NEDGROUP INVESTMENTS

Prospectus

Nedgroup Investments Core Income Fund

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Contents

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 Income 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 Income Fund is a portfolio within the Nedgroup Investments Collective Investment Scheme and is classified by ASISA as a South African – Interest Bearing – Short Term portfolio. The Portfolio is intended to provide investors with exposure to high quality short-term money market and fixed income instruments while prioritising capital preservation and liquidity.

The benchmark of the Portfolio is the STeFI Composite ZAR benchmark.

The Portfolio is managed in accordance with Regulation 28 of the Pension Funds Act, 1956.

The Portfolio is suitable for investors seeking stable or core cash exposure that may be required on 24 hours' notice. The Portfolio provides T+1 liquidity to investors.

2. Investment objective

The primary objective of the Portfolio is to maximise interest income above the STeFI Composite benchmark and traditional money market funds while maintaining a strong focus on capital preservation.

The Portfolio seeks to achieve this objective through investment in low duration fixed income instruments and high quality money market securities.

The Portfolio is intended to provide investors with a conservative investment solution which offers enhanced yield opportunities while maintaining relatively low levels of volatility and liquidity risk.

The Portfolio aims to provide investors with low-cost exposure to short-term fixed income instruments in a cost-efficient and tax-efficient manner.

3. Investment policy

The Portfolio invests primarily in high quality short-term money market instruments and fixed income securities permitted in terms of applicable legislation.

The Portfolio maintains a maximum weighted average duration of 180 days.

The Portfolio may invest in floating rate instruments with a maximum term to final maturity of seven years, provided that a maximum of 20% of the Portfolio may be invested in instruments longer than five years and only in relation to South African big four banking institutions.

Participatory interests in collective investment schemes, including money market funds, are permitted.

The Portfolio provides diversification across counterparties with set maximum exposure limits in accordance with the Manager's internal credit and risk management framework.

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

4. Risk profile

The Portfolio carries a low risk profile and may be exposed to fluctuations arising from changes in interest rates, credit spreads, issuer creditworthiness, liquidity conditions and macroeconomic developments.

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's unit price can fluctuate due to the marked-to-market pricing methodology applied to underlying instruments held within the Portfolio.

Although the Portfolio typically displays low volatility and liquidity risk, investors should nevertheless carefully consider the suitability of the Portfolio in light of their investment objectives, financial position, risk appetite and investment horizon.

The Portfolio currently maintains a strong domestic credit rating from GCR Ratings.

5. Distributions

The Portfolio distributes income on a monthly basis.

Distributions may comprise interest 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 prevailing 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 (Pty) Ltd, an authorised financial services provider under the Financial Advisory and Intermediary Services Act.

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 fixed income investment team comprises former treasury professionals with specialist expertise in cash and fixed income markets.

Taquanta Asset Managers has managed the Core Income Fund since 2008 and has developed a strong track record in managing short-term fixed income portfolios.

7. Investment philosophy

The investment process is built on the premise of capital preservation.

Risks are actively managed throughout interest rate and investment cycles in order to achieve the Portfolio's investment objectives.

The Investment Manager seeks to unlock the liquidity risk premium embedded within money market assets while maintaining prudent risk controls.

Taquanta Asset Managers utilises its experience to structure and invest in assets that are intended to enhance the yield profile of the Portfolio while maintaining conservative risk characteristics.

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.

Investors should refer to the latest Minimum Disclosure Document for detailed information regarding fees and charges, portfolio performance, benchmark comparisons, portfolio metrics, gross estimated yield calculations, 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, credit quality information, maturity profiles, gross estimated yield measures 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.

The Portfolio may engage in borrowing and securities lending activities in accordance with applicable legislation and the Manager’s securities lending policies.

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.

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.

NEDGROUP INVESTMENTS

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