lodged with their relevant intermediary the prescribed declaration and undertaking form. It is the investor’s responsibility to make such submissions to their service providers and failure to do so will result in Dividend Tax being withheld in full. Investors wishing to reinvest the cash amount may do so via their usual investment process, the amount received will not be automatically reinvested.

10. SCHEDULE OF FEES AND COSTS

The Manager has determined that the management fee charged will be a basic fee designed primarily to recover costs related to the direct operational management of the Portfolio, subject to a maximum fee of 50 basis points (VAT exclusive) per annum. The Manager is entitled to a management fee per calendar month calculated as follows:

$$\frac{D \times 50bps}{365} \times N$$

Where:

- a. D = the daily market value of the total assets of the Portfolio excluding income accruals and permissible deductions, if any;
- b. Bps = basis points;
- c. N = number of days in the month in question; or
any lower amount nominated at the Manager's discretion

The management fee is accrued daily and is accordingly based on the daily market value of the total assets of the Portfolio over each accounting period. The Manager may change any charge for the Portfolio, introduce additional charges or change the method of calculation of any charge that could result in an increase in charges, provided that: not less than 3 months' written notice has been given to every Investor by notification through SENS and on the NewFunds website; and the necessary amendments to the Scheme Deed have been effected in consultation with the Registrar.

In addition, the Manager is entitled to charge a Creation Fee or a redemption fee in connection with the expenditure incurred and administration performed by it in respect of the creation, issue and sale or repurchase of Participatory Interests. The Manager may at any time in its discretion waive or rebate the any fee and/or redemption fee (or any portion thereof), in respect of all Investors, any category of Investor or any particular investor.

Total Expense Ratio

The total expense ratio ("TER") of the Portfolio is an annualised figure which will be calculated every quarter and published as required.

11. DIRECTORS OF THE MANAGER

Director Names	Business Addresses
Michael Bhekithemba Mgwaba	15 Alice Lane, Sandton, 2196, South Africa
Christopher Hugh Mowbray Edwards	15 Alice Lane, Sandton, 2196, South Africa
Douglas Austen Lorimer	15 Alice Lane, Sandton, 2196, South Africa
Andries Benjamin La Grange	33 Del Lago, Willows Estate, Kelland, 2194, South Africa
Timothy John Fearnhead	13 Argyle Avenue, Craighall, 2196, South Africa
Roger Matthew Holden Pitt	22 Highland Avenue, Bryanston, 219, Gauteng

None of the directors of the Manager has been involved in or has been subject to any:

- bankruptcies, insolvencies or individual voluntary compromise arrangements;
- receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company which the director is or was a director with an executive function at the time of or within 12 months preceding such events;
- compulsory liquidations, administration or partnership voluntary arrangements of any partnerships where the director was a partner at the time of or within 12 months preceding such events;
- receivership or any asset/s of such person or of a partnership of which the individual is or was a partner at the time of or within the 12 months preceding such event;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company; or
- offence involving dishonesty.

Save as set out in this and/or any other Applicable Portfolio Supplements published in respect of NewFunds there has been no material change in NewFunds' financial or trading position since the end of the last financial period for which annual financial statements have been published, and no new material matters has arisen since the date of publication of the Offering Circular. The directors of NewFunds confirm that this material change statement is made after due and careful enquiry and there has been no involvement by the Auditors in making this statement.

12. GENERAL

Words in this section shall have the same meaning as defined in this Portfolio Supplement as read in conjunction with the offering circular, unless they are defined in section 2.

Distributions

Given that the Portfolio is tracking the Total Return version of the Index, the intention is for all amounts received by the Portfolio (other than capital gains on disposals, which will predominantly comprise dividends derived from Constituent Securities) to be notionally distributed to holders of Participatory Interests within twelve months of receipt thereof (although no cash will flow to such holders) and reinvested on a quarterly basis in the Portfolio by the acquisition of additional Constituent Securities (in the weightings of the Index) so as to increase the net asset value of the Portfolio and consequently increase the value of each Constituent Security in the Portfolio.

Borrowings, material commitments, lease payment and contingent liabilities

As at the last practicable date prior to the issue of this Applicable Portfolio Supplement (the “Last Practicable Date”), no borrowings (as contemplated in the Offering Circular), material commitments, lease payments or contingent liabilities have been incurred and no debentures have been issued, nor have any loans been made by or in respect of the Portfolio or for the benefit of the Manager or any of its directors or their associates.

