

# 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

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

<b>Annualised TER**1</b>	0.54%
<b>Maximum Management Fee<sup>2</sup></b>	0.40%
<b>Transaction Cost<sup>3</sup></b>	0.08%
<b>Effective Annual Cost (EAC)<sup>4</sup></b>	0.61%
<b>Risk Profile<sup>5</sup></b>	Aggressive
<b>Index rebalance frequency</b>	Quarterly
<b>Dividend frequency</b>	Mar, Jun, Sep & Dec
<b>No. of securities issued</b>	772,724
<b>Ex Div Date of last distribution</b>	18/07/2018
<b>Amount of last distribution</b>	42.64 cents per index security
<b>Net distribution payment</b>	34.25 cents per index security
<b>Next distribution payment</b>	Ex Date 17/10/2018 Record Date 19/10/2018 Pay Date 22/10/2018
<b>Fund Valuation</b>	17h00
<b>Tracking Error</b>	0.08%
<b>Daily price information</b>	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 Performance<sup>6</sup> 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%

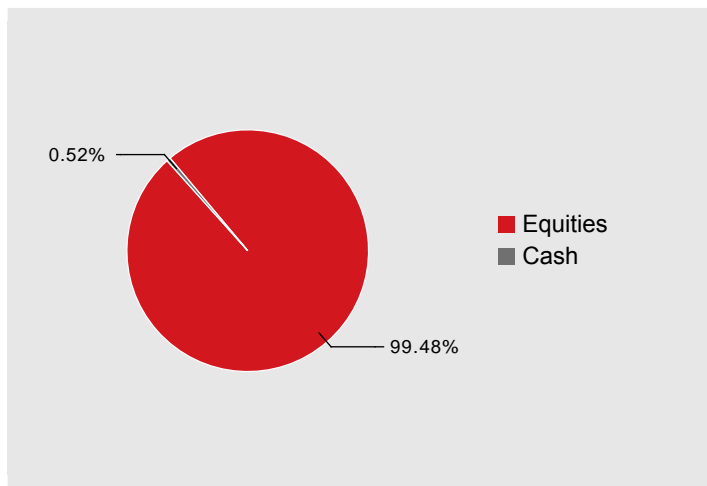
**Income Distribution in the past 12 months**

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

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

### Trustees Information

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Email: [TRUSTEE-ABSA@standardbank.co.za](mailto:TRUSTEE-ABSA@standardbank.co.za)

## 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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