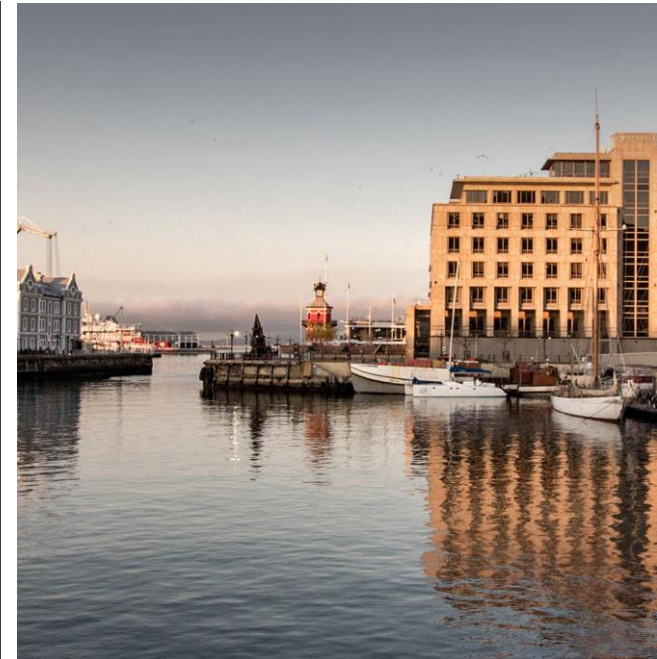




**NEDGROUP  
INVESTMENTS**

# Nedgroup Investments

## International Multi-manager Range



# The Nedgroup Investments Multifund range

A range of three multi-asset portfolios managed globally, each aiming to deliver good risk-adjusted returns across three distinct risk profiles.

- Manager: Nedgroup Investments International
- Domicile: Ireland
- Regulatory Structure: UCITS IV (FSB Approved)
- Share Classes: Available in USD and GBP, with varying fee structures.

	Nedgroup Investments Growth Multifund	Nedgroup Investments Balanced Multifund	Nedgroup Investments Income Multifund
<b>Benchmark</b>	Cash + 3 to 5%	Cash + 1 to 3%	Cash +
<b>Peer Group</b>	Morningstar Aggressive Allocation	50/50 average of Morningstar Moderate & Cautious Allocations	Morningstar Global Bonds
<b>Appropriate Term</b>	5 to 7 years	3 to 5 years	3 to 5 years
<b>Inception</b>	19 August 2011	19 August 2011	26 January 2012
<b>AUM (as at Aug-18)</b>	\$206.3m	\$232.7m	\$46.3m

# Top 10 key attributes

<b>Global Investment Approach</b>	Enables access to a larger opportunity set and to better diversify client portfolios
<b>Valuation Driven</b>	Primarily motivated by a disciplined assessment of valuations
<b>Long-Term Focus</b>	We invest with patience and a focus on the likely long term outcome
<b>Diversified Multi-Asset Class</b>	With the aim of delivering attractive risk-return profiles
<b>Clear Investment Process</b>	Disciplined and structured to avoid making decisions based on emotion rather than analysis
<b>Pragmatic Manager Selection</b>	Mix of active managers and low cost index trackers to achieve an optimal outcome
<b>Risk Monitoring</b>	Our funds are all risk graded and carefully managed within defined volatility parameters
<b>Transparency</b>	We strive to be completely transparent and open in our communications
<b>Stewardship</b>	We always put client's interests first and have adopted best market practice in all areas
<b>Experienced Team</b>	8 dedicated investment professionals with >90 years of combined investment experience

# Investment team based in Cape Town and London

Over 100 years of work experience and AUM R 25 billion



**Trevor Garvin**  
Head of Multi Management  
(22yrs)

B.Com. (Honours) in Economics, M.Com in Finance, MBA, Chartered Alternative Investment Analyst (CAIA)



**Cleo Molepo**  
Investment analyst  
(8yrs)

B.Com (Marketing Management), PGD in Financial Planning, Chartered Financial Analyst (CFA)



**Seugnet de Villiers**  
Investment analyst  
(10yrs)

B.Comm (Hons) Financial Risk Management, Chartered Financial Analyst (CFA)



**Leandra Temmers**  
Investment analyst  
(11yrs)

B.Com degree in Economics and Statistics



**Andrew Yeadon**  
Head of Investments  
(30yrs)

BA (Honours) in Economics, Chartered Financial Analyst (CFA)



**Simon Watts**  
Senior investment analyst  
(20yrs)

BSc. (Honours) in Economics, MBA, Chartered Financial Analyst (CFA)



**Sava Christov**  
Investment analyst  
(12yrs)

MBA, MA in International Relations



**Madhushree Agarwal**  
Investment analyst  
(2yrs)

(Honours) in Banking and International Finance, MSc in Investment and Wealth Management

