

NEWFUNDS SHARIAH TOP 40 SA INDEX ETF PORTFOLIOShare code: NFSH40
ISIN: ZAE000130431

Portfolios in the NewFunds Collective Investment Scheme in Securities registered as such in terms of the Collective Investment Schemes Control Act, 45 of 2002 and managed by NewFunds (RF) Proprietary Limited (Registration Number 2005/034899/07)

DISTRIBUTION AND RE-INVESTMENT ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

NewFunds has today finalised a distribution to holders of ETF securities ("investors") recorded as such in the register on Friday, 19 October 2018, for the quarter ended 30 September 2018 as follows:

Alpha code	Dividend/ Interest	Foreign/ Local	Gross Distribution (Cents per unit)	Subject to Withholding tax Yes/ No	*Withholding Tax (%)	Net Distribution (Cents per unit)
NFSH40	Dividend	REITs	0.46845	Yes	20	0.37476
	Dividend	Local	2.27656	Yes	20	1.82125
	Dividend	Foreign	3.32024	Yes	20	2.65619
			6.06525			4.85220

Further details are listed below:

Source of monetary funds subject to foreign dividend tax:

United Kingdom	92.80%
Switzerland	7.20%

Notice is hereby given that the following dates are of importance in regard to the distribution by the above ETF for the quarter ended 30 September 2018:

Declaration/ Finalisation date	Thursday, 11 October
Last day to trade	Tuesday, 16 October
Ex distribution	Wednesday, 17 October
Record date	Friday, 19 October
Payment date	Monday, 22 October

The distribution will be paid on Monday, 22 October to all securities holders recorded on the register on Friday, 19 October 2018.

Holders of Shariah ETF securities

Holders of Shariah ETF securities ("investors") are advised that the appropriate purification of dividends, through the donation of 5% of the dividends to charity, needs to be effected by each investor. Absa Islamic Banking's Shari'ah Supervisory Board ("SSB") has provided the following list of approved charitable institutions. The list is not exhaustive and it is therefore not obligatory to use one of the specified charities:

1. Al Furqaan Orphanage (Gauteng)
2. Gift of the Givers (RSA)
3. SANZAF (RSA)
4. Africa Muslims Agency (RSA)
5. Al-Imdaad Foundation
6. Muslim Hands (RSA)
7. Islamic Relief Agency (RSA)
8. Bait-ul-Khair (Gauteng)
9. TIBA Services for the Blind (Gauteng)
10. Mustadafin Foundation (www.mustadafin.com)

*Investors should seek advice from their tax advisor on whether the tax rate shown is applicable to them.

South African tax resident investors relating to REITs

**The dividend distribution by a REIT received by South African tax residents must be included in their gross income and will not be exempt in terms of the ordinary dividend exemption in section 10(1)(k)(i) of the Income Tax Act No. 58 of 1962 ("the Act") as a result of paragraph (aa) of the proviso thereto which provides that dividends distributed by a REIT are not exempt from income tax.

No dividend withholding tax will be deducted from dividends payable to a South African tax resident qualifying for exemption from dividend withholding tax provided that the investor has provided the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be in respect of its participatory interest:

- a) a declaration that the distribution is exempt from dividends tax; and
 - b) a written undertaking to inform their CSDP or broker, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,
- both in the form prescribed by the South African Revenue Service. South African tax resident investors are advised to contact their CSDP or broker, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Non-resident investors for South African income tax purposes

The dividend distribution received by non-resident investors will be exempt from income tax in terms of section 10(1)(k)(i) of the Act, but will be subject to dividend withholding tax. Dividend withholding tax is levied at a rate of 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the non-resident investor.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident investor has provided the following forms to their CSDP or broker, as the case may be in respect of its participatory interest:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
 - b) a written undertaking to inform the CSDP or broker, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,
- both in the form prescribed by the South African Revenue Service. Non-resident investors are advised to contact their CSDP or broker, as the case may be, to arrange for the abovementioned documents to be submitted prior to the payment of the distribution if such documents have not already been submitted.

Both resident and non-resident investors are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Additional information:

	Number of securities in issue	Tax reference number
NFSH40	15,575,446	9403872162

11 October 2018

Sponsor

Absa Bank Limited (acting through its Corporate and Investment Banking division)