Grant of preferential subscription rights

No contracts have been entered into in terms of which any person has been granted any option or preferential right of any kind to subscribe for or in respect of any Participatory Interest, nor has any exchange right been granted.

Commissions and other payments

No amount has been paid (within the preceding 3 years or at all) or is proposed to be paid to any person in connection with the establishment and/or listing of the Portfolio, nor has any commission been paid or is payable in respect of any underwriting.

Litigation

There are no legal or arbitration proceedings of which the Manager is aware which have or may have had a material effect on the financial position of NewFunds or the Portfolio.

Rights of Investors in the event of the liquidation and business rescue proceedings of NewFunds

In the event of liquidation and business rescue of NewFunds, ownership rights of Investors of Participatory Interests will be unaffected because the assets of the Portfolio including assets received from a Investor are regarded as trust property for the purpose of the Financial Institutions Protection of Funds Act, 2001 (“FIPFA”). In terms of FIPFA, the Manager, Trustee and Custodian must deal with any such assets. The only consequence would be that the Portfolio will be delisted.

Trading in Participatory Interests on the open market

The Portfolio is open ended in nature and the Participatory Interests issued by NewFunds will be listed on the JSE, and as such may be freely traded on the JSE on Trading Days during market hours.

Calculation of the net asset value of Participatory Interests

The NAV of the Participatory Interests will be calculated transparently [and shows the fair value of the Constituent Securities, as of the preceding day, plus accrued reserves less the Portfolio expenses] in the manner set out in the Offering Circular and will be published each business day on the NewFunds’ website.

Protection by assets of the Portfolio

The Portfolio is fully covered by the Constituent Securities and cash.

Issue of Participatory Interest

All Participatory Interests issued in terms of the Initial Offer will be issued in Dematerialised form to the Investment/Trading Platform, JSE broker, Participant Broker or CSDP nominated by the Applicant, which will hold such Participatory Interests on behalf of the relevant Applicant. An advice note will be issued by the intermediary as evidence of ownership of the Participatory Interests.

Changes to the terms of the Participatory Interest

In the event that the Manager makes a change to the rights of Investors in respect of the Participatory Interests, save where such change is a result of a formal, minor, technical nature or made to correct a manifest error or to comply with mandatory provisions of the law, such change must be approved by the Investors holding not less than 66.67% of the Participatory Interests.

Material contracts

The Manager was appointed in accordance with the provisions of CISCA and the Principal Deed and undertakes the obligations and responsibilities as specified therein. In turn, the Manager has appointed the following entities to fulfil the functions specified below:

- Maitland Fund Services Proprietary Limited (Company registration number: 1998/004065/07) (the “**Administrator**”) appointed to administer the Portfolio pursuant to an administration agreement concluded between the Manager and Administrator on []; and
- Absa Alternative Asset Management Proprietary Limited (Company registration number: 1999/027973/07) (the “**Portfolio Manager**”) appointed to manage the assets of the Portfolio on the Manager’s behalf pursuant to a portfolio management agreement concluded between the Manager and the Portfolio Manager on []; and
- The Standard Bank of South Africa (Company registration number: 1962/000738/06) (the “**Trustee**”), appointed as trustee in accordance with the provisions of CISCA to fulfill the functions and responsibilities specified therein. The Manager and Trustee concluded a trustee agreement dated [].
- S&P Opco LLP (the “**Index Calculation Agent**”): a subsidiary of S & P Dow Jones Indices LLC appointed to calculate, and maintain the Index as agreed.
- Absa Bank Limited (the “**Market Maker**”) appointed in terms of the agreement concluded between the Market Maker and the Manager on 25 November 2008, the Manager has appointed Absa as the market maker in respect of Newfunds portfolios. In terms of the Agreement, the market maker will use its best efforts to maintain a reasonable bid and offer spread as may be required by the JSE from time to time.

Documents available for inspection

Copies of the following documents are available for inspection at the registered office of the Manager at any time during office hours:

- the Memorandum of Incorporation of the Manager;
- the material contracts referred to in this Applicable Portfolio Supplement;
- the written consents referred to below;
- signed board resolution authorising the NewFunds Low Volatility Equity Exchange Traded Fund;
- the Index Rule Book (such summaries will also be available on the NewFunds website: www.etfcib.absa.co.za).
- a copy of the Offering Circular; and
- a signed copy of this Applicable Portfolio Supplement.