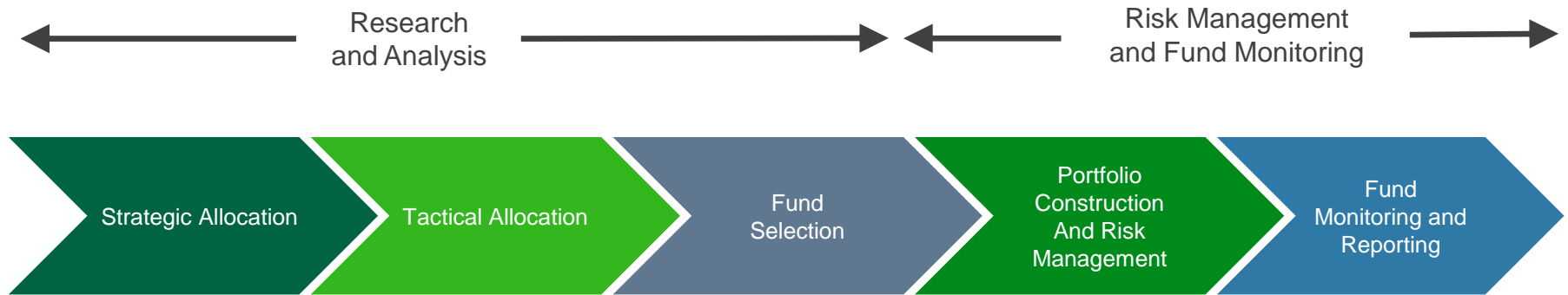


**Ankush Jain**  
Investment analyst  
(2yrs)

BSc (Honours) in Economics, MSc in Investment and Wealth Management

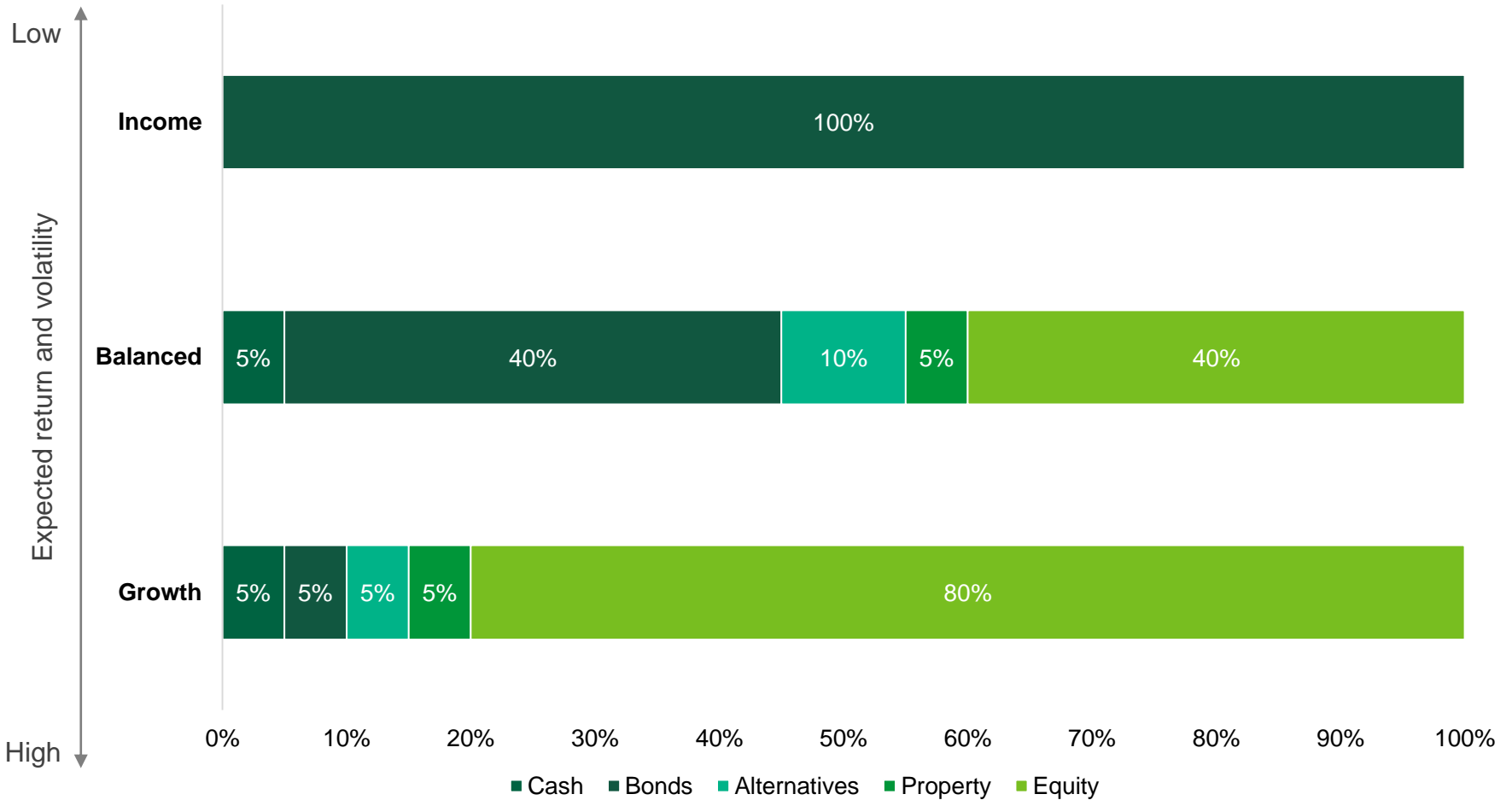


# Disciplined and structured investment process



- We work with clients to set the appropriate long-term asset allocation framework
- We aim to add value through short-term tactical asset allocation
- Through our research, we aim to add value by picking the best funds
- All funds must pass operational due diligence, which is done independently of the investment team
- Portfolios are constructed after carefully considering potential risks and rewards
- Risk tools include Style Research and Fixed Income Risk Analysis
- We monitor progress daily, making changes when necessary.

