NEWFUNDS COLLECTIVE INVESTMENT SCHEME
ILBI INDEX ETF PORTFOLIO

AUDITED ANNUAL FINANCIAL STATEMENTS
31 December 2019

Prepared under the supervision of Palesa Mkhize CA(SA)
Designation: Head of Financial Decision Support, Corporate and Investment Bank,
Absa Bank Limited

Contents

REPORT OF THE TRUSTEE FOR THE NEWFUNDS COLLECTIVE INVESTMENT SCHEME IN SECURITIES

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the NewFunds Collective Investment Scheme in Securities ("the Scheme") have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ("the Act"), for the financial year ended 31 December 2019.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

(i) the limitations imposed on the investment and borrowing powers of the manager by this Act; and

(ii) the provisions of this Act and the deed;

Melinda Mostert

Standard Bank of South Africa Limited

Seggie Moodley

Standard Bank of South Africa Limited

31 March 2020

DIRECTORS' RESPONSIBILITIES AND APPROVAL

for the year ended 31 December 2019

The directors are responsible for overseeing the preparation, integrity and objectivity of the annual financial statements that fairly present the state of the affairs of the Scheme at the end of the financial year and the financial performance and cash flows for the reporting period, and other information contained in this report.

Each Scheme's annual financial statements comprise the statement of comprehensive income at the reporting date, the statements of financial position, changes in net assets attributable to investors, cash flows for the year then ended and the notes to the annual financial statements, which include a summary of significant accounting policies and other explanatory notes, in the manner required by The Collective Investment Scheme Control Act of South Africa of 2002, International Financial Reporting Standards and the Scheme Deed.

To enable the directors to meet these responsibilities:

- All directors will endeavour to maintain the highest ethical standards in ensuring the Scheme's business is conducted in a manner that in all reasonable circumstances is above reproach;
- The directors set standards and management implements systems of internal control and accounting and information systems aimed at providing reasonable assurance that both on and off statement of financial position assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The directors and management identify all key areas of risk across the Scheme and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function outsourced to Barclays Africa Group Internal Audit, which operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the Directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Scheme consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The annual financial statements of the Scheme have been prepared in accordance with the provisions of the Collective Investment Scheme Control Act of 2002 and the Trust Deed and comply with International Financial Reporting Standards (IFRS) and all applicable legislation.

The directors have no reason to believe that the Scheme will not be a going concern in the reporting period ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the independent auditors to report on the annual financial statements. Their report to the investors is set out on pages 3 to 5.

The annual financial statements set out on pages 8 to 32 were approved by the directors on 31 March 2020 and were signed on its behalf by:

Director	Director

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Sandton
Private Bag X14
Sandton
2146

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INDEPENDENT AUDITOR'S REPORT TO THE MANAGER AND HOLDERS OF SECURITIES IN THE NEWFUNDS COLLECTIVE INVESTMENT SCHEME ILBI INDEX ETF PORTFOLIO

Report on the Audit of Annual Financial Statements

Opinion

We have audited the financial statements of NewFunds Collective Investment Scheme ILBI Index ETF Portfolio (the Portfolio) as set out on pages 8 to 32, which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in net assets attributable to investors, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Collective Investments Schemes Control Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Portfolio in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements of the company and in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits of the company and in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Responsibilities and Approval, Trustees' Report and Directors' Report, which we obtained prior to the date of this report. Other information does not include the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Collective Investment Schemes Control Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Portfolio or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Portfolio's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Portfolio to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In terms of the IRBA Rule published in the Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of the Portfolio within NewFunds Collective Investment Scheme for 8 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Jan H Labuschagne CA(SA)
Registered Auditor
31 March 2020

102 Rivonia Road
Sandton
2146

Management company registration number	2005/034899/07
Date of incorporation of portfolio	26 January 2012
Country of incorporation and domicile	South Africa
Date of publication	31 March 2020
Nature of business and principle activities	NewFunds Collective Investment Scheme manages exchange traded fund (ETF) portfolios. Its objective is to track the performance of specific indices on the stock market in each portfolio. The ILBI Index ETF scheme (the portfolio or ILBI) tracks the Barclays/ Absa South African Government Inflation-Linked Bond Index, a total return index comprising South African bonds issued by the South African government that are linked to the South Africa Consumer Price Index.

Directors of Management Company

Name	**Appointment date**
CHM Edwards	24/03/2016
TJ Fearnhead	25/11/2013
AB La Grange	10/07/2006
DA Lorimer	01/12/2016
BM Mgwaba	15/10/2015
RMH Pitt	17/02/2017

**NewFunds Collective Investment Scheme manages exchange traded fund portfolios. Accordingly, the appointment dates referred to above refer to the dates these directors were appointed to the Scheme.*

Registered office	7th Floor Absa Towers West 15 Troye Street Johannesburg 2001
Trustees	Standard Bank of South Africa Limited
Bankers	Standard Bank of South Africa Limited
Auditors	Ernst & Young Inc. 102 Rivonia Road Sandton Johannesburg 2196
Supervised by	The scheme is managed by NewFunds (RF) Proprietary Limited, a 100% owned subsidiary of Absa Bank Limited. The preparation of these annual financial statements therefore falls under the direct supervision of Absa Bank Limited, represented by Palesa Mkhize CA(SA), Head of Financial Decision Support. All references to 'Manager' and 'Management' relate to NewFunds (RF) Proprietary Limited.
Review of financial results	The financial results of the Scheme are set out in the attached financial statements. The results do not, in the opinion of the directors, require further explanation.

