

NEWFUNDS EQUITY VALUE EXCHANGE TRADED FUND PORTFOLIO

Share code: NFEVAL
ISIN: ZAE000252466

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)
NFEVAL	Interest	Local	0.08564	No		0.08564
	Dividend	Local	6.83639	Yes	20	5.46911
	Dividend	Foreign (Other)	1.46866	Yes	20	1.17493
	Dividend	Foreign (ITU)*	0.00000	No		0.00000
	Dividend	REITs**	2.75485	Yes	**20	2.20388
				11.14554		

Further details are listed below:

Source of monetary funds subject to foreign dividend tax:

United Kingdom	100.00%
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The distribution will be paid on Monday, 22 October to all securities holders recorded on the register on Friday, 19 October 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.

The net distribution amount (after the deduction of Dividend Withholding Tax ("DWT") at a current rate of 20%) will be re-invested in the ETF on behalf of investors through the purchase of additional Constituent Securities (as defined in the relevant Portfolio Supplement) in the appropriate weightings, thereby increasing the net asset value of the ETF and, proportionately increasing the value of each ETF security. As a consequence of reinvesting the net distribution amount (comprising only 80% after the deduction of DWT), the ETF will be tracking the relevant total return net-of-dividend tax index.

Investors qualifying for exemption from DWT or a reduced rate of DWT per Double Tax Agreement ("DTA"), will receive, in cash, a distribution amount of the applicable DWT, provided they have completed and timeously lodged with the relevant intermediary the prescribed declaration and undertaking form. Failure to do so will result in the dividends tax being withheld in full.

Withholding Tax on Interest (WTI) came into effect on 1 March 2015.

Interest accruing from a South African source to a non-resident, excluding a controlled foreign company, will be subject to withholding tax at a rate of 15% on payment, except interest,

- arising on any Government debt instrument
- arising on any listed debt instrument
- arising on any debt owed by a bank or the South African Reserve Bank
- arising from a bill of exchange or letter of credit where goods are imported into South Africa and where an authorized dealer has certified such on the instrument
- payable by a headquarter company
- accruing to a non-resident natural person who was physically present in South Africa for a period exceeding 183 days in aggregate, during that year, or carried on a business through a permanent establishment in South Africa

Investors are advised that to the extent that the distribution amount comprise of any interest, it will not be subject to WTI by virtue of the fact that it is Government debt, listed debt instruments and/or bank debt.

**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:

- 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 15%, 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
NFEVAL	3,317,497	0460621261

11 October 2018

Sponsor

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

