



# FNB GOVERNMENT INFLATION LINKED BOND ETF



Minimum Disclosure Document as at 31 December 2023.  
The MDD covers the purposes of providing a general investor report.

## Investor profile

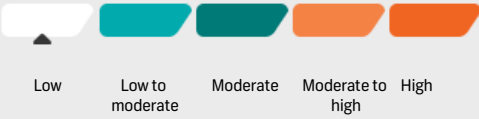
The FNB Government Inflation Linked Bond ETF is suitable for investors seeking a cost efficient, convenient investment with exposure to a diversified portfolio of government inflation-linked bonds. The fund offers quarterly distributions with no prescribed fixed investment period. The fund can also act as a building block for investors to use when constructing their own portfolios.

## Investment objectives and strategy

To provide investors with a real rate of return above inflation (CPI), through exposure to a diversified portfolio of government inflation-linked bonds. The FNB Government Inflation Linked Bond ETF invests in bonds based on the value issued by National Treasury and the listed value on the JSE. The FNB Government Inflation Linked Bond ETF aims to track the performance of the FTSE/JSE IGOV Index. The IGOV is a weighted basket of South African government inflation-linked bonds. The ETF tracks the component bonds of the index in proportion to the index weightings. The ETF looks to pay quarterly distributions to investors based on the coupons received withing the fund. The fund has exposure to government bonds, and risks include, but not limited to; default risk, interest rate risk, inflation risk, market volatility, economic and political risk. \*\*Effective 1 July 2020 the benchmark (GILBx) was replaced with the FTSE/JSE IGOV Index.

## Key facts

### Risk profile



### General Information

Fund classification	South African Interest Bearing - Variable Term
Launch Date	19 May 2009
Fund size	417.99 million
Net asset value (NAV)	2356.86 cents per unit
Units in issue	17 735 002
Benchmark	FTSE/JSE IGOV
Domicile	South Africa
Reporting currency	Rand
Pricing	Daily Available on website
Income distributions	Quarterly
Rebalancing frequency	Monthly
Tracking strategy	Full Replication
JSE code	FNBINF
ISIN	ZAE000303103
Regulation 28	Yes
Management company	FNB CIS Manco (Pty) Ltd
Investment manager	Ashburton Fund Managers (Proprietary) Limited
Fund Manager(s)	Ashburton Indexation
Trustee and address	Standard Chartered Bank 4 Sandown Valley Crescent, Sandton, 2196 Website: <a href="http://www.standardchartered.com">www.standardchartered.com</a>

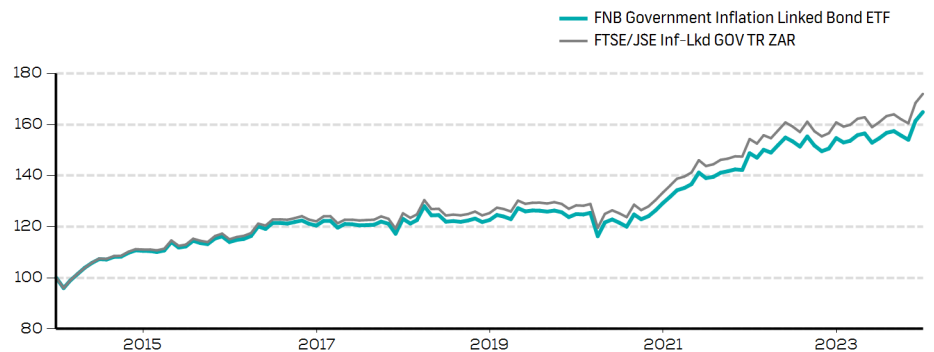
Fee Structure (%)	1 Yr	3 Yr
Annual Management fee*	0.15%	0.15%
Total expense ratio (TER)	0.23%	0.31%
Transactions charges (TC)	0.00%	0.00%
Total investment charges (TIC)	0.23%	0.31%

\* No performance fees are charged.  
\* All figures are INCLUSIVE of VAT, unless otherwise stated.  
\* All TERs & TCs are as at 30 Sep 2023.  
\* Management fees reduced from 0.36% (Incl. VAT) to 0.15% (Incl. VAT), effective from the 9th of February 2022

