NEDGROUP INVESTMENTS

See money differently

Quarterly Report:
Nedgroup Investments Select Growth Fund of Funds

as at 31 March 2023

Quarterly report:
Nedgroup Investments

Domestic asset class returns (ZAR)

SA Equity

5.2% Q1 2023

Strong performance from Industrial sector and index bellwethers Naspers and Prosus drove returns

4.9%	1 year
24.2%	3 years
12.3%	LT average

SA Property

-5.1% Q1 2023

The property sector continues to struggle with high interest rates and high office vacancy rates

-3.4%	1 year
18.2%	3 years
11.3%	LT average

SA Bond

3.4% Q1 2023

SA bond market was resilient despite SA being grey listed and the turmoil surrounding the US and European banks

5.8%	1 year
11.6%	3 years
7.0%	LT average

SA Cash

1.7% Q1 2023

The SARB hiked the repo rate by 25bps in Jan and another 50bps in Mar, taking it to 7.75%

5.7%	1 year
4.4%	3 years
5.9%	LT average

Global asset class returns (USD)

Global Equity

7.4% Q1 2023

Reopening of China led to a strong Jan, with the rest of the quarter boosted by constructive economic data

-7.0%	1 year
15.9%	3 years
8.5%	LT average

Global Property

1.0% Q1 2023

Globally REITs lagged equity stocks with the office sector in general the largest detractor

-20.6%	1 year
7.6%	3 years
6.2%	LT average

Global Bond

3.0% Q1 2023

Bond markets swiftly priced in cooling inflation figures and the possibility of easier monetary policy

-8.1%	1 year
-3.4%	3 years
4.3%	LT average

US Cash

1.2% Q1 2023

The US Fed hiked rates by 25bps in Feb and Mar taking the policy rate to the highest since 2007 at 4.75% - 5.0%

3.6%	1 year
1.4%	3 years
3.7%	LT average

Exchange rates (Rand spot rate and quarterly change)

US Dollar R17.74

4%

The rand appreciated by 3.0% against the US dollar in March, supported by hawkish tones from the SARB and a weaker US dollar. However, market confidence towards the rand remains low amid political uncertainty and the delayed response to the energy crisis which is not being adequately addressed.

British Pound R21.94

7%

UK headline CPI increased to 10.4% in February from 10.1% the prior month, setting the scene for the Bank of England (BoE) to increase interest rates by 25bps in March, following a 50bps hike in February. The pound is trading in a narrow band relative to the US dollar, that has weakened in March.

Euro R19.28

6%

The ECB raised interest rates by 50 basis points in both February and March. The Eurozone inflation declined to a one-year low in March. The US dollar depreciated by 2.3% on a trade weighted basis in March, with the euro making up c.60% of this index, leaving the greenback 1.0% weaker over the quarter.

Source: Morningstar; as at 31 March 2023

NEDGROUP INVESTMENTS

Quarterly report:
Nedgroup Investments

Domestic performance drivers

Highlights

- The Budget 2023 confirmed a gross tax revenue overrun of R93.7bn relative to the Budget 2022, enabling improved fiscal metrics for the financial year. R9bn was earmarked for incentives to support residential and business investment in rooftop solar.
- The much-anticipated cabinet reshuffle confirmed Dr Ramokgopa as the new Minister of Electricity.
- Public sector wage negotiations concluded with a two-year deal, with an effective increase of 7.5% this year.

Low points

- Fourth quarter GDP printed at -1.3%, a much lower figure than anticipated. This brings economic growth for 2022 to 2.0% but also reaffirms the poor momentum going into 2023.
- Credit ratings agency, S&P, downgraded the outlook for the sovereign's credit rating to stable from positive, raising concerns about the impact of the energy crises and the state of network industries on economic growth.
- Headline inflation for the year to Feb 2023 increased to 7.0% from 6.9% in Jan 2023, with core inflation increasing to 5.2%. Both figures were higher than market expectations and reflected continued upward pressure in food prices, while annual medical aid tariff increases led to higher core inflation.

Global performance drivers

Highlights

- After some upside surprises in the previous month, headline inflation across several regions continued to moderate as the impact from high energy prices subsided.
- The relaxing of China's zero Covid policy resulted in improved sentiment due to "the Chinese reopening effect". This, and a tapering of China's regulatory clampdown on the tech sector, supported a recovery in Chinese shares.
- US employment data confirmed robust and broad-based job growth, with unemployment recorded at 3.4%, the lowest figure since 1969.

