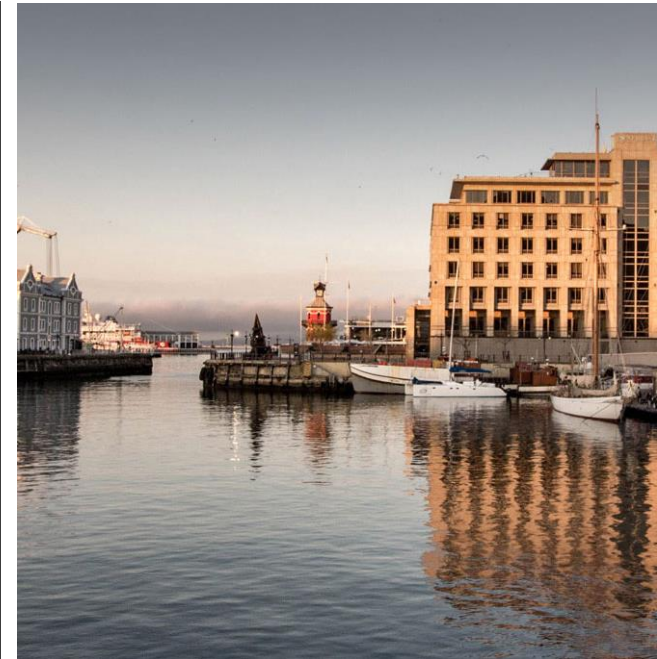




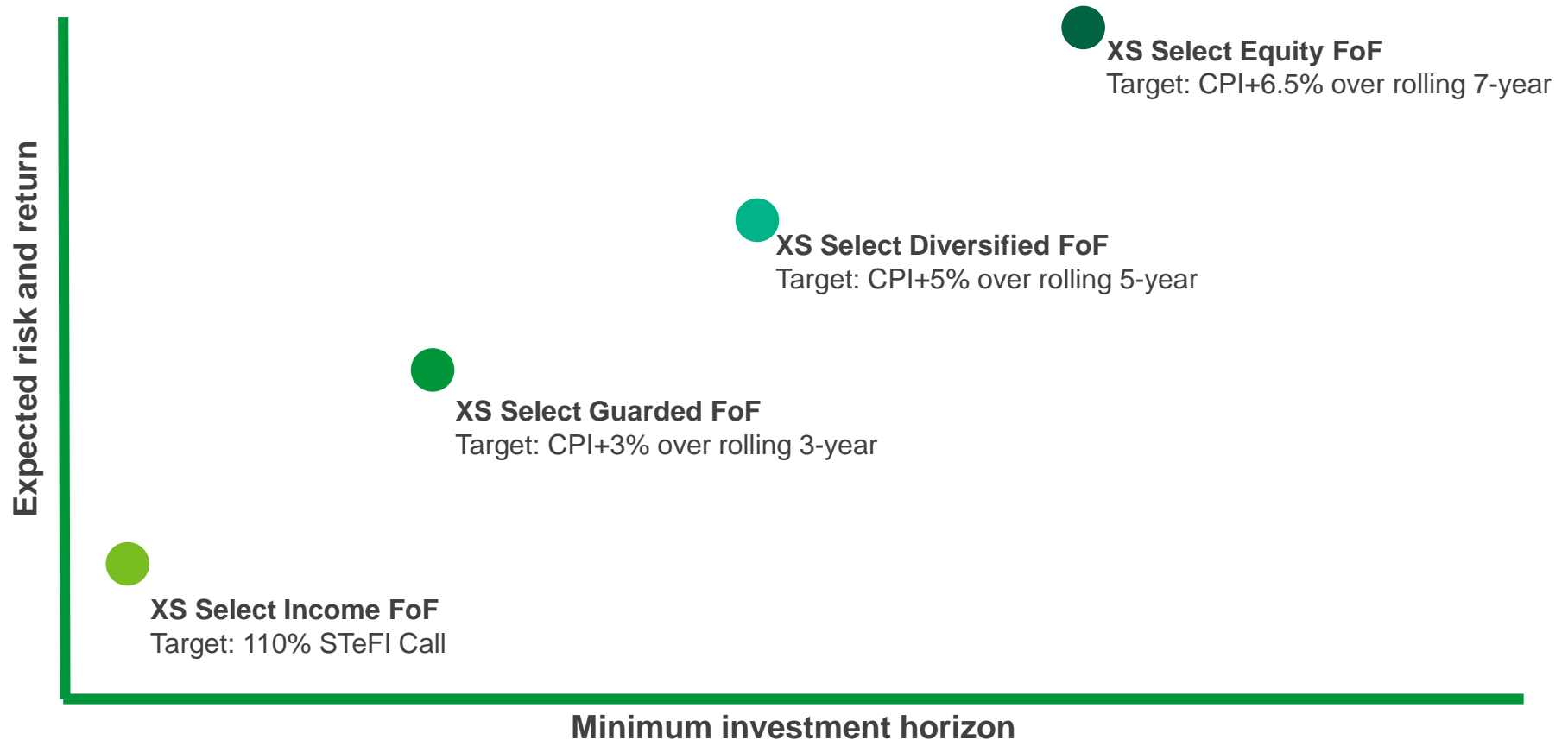
Nedgroup Investments XS Select Fund of Funds