Please speak to your financial advisor or contact us for more information:

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Website: [www.fnb.co.za/share-investing/exchange-traded-funds.html](http://www.fnb.co.za/share-investing/exchange-traded-funds.html)

### Cumulative return for 10 years



Source: Morningstar®, Ashburton Fund Managers

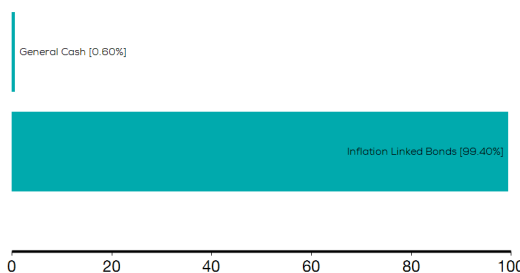
All performance numbers are net of all fees and expenses. The above is purely for illustrative purposes. The above portfolio performance is calculated on a NAV basis and does not take any initial fees into account. For reinvesting funds, income is reinvested on reinvestment date. Actual investment performance will differ based on the initial fees applicable, the actual investment date, the date of reinvestment of income and dividend withholding tax. Past performance is not necessarily an indication of future performance.

Return (%)	Fund	Benchmark	Tracking Difference	Fund statistics	Fund
YTD	6.59	6.92	-0.33	Tracking Error 1 Yr	0.08%
1 Mth	2.14	2.10	0.04	Tracking Error 3 Yr	0.14%
3 Mths	5.89	6.11	-0.22		
6 Mths	6.64	6.88	-0.24		
1 Yr	6.59	6.92	-0.33		
3 Yr	8.45	8.83	-0.38		
5 Yr	6.10	6.53	-0.43		
10 Yr	5.13	5.57	-0.44		

Source: Morningstar®

Returns include the re-investment of distributions and are net of fees.  
Returns over 12 months have been annualised.  
Fund statistics are calculated for up to a maximum of 10 years of the fund or since the inception.

### Sector allocation %



Source: Ashburton Fund Managers

The sector allocation graph covers Board notice 92 requirement of an Asset Allocation

### Largest holdings %

I2050 2.5% 311250	18.12
I2038 2.25% 310138	16.34
I2046 2.5% 310346	16.28
R202 3.45% 071233	14.79
I2033 1.8750% 280233	13.45
R210 2.60% 310328	10.77
I2029 1.875% 310329	9.67
UNSETTLED CASH/CURRENCY-ZAR	0.33



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## Monthly Performance History

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-1.11	0.43	1.45	0.42	-2.31	1.12	1.38	0.43	-1.09	-1.08	4.81	2.14	6.59
2022	-1.18	2.11	-0.74	1.97	1.95	-0.96	-1.34	2.62	-2.28	-1.47	0.69	2.72	3.97
2021	1.97	1.87	0.66	1.10	3.32	-1.52	0.34	1.15	0.42	0.51	-0.16	4.61	15.08
2020	-0.12	0.51	-7.30	4.65	0.94	-1.04	-1.26	3.97	-1.50	0.98	1.85	2.26	3.46
2019	1.62	-0.47	-0.84	3.50	-1.00	0.28	-0.07	-0.28	0.33	-0.53	-1.51	0.96	1.91

Source: Morningstar®

## Income distribution

Distribution Period	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)	
Sep 2023		0.00	20.31	0.00	20.31
Jun 2023		0.00	11.70	0.00	11.70
Mar 2023		0.00	20.54	0.00	20.54
Dec 2022		0.00	10.77	0.00	10.77

Source: Finswitch, Ashburton Fund Managers

## Statement of changes of Maturity Buckets

	Current Quarter (%) 31 Dec 2023	Previous Quarter (%) 30 Sep 2023	(%) Change from Previous to Current Quarter
+12YRS	50.73	42.68	8.05
1-3YRS	0.00	16.05	-16.05
3-7YRS	20.44	16.84	3.60
7-12YRS	28.23	23.37	4.86
Cash	0.60	1.06	-0.46
Total	100%	100%	

Source: Ashburton Investments

The above meet the criteria for the display of a statement of changes in the composition of the portfolio.

