

# NewFunds ILBI ETF

Minimum Disclosure Document - 30 September 2019



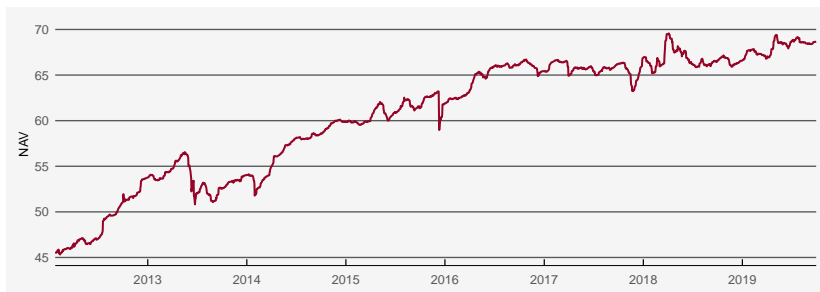
## Portfolio objectives

The ILBI (Inflation Linked Bond Index) ETF tracks total return\* version of the Barclays/Absa South African Government Inflation-Linked Bond Index, an index consisting of bonds issued by the South African Government which are linked to the South African Consumer Price Index and calculated on a daily basis by Barclays.

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

## Performance and statistics

### Portfolio net asset value chart



Source: Absa CIB.

### Returns table

Period	ETF	Index	Diff.
3 Months	0.0%	0.1%	-0.1%
YTD	3.1%	3.3%	-0.2%
1 Year (Ann.)	3.3%	3.6%	-0.2%
3 Years (Ann.)	1.2%	1.6%	-0.3%
5 Years (Ann.)	3.2%	3.6%	-0.4%
Full Period (Ann.)	5.5%	5.9%	-0.4%

### Risk statistics

Statistic	ETF
Risk (Ann.)	6.1%
Max. Drawdown	-10.1%
Best Month	5.0%
Worst Month	-5.4%
Best Annual Return	18.9%
Worst Annual Return	-3.9%

### Last 4 Distributions

Month	Net Distribution
September 2019	16.25c
August 2019	18.20c
July 2019	15.26c
June 2019	16.10c

Annualised return is the weighted average compound growth rate over the period measured. Performance is calculated using the NAV of the Portfolio and represents only past performance. An individual's performance may differ to that of the portfolio as a result of initial fees, brokerage, actual investment date, dividend withholding tax and income reinvestment date. The reinvestment of income is assumed to be effected on actual distributed amount net of withholding taxes; and on distribution payment date.

The current dividend yield is 2.78%.

## Risk profile

Moderate



## Portfolio details

Manager	NewFunds (RF) (Pty) Ltd
Asset Manager	Absa Alternative Asset Management (Pty) Ltd
Asset Administrator and Pricing House	Maitland Fund Services (Pty) Ltd
Market Maker	Absa Capital Securities (Pty) Ltd
Trustees	Standard Bank (SA) Ltd
Benchmark Index	ILBI Index
Index Calculation Agent	Bloomberg
Fund Category	South African - Interest Bearing - Variable Term
Exchange	JSE
JSE Code	NFILBI
ISIN	ZAE000162244
Base Currency	ZAR
Portfolio Listing Date	26 January 2012
Net Asset Value	R61 798 255
Securities Issued	900 000
Dividend Frequency	Monthly
Fund Valuation	17h00
Rebalance Frequency	Monthly
Price Information	etfcib.absa.co.za

## Investor benefits

**Diversification:** Investors obtain diversified exposure to a basket of SA equity securities.

**Liquidity:** Absa Capital Securities (Pty) Ltd act as market maker and provide daily liquidity on the ETF.

**Transparency:** The Portfolio holdings, investment methodology, constituent details and net asset value information is available to investors daily.

**Lower cost:** ETFs have a lower fee structure.

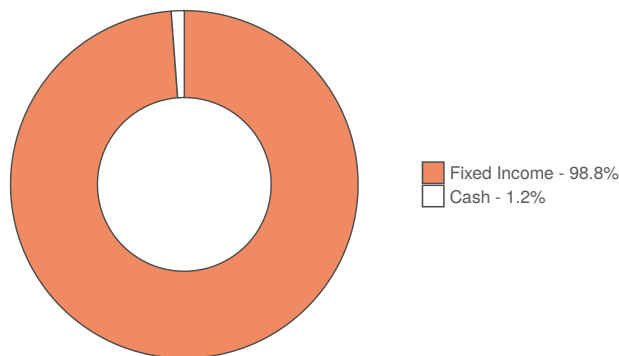
**Investor protection:** ETFs are fully backed by the underlying securities.

**Traded like a share:** ETFs are Unit Trust Portfolios which trade on the JSE like shares.

**Regulation:** NewFunds ETFs are registered as Collective Investment Schemes and regulated by the Financial Services Board.