Copies of the Offering Circular and this Applicable Portfolio Supplement are available on the NewFunds website: www.etfcib.absa.co.za.

The information set out below will be published on each business day on the website:

- NAV of the Portfolio;
- Index level;
- The constituents of the Portfolio;
- The number of shares in one basket;
- Accrued income and costs to holders of the securities, if applicable;
- Cash portion for creations and redemptions, if applicable.

Experts consent

Each of the Corporate Advisor and Sponsor, the Trustee and the Legal Advisers have consented to their names being referred to in this Portfolio Supplement in the form and context in which they are included and had not withdrawn their consent at the last practicable date prior to issue of this Portfolio Supplement.

13. INFORMATION STATEMENTS AND DISCLOSURES

The Manager will fully endeavour to achieve investment results that generally correspond to the price and yield performance of the Index but there can be no guarantee that this Portfolio Objective will be achieved.

This Applicable Portfolio Supplement and any other information supplied in connection with this Portfolio should not be construed as the rendering of investment advice by the Manager or any of the other professional advisers to acquire the Participatory Interests. Accordingly, Applicants should ensure that they fully understand the nature of this Portfolio as well as the extent of their exposure to risk, and consider the suitability of this Portfolio as an investment in light of their own circumstances and financial position.

The JSE's approval of the listing of this Portfolio should not be taken in any way as an indication of the merits of either NewFunds or this Portfolio. The JSE has not verified the accuracy or truth of the contents of the documentation submitted to it and, to the extent permitted by law; the JSE will not be liable for any claim of whatever kind. Applicants should therefore seek their own investment advice and conduct their own independent investigation on the financial condition and affairs of NewFunds.

The Trustee and the Legal Advisers have consented to their names being referred to in this Applicable Portfolio Supplement in the form and context in which they are included and had not withdrawn their consent at the Last Practicable Date.

Applicants should be aware that neither the Legal Advisor nor any other professional advisers have verified the completeness and accuracy of the information contained in this Applicable Portfolio Supplement and bear no liability for the information herein.

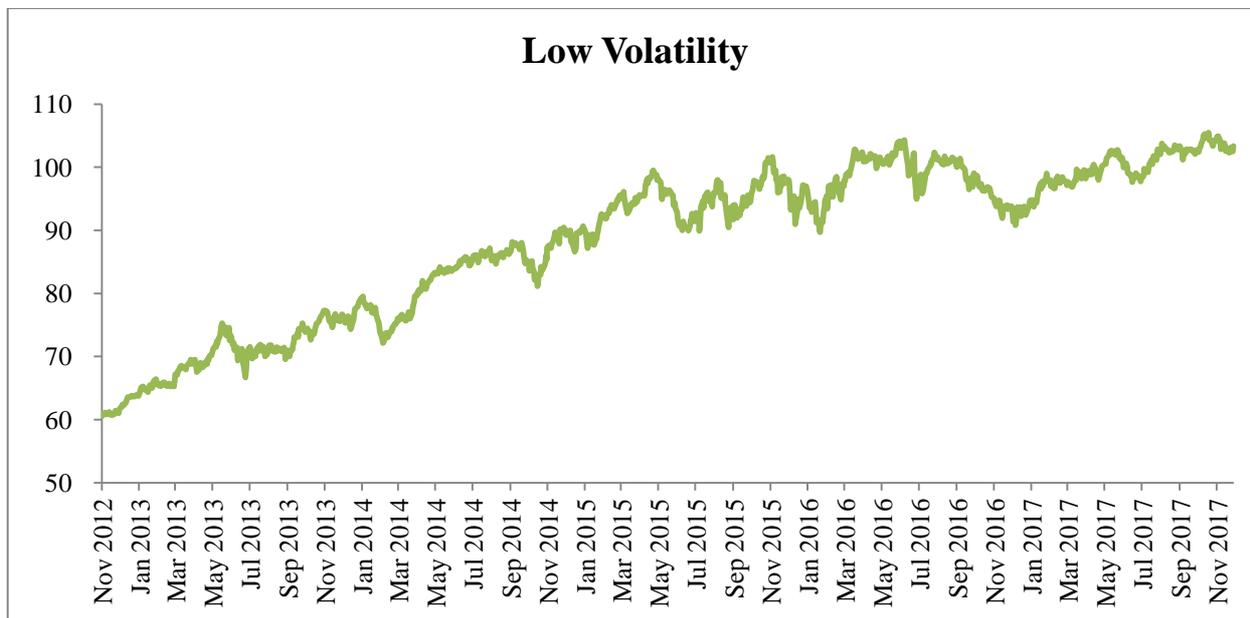
Applicants resident in a jurisdiction outside of RSA should be aware that there may be restrictions and regulation on either the acquisition of the Participatory Interests or the receipt of distributions under their local law. It is the responsibility of the Applicant to acquaint itself with any such restrictions or regulations and the Manager shall bear no liability should an Investor suffer any losses, damages or penalties ensuing from any such restrictions under local law. This Applicable Portfolio Supplement and any other information supplied in connection with this Portfolio have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or any other U.S. or non-U.S. securities laws. Participatory Interests may not be offered, sold or delivered within the United States or to US persons except in accordance with regulations under the Securities Act.