Events after the reporting date	Events material to the understanding of these financial statements that occurred in the period between the financial year end and the date of this report has been disclosed in Note 17.
Going concern	The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.
Special resolutions	No special resolutions were passed during the period under review.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	2019 R	2018 R
Effective interest income		**9 293**	11 292
Investment income	3	**1 965 675**	1 830 489
Net loss on financial assets at fair value through profit and loss	6.1	**(539 032)**	(1 891 606)
Total income		**1 435 936**	(49 825)
Management and administration expenses		**(215 315)**	(223 999)
Increase/(decrease) in net assets attributable to investors before distribution		**1 220 621**	(273 824)
Increase/(decrease) in net assets attributable to investors after distribution		**1 220 621**	(273 824)
Represented by:			
Income attributable to investors		**1 759 653**	1 617 782
Capital attributable to investors		**(539 032)**	(1 891 606)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 R	2018 R
Assets			
Non-current assets			
Portfolio investments	6	**60 215 403**	59 356 164
Total non-current assets		**60 215 403**	59 356 164
Current assets			
Other receivables	7	**376 797**	355 779
Cash and cash equivalents	10	**575 431**	234 711
Total current assets		**952 228**	590 490
Total assets		**61 167 631**	59 946 654
Liabilities			
Current liabilities			
Other payables	8	**17 859**	17 503
Net assets attributable to investors		**61 149 772**	59 929 151

NEWFUNDS COLLECTIVE INVESTMENT SCHEME - ILBI INDEX ETF PORTFOLIO
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO INVESTORS
for the year ended 31 December 2019

	Capital attributable to investors R	**Income attributable to investors R**	**Net assets attributable to investors R**
Balance at 1 January 2018	55 286 710	18 230 665	73 517 375
Redemptions for the period	(13 314 400)	-	(13 314 400)
(Decrease)/increase in net assets attributable to investors	(1 891 606)	1 617 782	(273 824)
Balance at 31 December 2018	40 080 704	19 848 447	59 929 151
Balance at 1 January 2019	**40 080 704**	**19 848 447**	**59 929 151**
Redemptions for the period	**-**	**-**	**-**
(Decrease)/increase in net assets attributable to investors	**(539 032)**	**1 759 653**	**1 220 621**
Balance at 31 December 2019	**39 541 672**	**21 608 100**	**61 149 772**

NEWFUNDS COLLECTIVE INVESTMENT SCHEME - ILBI INDEX ETF PORTFOLIO
STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash used in operations	9	**(214 959)**	(207 349)
Purchase of bonds due to rebalancing		**(2 496 144)**	(3 628 876)
Proceeds from sale of bonds due to rebalancing		**1 097 871**	1 632 020
Interest received		**9 124**	11 778
Coupon interest received		**1 944 828**	1 981 132
Net cash (used in)/generated by operating activities		**340 720**	(211 295)
Cash flows from financing activities			
Cash portion paid on redemption of ILBI Index Securities*		**-**	(116 097)
Net cash (used in)/generated by financing activities		**-**	(116 097)
Net (decrease)/increase in cash and cash equivalents		**340 720**	(327 392)
Cash and cash equivalents at the beginning of the year		**234 711**	562 103
Cash and cash equivalents at the end of the year	10	**575 431**	234 711

**Redemptions and creations are done in specie with the market maker. The settlement difference relates to the cash portion paid/received which is reflected above on the Statement of Cash Flows.*

1. STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRS-IC) and the requirements of the Trust deed, JSE Listing Requirements and the SAICA Financial Reporting Guides.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year, the Scheme has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2019. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Scheme's accounting policies. For details of the new and revised accounting policies refer to Note 18.

2.2 BASIS OF PREPARATION

Apart from certain items that are carried at fair value, as explained in the accounting policies below, the financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The financial statements are presented in South African Rands (R), the presentation and functional currency of the Scheme. All financial information is presented to the nearest Rand.

2.3 EFFECTIVE INTEREST INCOME

Effective interest income on amortised cost financial instruments, is recognised in profit or loss using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to that instrument’s net carrying amount on initial recognition.

2.4 INVESTMENT INCOME

Investment income comprises of coupon interest income.

Coupon interest recognised on investments measured at Fair Value through Profit and Loss is presented as part of investment income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. FINANCIAL INSTRUMENTS

2.5.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are recognised when it becomes a party to the terms of the contract, which is the trade date. All financial instruments are measured initially at fair value plus/minus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss, where transaction costs are expensed upfront.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

For valuations that have made use of significant unobservable inputs, the difference between the model valuation and the initial transaction price ("Day One profit or loss") is recognised in profit or loss either on a straight-line basis over the term of the transaction, or over the reporting period until all model inputs will become observable where appropriate, or released in full when previously unobservable inputs become observable.