# Strategic asset allocation



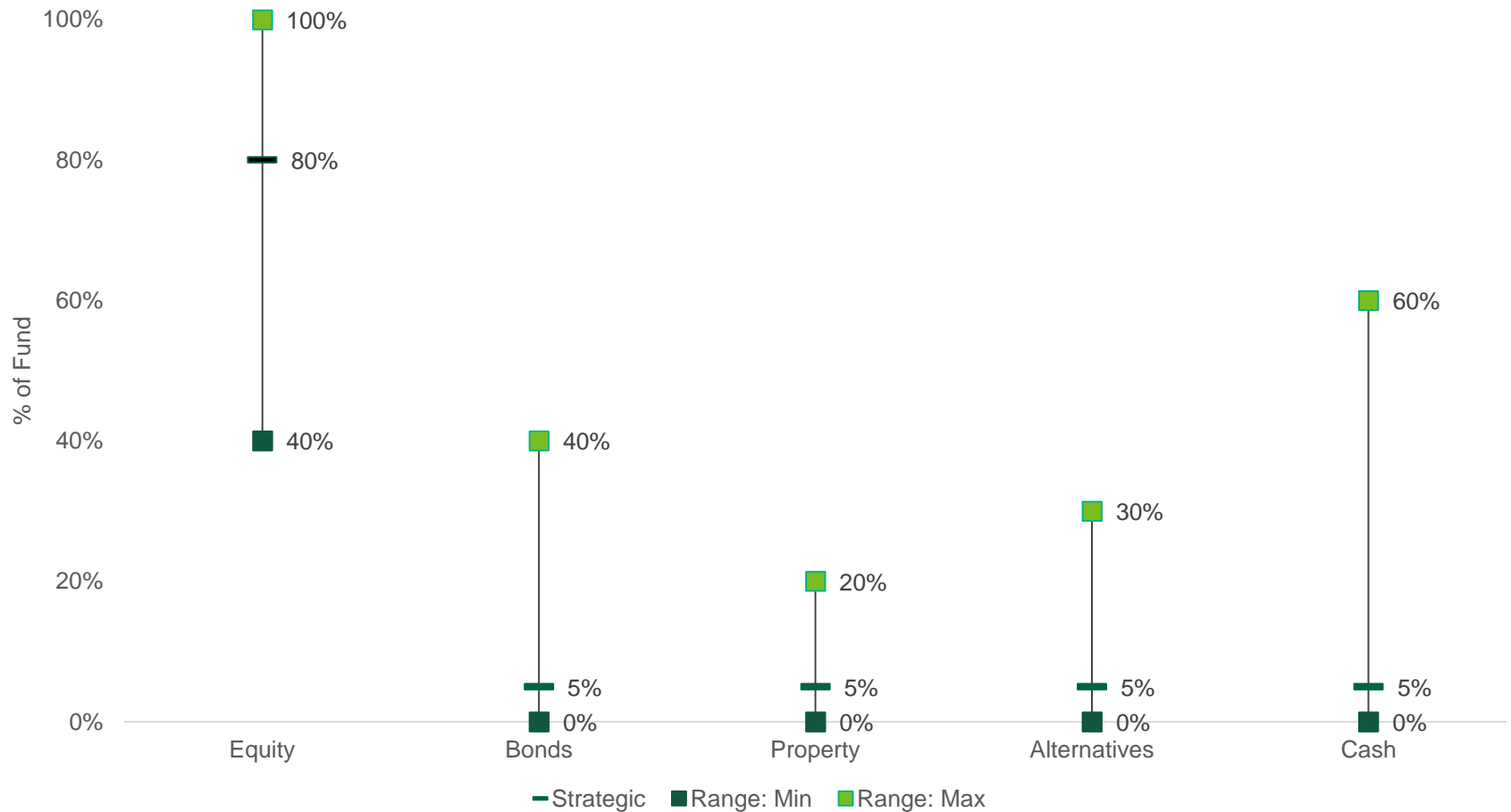
# Global asset class returns (USD)

Tactically adjusting exposure around the strategic asset allocation allows us to navigate through volatility