2019

Nedgroup Investments XS Select Fund of Funds

Simple, low-cost investment solutions that offer broad diversification across asset classes, fund managers and investment strategies, which can easily be incorporated into a financial planning process



The XS Select Fund of Funds range

XS SELECT INCOME	
MAX EQUITY	10%
TIME FRAME	min 6 months
BENCHMARK	110% STeFI
PEER GROUP	SA Multi-Asset Income
REGULATION 28	Compliant
INCOME DISTRIBUTION	Quarterly

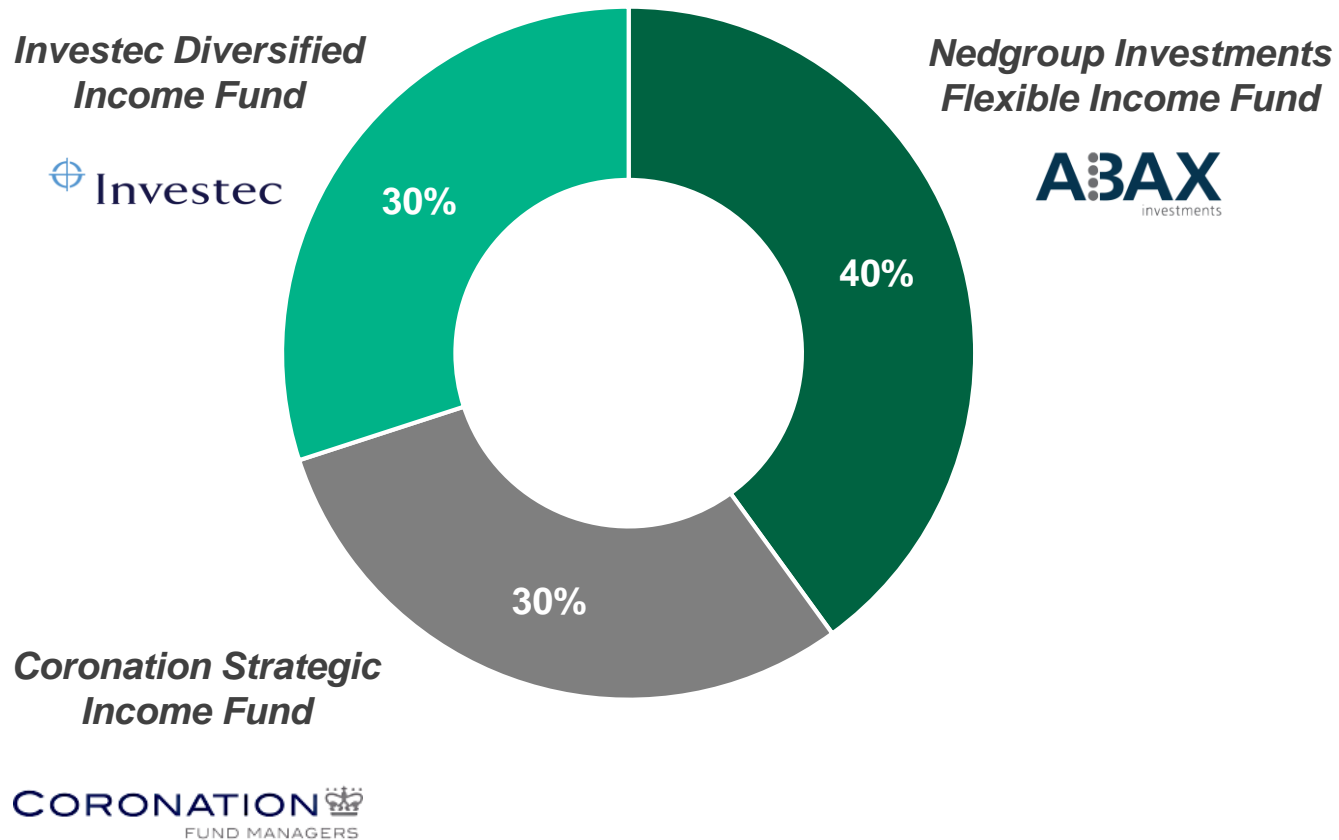
XS SELECT GUARDED	
MAX EQUITY	40%
TIME FRAME	min 3 years
BENCHMARK	Inflation +3%
PEER GROUP	SA Multi-Asset Low Equity
REGULATION 28	Compliant
INCOME DISTRIBUTION	Quarterly