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

On initial recognition, financial assets are classified into the following measurement categories:

- Amortised cost; or
- Fair value through other comprehensive income; or
- Fair value through profit or loss

The classification and subsequent measurement of financial assets depends on:

- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent "solely payments of principal and interest").

Business model assessment:

The business model reflects how the NewFunds Collective Investment Scheme manages the financial assets in order to generate cash flows and returns. The NewFunds Collective Investment Scheme makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The factors considered in determining the business model include:

(i) how the financial assets' performance is evaluated and reported to management;
(ii) how the risks within the portfolio are assessed and managed; and
(iii) the frequency, volume, timing for past sales, sales expectations in future periods, and the reasons for such sales. The NewFunds Collective Investment Scheme reclassifies debt instruments when, and only when, the business model for managing those assets changes. Such changes are highly unlikely and therefore expected to be very infrequent.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. FINANCIAL INSTRUMENTS (continued)

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

In making the assessment of whether the contractual cash flows have SPPI characteristics, the NewFunds Collective Investment Scheme considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest. Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs, together with a profit margin. Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss, as described below. In making the assessment, the NewFunds Collective Investment Scheme considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the NewFunds Collective Investment Scheme's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

Debt Instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds. The NewFunds Collective Investment Scheme classifies its debt instruments as follows:

i. Amortised cost - Financial assets are classified within this measurement category if they are held within a portfolio whose primary objective is the collection of contractual cash flows, where the contractual cash flows on the instrument are SPPI, and that are not designated at fair value through profit or loss. These financial assets are subsequently measured at amortised cost where interest is recognised as effective interest income. The carrying amount is adjusted by the cumulative expected credit losses recognised.

ii. Fair value through other comprehensive income - This classification applies to financial assets which meet the SPPI test, and are held within a portfolio whose objectives include both the collection of contractual cash flows and the selling of financial assets. These financial assets are subsequently measured at fair value with movements in the fair value recognised in other comprehensive income, with the exception of interest income, expected credit losses and foreign exchange gains and losses that are recognised within profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to “Gains and losses from banking and trading activities” in profit or loss. Interest income from these financial assets is included as “Effective interest income” within “Interest and similar income” using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. FINANCIAL INSTRUMENTS (continued)

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Debt Instruments (continued)

iii. Fair value through profit or loss - Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are mandatorily measured at fair value through profit or loss. Gains and losses on these instruments are recognised in fair value adjustment in profit or loss. The NewFunds Collective Investment Scheme may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognised as fair value adjustment in profit or loss.

Financial Liabilities

Financial liabilities arising from the securities issued by the Portfolio are measured at fair value representing the investor's right to an interest in the Portfolio's net assets, i.e. the Net Asset Value ("NAV") of the Portfolio. Changes in the fair value are included in profit or loss in the period in which the change arises and these financial liabilities are designated at fair value through profit or loss. Gains and losses on financial liabilities are presented in OCI to the extent that they relate to changes in own credit risk. For the current period there were no significant changes in own credit risk.

Net assets attributable to investors (redeemable securities)

All redeemable securities provided by the portfolios provide investors with the right to request redemption for cash or in specie at the value proportionate to each investor’s share. The securities are redeemable at any time at the option of the security holder and are therefore classified as financial liabilities. These are measured at the redemption amounts.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. FINANCIAL INSTRUMENTS (continued)

2.5.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

OTHER RECEIVABLES

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

OTHER PAYABLES

Other payables are measured at amortised cost except for liabilities designated at fair value which are held at fair value through profit and loss. Amortised cost is the initial fair value (which is normally the amount borrowed) adjusted for premiums, discounts, repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the liability.

FAIR VALUE

The listed underlying investments are carried at fair value through profit or loss.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.5.3 DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

Full derecognition only occurs when the rights to receive cash flows from the asset have been discharged, cancelled or have expired, or the Scheme transfers both its contractual right to receive cash flows from the financial assets (or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment) and substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. FINANCIAL INSTRUMENTS (continued)

2.5.4 OFFSETTING

In accordance with IAS 32 Financial Instruments: Presentation, the Scheme reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a current legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously

2.6 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

2.7 SEGMENT REPORTING

The portfolio trades under the umbrella of the NewFunds Collective Investment Scheme (CIS) as separate exchange traded fund. The fund is separately listed and trades on the Johannesburg Stock Exchange (JSE). Thus each of the separate portfolios fall within the scope of IFRS 8: Operating Segments. This fund has a narrowly defined mandate and operates a single line of business. Therefore the fund as a whole is considered to be one operating segment.

2.8 DISTRIBUTIONS

The portfolio tracks a total return index and therefore all distributions from the constituents are not paid to investors but are reinvested through the additional constituent securities.

2.9 TAXATION

Income is taxed in the hands of the investor if the portfolio distributes within 12 months of having received income, failing which income will be deemed to be received by, and accrued to the portfolio and will be taxed in its hands. Capital gains and losses are ultimately taxed in the investor’s hands on disposal of their participatory interest.