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2018	10-Yr Ann	10-Yr Vol
Asia x Japan Equities 40.1%	US Treasury 14.0%	EM Equities 78.5%	S&P Global Property 20.6%	US Treasuries IL 14.1%	S&P Global Property 31.3%	US Equities 31.8%	S&P Global Property 13.6%	Japan Equities 9.6%	US High Yield 17.5%	Asia x Japan Equities 41.7%	US Equities 9.7%	US Equities 10.2%	EM Equities 22.0%
EM Equities 39.4%	Global Gov't Bond 9.3%	Asia x Japan Equities 72.1%	Asia x Japan Equities 19.6%	Global Gov't IL 11.2%	Asia x Japan Equities 22.4%	Europe x UK Equities 27.6%	US Equities 12.7%	Global Gov't Bond 1.3%	Global High Yield 16.2%	EM Equities 37.3%	Developed Equities 4.8%	Global High Yield 8.8%	Europe x UK Equities 21.4%
Europe x UK Equities 16.7%	USD LIBID 3 Month 2.67%	Global High Yield 60.7%	EM Equities 18.9%	US Treasury 9.8%	Europe x UK Equities 21.3%	Japan Equities 27.2%	Global Gov't IL 9.5%	US Treasury 0.8%	EM Equities 11.2%	Europe x UK Equities 26.8%	US High Yield 1.9%	US High Yield 8.4%	Asia x Japan Equities 20.8%
US Treasuries IL 11.6%	Global Gov't IL 0.5%	US High Yield 57.5%	Japan Equities 15.4%	US Inv. Grade 7.5%	Global High Yield 18.9%	Developed Equities 26.7%	Global Gov't Bond 8.3%	US CPI (YoY) 0.7%	US Equities 10.9%	Japan Equities 24.0%	USD LIBID 3 Month 1.4%	Developed Equities 7.1%	S&P Global Property 20.3%
US Treasury 9.1%	US CPI (YoY) 0.0%	UK Equities 43.3%	Global High Yield 15.4%	Global Gov't Bond 5.8%	EM Equities 18.2%	UK Equities 20.7%	Global Inv. Grade 7.7%	US Equities 0.7%	Global Gov't IL 10.8%	Developed Equities 22.4%	US CPI (YoY%) 1.4%	Asia x Japan Equities 6.6%	UK Equities 18.1%
Developed Equities 9.0%	US Treasuries IL -1.1%	S&P Global Property 41.2%	US High Yield 15.2%	Global Inv. Grade 5.0%	Developed Equities 17.8%	US High Yield 7.4%	US Inv. Grade 7.5%	USD LIBID 3 Month 0.2%	Developed Equities 7.5%	UK Equities 22.3%	Global Gov't Bond 0.7%	S&P Global Property 6.5%	Developed Equities 16.0%
UK Equities 8.4%	Global Inv. Grade -4.8%	Europe x UK Equities 32.6%	US Equities 14.8%	US High Yield 4.4%	US High Yield 15.6%	Global High Yield 7.1%	US Treasury 6.0%	S&P Global Property 0.1%	Global Inv. Grade 6.1%	US Equities 21.2%	Global High Yield 0.6%	US Inv. Grade 5.5%	Japan Equities 15.2%
Global Gov't IL 7.9%	US Inv. Grade -6.8%	Developed Equities 30.0%	Developed Equities 11.8%	Global High Yield 3.2%	US Equities 15.3%	S&P Global Property 3.7%	Developed Equities 4.9%	Global Inv. Grade -0.2%	US Inv. Grade 6.0%	S&P Global Property 16.1%	Global Gov't IL 0.4%	Global Inv. Grade 5.2%	US Equities 14.8%
Global Gov't Bond 6.0%	US High Yield -26.4%	UK Equities 26.3%	US Inv. Grade 9.5%	US CPI (YoY) 3.1%	UK Equities 15.3%	Asia x Japan Equities 3.1%	Asia x Japan Equities 4.8%	US Inv. Grade -0.6%	Asia x Japan Equities 5.4%	Global High Yield 8.0%	S&P Global Property 0.4%	Global Gov't IL 4.4%	Global High Yield 10.4%