XS SELECT DIVERSIFIED	
MAX EQUITY	75%
TIME FRAME	min 5 years
BENCHMARK	Inflation +5%
PEER GROUP	SA Multi-Asset High Equity
REGULATION 28	Compliant
INCOME DISTRIBUTION	Semi-annual

XS SELECT EQUITY	
MAX EQUITY	100%
TIME FRAME	min 7 years
BENCHMARK	Inflation +6.5%
PEER GROUP	SA Multi-Asset Flexible
REGULATION 28	Non-compliant
INCOME DISTRIBUTION	Annual

The XS Select Income Fund of Funds

Offers clients a cost-effective income solution, well-diversified across fund managers that complement each other well. This results in lower expected return and income volatility.



Well-diversified fund structures

XS SELECT GUARDED FOF



XS SELECT DIVERSIFIED FOF



XS SELECT EQUITY FOF



Allan Gray was introduced at 10% on the 1st of October 2018. Its weight will be increased by 2.5% every quarter until the above fund structure is achieved on 1 October 2019

The benefits of investing with us

SIMPLE, LOW-COST SOLUTION



We utilise our bulk buying power to negotiate low, fixed fees with our underlying fund managers

DIVERSIFIED ACROSS ASSET CLASSES



Well-diversified across a range of asset classes, fund managers, investment strategies

PASSIVE AND ACTIVE INVESTMENTS



The passive fund reduces cost and track the market while active manager aim to deliver alpha

REBALANCED QUARTERLY



All the solutions are rebalanced back to its target weight at each calendar quarter-end

TAX EFFICIENT



Changes to the underlying funds do not create a tax event for the end client

ONGOING DUE DILIGENCE



We research and continuously monitor the underlying funds to ensure optimal selection

Low cost with no performance fees

Cost of blending the underlying funds vs investing in the XS Select Guarded FoF



The benefits of diversification across asset classes

Global asset classes calendar year returns (ZAR)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
41.0%	32.1%	29.6%	32.5%	35.9%	56.4%	27.2%	35.1%	15.4%	21.0%	18.5%
39.5%	17.6%	19.0%	22.3%	35.5%	30.7%	26.6%	34.2%	10.2%	17.2%	12.8%
17.0%	14.1%	15.0%	15.3%	26.7%	23.7%	15.9%	32.8%	6.8%	15.0%	9.2%
11.3%	9.6%	13.7%	15.3%	22.7%	21.5%	12.3%	26.0%	6.6%	10.8%	7.7%
10.4%	8.4%	9.2%	8.9%	21.7%	21.4%	11.7%	10.2%	2.6%	10.2%	6.6%
-4.5%	5.9%	6.3%	8.9%	15.9%	19.3%	10.9%	8.0%	2.3%	6.9%	6.1%
-10.8%	3.5%	3.5%	7.7%	11.3%	8.4%	10.6%	5.8%	-5.1%	4.6%	5.2%
-19.8%	-1.0%	0.4%	6.2%	5.6%	5.3%	10.1%	5.1%	-7.0%	2.5%	-2.6%
-23.2%	-17.3%	-4.8%	5.3%	5.4%	4.8%	5.8%	4.8%	-10.8%	-0.9%	-8.5%
-29.1%	-20.1%	-9.9%	2.6%	5.1%	0.6%	5.4%	-3.9%	-11.3%	-8.5%	-25.3%
SA Bonds	SA Equity	SA Property	SA Inflation	SA Cash	Global Equity	Global Bonds	Global Property	US Cash	Balanced Portfolio	

