



**NEDGROUP**  
INVESTMENTS

Prospectus

# Nedgroup Investments Core Global Feeder Fund

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This Supplemental Prospectus forms part of, and must be read together with, the Prospectus of the Nedgroup Investments Collective Investment Scheme (“the Scheme”), the applicable Deed and Supplemental Deed of the Scheme, the relevant Minimum Disclosure Document (“MDD”), and the Investment Agreement entered into between the investor and the Manager.

This Supplemental Prospectus contains portfolio-specific information relating to the Nedgroup Investments Core Global Feeder Fund (“the Portfolio”). In the event of any inconsistency between this Supplemental Prospectus and the main Prospectus, the provisions of the main Prospectus, applicable legislation and the Deed shall prevail unless otherwise required by law.

The information contained herein has been derived from the applicable Minimum Disclosure Document.

## 1. The portfolio

The Nedgroup Investments Core Global Feeder Fund is a portfolio within the Nedgroup Investments Collective Investment Scheme and is classified by ASISA as a Global – Multi Asset – High Equity portfolio. The Portfolio is intended to provide investors with diversified exposure to global asset classes through investment in an underlying foreign collective investment scheme portfolio.

The benchmark of the Portfolio is the ASISA Category Average.

The Portfolio is suitable for investors seeking long-term capital appreciation and who are able to tolerate higher levels of volatility associated with global growth asset exposure. The recommended minimum investment horizon for the Portfolio is five years.

## 2. Investment objective

The primary objective of the Portfolio is to provide investors with long-term capital appreciation through diversified exposure to global asset classes.

The Portfolio seeks to generate long-term risk-adjusted returns through exposure to global equities, fixed income instruments, listed property and cash equivalents.

The Portfolio is suitable for investors seeking capital appreciation as their primary objective and who do not wish to make complex asset allocation decisions between equities, bonds and cash within global markets.

The Portfolio provides investors with low-cost exposure to a range of global asset classes and investment opportunities.

## 3. Investment policy

Apart from assets in liquid form, the Portfolio will consist solely of participatory interests in a single portfolio of a collective investment scheme operating outside South Africa.

The single underlying portfolio is currently the Nedgroup Investments Core Global Fund.

As a feeder fund, the Portfolio may only invest in one underlying foreign collective investment scheme portfolio and is therefore dependent on the investment strategy and performance of the underlying portfolio.

The Portfolio may hold assets in liquid form from time to time in accordance with the requirements of applicable legislation and prudent portfolio management practices.

The Portfolio is not managed in accordance with Regulation 28 of the Pension Funds Act, 1956 and may therefore exceed the prudential limits applicable to retirement funds.

## 4. Risk profile

The Portfolio carries a medium to high risk profile and may be exposed to market fluctuations arising from changes in global equity markets, listed property markets, interest rates, inflation expectations, macroeconomic conditions and geopolitical developments.

Equity and listed property investments are volatile by nature and may be subject to potential capital loss during adverse market conditions.

Fixed income instruments, while generally less volatile than equities, may nevertheless experience capital loss in the event that an issuer defaults on interest or principal repayment obligations.

The Portfolio is subject to foreign exchange fluctuations due to its international exposure and the value of participatory interests may therefore be materially impacted by currency movements.

As the Portfolio maintains meaningful exposure to global growth assets, investors should expect periods of short-term volatility in pursuit of long-term capital appreciation.

Investors should carefully consider the suitability of the Portfolio in light of their investment objectives, financial position, risk appetite and investment horizon.

## 5. Distributions

The Portfolio distributes income on an annual basis.

Distributions may comprise dividends, interest income, foreign income and other distributable amounts generated by the underlying assets of the Portfolio, net of permissible deductions, charges and expenses.

Investors may elect for distributions to be reinvested or paid out in accordance with the administrative processes of the Manager and the terms of the applicable Investment Agreement.

The frequency and level of distributions are not guaranteed and may vary depending on market conditions, portfolio positioning and the income generated by the underlying portfolio from time to time.

## 6. Investment manager

The appointed investment manager of the Portfolio is BlackRock Investment Management.

BlackRock Investment Management is one of the world's largest independent asset management firms and has pioneered and led index-based investment management since the 1970s.

The investment manager implements the Core Global Fund in accordance with BlackRock's Total Performance Investment Philosophy, which seeks to maximise total portfolio return through consideration of performance, cost and tax implications across different underlying investment building blocks.

BlackRock Investment Management has managed the Core Global Fund since its inception in 2015.

## 7. Investment philosophy

The Investment Manager seeks to maximise investors' probability of successfully achieving target returns over appropriate investment time horizons.

The investment philosophy incorporates investor behaviour, risk management and implementation considerations in portfolio construction.

The Portfolio follows predefined investment rules which determine strategic asset allocation weightings, rebalancing frequency and underlying asset class exposures.

The Portfolio is implemented in a cost and tax-efficient manner through the utilisation of BlackRock Investment Management as specialist investment manager.

The investment process also incorporates responsible investment considerations, including voting, engagement and investment stewardship practices.

## 8. Fees and charges

The Portfolio is subject to management fees, operating expenses, transaction costs and other charges permitted in terms of applicable legislation and the Deed.

The annual management fee applicable to the Portfolio is disclosed in the applicable Minimum Disclosure Document.

The Total Expense Ratio (“TER”), Transaction Costs (“TC”) and Total Investment Charges (“TIC”) applicable to the Portfolio are disclosed in the applicable Minimum Disclosure Document and are updated regularly by the Manager.

As a feeder fund, the annual management fee includes fees charged by the offshore portfolio into which the Portfolio invests.

Investors should refer to the latest Minimum Disclosure Document for detailed information regarding fees and charges, portfolio performance, benchmark comparisons, risk statistics, TER and TIC calculations, and other material portfolio information.

Past performance is not necessarily indicative of future performance.

## 9. Performance reporting

Performance information relating to the Portfolio is published in the applicable Minimum Disclosure Document and updated monthly.

Such information includes annualised returns, cumulative performance, benchmark comparisons, rolling performance periods, volatility statistics, geographic diversification and portfolio composition.

The latest Minimum Disclosure Document is available from the Manager upon request and on the Manager’s website.

## 10. Valuation and pricing

The Portfolio is valued daily at 15:00 South African time in accordance with CISCA, the Deed and the valuation policies adopted by the Manager. Instructions received prior to the applicable cut-off time will generally be processed at the ruling price applicable to that business day.

Prices are published daily through approved publication channels and on the Manager’s website.

The Manager reserves the right, subject to applicable legislation and trustee oversight requirements, to suspend pricing, repurchases or transactions in exceptional circumstances where this is considered necessary to protect investors or ensure the fair treatment of participatory interest holders.

## 11. Important disclosures

Collective investment schemes are generally medium to long-term investments. The value of participatory interests may go down as well as up and investors may not receive back the full amount originally invested.

The Manager does not guarantee the capital or performance of the Portfolio. Past performance is not necessarily indicative of future results.

As a feeder fund, the Portfolio invests in a single underlying foreign collective investment scheme portfolio which may levy its own charges and fees.

The Portfolio may hold foreign securities and may therefore be exposed to foreign exchange risks, macroeconomic risks, liquidity constraints and repatriation risks.

Investors should read the main Prospectus, this Supplemental Prospectus, the applicable Minimum Disclosure Document, the Investment Agreement and all supporting disclosure documentation prior to making an investment decision.



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