## Exposure

### Portfolio asset allocation



### Top 10 portfolio holdings

Name	Type	Weight
R197 5.50% 071223	Bond	18.5%
R202 3.45% 071233	Bond	15.7%
I2050 2.5% 311250	Bond	11.2%
I2025 2% 310125	Bond	10.1%
R210 2.60% 310328	Bond	10.0%
R212 2.75% 310122	Bond	9.2%
I2038 2.25% 310138	Bond	8.4%
I2046 2.5% 310346	Bond	7.8%
I2033 1.8750% 280233	Bond	4.5%
I2029 1.875% 310329	Bond	3.4%
Total:		98.8%

## Portfolio details (cont.)

Max Management Fee	0.35% <sup>1</sup>
Annualised TER	0.35% <sup>2</sup>
Transaction Cost	0.00% <sup>3</sup>
Effective Annual Cost	0.35% <sup>4</sup>

#### Notes

1. 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 or waived allowable expenses. Such subsidies and waivers are not guaranteed perpetually and a higher TER may incur in the future.
2. The Total Expense Ratio (TER) is expressed as a percentage of the daily NAV calculated over a rolling 12 month period.
3. The Transaction Cost of the Portfolio is expressed as a percentage of the daily NAV and is calculated over a rolling 1 year period.
4. The Effective Annual Cost (EAC) measure is a combined sum of the TER and Transaction costs.
5. Scrip Lending - The portfolio does not engage in scrip lending at this stage.

## Glossary of terms

**Annualised Return** - The weighted average compound growth rate over the period being measured.

**Annualised Risk** - A measure of how much the investment return varies from its average over time.

**Constituent Security** - A stock which is part of a larger portfolio.

**Drawdown** - A measure of the deterioration of the portfolio from its historical peak (highest level of the fund), measured since the relevant reference point.

**Exchange Traded Funds (ETF)** - A listed instrument listed on the JSE whereby the investor essentially owns a proportionate share of the underlying investments held by the Portfolio.

**Liquidity** - The ease of buying and selling a financial instrument for cash.

**Market Maker** - The market maker attempts to maintain a high degree of liquidity through continuously offering to buy and sell participatory interests at prices around the NAV, thereby ensuring tight buy and sell spreads.

**Net Asset Value (NAV)** - The NAV is the total assets of the portfolio less the liabilities.

**Net Distribution** - Accrued income and dividends less portfolio expenses, which is distributed to investors.

**Price Momentum** - A measure of the performance or the return of a security over a recent time period, generally 12 months (excluding the latest month).

**Portfolio Risk** - A measure of the risk inherent in a portfolio incorporating individual stock volatility as well as the covariance structure of stocks in the portfolio.

**Rebalancing** - Rebalancing is when the asset manager buys and/or sells constituents in a portfolio in order to bring the portfolio in line with the index being tracked.

**Scrip Lending** - The lending of securities from one party (being the holder of the securities) to another party (the borrower). The borrower provides collateral for the securities borrowed.

**Total Expense Ratio (TER)** - This is the total costs associated with managing and operating an investment (excluding financial planning). These costs consists primarily of management fees and other operational expenses such as audit and custody fees. 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.

**Volatility** - Measures the dispersion of price returns around the average over a specific period of time.

### Contact us

Absa NewFunds Index & Structured Solutions  
Tel: 0861 345 223  
Email: aiss@absa.africa  
Website: etfcib.absa.co.za

Absa Online & AIMS Investment Plan  
Tel: 0860 000 005  
Email: aimsenquiries@absa.co.za

Absa Stockbrokers & Portfolio Management  
Tel: 0860 050 403  
Email: equities@absa.co.za  
Website: www.absastockbrokers.co.za

#### Legal disclaimer

NewFunds (RF) Proprietary Limited ("NewFunds") is a registered and approved NewFunds Collective Investment Scheme in Securities (NewFunds CIS) under the Collective Investment Schemes Control Act 45 of 2002. The information contained in this document is provided for information purposes only and does not constitute (i) financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002; 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. It does not purport to be a prospectus for any security, financial product, transaction or service nor is it deemed appropriate and/or suitable for any particular investment, investor's objectives or financial circumstances. This document is neither an offer to sell nor a solicitation of an offer to buy any of the products and, while every effort is made to ensure the information contained herein is complete and accurate, any pricing and other information included herein is indicative only and is not binding as such on Absa Bank Limited and NewFunds (collectively "the Promoters"). Accordingly, the information contained herein merely contains a description of certain facts as at the date hereof and investors are advised to carry out their own independent investigation and appraisal and seek their own advice prior to making any decision or taking action based on information contained herein. The Promoters disclaim any liability for any direct, indirect or consequential damage or losses that may be suffered as a result from using or relying on the information disclosed. Investors are advised that not all risks and issues related to the products are disclosed and therefore, investors should familiarize themselves with the products and the risks and issues related to or associated with them. Collective Investments Schemes in Securities ("CIS") are generally medium to long term investments where the investor essentially owns a "proportionate share" (in proportion to the participatory interest held in the fund) of the underlying investments held by the fund. The value of participatory interests may fluctuate as a result of market moves, associated external factors and risks, and past performance is not generally a guide to future performance. Any information on past financial returns, modelling or back-testing cannot be guaranteed nor does NewFunds guarantee with respect to the capital or return of any portfolio of NewFunds CIS. Listed CIS products are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges is available from NewFunds upon request.

Absa Bank Limited Reg No 1986/004794/06, an Authorised Financial Services Provider (FSP 72), Registered Credit Provider Reg No NCRCP7. NewFunds (RF) Proprietary Limited registration number 2005/034899/07. This document was published on 13 October 2019.