

# NewFunds ILBI ETF

Minimum Disclosure Document - 30 June 2021



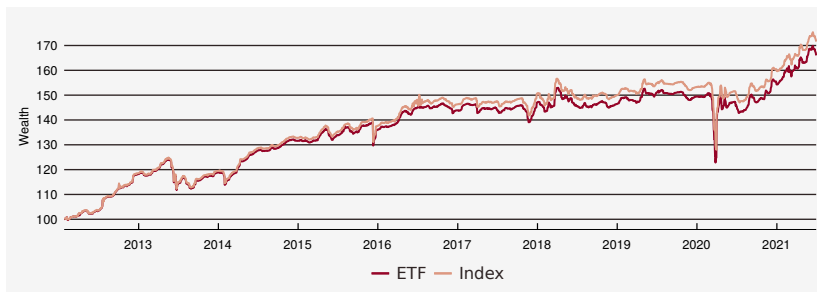
## Portfolio objectives

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	2.88	3.19	-0.31
YTD	7.60	7.43	0.17
1 Year (Ann.)	14.18	14.26	-0.07
3 Years (Ann.)	4.46	4.86	-0.40
5 Years (Ann.)	2.74	3.10	-0.36
Full Period (Ann.)	5.52	5.89	-0.37

### Risk statistics

Statistic	ETF (%)
Risk (Ann.)	6.65
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)
June 2021	16.52	16.52
May 2021	17.03	17.03
April 2021	20.66	20.66
March 2021	16.04	16.04

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	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	R105 693 078
NAV per Security	R75.50
Securities Issued	1 400 000
Dividend Frequency	Monthly
Gross Dividend Yield	3.22%
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	1.1	3.3	-1.5	-	-	-	-	-	-
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.

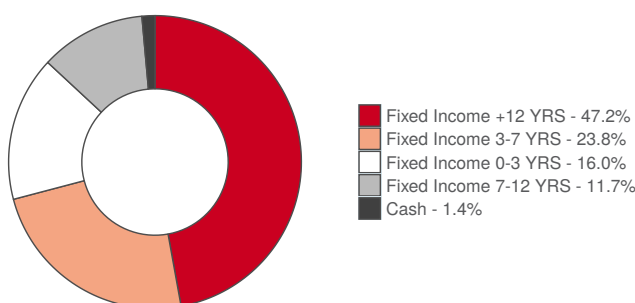
**Investor protection:** ETFs are fully backed by the underlying securities.

**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	16.01
I2025 2% 310125	3-7 YRS	14.68
R202 3.45% 071233	+12 YRS	13.06
I2050 2.5% 311250	+12 YRS	12.56
I2038 2.25% 310138	+12 YRS	11.31
I2046 2.5% 310346	+12 YRS	10.22
R210 2.60% 310328	3-7 YRS	9.07
I2033 1.8750% 280233	7-12 YRS	6.32
I2029 1.875% 310329	7-12 YRS	5.34
Total:		98.57

#### 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 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](mailto:etpmanagers@absa.africa)

Website: [aiss.absa.africa](http://aiss.absa.africa)

Absa Stockbrokers & Portfolio Management

Tel: 0860 050 403

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

Website: [www.absastockbrokers.co.za](http://www.absastockbrokers.co.za)

Absa Online & AIMS Investment Plan

Tel: 0860 000 005

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