Source: Morningstar; Balanced portfolio: 5% SA Property, 55% SA Equity, 10% SA Bond, 7.5% SA Cash, 12.5% Global Equity, 2.5% Global Property, 5% Global Bond, 2.5% Global Cash

The benefits of diversification across funds

Calendar year returns

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
13.5%	12.5%	12.7%	20.6%	16.4%	12.6%	13.7%	6.4%	11.1%	4.4%
11.9%	12.2%	11.5%	16.4%	16.1%	11.2%	11.6%	4.6%	9.8%	2.9%
11.8%	11.1%	11.0%	16.4%	15.7%	8.9%	11.4%	4.4%	9.6%	2.6%
11.4%	4.9%	11.0%	14.9%	15.2%	8.8%	9.5%	3.9%	7.8%	2.0%
6.7%	4.8%	10.3%	10.7%	13.0%	7.7%	8.3%	1.3%	7.1%	1.7%
		8.8%	6.3%	12.8%	6.6%	8.1%	0.4%	7.1%	-4.3%

Key

Allan Gray Stable A	Coronation Balanced Defensive A	Investec Cautious Managed A	Nedgroup Inv Core Guarded B	Nedgroup Inv Stable A	Prudential Inflation Plus B
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Source: Morningstar; All returns are net of fees

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



What we look for in a fund manager

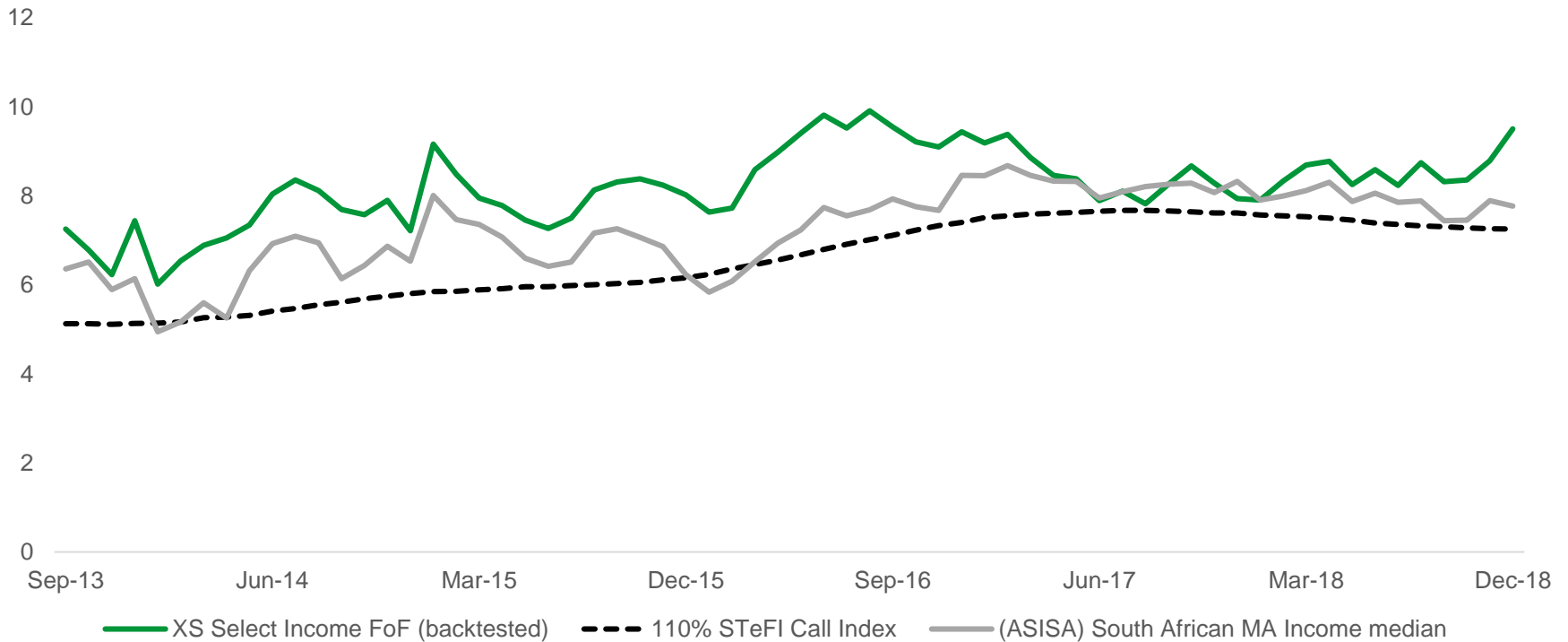
- ✓ High quality of investment manager/house
- ✓ Stability of manager
- ✓ Convincing proof of historic added value
- ✓ Significant level of experience
- ✓ Solid investment process
- ✓ Strong commitment of resources
- ✓ Clear manager focus and alignment of objectives
- ✓ Suitable portfolio characteristics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



