

# NewFunds ILBI ETF

Minimum Disclosure Document - 31 March 2021



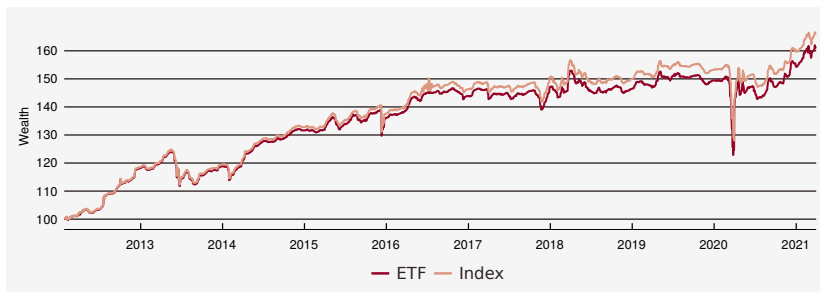
## Portfolio objectives

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

### Cumulative wealth 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           | 4.59    | 4.11      | 0.47  |
| YTD                | 4.59    | 4.11      | 0.47  |
| 1 Year (Ann.)      | 16.11   | 16.56     | -0.45 |
| 3 Years (Ann.)     | 1.83    | 2.02      | -0.19 |
| 5 Years (Ann.)     | 3.04    | 3.40      | -0.36 |
| Full Period (Ann.) | 5.35    | 5.69      | -0.34 |

### Risk statistics

| Statistic           | ETF (%) |
|---------------------|---------|
| Risk (Ann.)         | 6.64    |
| Max. Drawdown       | -19.71  |
| Best Month          | 4.99    |
| Worst Month         | -7.34   |
| Best Annual Return  | 18.87   |
| Worst Annual Return | -5.38   |

### Income distributions

| Month         | Gross (cents per unit) | Net (cents per unit) |
|---------------|------------------------|----------------------|
| March 2021    | 16.04                  | 16.04                |
| February 2021 | 17.04                  | 17.04                |
| January 2021  | 52.69                  | 52.69                |
| December 2020 | 16.38                  | 16.38                |

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 Capital Securities (Pty) Ltd                |
| Trustees                              | Standard Chartered Bank                          |
| Benchmark Index                       | ILBI Index                                       |
| Index Calculation Agent               | Bloomberg  |
| ASISA 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                       | R102 734 151                                     |
| NAV per Security                      | R73.38   |
| Securities Issued                     | 1 400 000  |
| Dividend Frequency                    | Monthly  |
| Gross Dividend Yield                  | 3.28%  |
| Fund Valuation                        | 17h00  |
| Rebalance Frequency                   | Monthly  |
| Price Information                     | aiss.absa.africa                                 |

## Monthly returns table - last 5 years

| Year | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec |
|------|------|------|------|------|------|------|------|------|------|------|------|-----|
| 2021 | 2.0  | 1.9  | 0.7  | -    | -    | -    | -    | -    | -    | -    | -    | -   |
| 2020 | -0.1 | 0.5  | -7.3 | 4.7  | 1.0  | -1.0 | -1.3 | 4.0  | -1.5 | 1.0  | 1.8  | 2.1 |
| 2019 | 1.6  | -0.5 | -0.8 | 3.5  | -1.0 | 0.3  | -0.1 | -0.3 | 0.3  | -0.5 | -1.5 | 0.9 |
| 2018 | -1.6 | 1.1  | 4.5  | -2.7 | 0.1  | -2.1 | 0.2  | -0.2 | 0.4  | 0.7  | -1.1 | 0.6 |
| 2017 | 1.5  | 0.0  | -2.3 | 1.4  | -0.3 | -0.3 | 0.1  | 0.1  | 1.0  | -0.7 | -3.2 | 5.0 |

## 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.

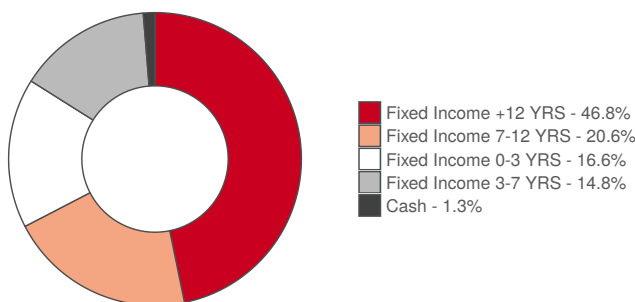
**Investor protection:** ETFs are fully backed by the underlying securities.

**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



Source: Absa CIB.

### Top 10 portfolio holdings

| Name                 | Type     | Weight (%) |
|----------------------|----------|------------|
| R197 5.50% 071223    | 0-3 YRS  | 16.55      |
| I2025 2% 310125      | 3-7 YRS  | 14.78      |
| R202 3.45% 071233    | +12 YRS  | 13.43      |
| I2050 2.5% 311250    | +12 YRS  | 12.38      |
| I2038 2.25% 310138   | +12 YRS  | 10.86      |
| I2046 2.5% 310346    | +12 YRS  | 10.10      |
| R210 2.60% 310328    | 7-12 YRS | 9.19       |
| I2033 1.8750% 280233 | 7-12 YRS | 6.32       |
| I2029 1.875% 310329  | 7-12 YRS | 5.11       |
| Total:               |          | 98.72      |

#### Legal disclaimer

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## Portfolio details (cont.)

|                                     |                    |
|-------------------------------------|--------------------|
| Management Fee                      | 0.35% <sup>1</sup> |
| Annualised TER                      | 0.35% <sup>2</sup> |
| Annualised Transaction Charges      | 0.00% <sup>3</sup> |
| Annualised Total Investment Charges | 0.35% <sup>4</sup> |

#### Notes

1. 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.
2. The Total Expense Ratio (TER) is expressed as a percentage of the daily NAV calculated over a rolling 3 year annualised period.
3. 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.
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.
6. The fees above are as at 31 March 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.

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