Low points

- The collapse of Silicon Valley Bank (SVB) sparked an exit from depositors and investors, which quickly impacted risk appetite for the broader banking complex and saw bank share prices hit hard. While SVB was a regional bank, largely exposed to the tech sector, with specific nuances, the impact of higher interest rates on their bond holdings and poor sentiment quickly turned a spotlight on other entities with possible vulnerabilities.
- With February marking a year since Russia invaded Ukraine, Russia announced it would cut oil production by 500 000 barrels a day from March in response to price caps imposed by Western countries, while tensions between China and the US regarding alleged surveillance reemphasised that geopolitics remains prominent as an ongoing risk.

Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

Fund overview

Max equity	Time frame	Benchmark	Peer group	Regulation 28
75%	Min 5 years	Inflation +5%	SA Multi-Asset High Equity	Compliant

Risk profile

1 2 **3** 4 5

Underlying fund structure

Allan Gray	Coronation Fund Managers	M&G Investments	Truffle Asset Management	Taquanta
20% Active	20% Active	20% Active	20% Active	20% Passive

Fund costs (C – clean class)

Management fee* (Excl. Vat)	Total expense ratio
1.06%	1.44%
Transaction charges	**Total investment charges**
0.27%	1.71%

Benefits of the Select range

- Simple, low-cost Solution
- Diversified across Asset classes
- Passive and active underlying investments
- Quarterly Rebalanced
- Tax Efficient
- Ongoing Due diligence

as at 31 March 2023
**Includes BOTH multi-manager and underlying fund fees. Both the Total Expense Ratio (TER) and Transaction Costs (TC) of the Fund are calculated on an annualised basis, beginning 1 January 2020 to 31 March 2023.

NEDGROUP INVESTMENTS

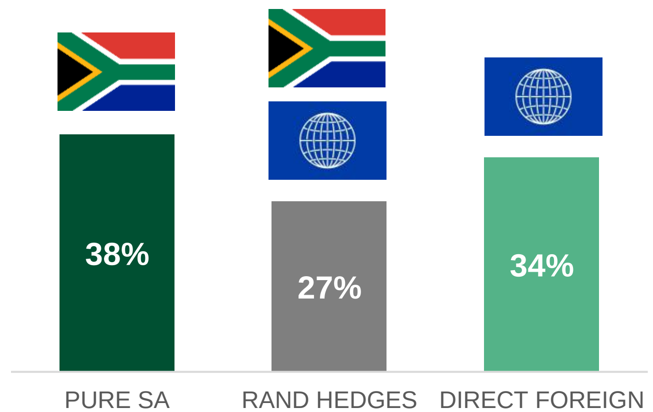
Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

Asset allocation

Domestic Equity	Domestic Property	Domestic Fixed Interest
43.8%	2.2%	19.5%

Foreign Equity	Foreign Property	Foreign Fixed Interest
26.1%	0.7%	7.7%

Regional exposure



Top ten equity holdings | 24% of the fund

NASPERS	3.4%
British American Tobacco	3.1%
GLENCORE	2,9%
prosus	2.9%
Standard Bank	2.6%
ABInBev	2.2%
absa	2,0%
Anglo American	1.8%
sasol	1.7%
FirstRand	1.5%

