NEDGROUP INVESTMENTS

Prospectus

Nedgroup Investments Stable Fund

see money differently

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 Stable 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 Stable 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 South African Inflation plus 4% over rolling three-year periods.

2. Investment objective

The primary objective of the Portfolio is to achieve returns in line with South African Inflation plus 4% over rolling three-year periods while seeking to protect investors against capital losses over rolling one-year periods.

Returns are expected to be generated through a combination of income and capital growth.

The Portfolio seeks to generate long-term risk-adjusted returns through diversified exposure to multiple asset classes and prudent asset allocation across local and international markets.

The Portfolio is intended for investors seeking moderate capital growth with lower levels of volatility and capital risk than higher equity portfolios.

3. Investment policy

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

Offshore exposure is managed in accordance with applicable South African Reserve Bank regulations and is currently limited to 45%.

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

The Portfolio may invest in equities, listed property, bonds, inflation-linked bonds, commodities, money market instruments, cash and offshore investments.

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

The Portfolio complies with Regulation 28 of the South African Pension Funds Act.

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, property markets, interest rates, credit spreads, foreign exchange movements, macroeconomic conditions and geopolitical developments.

Equity and 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.

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 semi-annual 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 Foord Asset Management (Pty) Ltd, an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act, 2002 (FSP No. 578).

Foord Asset Management was founded in 1981 and is an independent privately owned asset management company with offices in South Africa and Singapore.

The investment manager has developed a track record of producing long-term inflation-beating returns through a combination of asset allocation and security selection. Foord Asset Management has managed the Stable Fund since inception in 2007.

7. Investment philosophy

The Investment Manager focuses on preserving and growing clients' long-term savings in real terms.

The investment philosophy is based on understanding and managing risk, which the Investment Manager defines as the permanent loss of capital rather than short-term market volatility.

The Investment Manager invests through market cycles with a long-term investment approach and places significant emphasis on patience, diversification and balanced portfolio construction.

The Investment Manager also places significant emphasis on engagement with investee companies as part of its investment process.

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 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, 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, risk 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.

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

Contact us

Phone:	0800 123 263 (within South Africa)
	+27 21 412 2003 (outside South Africa)
Email:	clientservices@nedgroupinvestments.co.za
Write To Us:	Po Box 1510, Cape Town, 8000

Our offices are located at

South Africa:	Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001
London:	12 Arthur Street, London, EC4R 9AB
Isle Of Man:	First Floor, St Mary's Court, 20 Hill Street, Douglas, Isle Of Man, IM1 1EU, British Isles

see money differently