

Risk rating

September 2018



Low Medium High

**Risk and reward profile**

Equity investments are volatile by nature and subject to potential capital loss. The portfolio may be subject to currency fluctuations due to its international exposure.

**Investment Approach**

This strategy solution is managed in accordance with the overall Nedbank Private Wealth investment philosophy to achieve the fund objective. We have a depth of investment expertise and apply an active, valuation-driven process to construct diversified multi-asset class strategies. Our portfolios contain a foundation of quality assets. These are complemented by satellite investments that together aim to achieve defined, risk - managed investment outcomes for our clients.

**General Information**

**BENCHMARK/TARGET RETURN**

Inflation + 5 - 7% per annum after fees over rolling 7-year periods.

**INVESTMENT MANAGER**

Nedgroup Investment Advisors (Pty) Ltd is authorised as a Financial Service Provider under the Financial Advisory and Intermediary Services Act (FSP No. 1652).

Fund Manager: Trevor Garvin

**ASISA CATEGORY**

South African - Multi Asset - Flexible

REGULATION 28 COMPLIANT - No

**FUND SIZE**

R152 million

**INCEPTION DATE**

1 May 2004

**MINIMUM INVESTMENT**

Lump sum: R50,000

**NET ASSET VALUE<sup>1</sup>**

5564.86cpu

**INCOME DISTRIBUTION**

Bi-Annually: June, December

June 2018 Dividend: 38.48 cpu

June 2018 Interest: 7.78 cpu

December 2017 Dividend: 0.00 cpu

December 2017 Interest: 0.00 cpu

12 Months Total Distribution: 45.53 cpu

Annual distribution yield: 0.81%\*

\* Distribution yield for the previous twelve months, net of all fees.

**FEES**

Annual management fee (excluding VAT): 1.59%

Total Expense Ratio 1.76%

Transaction Costs 0.15%

Total Investment Charges<sup>3</sup> 1.90%

**Portfolio Profile**

This portfolio will seek to deliver real capital growth through a blended allocation to risk assets, namely equity funds. The portfolio will accordingly be exposed to equity market risk and returns will be volatile. Any asset allocation changes will be determined by the monthly strategic investment committee, who seek to achieve optimal diversification of the asset classes by making use of proprietary research tools. The portfolio is structured as a fund of funds.

**Asset allocation ranges**

| ASSET CLASS  | RANGE   |
|--------------|---------|
| Equity       | 80-100% |
| Property     | 0-10%   |
| Bonds        | 0-10%   |
| Alternatives | 0-15%   |
| Cash         | 0-15%   |

**MANAGER ALLOCATION**

| MANDATE         | INVESTMENT HOUSE   | WEIGHTS Previous Quarter | WEIGHTS Current |
|-----------------|--|--------------------------|-----------------|
| Domestic equity | Nedgroup Investments Asset Management, Foord Asset Management and Coronation Fund Managers | 85%                      | 89%             |
| Domestic cash   | Call Account   | 1%                       | 0%              |
| Foreign equity  | Veritas Asset Management UK  | 14%                      | 10%             |

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**Performance<sup>2</sup>**

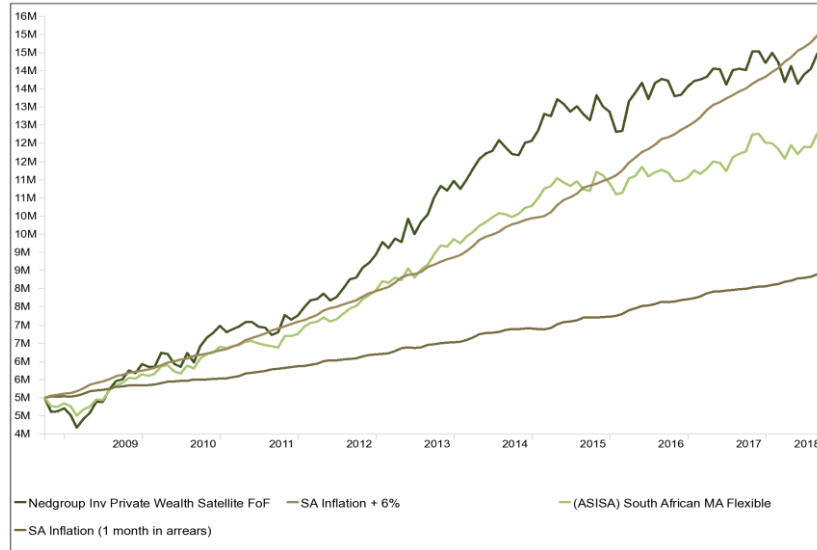
| PERIOD                                | SOLUTION    | SA Inflation + 6% |
|---------------------------------------|-------------|-------------------|
| 1 year                                | -0.5        | 11.2              |
| 3 years (annualised)                  | 3.3         | 11.5              |
| 5 years (annualised)                  | 5.8         | 11.7              |
| <b>7 YEARS (ANNUALISED)</b>           | <b>10.8</b> | <b>11.7</b>       |
| 10 years (annualised)                 | 10.8        | 11.6              |
| Since inception (annualised)          | 14.2        | 12.0              |
| Lowest 1 year return                  | -28.3       | -                 |
| Highest 1 year return                 | 60.3        | -                 |
| 10 Year ranking within ASISA category | 12/35       |                   |

The annualized total return is the average return earned by an investment each year over a given time period.

September 2018

## SINCE INCEPTION CUMULATIVE PORTFOLIO PERFORMANCE<sup>2</sup>

The graph shows growth of R5 000 000 invested in the portfolio plotted against the fund's benchmark of inflation + 6% as well as the average of the ASISA South African Multi Asset Flexible category.



### Mandatory disclosures:

1. Funds are valued daily at 15:00. Instructions must reach us before 14:00 (12:00 for Nedgroup Money Market Fund) to ensure same day value. Daily prices are available on request from your relationship manager.
2. Performance is calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of reinvestment and dividend withholding tax. Data source: © 2015 Morningstar.
3. Total Expense Ratio (TER), expressed as a percentage of the Fund, relates to expenses incurred in the administration of the Fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs (TC), expressed as a percentage of the Fund, relates to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charges expressed as a percentage of the Fund, relates to all investments costs of the Fund. Both the TER and TC of the Fund is calculated on an annualised basis, beginning July 2015 and ending June 2018.

Whilst Nedbank Private Wealth offers you a choice of investment services, the underlying funds forming part of Nedbank Private Wealth strategy solution, are managed by Nedgroup Investments. More specifically, 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 Investment Private Wealth unit trust portfolios. It is a member of the Association of Savings & Investment South Africa (ASISA), Contact: Nedgroup Investments, P O Box 1510, Cape Town 8000, info@nedgroupinvestments.co.za, Tel 0860 123 263 (RSA only). The Standard Bank of South Africa Limited is the registered trustee. Contact: Standard Bank, P O Box 54, Cape Town 8000, Trustee-compliance@standardbank.co.za, 021 401 2002.

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 fund of funds may only invest in other unit trust funds, that levy their own charges, which could result in a higher fee structure. A schedule of fees and charges and maximum commissions is available on request from Nedgroup Investments. For further additional information on the fund, including but not limited to, brochures, application forms and the annual report please contact your relationship manager.

### Contact

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