The scheme has distributed all income within 12 months of receiving it within the current and prior year. Therefore, no income tax has been provided for in the scheme in the current and prior year.

	2019 R	2018 R

3. INVESTMENT INCOME

Coupon interest income	**1 965 675**	1 830 490
	1 965 675	1 830 490

4. INCREASE/ (DECREASE) IN NET ASSETS ATTRIBUTABLE TO INVESTORS BEFORE DISTRIBUTION

Included in net assets attributable to investors before distribution are the following significant transactions:

Management fee	**(211 993)**	(221 605)
Transaction fee	**(3 322)**	(682)
Trustee fees	**-**	852

5. TOTAL EXPENSE RATIO

Increased customer demand for greater transparency in financial services and the recognition thereof by the collective investment industry requires Collective Investment Scheme managers to calculate and publish a Total Expense Ratio (TER) for each portfolio under management. This is a requirement in terms of the Association of Collective Investment Scheme (ACI) standard on the calculation and publication of TER.

The ACI Guidelines on the TERs require that a fund must be in existence for more than 6 months before expense ratios can be calculated and published.

The TER by definition as expressed in the ACI standards is a measure of the portfolio's assets that were relinquished as payment for services rendered in the management of the portfolio. This is expressed as a percentage of the fraction; total expenses paid for by a portfolio for the previous 12 months divided by the daily average net asset value for the previous 12 months.

	2019 %	2018 %
ILBI Index Securities	**0.35**	0.37

6. PORTFOLIO INVESTMENTS

These financial assets are mandatorily measured at fair value through profit and loss.

6.1 RECONCILIATION OF THE FAIR VALUE OF INVESTMENTS

	2019 R	2018 R
Balance at 1 January	**59 356 164**	72 449 216
Fair value adjustments	**(539 032)**	(1 891 606)
New issues during the year	**-**	-
Redemptions during the year	**-**	(13 198 303)
Rebalancing effect	**1 398 271**	1 996 857
Balance at 31 December	**60 215 403**	59 356 164

Creations and redemptions
Creations and redemptions are recorded on trade date using historic cost being the previous day closing index price.

Rebalancing
Fund rebalancing activities are undertaken periodically to ensure proper tracking of performance of the Benchmark Index and to keep adequate cash balance. It is recorded on trade date using historic cost being the previous day closing index price

6.2 RECONCILIATION OF THE NUMBER OF UNITS

	2019	2018
Balance at 1 January	**900 000**	1 100 000
New issues during the year	**-**	-
Redemptions during the year	**-**	(200 000)
Balance at 31 December	**900 000**	900 000

6.3 PARTICIPATION INTEREST

The Scheme is the primary issuer of participatory interests for the NewFunds CIS ETFs. The Scheme is obliged to sell and repurchase one or more basket(s) of participatory interests requested or offered from or to it by investors. There is a provision that a scheme can never be obliged to deliver part of a basket. As participatory interests are listed on the JSE, typically, investors can buy or sell partial baskets of their participatory interests on the secondary market (and may contact either of the participating brokers or the market maker in this regard) on the JSE.

Partial baskets are traded on the secondary market as ILBI Index securities (NFILBI) on the JSE.

The net asset value per ILBI Index Security, after attributable amounts, at 31 December 2019 was R67.94 (31 December 2018: R66.59).

6. PORTFOLIO INVESTMENTS (continued)

6.4 ILBI INDEX BASKET CONSTITUENTS

	No. of Bonds	Cost R	Current Price Cents	Market Value R	% of the Fund
2019					
3-7 Years					
I2025 2% 310125	**4 623 197**	**5 698 907**	**135.33**	**6 256 553**	**10.39**
R212 2.75% 310122	**3 576 905**	**4 953 817**	**160.78**	**5 751 002**	**9.55**
R197 5.50% 071223	**3 828 482**	**10 949 592**	**297.94**	**11 406 420**	**18.95**
7-12 Years					
R210 2.60% 310328	**3 334 697**	**5 874 171**	**185.95**	**6 200 816**	**10.30**
I2029 1.875% 310329	**2 100 000**	**2 093 087**	**100.36**	**2 107 615**	**3.50**
12+ Years					
I2033 1.8750% 280233	**2 757 879**	**2 855 009**	**100.02**	**2 758 566**	**4.58**
I2038 2.25% 310138	**4 411 498**	**5 522 669**	**116.33**	**5 132 061**	**8.52**
I2046 2.5% 310346	**4 383 823**	**5 500 015**	**106.20**	**4 655 433**	**7.73**
I2050 2.5% 311250	**5 820 728**	**7 713 314**	**108.96**	**6 342 093**	**10.53**
R202 3.45% 071233	**4 274 547**	**9 901 238**	**224.70**	**9 604 844**	**15.95**
		61 061 819		**60 215 403**	**100.00**
2018					
3-7 Years					
I2025 2% 310125	4 289 197	5 252 337	131.55	5 642 486	9.51
R212 2.75% 310122	3 535 905	4 870 220	154.87	5 476 062	9.23
R197 5.50% 071223	3 809 482	10 883 967	295.96	11 274 689	18.99
7-12 Years					
R210 2.60% 310328	3 328 697	5 855 723	183.18	6 097 393	10.27
I2029 1.875% 310329	1 964 000	1 956 580	98.99	1 944 084	3.28
12+ Years					
I2033 1.8750% 280233	2 669 879	2 765 901	100.62	2 686 355	4.53
I2038 2.25% 310138	4 224 498	5 300 767	119.51	5 048 616	8.51
I2046 2.5% 310346	4 122 823	5 205 684	112.61	4 642 807	7.82
I2050 2.5% 311250	5 791 728	7 732 249	117.18	6 786 491	11.43
R202 3.45% 071233	4 269 547	9 892 101	228.53	9 757 180	16.44
		59 715 529		59 356 164	100.00

