

# New Funds ILBI Exchange Traded Fund

Minimum Disclosure Document

Report Date: 30 June 2017

## Fund 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.

## Fund Details

<b>Issuer</b>	NewFunds CIS	<b>Annualised TER**1</b>	0.35%
<b>Manager</b>	NewFunds (Pty) Ltd	<b>Transaction Cost<sup>2</sup></b>	0.60%
<b>Originator</b>	Absa Bank Limited acting through Absa CIB division and Absa Alternative Asset Management (Pty) Ltd	<b>Effective Annual Cost (EAC)<sup>3</sup></b>	0.96%
<b>Trustees</b>	Standard Bank (SA) Ltd	<b>Risk Profile<sup>4</sup></b>	Moderate
<b>Benchmark index</b>	ILBI Index	<b>Index rebalance frequency</b>	Monthly
<b>Sector</b>	Exchange Traded Funds	<b>Dividend frequency</b>	Monthly
<b>Fund Category</b>	South African – Interest Bearing – Variable Term	<b>No. of securities issued</b>	1,700,000
<b>JSE code</b>	NFILBI	<b>Ex Div Date of last distribution</b>	21/06/2017
<b>ISIN</b>	ZAE000162244	<b>Amount of last distribution</b>	22.81 cents per index security
<b>Base currency</b>	ZAR	<b>Fund Valuation</b>	17h00
<b>Listing date</b>	26/01/2012	<b>Tracking Error</b>	1.13%
<b>Net Asset Value</b>	111,221,962	<b>Daily price information</b>	etfcib.absa.co.za

\* A total return ETF reinvests distributions back into the fund so as to increase the net asset value of the portfolio. Investors are also advised to speak to their tax or financial advisor about the tax treatment of distributions.

\*\* As published on Finswitch for the quarter ended 30 June 2017

## Benefits

- **Diversification:** exposure to the whole market / asset classes
- **Liquidity:** Absa market maker provides full liquidity to enable investors to easily buy or sell the ETF
- **Transparency:** The ETFs constituent assets, holdings and investment methodology are published regularly
- **Lower costs:** due to ETFs being passive in nature, they tend to have a low fee structure than actively managed funds
- **Investor protection:** ETF securities are fully backed by the underlying assets
- **Traded like a share:** ETFs are funds listed and traded like ordinary shares on a stock exchange
- NewFunds ETFs are registered as Collective Investment Schemes (CIS)

**ETF Performance<sup>5</sup> History as of 30 June 2017\***

Performance Period	NewFunds ILBI ETF	ILBI Index
Return since inception	6.93%	7.30%
1 year return	-0.80%	-0.47%
2 year return	3.69%	4.13%
3 year return	4.06%	4.46%
4 year return	5.90%	6.29%
5 year return	6.83%	7.19%

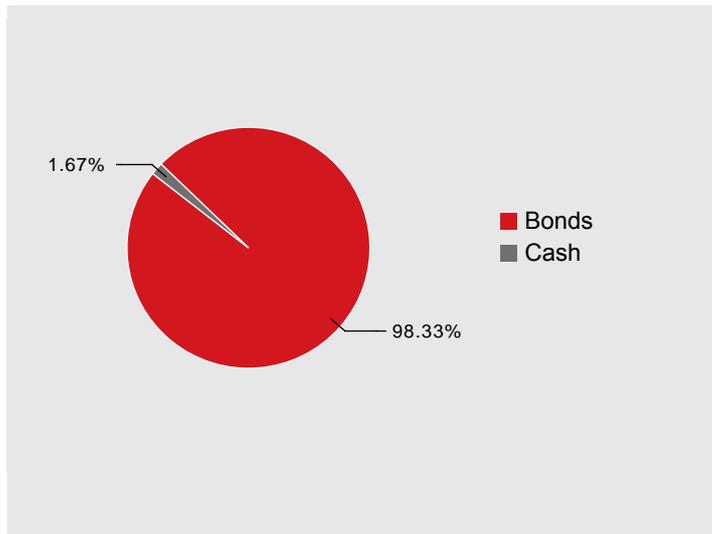
**Income Distribution in the past 12 months**

Month	Income in Cents	Month	Income in Cents
July 16	19.25	January 17	13.62
August 16	10.53	February 17	19.94
September 16	12.65	March 17	16.16
October 16	15.90	April 17	16.58
November 16	12.48	May 17	3.78
December 16	13.66	June 17	22.81

**Risk statistics since listing\***

	Annualised standard deviation <sup>6</sup>	Highest annual return	Lowest annual return
NewFunds ILBI ETF	4.59%	21.67%	-3.20%
ILBI Index	5.27%	22.02%	-2.96%

