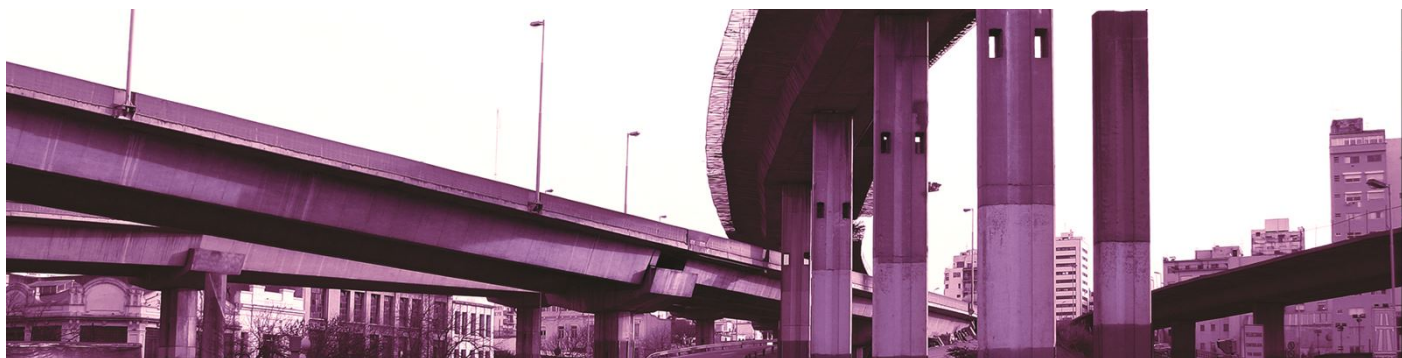


# NewFunds Value Equity ETF

Minimum Disclosure Document - 31 March 2021



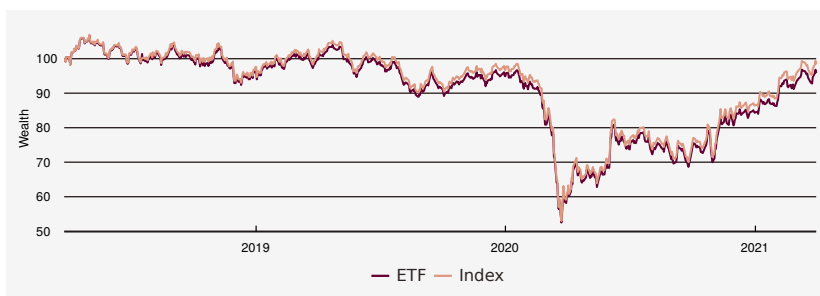
## Portfolio objectives

The NewFunds Value Equity ETF ("the Portfolio") is aimed at providing Investors with diversified exposure to 30 highly liquid constituents securities in the South African equity market that exhibit value characteristics (low price-to-earnings and price-to-book ratios) in their performance by tracking the Absa Wits Risk-Controlled SA Value Index ("the Value Index"), where the constituent security's weights in the Value Index are determined by applying an equal risk contribution weighting scheme.

The Value Index was created by Absa Bank Limited ("Absas") in collaboration with Wits University using their Findata@Wits® database. The ETF is total return in nature therefore all dividends and income received in the Portfolio is reinvested at each income distribution date.

## 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	13.58	13.81	-0.23
YTD	13.58	13.81	-0.23
1 Year (Ann.)	59.60	60.96	-1.36
3 Years (Ann.)	-1.57	-0.71	-0.87
5 Years (Ann.)	-	-	-
Full Period (Ann.)	-1.41	-0.55	-0.86

### Risk statistics

Statistic	ETF (%)
Risk (Ann.)	23.62
Max. Drawdown	-50.79
Best Month	15.27
Worst Month	-25.79
Best Annual Return	59.60
Worst Annual Return	-39.35

### Income distributions

Month	Gross (cents per unit)	Net (cents per unit)
January 2021	0.80	0.65
October 2020	3.94	3.15
July 2020	6.76	5.43
April 2020	7.07	5.68

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	Absa Wits Risk-Controlled SA Value Index
Index Calculation Agent	S&P Dow Jones Indices
ASISA Fund Category	South African - Equity - General
Exchange	JSE
JSE Code	NFEVAL
ISIN	ZAE000252466
Base Currency	ZAR
Portfolio Listing Date	26 March 2018
Net Asset Value	R172 031 633
NAV per Security	R9.44
Securities Issued	18 218 416
Dividend Frequency	Mar, Jun, Sep & Dec
Gross Dividend Yield	1.97%
Fund Valuation	17h00
Rebalance Frequency	May & Nov
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	2.4	5.6	5.1	-	-	-	-	-	-	-	-	-
2020	-3.1	-12.1	-25.8	13.2	0.7	7.9	0.3	-4.3	3.7	-4.7	15.3	4.6
2019	3.4	0.4	-1.6	3.7	-6.1	2.1	-2.8	-4.5	-0.1	2.6	0.8	0.6
2018	-	-	0.5	5.2	-4.7	0.5	-0.2	2.5	-3.8	0.6	-7.3	4.2

## 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.

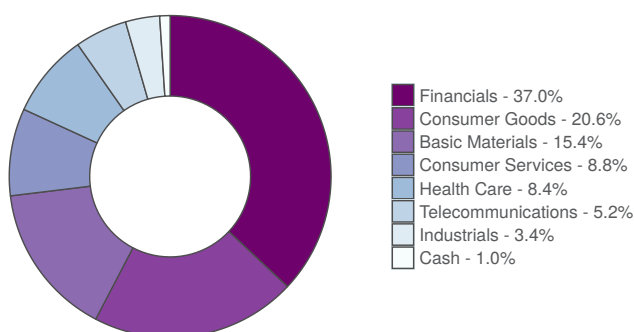
**Investor protection:** ETFs are fully backed by the underlying securities.

**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 (%)
Brit America Tobacco	Consumer Goods	6.70
Astral Foods Limited	Consumer Goods	6.44
Aspen Pharmacare Hld	Health Care	4.95
Exxaro Resources Ltd	Basic Materials	4.87
Distell Group Holdings Lt	Consumer Goods	4.35
Quilter Plc	Financials	4.34
Anglo American Plc	Basic Materials	3.58
African Rainbow Mine	Basic Materials	3.55
Netcare Limited	Health Care	3.48
Barloworld Limited	Industrials	3.43
Total:		45.69

#### Legal disclaimer

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## Portfolio details (cont.)

Management Fee	0.50% <sup>1</sup>
Annualised TER	0.50% <sup>2</sup>
Annualised Transaction Charges	0.00% <sup>3</sup>
Annualised Total Investment Charges	0.50% <sup>4</sup>

#### 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 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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