SIGNED AT JOHANNESBURG BY OR ON BEHALF OF ALL OF THE DIRECTORS OF NEWFUNDS (RF)
PROPRIETARY LIMITED ON 5 DECEMBER 2017.

14. CORPORATE INFORMATION

The Manager NewFunds (RF) Proprietary Limited (Registration number 2005/034899/07) 15 Alice Lane Sandton, 2196 (Private Bag X 10056, Sandton, 2146) Contact: Anver Dollie Telephone (011) 895 7498	Company secretary of the Manager Absa Secretarial Services Proprietary Limited (Registration number 1973/014516/07) 7 th Floor, Barclays Towers West 15 Troye Street Johannesburg, 2001 (PO Box 5438, Johannesburg, 2000) Contact: Teboho Moleko
Sponsor Absa Corporate and Investment Banking, a division of Absa Bank Limited (Registration number 1986/004794/06), a member of Barclays Africa Group Limited 15 Alice Lane Sandton, 2196 Contact: Bonnie Brink	Market Maker Absa Corporate and Investment Banking, a division of Absa Bank Limited (Registration number 1986/004794/06) 15 Alice Lane Sandton, 2196 Contact: Shiran Samuel Telephone No: 011 895 5626
Legal Advisor Bowman Gilfillan Inc. (Registration number 1998/021409/21), 11 Alice Lane Sandton 2196 (Private Bag X 785812, Sandton, 2146) Contact: Francisco Khoza	Trustee The Standard Bank of South Africa Limited (Registration number 1962/000738/06) 20 th Floor, Main Tower Standard Bank Centre Heerengracht Cape Town, 8001 Contact: Seggie Moodley
Auditors Ernst & Young Incorporated 102 Rivonia Road Sandton Private Bag X14 Sandton, 2141 Contact : Rohan Baboolal	JSE Limited JSE Limited (registration number 2005/022939/06), 2 Gwen Lane, Sandown, Sandton, 2196 Contact: Issuer Regulation Division Telephone No: 011 5207000
Regulator The Registrar of Collective Investment Schemes c/o Financial Services Board Riverwalk Office Park, Block B 41 Matroosberg Road (Corner Garsfontein and Matroosberg Roads) Ashlea Gardens, Extension 6, Menlo Park Pretoria, 0081	Participant Broker (non-controlled clients) Absa Capital Securities(Proprietary) Limited (Registration number 2008/0211179/07) Barclays Campus South, 15 Alice Lane Sandton, 2196 Contact: Cameron Ashton / Anver Dollie Telephone No: (011) 895 5165 Telephone No: (011) 895 7498
Calculation Agent S&P Opco, LLC c/o S&P Dow Jones Indices LLC 55 Water Street, 27 th Floor New York, NY 10041	Fund/Pricing Administrator Maitland Fund Services (Proprietary) Limited (Registration number: 1998/004065/07) Maitland House 1, River Lane Mowbray Cape Town, 8001
Issuer Agent & CSDP Standard Chartered Bank, Johannesburg branch (Registration number 2003/020177/10) 5th Floor, 4 Sandown Valley Crescent Sandton, 2196 Contact: Chantell Jantjies Tel: (011) 291 8106 Contact: Felicity Radebe Tel: (011) 217 6629	Participant Broker (controlled clients) Absa Stockbrokers and Portfolio Management (Proprietary) Limited (Registration number 1973/010798/07) Barclays Campus South, 15 Alice Lane Sandton, 2196 (PO Box 61320, Marshalltown, 2107) Telephone No: 0860 050 403 equities@absa.co.za www.absastockbrokers.co.za