**Asset Class Allocation**

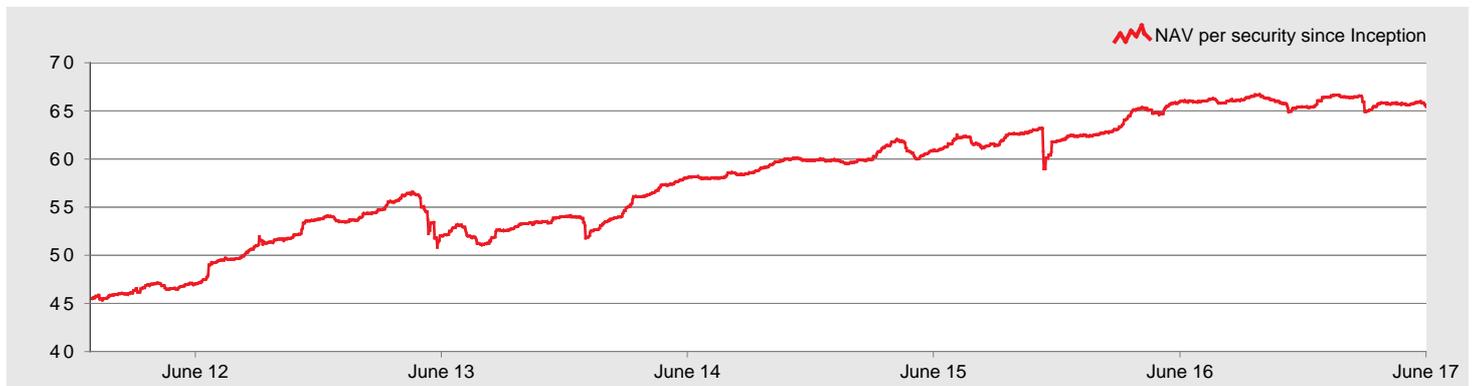


R197	19.47%	I2038	8.21%
R202	18.32%	I2046	8.03%
R210	11.13%	I2033	3.24%
I2050	10.80%	I2029	1.68%
R212	9.18%	Cash/Other	1.67%
I2025	8.27%		

**Maturity Bands**

Below 7 Years	28.65%
7-12 Years	21.08%
More than 12 Years	48.60%

**Historical NAV chart\***



\* Source: Absa - June 2017  
All returns are annualised. Annualised returns represent an average growth rate of an investment per year, over a given time period.

## Contact Information

### Absa Online and AIMS Investment Plan

Tel: 0860 000 005

Email: [aimsenquiries@absa.co.za](mailto:aimsenquiries@absa.co.za)

### NewFunds Investment Plan

Tel: 0861 289 383

Email: [etf.nf@aospartner.com](mailto:etf.nf@aospartner.com)

### Absa CIB ETPs

Website: <http://etfcib.absa.co.za>

### Trustees Information

Standard Bank (SA) Ltd

Tel: +27 21 401 2675

Email: [TRUSTEE-ABSA@standardbank.co.za](mailto:TRUSTEE-ABSA@standardbank.co.za)

## Notes

1. The Total Expense Ratio (TER) is a measure of the ETFs assets that have been sacrificed as payment for services rendered (allowable charges per prescribed industry standards) in the management of the ETF (the TER excludes brokerage and transactional costs), expressed as a percentage of the daily average value of the portfolio and calculated over a 12 month rolling period. 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.
2. The Transaction Cost is the cost incurred in the buying and selling of the underlying assets of an ETF. It is expressed as a percentage of the daily average value of the ETF and it is calculated over a 1 year period.
3. EAC is a measure of the charges that an investor will likely incur by investing in an ETF. It includes the investment management costs (TER and transaction costs), administration costs, advice costs and other costs. Our ETFs do not charge an administration or advice fees, these fees may be payable through an investment platform chosen by the investor. A schedule of management fees and transactions costs is available on request from the Manager.
4. Through index replication the fund invests in bonds only, as a result it lacks diversification into other asset classes. The fund aims to deliver moderate growth over the medium to longer term investment horizon with minimised price volatility. However, capital losses can occur over the short term due to price volatility.
5. The performance quoted represents past performance and the Manager does not provide any guarantee with respect to capital or future returns of the ETF. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting <http://etfcib.absa.co.za>.
6. The standard deviation of the Fund's monthly returns since inception. This is a measure of how much an investment's return varies from its average over time.
7. Highest annual return represents the highest one year return of the ETF since inception.
8. Lowest annual return represents the lowest one year return of the ETF since inception.
9. Performance is calculated for the portfolio and it differs from individual investments performance due to fees.
10. The fund does not engage in securities lending.

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