Consistently ahead of our peers

XS Select Income FoF (backtested)

Rolling 1-year annualised performance

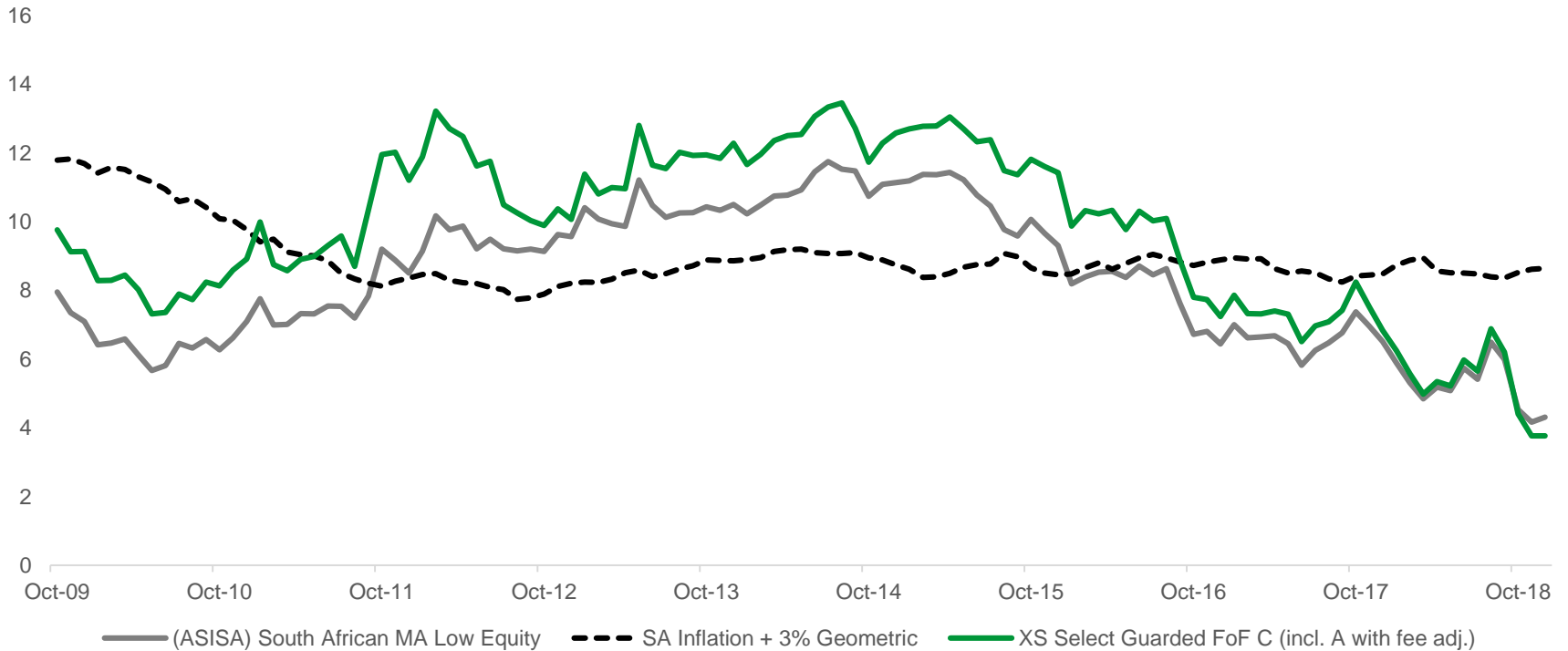


Hit rate: outperformance vs peer group	92%
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Source: Morningstar; October 2012 to date (since inception of Abax Investments managing the Nedgroup Investments Flexible Income Fund)