ANNEXURE A – COMPOSITION OF THE INDEX

HISTORICAL PERFORMANCE OF THE INDEX**COMPOSITION OF THE INDEX – 1 December 2017**

Share code	Constituent Securities	Relative weight
ANG	ANGLOGOLD ASHANTI LTD	5.8%
ANH	ANHEUSER-BUSCH INBEV SA/NV	6.5%
AVI	AVI LTD	6.7%
BTI	BRITISH AMERICAN TOBACCO PLC	4.6%
CFR	FINANCIERE RICHEMONT-DEP REC	5.3%
CLS	CLICKS GROUP LTD	6.0%
DSY	DISCOVERY LTD	3.8%
FFB	FORTRESS REIT LTD-B	4.8%
GRT	GROWTHPOINT PROPERTIES LTD	5.4%
INP	INVESTEC PLC	5.6%
ITU	INTU PROPERTIES PLC	5.9%
MNP	MONDI PLC	4.4%
NTC	NETCARE LTD	3.9%
OML	OLD MUTUAL PLC	4.4%
RDF	REDEFINE PROPERTIES LTD	4.7%
REI	REINET INVESTMENTS SA-DR	4.1%
REM	REMGRO LTD	4.2%
RMI	RAND MERCHANT INVESTMENT HOL	4.1%
TBS	TIGER BRANDS LTD	4.4%
VOD	VODACOM GROUP LTD	5.4%

ANNEXURE B – SALIENT PROVISIONS OF THE SUPPLEMENTAL DEED

The investment policy of the Portfolio shall be to track as closely as possible the Index with the intention of allowing an Investor to obtain market exposure to the Constituent Securities which are held in the Portfolio.

The Portfolio shall hold only constituent securities in the same weightings in which they are included in the Index; and sell only securities which are excluded from the Index from time to time as a result of Index reviews or corporate actions or which are required to be sold to ensure that the Portfolio holds securities in the same weighting as they are included in the Index.

The Portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index. As a further objective, the securities held by the Portfolio shall be managed to generate income for the benefit of investors. Investors can acquire Participatory interests on the secondary market or subscribing for Participatory interests in the Portfolio. In order to achieve this objective the manager may, subject to the Act and the Deed, create and issue an unlimited number of Participatory interests in the Portfolio.

The Portfolio will not be managed according to traditional methods of active management, which involve the buying and selling of securities based on economic, financial and market analysis and investing judgment. Instead the investment objective and style will be full replication of the Index. As a result the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the Portfolio unless the securities of such company or entity are removed from the Index itself.

The Portfolio shall also be entitled, in its discretion and only on a temporary basis, to employ such other investment techniques and financial instruments, whether listed or unlisted, for the purposes of efficient portfolio management with the aim of reducing risk, reducing cost or generating capital or income for the Portfolio with an acceptable level of risk in line with the investment objective of the Portfolio, subject to the provisions of the Scheme Deed and the Act from time to time.

The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy.

The composition of the Portfolio will be adjusted periodically to conform to changes in the composition and weighting of the securities in the Index so as to ensure that the composition and weighting of the Portfolio are a reflection of the composition and weighting of the securities contained in the Index.

The Portfolio will hold securities purely for the economic rights and benefits attaching thereto, and accordingly if a takeover bid is made for shares of a company included in the Index, the Portfolio will not tender shares in respect thereof. Securities held by the Portfolio which are subject to a takeover bid will only be surrendered if such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of applicable law or under the rules of a regulatory authority or body having jurisdiction. If a takeover bid results in a company no longer qualifying for inclusion in the Index, any shares of the company held by the Portfolio after the takeover bid will be disposed of by the Portfolio, and the proceeds will be applied in effecting the appropriate adjustments to the Portfolio.

It is anticipated that ancillary assets in liquid form may form a substantial part of the Portfolio's assets and as such any liquid assets that the Portfolio holds may be invested in short-term investments such as banker's acceptances and certificates of deposit. It is recorded that the Portfolio's ability to replicate the price and yield performance of the Index will be affected by the costs and expenses incurred by the Portfolio.

ANNEXURE C – PRELIMINARY EXPENSE OF THE INITIAL OFFER

The preliminary expenses in relation to the initial offer (stated exclusive of VAT) are set out below:

Expense	Rand
JSE documentation inspection fee	R72 526.32
Annual listing fee payable in February	1 basis point (0.01%) of the value of the ETF up to a maximum of R401 215 (incl VAT)