US Equities 5.4%	Global High Yield -27.0%	US Inv. Grade 19.8%	UK Equities 8.8%	US Equities 1.4%	Global Inv. Grade 10.8%	US CPI (YoY) 1.5%	US Treasuries IL 4.5%	Europe x UK Equities -0.6%	S&P Global Property 4.9%	US High Yield 7.5%	US Treasuries IL 0.2%	Japan Equities 4.4%	US High Yield 10.4%
US Inv. Grade 4.6%	Japan Equities -31.2%	Global Inv. Grade 16.3%	Global Inv. Grade 7.4%	USD LIBID 3 Month 0.2%	US Inv. Grade 10.4%	USD LIBID 3 Month 0.1%	Global High Yield 2.5%	Global Gov't IL -0.7%	US Treasuries IL 4.8%	US Inv. Grade 6.5%	Global Inv. Grade -0.7%	Global Gov't Bond 3.7%	US Treasuries IL 6.1%
Global Inv. Grade 3.4%	US Equities -37.6%	US Treasuries IL 10.0%	US Treasuries IL 6.3%	UK Equities -2.6%	Japan Equities 8.2%	Global Inv. Grade 0.0%	US High Yield 2.5%	Developed Equities -0.9%	Global Gov't Bond 3.8%	Global Inv. Grade 5.8%	US Treasury -0.8%	US Treasury 3.4%	US Inv. Grade 5.9%
US CPI (YoY) 4.1%	Developed Equities -40.7%	Global Gov't IL 8.8%	US Treasury 5.9%	Developed Equities -5.5%	US Treasuries IL 7.3%	Global Gov't Bond -0.3%	US CPI (YoY) 0.7%	US Treasuries IL -1.7%	Japan Equities 2.4%	US Treasuries IL 3.3%	Japan Equities -1.4%	US Treasuries IL 3.1%	Global Gov't IL 5.5%
US High Yield 2.2%	Europe x UK Equities -45.5%	Japan Equities 6.3%	Global Gov't IL 5.0%	S&P Global Property -7.4%	Global Gov't IL 7.1%	US Inv. Grade -1.5%	USD LIBID 3 Month 0.1%	Global High Yield -2.0%	US CPI (YoY) 2.1%	Global Gov't IL 3.3%	US Inv. Grade -1.9%	UK Equities 3.1%	Global Inv. Grade 4.4%
Global High Yield 1.7%	UK Equities -48.3%	US CPI (YoY) 2.8%	Global Gov't Bond 3.6%	Japan Equities -14.3%	Global Gov't Bond 4.4%	EM Equities -2.6%	EM Equities -2.2%	US High Yield -4.6%	US Treasury 1.1%	US Treasury 2.4%	Europe x UK Equities -2.2%	Europe x UK Equities 3.1%	US Treasury 4.2%
USD LIBID 3 Month 0.4%	S&P Global Property -48.8%	Global Gov't Bond 0.9%	Europe x UK Equities 1.6%	Europe x UK Equities -15.3%	US Treasury 2.2%	US Treasury -3.3%	Japan Equities -4.0%	UK Equities -7.6%	USD LIBID 3 Month 0.6%	Global Gov't Bond 2.2%	UK Equities -4.4%	US Treasury 2.9%	Global Gov't Bond 3.0%
Japan Equities -4.2%	Asia x Japan Equities -52.4%	USD LIBID 3 Month 0.5%	US CPI (YoY) 1.4%	Asia x Japan Equities -17.3%	US CPI (YoY) 1.8%	Global Gov't IL -4.7%	UK Equities -5.4%	Asia x Japan Equities -9.2%	UK Equities -0.1%	US CPI (YoY%) 2.0%	Asia x Japan Equities -4.9%	US CPI (YoY%) 1.4%	US CPI (YoY%) 1.0%
S&P Global Property -4.8%	EM Equities -53.3%	US Treasury -3.7%	USD LIBID 3 Month 0.2%	EM Equities -18.4%	USD LIBID 3 Month 0.3%	US Treasuries IL -9.4%	Europe x UK Equities -6.5%	EM Equities -14.9%	Europe x UK Equities -0.6%	USD LIBID 3 Month 1.2%	EM Equities -7.2%	USD LIBID 3 Month 0.6%	USD LIBID 3 Month 0.2%

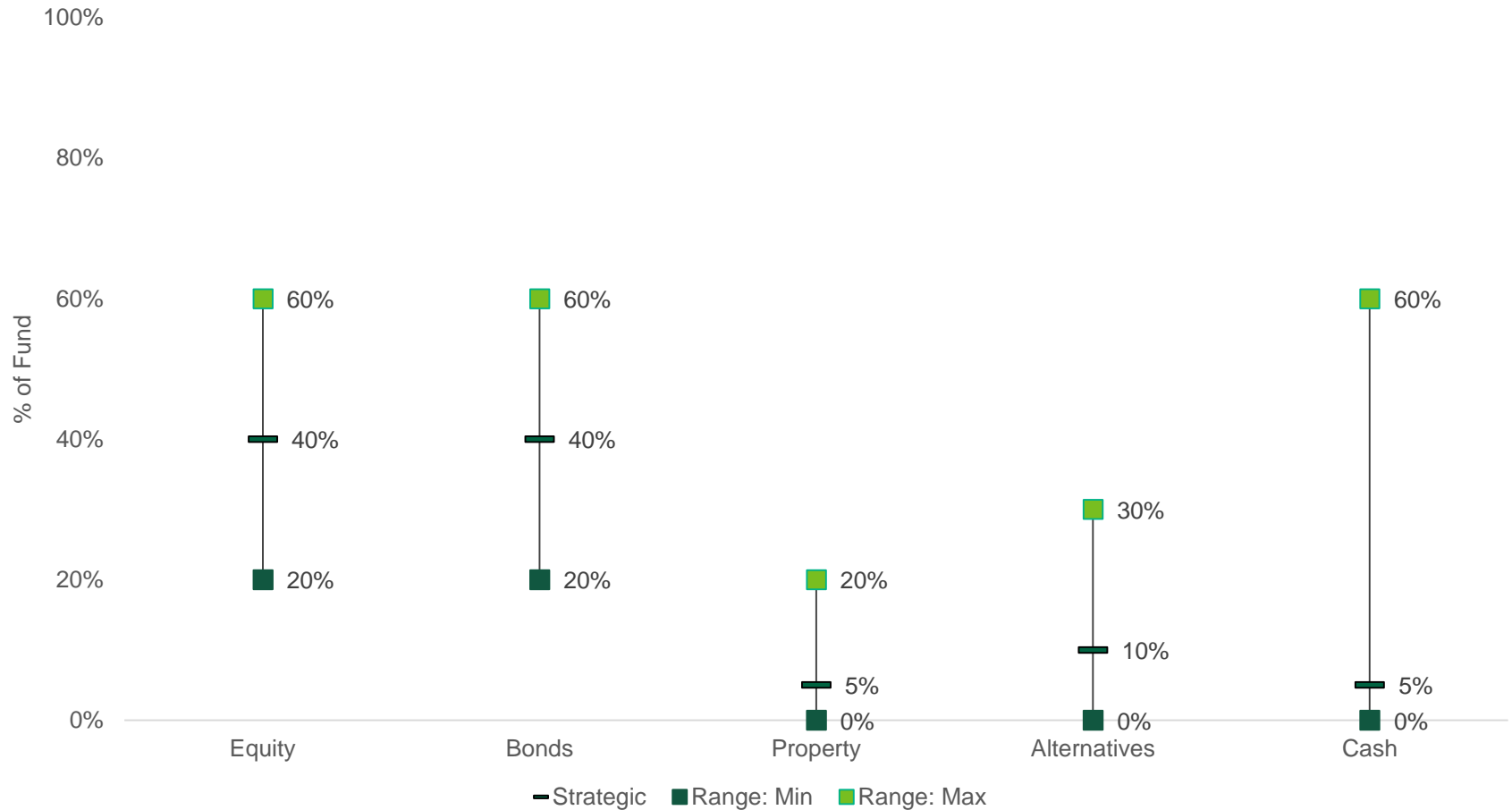
Source: Bloomberg, Nedgroup Investments, Latest data as at 31st August 2018.