	2019 R	**2018 R**

7. OTHER RECEIVABLES

	2019 R	2018 R
Other interest receivable	**363**	193
Coupon interest income receivable	**376 434**	355 586
	376 797	355 779

8. OTHER PAYABLES

	2019 R	2018 R
Management Fees	**17 859**	17 503
	17 859	17 503

9. CASH USED IN OPERATIONS

	2019 R	2018 R
Net increase/(decrease) in net assets attributable to investors after distributions	**1 220 621**	(273 824)
Adjustments for:		
Interest income	**(9 293)**	(11 292)
Fair value losses	**539 032**	1 891 606
Coupon interest income	**(1 965 675)**	(1 830 490)
Cash used in operations before working capital changes	**(215 315)**	(224 000)
Changes in working capital		
Increase in other payables	**356**	16 651
Total changes in working capital	**356**	16 651
Cash used in operations	**(214 959)**	(207 349)

10. CASH AND CASH EQUIVALENTS

	2019 R	2018 R
Current account	**575 431**	234 711

11. RISK MANAGEMENT

11.1 CAPITAL RISK MANAGEMENT

The Scheme monitors capital on the basis of the value of net assets attributable to investors. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for investors and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Scheme may adjust the amount of distributions paid to investors. There are no externally imposed capital requirements on the Scheme.

11.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Scheme's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Scheme's risk management are to identify all key risks for the Scheme, measure these risks, manage the risk positions and determine capital allocations. The Scheme regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Scheme's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Scheme's financial performance. The Scheme defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The risks arising from financial instruments to which the Scheme is exposed are financial risks, which include credit risk, liquidity risk and market risk which are discussed below. Market risk has been identified as the most significant risk to the Scheme.

The portfolio's financial instruments consist mainly of underlying listed investments, cash and cash equivalents, other receivables, index securities and other payables.

11.3 MARKET RISK

Market risk exists where significant changes in yields will affect the value of the portfolios' index securities. The fund's investment mandate is to passively manage the portfolio. As a result it is subjected to a similar nature and level of market risk as the benchmark portfolio.

There is no guarantee that the Scheme's portfolios will achieve its investment objective of perfectly tracking the index. The value of portfolio index securities and distributions payable by the Scheme's portfolios will rise and fall as the capital values of the underlying securities housed in the portfolio and the income flowing therein fluctuates. Prospective investors should be prepared for the possibility that they may sustain a loss.

The Scheme's portfolios may not be able to perfectly replicate the performance of an index because:

- The fund is liable for certain costs and expenses not taken into account in the calculation of the Index, this is applicable to a total return index,
- Certain Index constituents may become temporarily unavailable; or
- Other extraordinary circumstances may result in a deviation from precise index weightings.

11. RISK MANAGEMENT (continued)

11.3 MARKET RISK (continued)

Price Sensitivity Analysis

All the investments in portfolios of the Scheme's portfolios are listed on the JSE. Index securities are created with an objective to track the performance of specific portfolio indexes (customised indexes).

Any movement or adjustment in the specific portfolio index will have an impact on the price of the investment in the portfolio. At any point in time the market value of one unit in the portfolio may be expected to reflect 1/10th of the Index level, plus an amount which reflects a pro rata portion of any accrued distribution amount within the portfolio. Actual market values may be affected by supply and demand and other market factors, however the ability of a holder to switch out of any ETF portfolio securities by redeeming them in specie for one or more baskets of the constituent securities, should operate to substantially avoid or minimise any differential which may otherwise arise between the relevant basket and the value at which any portfolio securities trade from time to time.

The ILBI Index Securities investment portfolio of **R60 215 403** (2018: R59 356 164) is affected by price fluctuations.

At reporting date a 10% increase in the value of the investment in the portfolio's security price at the reporting date would increase the index and resulting net assets attributable to investors of the portfolio by **R6 021 540** (2018: R5 935 616).

At reporting date a 10% decrease in the value of the investment in the portfolio's security price at the reporting date would decrease the index and resulting net assets attributable to investors of the portfolio by **R6 021 540** (2018: R5 935 616).

11.4 INVESTMENT RISK

There can be no assurance that the investment in portfolios will achieve their investment objectives of replicating the price and yield performance of the portfolio index securities. The net asset value of the portfolio index securities will rise and fall as the value of the underlying portfolio fluctuates. The return achieved on portfolio index securities can be expected to fluctuate in response to changes in the return achieved by the underlying portfolio.

