

# NewFunds TRACI 3 Month Exchange Traded Fund

Minimum Disclosure Document

Report Date: 30 March 2018

## Fund Objectives

NewFunds TRACI 3 Month ETF tracks the total return\* version of the Barclays Capital/Absa Capital ZAR Tradable Cash Index 3 Month (TRACI-3M), an index consisting of 3 - month South African money market deposit rates (NCDs) of which the present mark-to-market value of these instruments constitute the Index level.

TRACI 3 Month ETF is suitable for investors seeking low-cost convenient alternatives to traditional non-listed products. TRACI 3 Month ETF can act as a building block for investors to use when constructing their own portfolios.

## Fund Details

|                        |                                                                                                    |
|------------------------|----------------------------------------------------------------------------------------------------|
| <b>Issuer</b>          | NewFunds CIS                                                                                       |
| <b>Manager</b>         | NewFunds (Pty) Ltd                                                                                 |
| <b>Originator</b>      | Absa Bank Limited acting through Absa CIB division and Absa Alternative Asset Management (Pty) Ltd |
| <b>Trustees</b>        | Standard Bank (SA) Ltd                                                                             |
| <b>Benchmark index</b> | TRACI Index                                                                                        |
| <b>Sector</b>          | Exchange Traded Funds                                                                              |
| <b>Fund Category</b>   | South African – Interest Bearing – Money Market                                                    |
| <b>JSE code</b>        | NFTRCI                                                                                             |
| <b>ISIN</b>            | ZAE000162251                                                                                       |
| <b>Base currency</b>   | ZAR                                                                                                |
| <b>Listing date</b>    | 26/01/2012                                                                                         |
| <b>Net Asset Value</b> | 119,591,796                                                                                        |

|                                                |                                                                     |
|------------------------------------------------|---------------------------------------------------------------------|
| <b>Annualised TER**1</b>                       | 0.19%                                                               |
| <b>Maximum Management Fee<sup>2</sup></b>      | 0.34%                                                               |
| <b>Transaction Cost<sup>3</sup></b>            | 0.00%                                                               |
| <b>Effective Annual Cost (EAC)<sup>4</sup></b> | 0.19%                                                               |
| <b>Risk Profile<sup>5</sup></b>                | Conservative                                                        |
| <b>Index rebalance frequency</b>               | Quarterly                                                           |
| <b>Dividend frequency</b>                      | Monthly                                                             |
| <b>No. of securities issued</b>                | 5,116,726                                                           |
| <b>Ex Div Date of last distribution</b>        | 20/03/2018                                                          |
| <b>Amount of last distribution</b>             | 12.02 cents per index security                                      |
| <b>Next distribution payment</b>               | Ex Date 24/04/2018<br>Record Date 26/04/2018<br>Pay Date 30/04/2018 |
| <b>Fund Valuation</b>                          | 17h00                                                               |
| <b>Tracking Error</b>                          | 0.00%                                                               |
| <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 30 March 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 30 March 2018\***

| Performance Period     | NewFunds TRACI 3 Month ETF | TRACI Index |
|------------------------|----------------------------|-------------|
| Return since inception | 6.05%                      | 6.18%       |
| 1 year return          | 7.15%                      | 7.44%       |
| 2 year return          | 7.17%                      | 7.47%       |
| 3 year return          | 6.85%                      | 7.06%       |
| 4 year return          | 6.58%                      | 6.75%       |
| 5 year return          | 6.27%                      | 6.40%       |

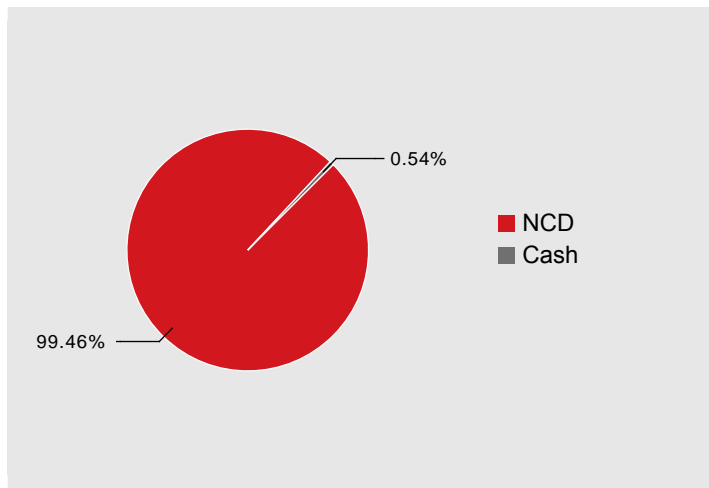
**Income Distribution in the past 12 months**