as at 31 March 2023

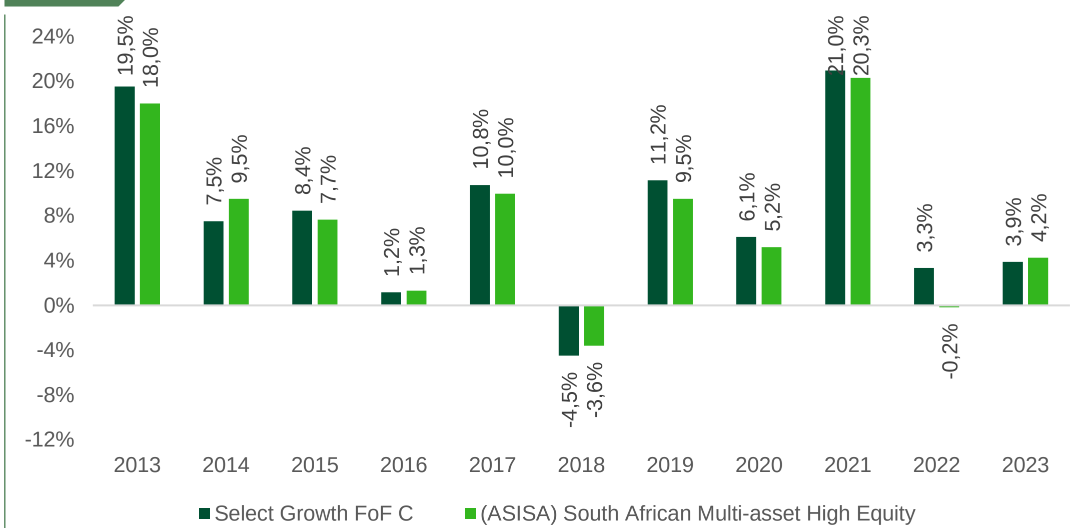
NEDGROUP INVESTMENTS

Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

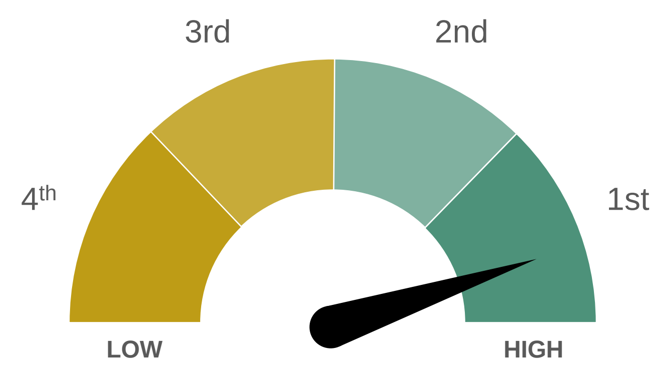
Fund performance (clean class)

Q1'23 return	Ytd return	1yr annualised return	3yr annualised return	5yr annualised return
3.9%	3.9%	7.1%	17.7%	8.7%
Peer group average: 4.2%	Peer group average: 4.2%	Peer group average: 5.0%	Peer group average: 15.1%	Peer group average: 7.6%

Calendar year performance



Peer group quartile ranking: 5yr



NEDGROUP INVESTMENTS

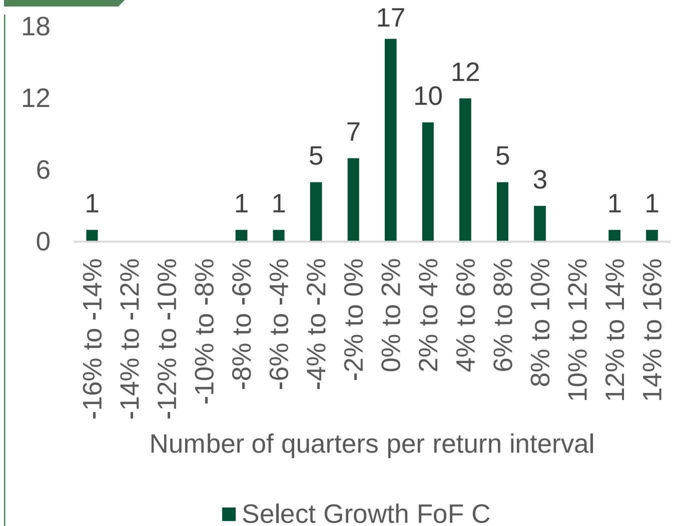
Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

Risk measures since inception

Rolling 5yr return	Volatility	Max drawdown	Sharpe ratio	% Positive months
89%	**9.0%**	**-17.2%**	**0.3**	**68%**
Hit rate: outperforming peer group average	SA equity market: 15.3%	SA equity market: -40.4%	SA equity market: 0.3	SA equity market: 60%

Rolling 5-year annualised return

Quarterly return distribution



as at 31 March 2023

NEDGROUP INVESTMENTS

Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

Underlying fund performance

Key	2016	2017	2018	2019	2020	2021	2022	2023
Allan Gray Balanced	6.3%	13.2%	1.5%	16.6%	12.4%	26.0%	8.1%	5.3%
Coronation Balanced Plus	4.7%	12.6%	-2.6%	13.3%	9.4%	23.5%	7.7%	4.6%
Nedgroup Investments Balanced	2.4%	12.2%	-3.1%	9.6%	6.6%	22.0%	3.2%	4.3%
Nedgroup Investments Core Diversified	1.0%	11.0%	-3.8%	9.0%	3.6%	20.3%	-1.1%	3.7%
M&G Balanced	-2.4%	5.3%	-5.9%	6.7%	2.8%	12.7%	-1.5%	1.4%

Positive contributors this quarter

- The rand weakened 4.3% over the quarter, making it one of the worst performing emerging market currencies. As a result, the direct offshore exposure of the fund (held in US dollar) contributed to performance.
- SA equity contributed, with Naspers/Prosus, Richemont, Anheuser-Busch InBev, Glencore and other stocks with global earnings adding value.
- Naspers recovered strongly over the last year on the back of a strong Tencent recovery as investors appetite for Chinese tech shares returned, driven by optimism on China re-opening. Similarly, Richemont and Kering (Gucci and Balenciaga) contributed as Luxury goods benefitted over the quarter from the Chinese rebound.