On a monthly basis, the index is adjusted to ensure that the constituent securities in the index are the top performing SA inflation-linked government bonds. Thus adjustments, such as removing an inflation-linked bond that is not performing well or a change in the weighting of the inflation-linked bonds, are performed.

The following factors could negatively impact on the investment performance of the portfolios:
- Certain costs and expenses incurred by the portfolio could cause the underlying portfolio to mistrack against the Index;
- Temporary unavailability of securities in the secondary market or other extraordinary circumstances could cause deviations from the exact weightings of the Index; or
- In circumstances where securities comprising the Index are suspended from trading or other market disruptions occur, it may be impossible to rebalance the portfolio of securities held by the portfolio and this may lead to tracking error.

11.5 SECONDARY TRADING RISK

There can be no guarantee that the portfolio index securities will remain listed on the JSE Limited. Despite the presence of market makers, the liquidity of the portfolio index securities cannot be guaranteed. The portfolio index securities may trade at a discount or premium to their net asset value. Any termination of a listing would be subject to the JSE listing requirements.

11. RISK MANAGEMENT (continued)

11.6 INTEREST RATE RISK

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. Funds holding fixed interest securities are exposed to fair value interest rate risk.

Interest rate sensitivity analysis

	2019 R	2018 R
The following balances are affected by interest rate fluctuations		
Portfolio Investments	**60 215 403**	59 356 164
Cash and cash equivalents	**575 431**	234 711
	60 790 834	59 590 875

At reporting date a 1% increase in the interest rate would have decreased the net assets attributable to investors by:

Portfolio Investments	**(5 127 623)**	(5 593 900)
Cash and cash equivalents	**5 754**	2 347
	(5 121 869)	(5 591 553)

At reporting date a 1% decrease in the interest rate would have increased the net assets attributable to investors by

Portfolio Investments	**6 031 521**	6 638 310
Cash and cash equivalents	**(5 754)**	(2 347)
	6 025 767	6 635 963

11.7 CREDIT RISK

Credit risk is the risk of financial loss to the Scheme if a party to a financial instrument fails to meet its contractual obligations. Credit risk arises from other receivables and cash and cash equivalents which are neither past due nor impaired with the total concentration of risk being in the financial services sector.

Risk limits, control and mitigation policies:
The cash and cash equivalents of the Scheme are placed with reputable financial institutions. The credit risk relating to other receivables is limited as it relates mainly to interest income receivable and coupon interest receivable which are receivable from listed bonds.

	2019 R	2018 R
Maximum credit risk		
Portfolio Investments	**60 215 403**	59 356 164
Other receivables	**376 797**	355 779
Cash and Cash equivalents	**575 431**	234 711
	61 167 631	59 946 654

11. RISK MANAGEMENT (continued)

11.7 CREDIT RISK (continued)

	2019 R	2018 R
Credit exposure by industry		
Financial Services	**575 794**	234 904
Government	**60 591 837**	59 711 750
	61 167 631	59 946 654

Financial Assets subject to IFRS 9 impairment requirements

The Scheme's financial assets subject to the expected credit loss model within IFRS 9 are only short-term receivables. There is not considered to be any concentration of credit risk within these assets. Expected credit losses have been recognised and no amounts have been written off in the period.

All receivables are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due. The carrying amount of other receivables and cash and cash equivalents represents the maximum exposure.

11.8 LIQUIDITY RISK

Liquidity risk results from both the differences between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. Liquidity risk management deals with the overall time profile of the current financial position as well as the expected future structure.

Liquidity risk management process:
The availability of funding through liquid cash positions with various institutions ensures that the Scheme has the ability to fund day-to-day operations.

During rebalancing, proceeds received from the sale of selected constituents are utilised to buy a basket of selected constituents. The approach to managing liquidity risk is to ensure that the portfolio would be able to pay suitable distributions or deemed distribution to investors on a monthly basis. All dividend distributions or deemed distributions are approved by the Trustee and calculated by administrators.

All of the portfolios' securities are listed instruments and are bought and sold in the JSE Limited through a JSE member. The participatory interest in the portfolio securities can be sold to the market maker, which is obliged to buy them from the investor.

Market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell all the Scheme's portfolio participatory interests at prices around net asset value of the participatory interest, thereby ensuring tight buy and sell spreads. Under normal circumstances and conditions the investor will be able to buy or sell the portfolio securities from the market makers.

Per the Scheme Deed, the managing Scheme can sell the underlying portfolio assets to meet any short or long term obligation and can borrow up to 10% of the market value of the underlying assets.

11. RISK MANAGEMENT (continued)

11.9 LIQUIDITY RISK (continued)

The following tables represent the maturity analysis of the financial liabilities:

	On demand R	0-12 months R	Total R
2019			
Other payables	**-**	**17 859**	**17 859**
Net assets attributable to investors	**61 149 772**	**-**	**61 149 772**
	61 149 772	**17 859**	**61 167 632**
2018			
Other payables	-	17 503	17 503
Net assets attributable to investors	59 929 151	-	59 929 151
	59 929 151	17 503	59 946 654

12. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES HELD AT FAIR VALUE

12.1 FAIR VALUE HIERARCHY

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from quoted prices in active markets and inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below shows the portfolio's financial instruments that are recognised and subsequently measured at fair value, analysed by level of the fair value hierarchy. The classification of instruments is based on the lowest level input that is significant to the fair value measurement in its entirety. All the fair values disclosed are recurring fair value measurements. The table below sets out the fair value of Level 1 and Level 2 and Level 3 financial instruments:.