The fund adhered to the policy objectives as stated in the Supplemental Deed in terms of its allowed investments.

## Definitions

Total return:	Total return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.
NAV (net asset value):	This is the total value of assets in the portfolio less any liabilities, divided by the number of shares outstanding.
TER (total expense ratio):	This is a measure of the total costs associated with managing and operating an investment fund. These costs consist primarily of management fees and additional expenses such as trustee and custody fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets to arrive at a percentage, which represents the TER.
Transaction costs:	Total costs incurred by the investor in buying and selling the underlying assets of a financial product and is expressed as a percentage of the daily NAV calculated on an annualised basis. These costs include brokerage, VAT, and trading costs.
Annualised return:	This is the average rate earned by the investment over a year in the period measured.
Tracking error:	A measure of the amount of risk that is being taken in excess of the benchmark (tracking error is used where applicable).
Total investment charges (TIC):	It is the sum of the Total Expense Ratio (TER) and the Transaction Cost (TC).
Highest & Lowest Return:	The highest and lowest rolling twelve-month performance of the portfolio since inception.
Sharpe Ratio:	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
Sortino Ratio:	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
Standard Deviation:	The deviation of the return of the portfolio relative to its average.
Drawdown:	The greatest peak to trough loss until a new peak is reached.
Information ratio :	The information ratio measures the risk-adjusted performance of a portfolio relative to a benchmark.

### Disclaimer

FNB CIS Manco (RF) (Pty) Ltd (Registration Number 2006/036970/07) ("FNB CIS Manco") is an approved collective investment schemes manager in terms of the Collective Investment Schemes Control Act, No. 45 of 2002. The FNB CIS Manco is regulated by the Financial Sector Conduct Authority (FSCA) and is a full member of the Association for Savings and Investment SA (ASISA). This document and any other information supplied in connection with the FNB CIS Manco is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("the FAIS Act") and investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued under the FNB CIS Manco. Any investment is speculative and involves significant risks and therefore, prior to investing, investors should fully understand the portfolios and any risks associated with them. Collective investment schemes in securities are generally medium to long term investments. In the event a potential investor requires material risks disclosures for the foreign securities included in a portfolio, the manager will upon request provide such potential investor with a document outlining potential constraints on liquidity & repatriation of funds; Macroeconomics risk; Political risk; Foreign Exchange risk; Tax risk; Settlement risk; and Potential limitations on the availability of market information. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. For all portfolios forward pricing is used and portfolio valuations take place at approximately 15h00 each business day with an exception for Fund of Funds portfolio valuation take place at approximately 17h00 each business day using the underlying funds valuations of the previous day. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures. In such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. CIS portfolios are traded at ruling prices and can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. A CIS portfolio may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Participatory interests are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the CIS portfolio divided by the number of participatory interests in issue. All fees quoted are inclusive of VAT. The Total Expense Ratio (TER) is expressed as an annualised percentage of the charges, levies and fees incurred by the portfolio related to its management, for the period under review against the average NAV of the portfolio over this period. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A full detailed schedule of fees, charges and commissions is available from the FNB CIS Manco on request and incentives may be paid and if so, would be included in the overall costs. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The manager has a right to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge, and from the website: www.fnb.co.za. Bond and Income portfolios derives its income from interest bearing instruments and the yield is historic/current calculated as at 31 December 2023 Exchange Traded Funds (ETFs) are Collective Investment Schemes in Securities (CIS) that trade on stock exchanges. Trading in ETFs will incur the normal costs associated with listed securities, including brokerage, settlement costs, Uncertified Securities Tax (UST), other statutory costs and administrative costs. The price at which ETFs trade on an Exchange may differ from the Net Asset Value price published at the close of the trading day, because of intra-day price movements in the value of the constituent basket of securities. Ashburton Fund Managers (Pty) Ltd is an authorised Financial Services Provider.

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