NewFunds Low Volatility ETF

Minimum Disclosure Document - 30 September 2018

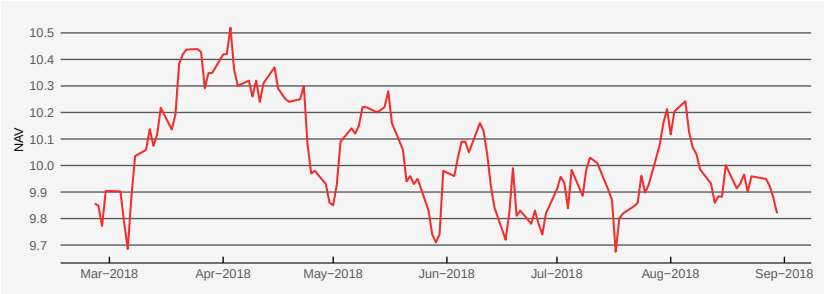
Portfolio objectives

The NewFunds Low Volatility Equity ETF ("the Portfolio") is aimed at providing an Investor with diversified exposure to 20 highly liquid constituent securities in the South African equity market that exhibit the lowest volatility as well as a low beta to the market in their performance by tracking the Absa Wits Risk-Controlled SA Low Volatility Index ("the Low Volatility Index"), where the constituent security's weights in the Low Volatility Index is determined by applying an equal risk contribution weighting scheme.

The Low Volatility Index was created by Absa Bank Limited ("Absa") 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

Portfolio net asset value chart



Source: Absa CIB.

Returns table

Period	ETF	Index	Diff.
3 Months	-1.6%	-1.1%	-0.5%
YTD	-0.4%	0.2%	-0.6%
1 Year (Ann.)	-	-	-
3 Years (Ann.)	-	-	-
5 Years (Ann.)	-	-	-
Full Period (Ann.)	-0.7%	0.5%	-1.2%

Risk statistics

Statistic	ETF
Risk (Ann.)	-
Max. Drawdown	-8.0%
Best Month	5.2%
Worst Month	-4.7%
Best Annual Return	-
Worst Annual Return	-

Distributions last 12 months

Month	Net Distribution	Dividend Yield
October 2018	8.93c	-
July 2018	12.51c	-
March 2018	0.00c	-
-	-	-

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.

Risk profile

Aggressive

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	Absa Wits Risk-Controlled SA Low Volatility Index
Index Calculation Agent	S&P Dow Jones Indices
Fund Category	South African - Equity - General
Exchange	JSE
JSE Code	NFEVOL
ISIN	ZAE000252458
Base Currency	ZAR
Portfolio Listing Date	26 March 2018
Net Asset Value	R30 323 039
Securities Issued	-
Dividend Frequency	Mar, Jun, Sep & Dec
Fund Valuation	17h00
Rebalance Frequency	Feb, May, Aug & Nov
Price Information	etfcib.absa.co.za

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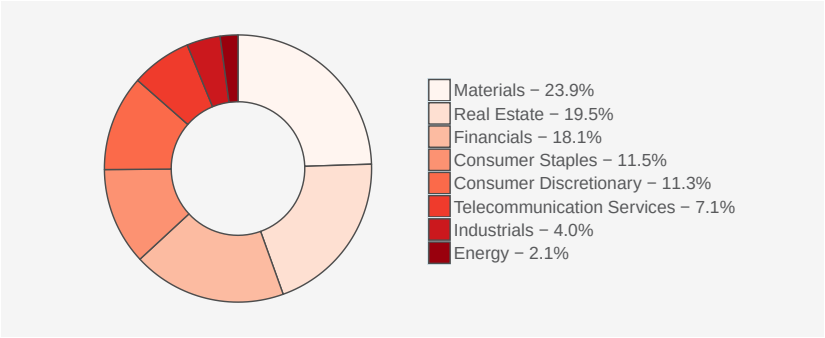
Investor benefits

Diversification: Investors obtain diversified exposure to a basket of SA equity securities.
Liquidity: Absa act as market maker and provide daily liquidity.
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



Source: Absa CIB. Data as at 30 June 2018.

Top 10 portfolio holdings

Name	Sector	Weight
Intu Properties PLC	Real Estate	8.7%
British American Tobacco PLC	Consumer Staples	8.3%
Sappi Limited	Materials	6.9%
Telkom SA SOC Ltd	Telecommunication Services	4.4%
Glencore PLC	Materials	4.3%
Gold Fields Limited	Materials	4.3%
Growthpoint Properties Limited	Real Estate	3.8%
Investec plc	Financials	3.7%
Redefine Properties Ltd	Real Estate	3.7%
Woolworths Holdings Limited	Consumer Discretionary	3.5%
Total:		51.5%

Contact us

Absa NewFunds Index & Structured Solutions
Tel: 0861 345 223
Email: etpmanagers@barclays.com
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

Portfolio details (cont.)

Max Management Fee	0.50%[1]
Annualised TER	0.50%[2]
Transaction Cost	0.00%[3]
Effective Annual Cost	0.50%[4]

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 fund 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.

Exchange Traded Funds (ETF) - A Unit Trust 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.

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.

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