Detractors this quarter

- The resource sector was down -5% for the quarter. China's reopening was insufficient to meaningfully lift demand. Prices were generally weaker.
- Transaction Capital (down 62% for the quarter) disappointed with the announcement that ongoing economic headwinds had forced a significant restructuring in SA Taxi. Whilst managers attributed limited value to SA Taxi even prior to this announcement, the market reacted brutally; writing down not just SA Taxi but also taking a significant haircut to the overall value of the company.
- Listed property, which makes up 2.2% of the fund, delivered a negative return this quarter. Conditions in the local property sector remain uncertain given the rising local interest rate cycle (many property companies are reliant on finance to expand their portfolios) and relatively weak growth prospects, among other fundamental factors.

As at 31 March 2023
Allan Gray was introduced on the 1st of October 2018; Nedgroup Investments Balanced was introduced on the 1st of October 2019.

NEDGROUP INVESTMENTS

Quarterly report:
Nedgroup Investments Select Growth Fund of Funds

Performance across classes

	A Class (all in)	B2 Class (lisp)	C Class (clean)	C1 Class (product)	S Class (sip)	Peer group	SA inflation
Quarter	3,6%	3,9%	3,9%	3,8%	3,9%	4,2%	1,0%
1 year	5,9%	7,3%	7,1%	6,9%	7,0%	5,0%	7,0%
3 year	16,3%	17,9%	17,7%	17,5%	N/A	15,1%	5,2%
5 year	7,5%	8,9%	8,7%	N/A	N/A	7,6%	4,8%

Costs across classes

	Management fee* (excl. Vat)	Financial planner	Total expense ratio	Transaction charges	Total investment charges
A class (all-in)	2.05%	1.00%	2.58%	0.27%	2.86%
B2 class (lisp)	0.90%	N/a	1.27%	0.27%	1.54%
C class (clean)	1.05%	N/a	1.44%	0.27%	1.71%
C1 class (product)	1.20%	N/a	1.61%	0.27%	1.88%
S class (sip)	1.11%	N/a	1.50%	0.27%	1.77%

as at 31 March 2023
**Includes BOTH multi-manager and underlying fund fees. Both the Total Expense Ratio (TER) and Transaction Costs (TC) of the Fund are calculated on an annualised basis, beginning 1 January 2020 to 31 March 2023.

NEDGROUP INVESTMENTS

Disclaimer

Nedgroup Collective Investments (RF) Proprietary Limited is the company that is authorised in terms of the Collective Investment Schemes Control Act to administer the Nedgroup Investments unit trust portfolios. Unit trusts are generally medium to long term investments. The value of your investment may go down as well as up. Past performance is not necessarily a guide to future performance. Nedgroup Investments does not guarantee the performance of your investment and even if forecasts about the expected future performance are included you will carry the investment and market risk, which includes the possibility of losing capital. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Certain unit trust funds may be subject to currency fluctuations due to its international exposure. Nedgroup Investments has the right to close unit trust funds to new investors in order to manage it more efficiently. A schedule of fees and charges and details of our awards are available on request from Nedgroup Investments. A fund of funds may only invest in other unit trust funds, that levy their own charges, which could result in a higher fee structure. Nedgroup Investment Advisors (Pty) Ltd (the 'Investment Manager') an authorised as a financial services provider under the Financial Advisory and Intermediary Services Act (FSP No. 1652), is the appointed Investment Manager of the Management Company.

Certain Nedgroup Investments unit trust portfolios include international assets, whereby a change in the exchange rates may cause the value of those investments to rise and fall. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and that in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Please note that Nedgroup Collective Investments (RF) Proprietary Limited is not authorised to and does not provide financial advice. This presentation is of a general nature and intended for information purposes only. It is not intended to address the circumstances of any investor and cannot be relied on as legal, tax or financial advice, either express or implied. Whilst we have taken all reasonable steps to ensure that the information in this document is accurate and current on an ongoing basis, Nedgroup Investments shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this presentation. Nedgroup Collective Investments (RF) Proprietary Limited is a member of the Association for Savings & Investment SA (ASISA).