XS Select Guarded FoF

Since inception rolling 3-year annualised performance

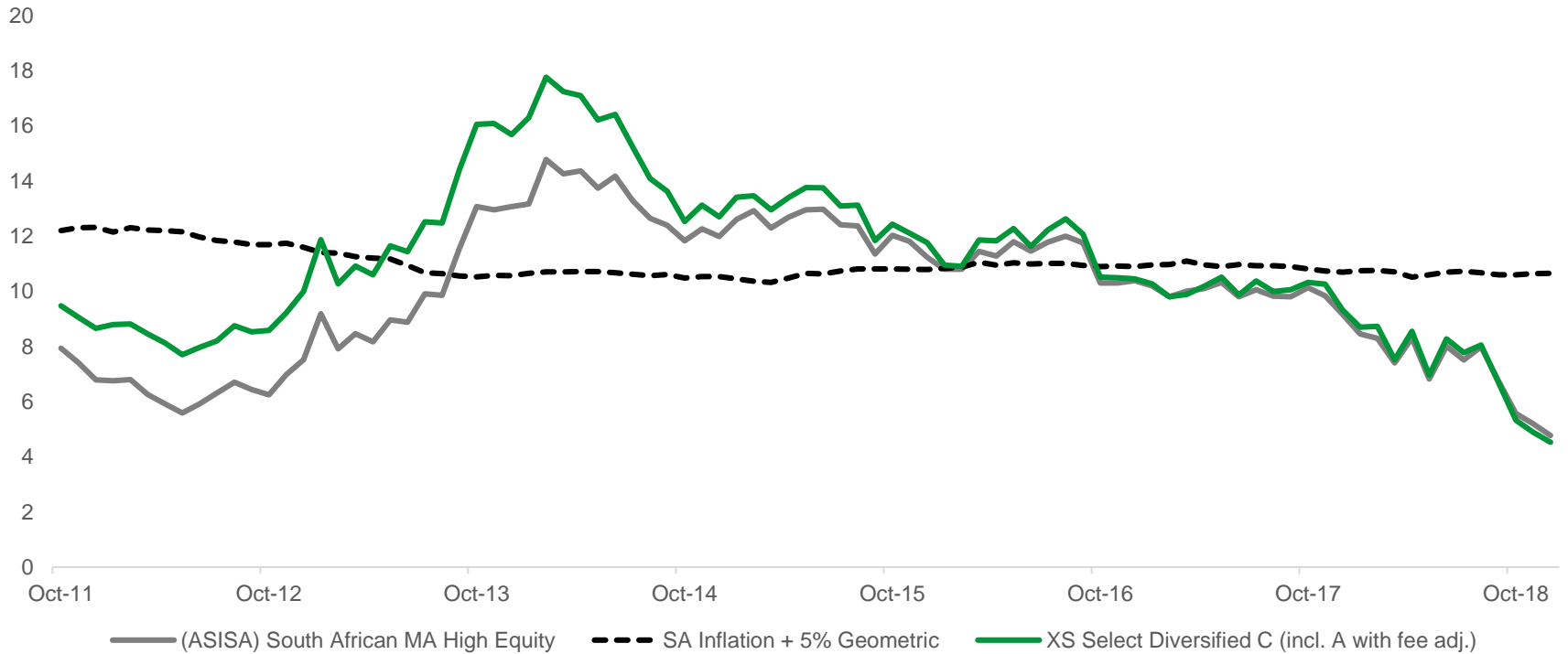


Hit rate: outperformance vs peer group	97%
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Source: Morningstar; XS Select Guarded FoF C (incl. A with fee adjustment November 2006 to inception of C class)