| Month        | Income in Cents | Month       | Income in Cents |
|--------------|-----------------|-------------|-----------------|
| April 17     | 14.28           | October 17  | 14.24           |
| May 17       | 12.25           | November 17 | 12.97           |
| June 17      | 11.81           | December 17 | 12.89           |
| July 17      | 15.11           | February 18 | 14.15           |
| August 17    | 12.15           | March 18    | 12.02           |
| September 17 | 15.34           |             |                 |

**Risk statistics since listing\***

|                            | Highest annual return | Lowest annual return |
|----------------------------|-----------------------|----------------------|
| NewFunds TRACI 3 Month ETF | 7.32%                 | 4.86%                |
| TRACI Index                | 8.45%                 | 4.88%                |

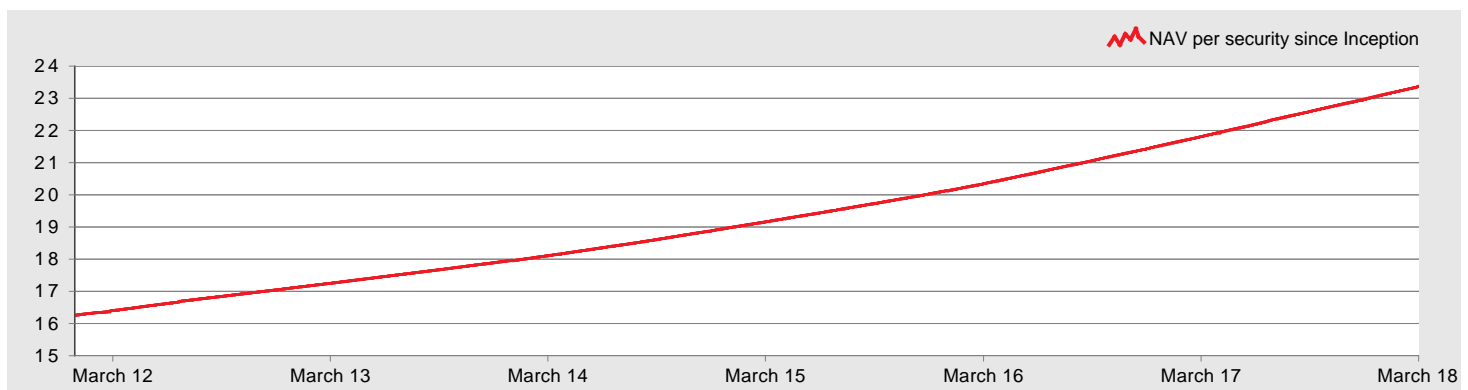
**Asset Class Allocation**



**Holdings\***

|                             |        |
|-----------------------------|--------|
| Barclays Africa Group Ltd   | 24.94% |
| FirstRand Ltd               | 20.26% |
| Investec Ltd                | 19.92% |
| Nedbank Group Ltd           | 17.57% |
| Standard Bank Group Limited | 16.98% |
| Cash/Other                  | 0.33%  |
|                             |        |
|                             |        |
|                             |        |
|                             |        |

**Historical NAV chart\***



\* Source: Absa - March 2018  
All returns are annualised. Annualised returns represent an average growth rate of an investment per year, over a given time period.

## Contact Information

### Absa Online and AIMS Investment Plan

Tel: 0860 000 005

Email: [aimsenquiries@absa.co.za](mailto:aimsenquiries@absa.co.za)

### NewFunds Investment Plan

Tel: 0861 289 383

Email: [etf.nf@aospartner.com](mailto:etf.nf@aospartner.com)

### Absa CIB ETPs

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

### Trustees Information

Standard Bank (SA) Ltd

Tel: +27 21 401 2675

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 may be 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 aims to preserve and grow capital by investing in money market instruments only, it has the lowest risk however it is sensitive to inflation.
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.