# Asset allocation range: Growth

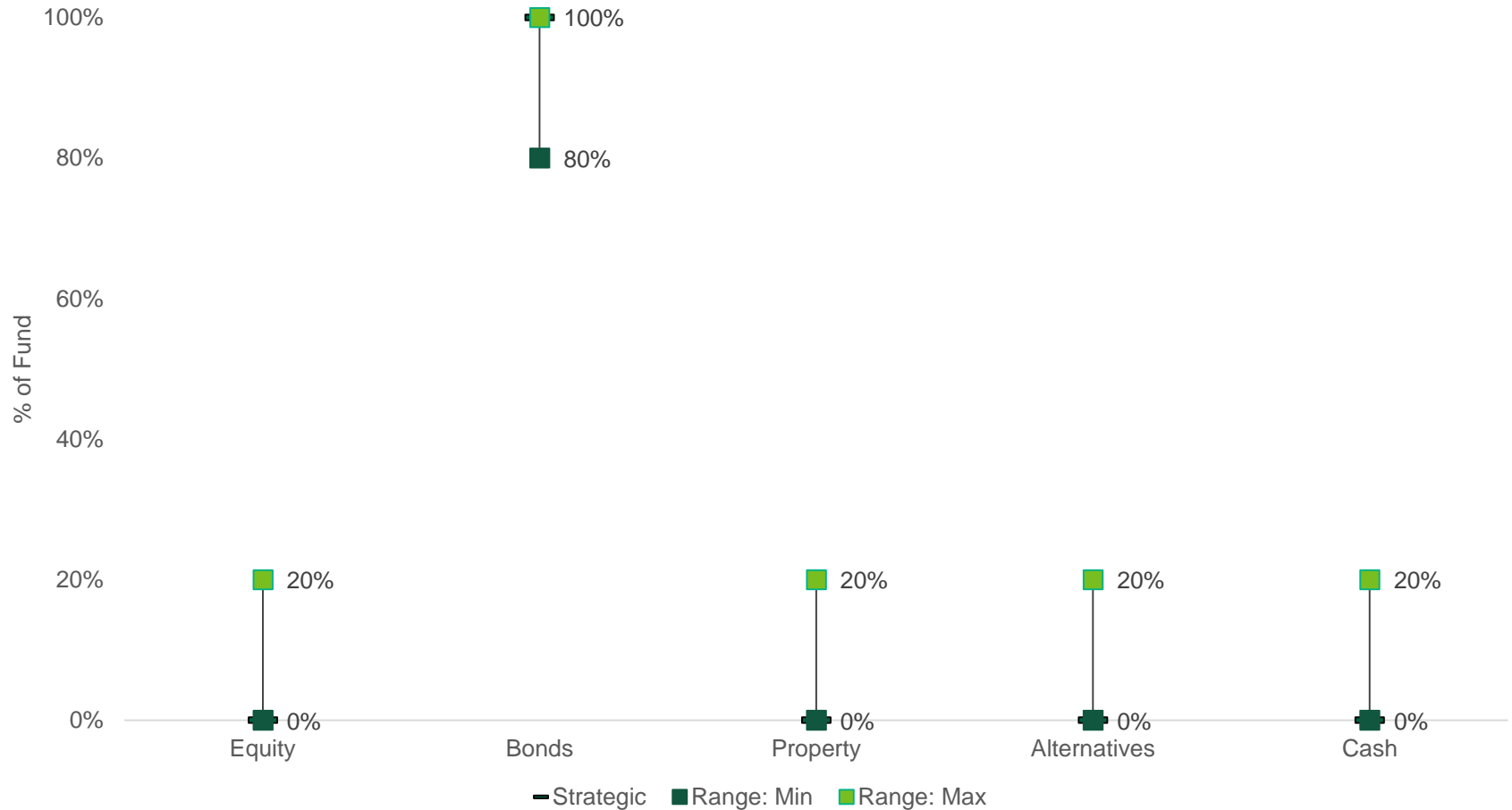




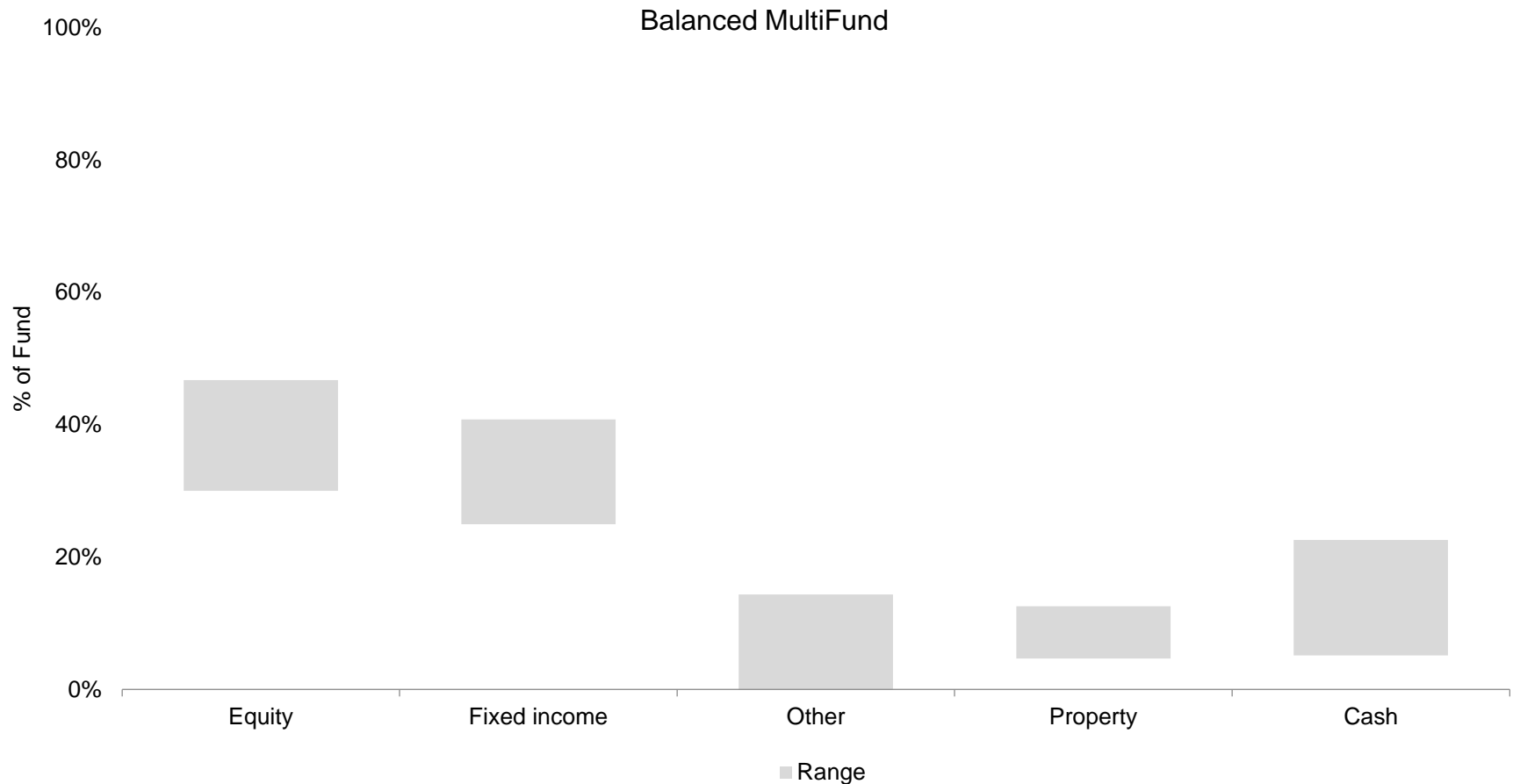
# Asset allocation range: Balanced



# Asset allocation range: Income

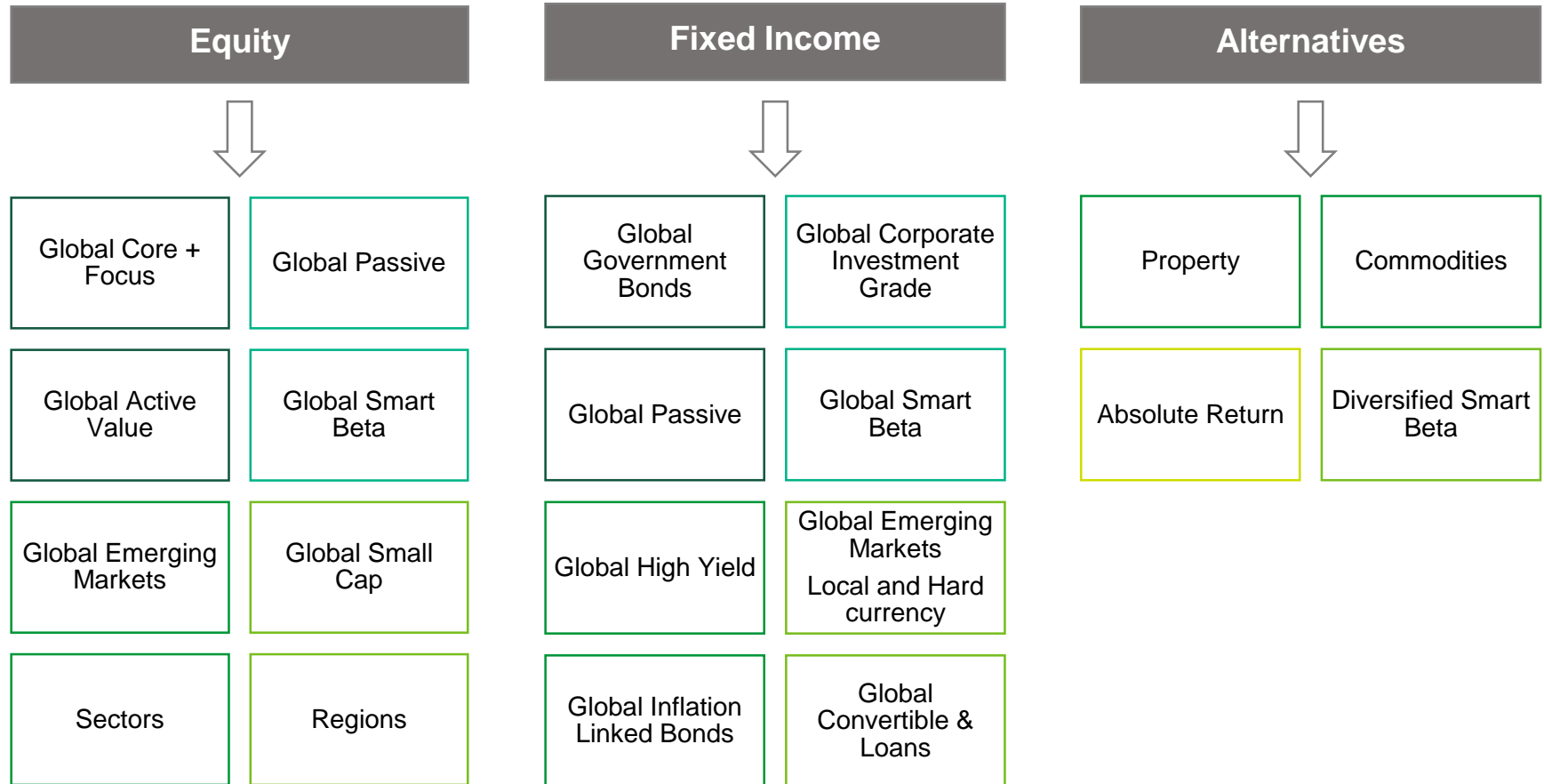


# Demonstrated flexibility over time



Source: Nedgroup Investments. Latest data as at 31st August 2018. Range: Since inception of MultiFund (30th September 2011)

# Portfolio construction process



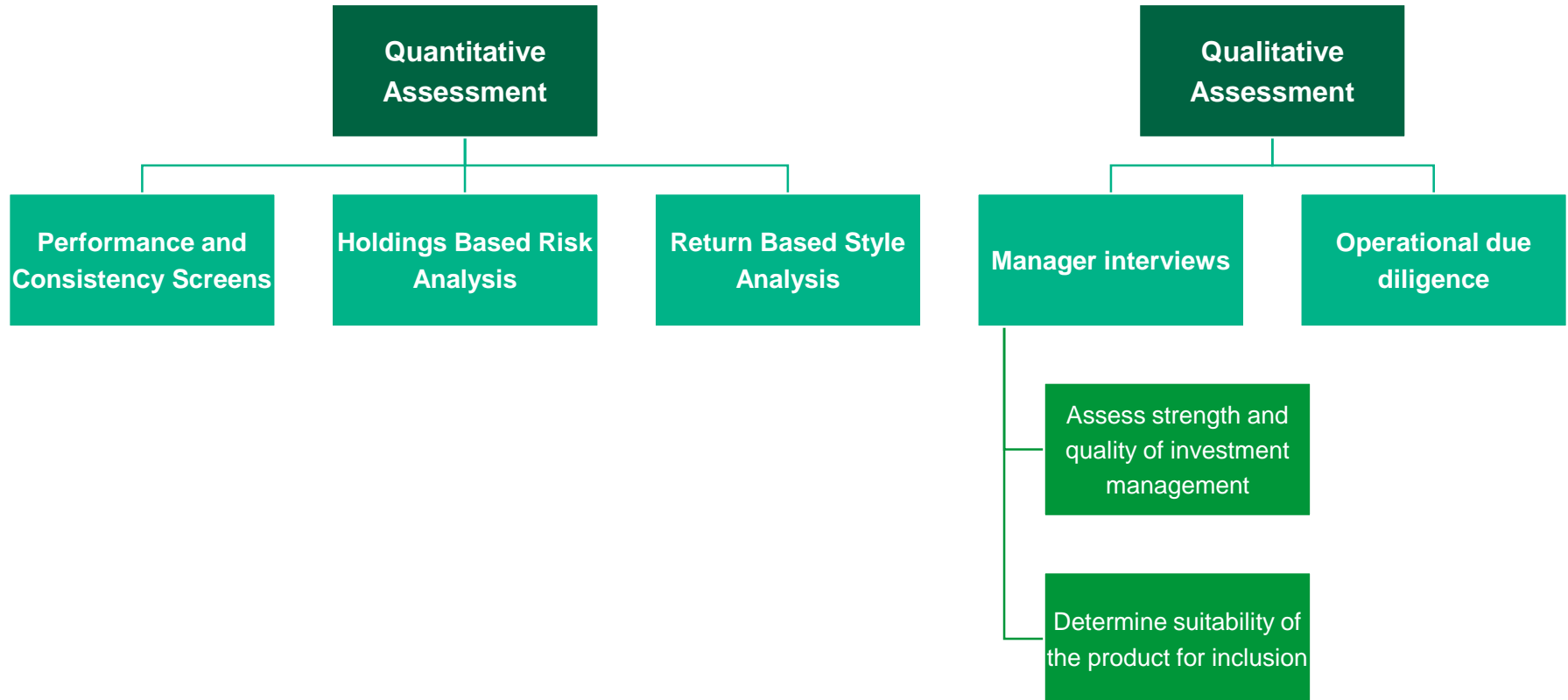
# What we look for in a fund manager

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- ✓ High quality of investment manager/house
- ✓ Stability of manager
- ✓ Convincing proof of historic added value
- ✓ Significant level of experience
- ✓ Solid investment process
- ✓ Strong commitment of resources
- ✓ Clear manager focus and alignment of objectives
- ✓ Suitable portfolio characteristics
- ✓ Excellent governance and risk controls
- ✓ Adequate capacity
- ✓ Competitive terms of business

# Fund selection process

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# Diversified across leading global managers

## Passive Equity



## Active Equity

Morgan Stanley

Veritas  
— Asset  
Management



DODGE & COX®

## Small Cap Equity



## Emerging Market Equity



## Active Property



RESOLUTION  
CAPITAL

## Fixed Income Core

PIMCO

The Authority On Bonds™

