NEDGROUP INVESTMENTS

Prospectus

Nedgroup Investments Core-Active® Cautious 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-Active® Cautious 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-Active® Cautious 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 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 capital growth. 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 while generating moderate capital growth.

The Portfolio seeks to provide low-cost exposure to a range of local and global asset classes while maintaining lower equity exposure relative to the average prudential portfolio.

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

3. Investment policy

The Portfolio is managed as a Regulation 28 compliant multiple asset class portfolio.

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

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

Offshore exposure is limited to 45%, although it is expected to remain below 30% under normal market conditions.

Derivative financial instruments may be utilised for efficient portfolio management, risk reduction and investment exposure purposes.

Underlying exposure to actively managed portfolios typically ranges between 20% and 30%.

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 and macroeconomic conditions.

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

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.

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.

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.

6. Investment manager

The appointed investment manager of the Portfolio is Taquanta Asset Managers.

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

The investment team has a long track record of managing funds against published indices and proprietary benchmarks and has managed the Core Funds since their inception in 2009.

7. Investment philosophy

The Investment Manager seeks to maximise investors' probability of successfully achieving target returns over appropriate investment 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, underlying asset class exposures and active manager allocations.

The Portfolio is implemented in a cost and tax-efficient manner through specialist investment managers including Taquanta Asset Managers and BlackRock Investment Management.

Active manager research and selection is performed by the Nedgroup Investments Multi-Manager team with a strong focus on quality investment houses, consistency, capacity and overall costs.

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 updated regularly by the Manager.

The Portfolio may invest in underlying collective investment schemes that levy their own charges.

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, benchmark comparisons, risk measures, asset allocation information, manager allocations and diversification statistics.

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.

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.

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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