## FAIS Act Notice and Disclaimer

This document is for information purposes only and may be amended without notice. This is not a prospectus for any security, financial product, transaction or service. NewFunds (Pty) Ltd, Absa Bank Limited, NewFunds Collective Investment Scheme (NewFunds CIS) (collectively the "Promoters") do not recommend or propose that the securities and/or financial or investment products or services ("the products") referred to in this document are appropriate and/or suitable for your particular investment objectives or financial situation or needs. The products are issued by NewFunds CIS and managed by NewFunds (Pty) Ltd. This document and any other information supplied in connection with the NewFunds CIS is not: (i) "advice" as defined and/or contemplated in Financial Advisory and Intermediary Services Act, 37 of 2002, ("FAIS Act") or (ii) any other financial, investment, trading, tax, legal, accounting, retirement, actuarial or other professional advice or service whatsoever ("advice") or (iii) provide the basis of any credit, financial or other evaluation. Accordingly, the information contained herein merely contains a description of certain facts as at the date hereof and should not be considered as a recommendation by the Promoters or any other professional advisers. If you are contemplating purchasing any participatory interest you carry out your own independent investigation of the financial condition and affairs and your own appraisal of the Promoters, in particular the NewFunds CIS (a member of the Association For Savings & Investment SA). You therefore have to obtain your own independent advice prior to making any decision or taking any action whatsoever based on this document and the Promoters disclaim any liability for any direct, indirect or consequential damage or losses that you may suffer from using or relying on this document even if notified of the possibility of such damage or loss and irrespective of whether or not you have obtained independent advice. This document is neither an offer to sell nor a solicitation of an offer to buy any of the products, which shall always be subject to the Promoters' internal approvals and a formal agreement between you and the relevant Promoter. Any pricing included in this document is only indicative and is not binding as such on the Promoters. Not all the risks and issues related to the products are disclosed and therefore, prior to investing or transacting, you should fully understand the products and any risks and issues related to or associated with them. The products may involve a high degree of risk including, but not limited to, the risk of (a) low or no investment returns, (b) capital loss, (c) counterparty or issuer default, (d) adverse or unanticipated financial market fluctuations, (e) inflation and (f) currency exchange. The value of any product may fluctuate daily as a result of these risks. Collective Investments Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not generally a guide to the future. CIS products are traded at ruling prices and can engage in borrowing and scrip lending. Any investment is speculative and involves significant risks and in making any investment decision, or in advising a third party in respect of an investment decision, you will rely solely on your own view and examination of the facts, information, opinions and the records relating to such investment. The Promoters do not predict actual results, performances and/or financial returns and no assurances, warranties or guarantees are given in this regard. The information, views and opinions expressed herein are based on third party sources believed by the Promoters to be reliable and are therefore expressed in good faith. The Promoters give no recommendation, guide, warranty, representation, undertaking or guarantee concerning the accuracy, adequacy and/or completeness of the information or any view or opinion expressed herein. Any information on past financial returns, modelling or back-testing is no indication of future returns. No representation on the reasonableness of the assumptions in any modelling or back-testing is made. The Promoters do not warrant merchantability, non-infringement or third party rights or fitness for a particular use and/or purpose. All opinions, views and estimates are given as of the date hereof and may change without notice. The Promoters expressly disclaim any liability for any damage or loss as a result of errors or omissions. The Promoters, their affiliates and individuals associated with them may (in various capacities) have positions or deal in securities (or related derivative securities), financial products or investments identical or similar to the products. The information and views contained in this document are proprietary to NewFunds Pty Ltd and are protected by copyright under the Berne Convention. In terms of the Copyright Act, 98 of 1978, as amended, no part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, electronic scanning, recording, or by any information storage or retrieval system, without the prior permission in writing from NewFunds Pty Ltd. The illegal or attempted illegal copying or use of this information or views may result in criminal or civil legal liability.

Absa Bank Limited Reg No 1986/004794/06 Authorised Financial Services Provider Registered Credit Provider Reg No NCRCP7