



NEDGROUP
INVESTMENTS

Prospectus

Nedgroup Investments Core Guarded Fund

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Contents

1.	The portfolio	3
2.	Investment objective	3
3.	Investment policy	3
4.	Risk profile	4
5.	Distributions	4
6.	Investment manager	4
7.	Investment philosophy	4
8.	Fees and charges	5
9.	Performance reporting	5
10.	Valuation and pricing	5
11.	Important disclosures	5

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 Guarded 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 Guarded Fund is a portfolio within the Nedgroup Investments Collective Investment Scheme and is classified by ASISA as a South African – Multi Asset – Low Equity portfolio. The Portfolio is managed in accordance with Regulation 28 of the Pension Funds Act, 1956 and is intended to provide investors with diversified exposure to multiple asset classes across local and international markets.

The benchmark of the Portfolio is the ASISA Category Average.

The Portfolio is suitable for conservative investors seeking a reasonable level of capital protection together with moderate levels of capital growth over the medium term. The recommended minimum investment horizon for the Portfolio is three years.

2. Investment objective

The primary objective of the Portfolio is to provide investors with a reasonable level of capital protection together with moderate levels of capital growth over the medium term.

The Portfolio seeks to generate long-term risk-adjusted returns through diversified exposure to local and international asset classes while maintaining lower levels of equity exposure relative to higher equity prudential portfolios.

The Portfolio targets returns after fees of South African inflation plus 2% to 4% over rolling three-year periods.

The Portfolio provides investors with low-cost exposure to a range of local and global asset classes while seeking to reduce overall portfolio risk and volatility through prudent asset allocation and diversification.

3. Investment policy

The Portfolio is managed as a Regulation 28 compliant multiple asset class portfolio with diversification across asset classes both locally and offshore.

The Portfolio invests primarily in equities, bonds, cash and listed property in South Africa and internationally.

The Portfolio maintains a maximum effective equity exposure of 40%, which is intended to reduce overall portfolio risk and volatility relative to higher equity prudential portfolios.

Offshore exposure is managed in accordance with applicable South African Reserve Bank regulations and is limited to 45%, although offshore exposure is likely to remain below 30% under normal market conditions.

Derivative financial instruments may be utilised for efficient portfolio management, risk reduction and investment exposure purposes, subject to the limits and conditions prescribed by applicable legislation, the Deed and the Manager’s internal risk management framework.

The Portfolio may invest in underlying collective investment schemes, both local and offshore, where considered appropriate by the Investment Manager.

The Portfolio is intended to provide diversified exposure to multiple asset classes while maintaining a more conservative risk profile through lower equity exposure.

4. Risk profile

The Portfolio carries a low to medium risk profile and may be exposed to market fluctuations arising from changes in equity markets, listed property markets, interest rates, credit spreads, foreign exchange movements, 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, including corporate and government bonds, may experience capital loss in the event that an issuer defaults on interest or principal repayment obligations.

The Portfolio may also be affected by currency fluctuations arising from its international exposure.

Although the Portfolio seeks to preserve capital through reduced equity exposure and diversification, investors may nevertheless experience periods of short-term volatility and capital fluctuation.

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 a quarterly basis.

Distributions may comprise interest income, dividends, rental 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 Portfolio from time to time.

6. Investment manager

The appointed investment manager of the Portfolio is Taquanta Asset Managers, an authorised financial services provider.

Taquanta Asset Managers is one of the largest independent specialist cash and fixed income managers in South Africa and was established as an independent investment management business in 2007.

The investment team has developed a long track record of managing funds against published indices and proprietary benchmarks and is recognised for cost-efficient implementation and low tracking error.

Taquanta Asset Managers has managed the Core Guarded Fund since its inception in 2010.

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 specialist investment managers, including Taquanta Asset Managers and BlackRock Investment Management.

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.

The Portfolio may also engage in securities lending activities in accordance with applicable legislation and the Manager's securities lending framework.

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, securities lending revenue 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, risk measures, volatility statistics, drawdown analysis, portfolio composition and geographic diversification.

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.

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

The Portfolio may also engage in securities lending in accordance with applicable legislation and the Manager's securities lending policies.

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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