WELLINGTON  
MANAGEMENT®

## Fixed Income Tilt



KAMES  
CAPITAL

Maxinich & Co.



J.P.Morgan  
Asset Management

## Alternatives



John laing  
making infrastructure happen



GCP

# Investment reporting

- We view effective and transparent reporting to be a critical element of the service we provide
- Monthly / Quarterly investment commentaries are timely, detailed, open and informative

## Monthly Reporting Example

**NEDGROUP INVESTMENTS MULTIFUNDS PLC**  
BALANCED MULTIFUND CLASS C

December 2017

**KEY RELEVANT PEOPLE**

**FOCUS OBJECTIVE**

**PERFORMANCE ANALYSIS**

**ASSET ALLOCATION**

**CONTRACT DETAILS**

**REMARKS (DISCLOSURE) AND CONTACT**

**NEDGROUP INVESTMENTS MULTIFUNDS PLC**  
BALANCED MULTIFUND

December 2017

**TOTAL PORTFOLIO ANALYSIS**

**CHANGES IN ASSET ALLOCATION BY STRATEGY**

**ASSET ALLOCATION**

**EQUITY COMPONENT**

**FIXED INCOME COMPONENT**

**CURRENCY EXPOSURE**

**YIELD**

**NEDGROUP INVESTMENTS MULTIFUNDS PLC**  
BALANCED MULTIFUND

December 2017

**MARKET COMMENTARY**

December provided a solid end to what was an already strong year for many asset classes. Good economic data releases confirmed that the synchronised cyclical economic upswing remained on track, and, if anything, is accelerating. In response, economists continued to raise their forecasts for 2018, which served to boost investor confidence.