	Level 1 R	Level 2 R	Level 3 R
2019			
Recurring fair value measurements			
Financial Instruments			
Mandatorily measured at Fair Value			
Through Profit and Loss:			
Portfolio investments	**60 215 403**	**-**	**-**
Other receivables	**376 434**	**-**	**-**
Net assets attributable to investors	**-**	**(61 149 772)**	**-**
	60 591 837	**(61 149 772)**	**-**

12 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES HELD AT FAIR VALUE (continued)

12.1 FAIR VALUE HIERARCHY (continued)

2018	Level 1 R	Level 2 R	Level 3 R
Recurring fair value measurements			
Financial Instruments			
Mandatorily measured at Fair Value Through Profit and Loss			
Portfolio investments	59 356 164	-	-
Other receivables	355 586	-	-
Net assets attributable to investors		(59 929 151)	-
	59 711 750	(59 929 151)	-

The valuation technique applied in order to value Level 2 financial instruments is the Net Asset Value, which is linked to the adjusted quoted price of the underlying market traded instruments.

12.2 FAIR VALUE VERSUS CARRYING AMOUNT OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE

The fair value of the cash and cash equivalents, other receivables and other payables approximates the carrying value because the instruments are short term in nature. There has been no change in fair values of financial liabilities as a result of a change in credit risk.

13. SEGMENTAL REPORTING

The investment vehicle offers only one product, being the specific exchange traded fund, tracking the specific identified index.

Information regarding the results of the reportable segment is disclosed in the financial statements as currently set out, thus no further IFRS 8 disclosure is required.

14. RELATED PARTIES

NewFunds (RF) Proprietary Limited, a subsidiary of Absa Group Limited, has been established to act as an agent for all management and administrative services in respect of the Scheme's portfolios. The fees payable to them have been included in management and administration expenses.

The Standard Bank of South Africa Limited is the trustee of the Scheme at a contractually agreed amount and is remunerated for services.

Ultimate holding company: Absa Group Limited

Market maker: Absa Bank Limited

Key Management Personnel

The Scheme's key management personnel are the trustees listed in the Trustee's Report and the directors of NewFunds (RF) Proprietary Limited who act as an agent for all management and administrative services in respect of NewFunds CIS portfolios.

Other than trustee fees and management fees paid to NewFunds (RF) Proprietary Limited, there were no material transactions with key management personnel or their families during the year.

	Admin and management fees paid R	Interest Income R	Cash and Cash Equivalents R	Other Receivables R	Other Payables R	Participatory Interest Held R
2019						
NewFunds (RF) Proprietary Limited	**(211 993)**	**-**	**-**	**-**	**-**	**-**
Absa Group Limited	**-**	**-**	**-**	**-**	**-**	**(31 250 355)**
Standard Bank of South Africa Limited	**(3 322)**	**9 293**	**575 431**	**363**	**(17 859)**	
2018						
NewFunds (RF) Proprietary Limited	(221 605)	-	-	-	(17 503)	-
Absa Group Limited	-	-	-	-	-	(30 867 716)
Standard Bank of South Africa Limited	(2 395)	11 292	234 711	193	-	

15. DISTRIBUTIONS

This ETF Portfolio tracks the total return index. This means that all distributions made by constituent companies are reinvested through the additional constituent securities and not paid to the investors.

The monthly record dates are: 22 February 2019, 22 March 2019, 26 April 2019, 24 May 2019, 21 June 2019, 26 July 2019, 23 August 2019, 27 September 2019, 25 October 2019, 22 November 2019, 27 December 2019, 24 January 2020.

	2019 **R**	**2018** **R**
2019 : 15.33 cents per security declared on 17 January 2019 and reinvested on 29 January 2019 *(2018 : 21.42 cents per security declared on 18 January 2018 and re-invested on 29 January 2018)*	**137 970**	136 609
2019 : 16.62 cents per security was declared on 12 February 2019 and reinvested on 25 February 2019 *(2018 : 17.52 cents per security declared on 15 February 2018 and re-invested 26 February 2018)*	**149 535**	157 653
2019 : 14.65 cents per security was declared on 18 March 2019 and reinvested on 25 March 2019 *(2018 : 13.63 cents per security declared on 14 March 2018 and re-invested 26 March 2018)*	**131 805**	122 652
2019 : 14.94 cents per security declared 16 April 2019 and reinvested on 29 April 2019 *(2018 : 15.35 cents per security declared on 18 April 2018 and re-invested 30 April 2018)*	**134 487**	138 141
2019 : 17.15 cents per security declared 16 May 2019 and reinvested on 27 May 2019 *(2018 : 14 cents per security declared on 17 May 2018 and re-invested 28 May 2018)*	**154 386**	126 036
2019 : 16.10 cents per security declared 12 June 2019 and reinvested on 24 June 2019 *(2018 : 14.74 cents per security declared on 14 June 2018 and re-invested 25 June 2018)*	**144 882**	132 687
2019 : 15.26 cents per security declared 18 July 2019 and reinvested on 29 July 2019 *(2018 : 14.62 cents per security declared on 12 July 2018 and re-invested 23 July 2018)*	**137 331**	131 616
2019 : 18.20 cents per security declared 15 August 2019 and reinvested on 26 August 2019 *(2018 : 4.9 cents per security declared on 16 August 2018 and re-invested 27 August 2018)*	**163 755**	44 136

