

NewFunds Volatility Managed Defensive Equity ETF

Minimum Disclosure Document - 30 June 2021

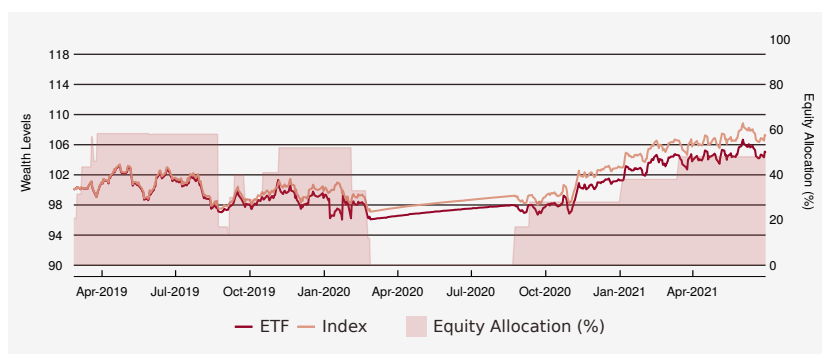


Portfolio objectives

The Portfolio will track and replicate the NewFunds/Absa Volatility Managed SA Defensive Equity Index, an index which allows an Investor to gain full market exposure to a universe of 30 liquid, JSE-listed equity securities selected on a factor specification to low volatility characteristics demonstrated in their performance. The Portfolio will comprise of both equity securities and cash (assets in liquid form), the proportion of which will be determined by the risk management process (the concurrent target volatility control mechanism and drawdown management process). The target volatility control mechanism aims to increase the proportion allocated to equity securities during periods of low volatility; and in turn increases the proportion allocated to cash during periods of high volatility. Specifically, where volatility rises and exceed the target threshold of 8%, the proportion allocated to cash will be increased. Where such volatility decreases, the proportion allocated to equity securities will be increased. The drawdown management process aims to increase allocation to cash during periods where the drawdown of the equity basket approaches 15% i.e. where there is a 15% fall from the most recent price peak. In all instances the trade threshold is set at 10%.

Performance and statistics

Cumulative wealth and equity allocation chart



Source: Absa CIB. The ETF and Index has been rebased to 100 on the listing date.

Returns table

Period	ETF (%)	Index (%)	Diff.
3 Months	1.09	1.30	-0.21
YTD	3.59	4.01	-0.42
1 Year (Ann.)	7.59	8.55	-0.97
3 Years (Ann.)	-	-	-
5 Years (Ann.)	-	-	-
Full Period (Ann.)	2.07	2.98	-0.91

Risk statistics

Statistic	ETF (%)
Risk (Ann.)	4.64
Max. Drawdown	-6.99
Best Month	3.35
Worst Month	-3.05
Best Annual Return	8.82
Worst Annual Return	-5.16

Income distributions

Month	Gross (cents per unit)	Net (cents per unit)
April 2021	5.40	4.89
January 2021	5.04	4.76
October 2020	5.91	5.73
July 2020	6.65	6.65

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.

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 Bank Limited
Trustees	Standard Chartered Bank
Benchmark Index	NewFunds/Absa Volatility Managed SA Defensive Equity Index
Index Calculation Agent	Solactive AG
ASISA Fund Category	South African - Multi Asset - Flexible
Exchange	JSE
JSE Code	NFEDEF
ISIN	ZAE000254868
Base Currency	ZAR
Portfolio Listing Date	25 February 2019
Net Asset Value	R52 616 540
NAV per Security	R10.15
Securities Issued	5 183 924
Dividend Frequency	Mar, Jun, Sep & Dec
Gross Dividend Yield	2.27%
Fund Valuation	17h00
Rebalance Frequency	At the end of Jan, Apr, Jul & Oct
Price Information	aiss.absa.africa

Monthly returns table

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	0.7	1.1	0.6	0.3	1.6	-0.8	-	-	-	-	-	-
2020	-1.1	-1.7	0.5	0.4	0.3	0.3	0.3	-0.6	0.5	-0.9	3.3	1.2
2019	-	0.1	0.4	1.7	-2.8	1.9	-0.7	-3.1	0.6	1.2	-0.7	0.4

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.

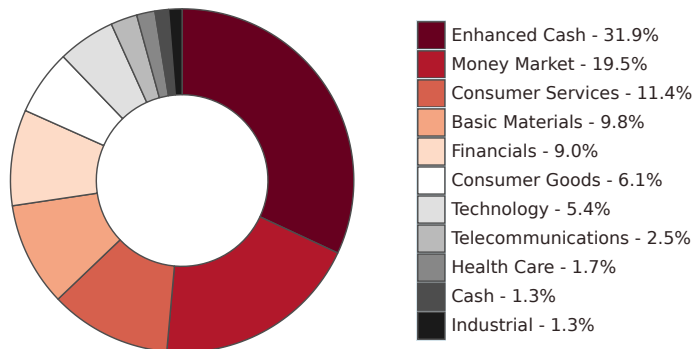
Investor protection: ETFs are fully backed by the underlying securities.

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 Sector Conduct Authority.

Exposure

Portfolio asset allocation



Top 10 equity holdings

Name	Sector	Weight (%)
Prosus	Technology	3.01
Brit America Tobacco	Consumer Goods	2.62
Vodacom Group	Telecommunications	2.50
Naspers Ltd-n Shs	Technology	2.40
Multichoice Group Ltd	Consumer Services	2.36
Com Finance Richmond Sa	Consumer Goods	2.10
Spar Group	Consumer Services	1.95
Kumba Iron Ore Ltd	Basic Materials	1.73
Aspen Pharmacare Hld	Health Care	1.73
Shoprite Hlds Ltd	Consumer Services	1.70
Total:		22.11

Source: Absa CIB. Data as at 30 June 2021.

Legal disclaimer

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Portfolio details (cont.)

Management Fee	0.50% ¹
Annualised TER	0.50% ²
Annualised Transaction Charges	0.00% ³
Annualised Total Investment Charges	0.50% ⁴

Notes

- Management fee is the fee which the manager charges for managing the portfolio and is inclusive of VAT. 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.
- The Total Expense Ratio (TER) is expressed as a percentage of the daily NAV calculated over a rolling 3 year annualised period.
- The Transaction Cost of the Portfolio is expressed as a percentage of the daily NAV and is calculated over a rolling 3 year annualised period.
- The Effective Annual Cost (EAC) measure is a combined sum of the TER and Transaction costs.
- Scrip Lending - The portfolio does not engage in scrip lending at this stage.
- The fees above are as at 30 June 2021.

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.

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

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.

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.

Contact us

Absa NewFunds Index & Structured Solutions

Tel: 0861 345 223

Email: etpmanagers@absa.africa

Website: aiss.absa.africa

Absa Stockbrokers & Portfolio Management

Tel: 0860 050 403

Email: equities@absa.co.za

Website: www.absastockbrokers.co.za

Absa Online & AIMS Investment Plan

Tel: 0860 000 005

Email: aimsenquiries@absa.co.za