In terms of specific events, perhaps the most notable was the US Senate's narrow passing of the Tax Cuts and Jobs Act, which would lead to the largest tax overhaul in the US since 1986. The most important element for financial markets was the proposed cuts to the corporate tax rate, which could fall from 35 to 20 percent. Additionally, the proposal could also provide a strong incentive for US corporates to repatriate cash held in offshore bank accounts, which would enhance their ability to raise dividends and issue share buy-backs.

A second important event was the last minute agreement between the UK and the EU on the three 'phase one' Brexit issues relating to the divorce bill, rights of citizens and the Irish border question. Whilst Britain gave more ground than the EU to reach a compromise, the story is far from over as the two protagonists will now need to the even more contentious second round of talks on trade and security. On the face of it, the outcome so far suggests that the UK is on a path towards a 'Soft Brexit'. However, this will not sit well with the so-called 'Hard Brexiteers' within the UK Government / Conservative Party, which suggests that there is plenty more Brexit anxiety ahead, most notably for the UK, but also for the EU.

As noted on numerous occasions throughout the year, financial market volatility remained unusually low, which was partly down to improved global economic performance, but also to the ameliorating impact of continued central bank bond buying. Against this background, most asset classes rose, with riskier and more volatile investments leading the way.

Equity markets rose by +1.8%, as measured by the MSCI All Country World Index in US dollars. All the major regions and countries advanced, with the UK (+2.0%), the Emerging Markets (+3.0%) and Asia & Japan (+2.7%) producing the best returns. The strongest sectors tended to be cyclical, with good performance in Energy (+4.2%) and Materials (+4.1%), contrasting with the weakness of Information Technology (+0.1%) and Utilities (-4.1%). Finally, in terms of style, Value (+1.8%) outpaced Growth (+1.5%), whilst Smaller Companies (+1.8%) just had the edge on Larger Companies (+1.6%).

Fixed income markets were relatively quiet through December as government bonds rose just +0.1%, according to the JP Morgan Global Government Bond Index. As with equities, riskier assets were better rewarded, with the Merrill Lynch Global Investment Grade Corporate Bond Index returning +0.5%, the Merrill Lynch Global High Yield Index delivering +0.3%, and the JP Morgan Global Emerging Market Bond Index rising +0.0% (all in hedged to US dollar terms).

The Bloomberg Commodity Index rose by +3.0% in December. The economically sensitive Industrial Metals sub-sector was particularly strong as it advanced +9.2%, followed by Coking Coal (+6.4%) and Gold (+2.7%). Only Agriculture (-1.5%) led down, in part because it is more affected by weather patterns as opposed to being a play on general economic conditions.

The major currency markets were relatively quiet over December, with the euro, pound, yen and dollar all little changed against each other. That left the main movers to be other emerging market currencies as those most closely linked to the strong commodity market. The stand-out performer was the South African rand (+4.5% versus the US dollar) as it responded positively to the election of Cyril Ramaphosa as the new leader of the ANC. Elsewhere the Australian and Canadian dollars were also well supported, as they rose against the US dollar by +3.2% and +2.5% respectively.

*Notes: All monthly data is quoted in US dollar terms unless otherwise stated.*

**NEDGROUP INVESTMENTS MULTIFUNDS PLC**  
BALANCED MULTIFUND

December 2017

**PORTFOLIO COMMENTARY**

The Nedgroup Investments Balanced MultiFund rose by +0.9% during December.

Within equities, the best performing funds were Dodge & Cox Global Stock (+2.9%) and Morgan Stanley Global Brands (+2.7%). Dodge & Cox benefited from its tilt towards Emerging Market stocks, which outperformed in December, whilst the strength of Consumer Staples stocks supported Morgan Stanley as it has a strong bias towards this sector. At the other end of the spectrum, Nedgroup Global Equity (0.6%) was negatively impacted by both stock selection and its overweight to healthcare which underperformed during December.

Within fixed income, with no assets performing well during the month, the tilt towards credit was broadly supportive for absolute and relative performance. The best performing funds were the higher quality investment grade funds, Wellington Global Credit Plus (+0.6%) and PIMCO Global Investment Grade (+0.4%). Elsewhere, the fortunes of the sub-investment grade funds were also mildly positive, with AXA US Short Duration High Yield (+0.2%) and M&B Short Duration High Yield (+0.1%) both up, whilst Kames High Yield Global Bond was flat. Finally, Franklin Templeton Global Total Return (+1.3%) was a drag on performance in December as it lost value on the back of some unhelpful developed and emerging market currency positions.

In other asset classes, Nedgroup Global Property Fund (+2.0%) outperformed global equities, whilst exposure to UK commercial property was mixed. F&C Commercial Property Trust fell -3.5%, whilst Impact Healthcare (+0.3%) and Standard Life Property Income Trust (+2.2%) both rose. Within infrastructure, returns were quite solid with the exception of Greenoak Renewables (-0.3%), as Greenoak UK Wind (+3.8%) and Jifei Lang Environmental Assets (+0.3%) both benefited from stronger UK wholesale electricity prices. Infrastructure (+5.4%) also saw a strong run on the announcement that the manager had agreed to sell its stakes in two large and mature infrastructure investments - Erima (French electricity distribution company) and Anglian Water (UK water utility) - at prices considerably above expectations and their last valuations. Finally, the allocation to bond-backed finance was a drag, with SGI Asset Finance Income Fund declining -1.9% and GCP Asset Backed Income flat over the month.

In terms of portfolio activity, there were no material strategic changes made over the month.

*Note: All returns are quoted in US dollars.*

**Investment Manager and Distributor**

**The Issuer**

**Performance**

**Risks**

**Other Information**





Thank you

# Disclaimer

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