XS Select Diversified FoF

Since inception rolling 5-year annualised performance

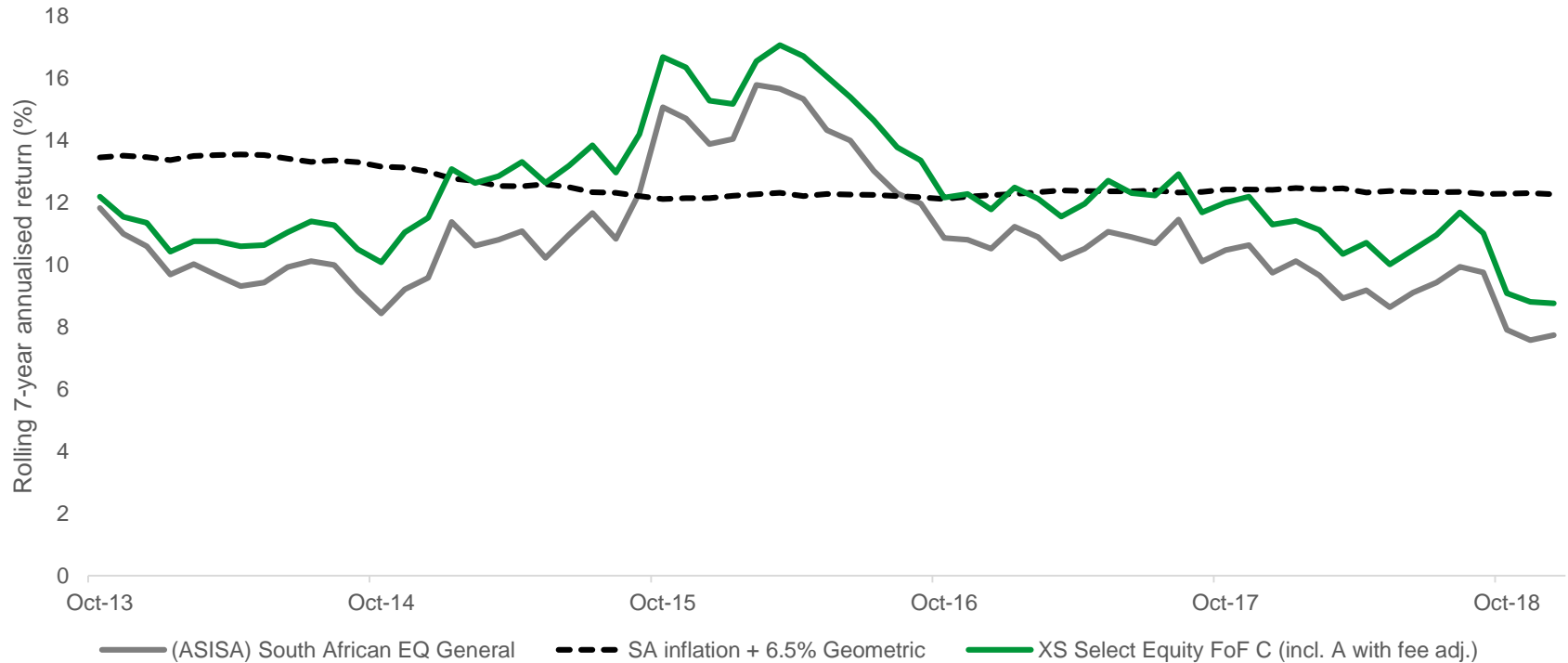


Hit rate: outperformance vs peer group	93%
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Source: Morningstar; XS Select Diversified FoF C (incl. A with fee adjustment November 2006 to inception of C class)

XS Select Equity FoF

Since inception rolling 7-year annualised performance



Hit rate: outperformance vs peer group	100%
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Source: Morningstar; XS Select Equity FoF C (incl. A with fee adjustment November 2006 to inception of C class)



Thank you

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