15. DISTRIBUTIONS (continued)

	2019 R	2018 R
2019 : 16.25 cents per security declared 18 September 2019 and reinvested on 30 September 2019 *(2018 : 16.73 cents per security declared on 13 September 2018 and re-invested 25 September 2018)*	**146 232**	150 588
2019 : 15.64 cents per security declared 23 October 2019 and reinvested on 04 November 2019 *(2018 : 13.08 cents per security declared on 11 October 2018 and re-invested 22 October 2018)*	**140 724**	117 711
2019 : 18.31 cents per security declared 14 November 2019 and reinvested on 25 November 2019 *(2018 : 17.14 cents per security declared on 15 November 2018 and re-invested 26 November 2018)*	**164 745**	154 224
2019 : 16.04 cents per security declared 17 December 2019 and reinvested on 30 December 2019 *(2018 : 16.41 cents per security declared on 12 December 2018 and re-invested 24 December 2018)*	**144 351**	147 717
	1 750 203	1 559 770
Distributions declared after year end		
2020 : 16.38 cents per security declared 16 January 2020 and reinvested on 27 January 2020 (2019 : 15.33 cents per security declared 17 January 2019 and re-invested 28 January 2019)	**147 420**	137 970
2020 : 17.91 cents per security declared 13 February 2020 and re-invested 25 February 2020 *(2019: 16.61 cents per security declared 14 February 2019 and reinvested 25 February 2019)*	**161 199**	149 535
2019 : 15.33 cents per security declared 17 January 2019 and re-invested 28 January 2019 *(2019: 14.65 cents per security declared 13 March 2019 and reinvested 25 March 2019)*		131 805
	2 058 822	1 979 080

16. QUARTERLY REVIEW OF PORTFOLIO PRICES

	31 March (cents)	30 June (cents)	30 September (cents)	31 December (cents)
2019				
ILBI Index Securities	**6 698**	**6 856**	**6 864**	**6 957**
2018				
ILBI Index Securities	6 937	6 638	6 643	6 659

17. EVENTS AFTER REPORTING DATE

Distributions occurred post year end refer to Note 15.

The outbreak of the coronavirus has resulted in disruption to business activity globally and recent market volatility, since mid-January 2020. The impact of the coronavirus is being closely monitored and assessed for its impact on the Scheme.

18. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new and revised Standards

During the current year, the Scheme has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2019. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Scheme's accounting policies.

The Scheme adopted the following standards interpretations and amended standards during the year:

IFRS 16 — *Leases* - replaces the previous leases accounting standard and eliminates the classification of leases as either operating leases or finance leases for lessees. The standard introduces a single accounting model instead which recognises all leases on the statement of financial position.

IFRIC 23 — *Uncertainty Over Income Tax Treatments* - Interpretation clarifying the accounting for uncertainties in income taxes.

IAS 19 — *Employee Benefits* - Amendments to clarify the determination of current service cost and net interest in the instance that a defined benefit plan amendment curtailment or settlement takes place as well as the effect on the asset ceiling of a plan amendment curtailment or settlement.

The above standards, interpretations and amended standards have no impact on the annual financial statements.

New and revised International Financial Reporting Standards issued not yet effective
At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective:

	Standard	Annual periods beginning on or after
IFRS 3	*Business Combinations* - Amendments to the definitions included in the appendix to IFRS 3 which will assist entities in determining whether an acquisition made is of a business or a group of assets. The amended definition emphasises that the output of a business is to provide goods and services to customers whereas the previous definition focused on returns in the form of dividends lower costs or other economic benefits to investors and others.	Acquisitions on or after 1 January 2020

18. NEW ACCOUNTING PRONOUNCEMENTS (continued)

	Standard	**Annual periods beginning on or after**
IFRS 17	*Insurance Contracts* - a new insurance accounting standard which establishes the principles for recognition measurement presentation and disclosure of insurance contracts.	1 January 2021
IFRS 9 IAS 39 and IFRS 7	*Interest Rate Benchmark Reform (IBOR)* - Amendments which focus on hedge accounting issues related to uncertainties arising in the period leading up to the replacement of IBORs with alternative nearly risk-free rates and provide reliefs to allow hedge accounting to continue during the period of uncertainty before an IBOR is replaced. The amendments are mandatory for all hedge relationships directly affected by interest rate benchmark reform.	1 January 2020
IAS 1	*Classification of liabilities as current or non-current* – Amendments which aim to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	1 January 2022

Apart from the instances detailed above the Scheme is in the process of assessing the potential impact that the adoption of these standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.