

Nedgroup Investments XS Diversified Fund of Funds

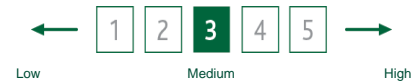
Class B

September 2019



XS RANGE

RISK RATING



Risk reward profile

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.

GENERAL INFORMATION

ASISA category

South African Multi Asset High Equity

Benchmark

Inflation + 4 - 6% per annum after fees over rolling 5-year periods.

Investment manager

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

Inception date

03 January 2006

Appropriate term

Minimum 5 years

Market value

R 4,326 Million

Income distributions

Frequency: Semi-annually

June 2019: 68.21 cpu

Previous 12 months: 97.63 cpu

Fees and charges (excluding VAT)

Initial fees	0.00%
Financial advisers fee	0.00%
Annual management fee	0.95%

*Includes the underlying funds' annual fees

Total expense ratio	1.19%
Transaction costs	0.10%
Total investment charges²	1.29%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre

Tel: 0860 123 263

Website: www.nedgroupinvestments.co.za

Email info@nedgroupinvestments.co.za

Portfolio profile

The investment objective of the XS Diversified Solution is to secure the steady growth of income and capital. The Fund of Funds achieves its objective through investment in a diversified portfolio of domestic equity, domestic fixed interest, foreign equity and foreign fixed interest portfolios. Diversification across asset classes and a maximum equity exposure of 75% helps to reduce risk and volatility relative to a general equity portfolio. The portfolio complies with Regulation 28 of the South African Pension Funds Act.

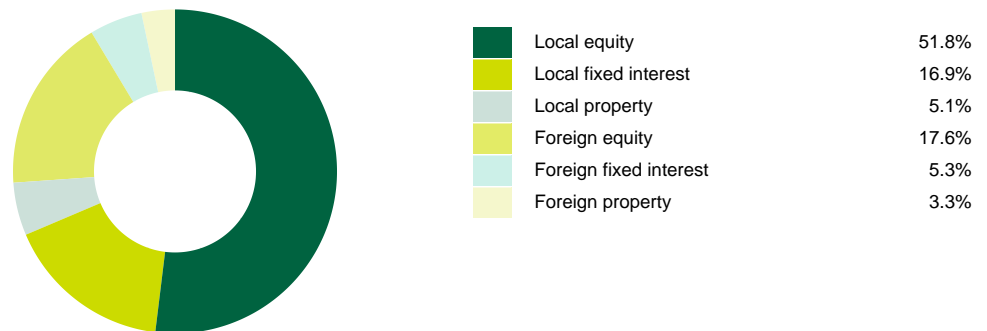
Performance¹

Period	Portfolio	Benchmark	ASISA category average
1 year pa	-0.7%	9.6%	2.0%
3 Years pa	3.6%	9.9%	3.7%
5 Years pa	4.8%	10.2%	4.8%
7 Years pa	8.0%	10.6%	7.7%
10 Years pa	9.3%	10.4%	8.5%
Lowest 1 year return	-5.1%		
Highest 1 year return	22.3%		

Risk

Period	Portfolio	ALSI
Volatility [5 years]	6.7%	11.3%

Portfolio structure



Top 10 manager allocaton

Investment house	Portfolio	Percentage
Taquanta Asset Managers	Nedgroup Investments Core Diversified	19.1
ABAX Investments	Nedgroup Investments Rainmaker	15.9
Foord Asset Management	Nedgroup Investments Value	15.9
Veritas Asset Management	Nedgroup Investments Global Equity Feeder	10.2
ABAX Investments	Nedgroup Investments Entrepreneur	7.6
Mazi Asset Management	Mazi Asset Management Equity	6.0
ABAX Investments	Nedgroup Investments Flexible Income	5.2
Taquanta Asset Managers	Nedgroup Investments Bond	5.0
First Pacific Advisors	Nedgroup Investments Global Flexible Feeder	4.2
Resolution Capital	Nedgroup Investments Global Property Feeder	3.7

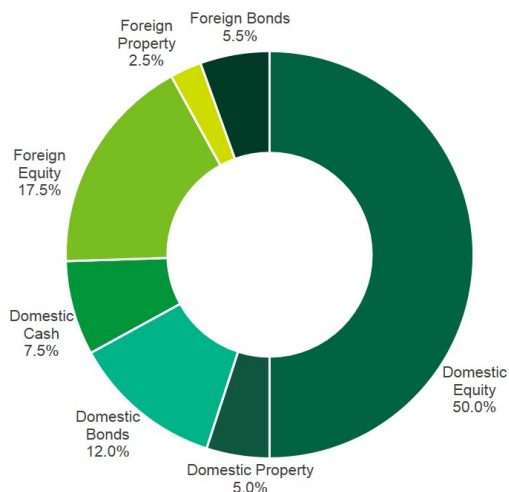
The above mentioned investment houses are authorised as Financial Service Providers under FAIS.

1) The annualized total return is the average return earned by an investment each year over a given time period. 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. Due to the delayed release of inflation data, relevant benchmarks will lag by one month. Data source: © Morningstar Inc. All rights reserved.

2) 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 TERs. Transaction Costs (TC), expressed as a percentage of the Fund, relate to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impact 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 investment costs of the Fund. Both the TER and TC of the Fund are calculated on an annualised basis, beginning 01/07/2016 and ending 30/06/2019.

Portfolio attributes

The XS Fund of Funds range consists of three actively managed multi-asset solutions, which mainly follow a specialist building block-approach. These solutions are invested across a diversified blend of underlying domestic and global fund managers. The selected fund managers are carefully appointed based on proven, consistent track records.



The core of the XS Diversified Fund of Fund is its strategic asset allocation with total equity exposure of 67.5% and total foreign exposure 25.5%.

We employ a pragmatic approach to manager selection, seeking out the best managers in the areas we believe active managers can add value. We also use a low-cost, multi-asset passive fund that tracks the respective asset classes' market indices. Allocation to this fund fluctuates depending on the prevailing market conditions.

Tactical asset allocation positions are implemented based on the views of the Nedgroup Investment Multi-Manager team.

We believe the combination of strategic and tactical asset allocation implemented through specialist portfolio managers will most consistently achieve the XS Diversified objective of SA Inflation + 5% over a rolling 5-year period, with moderate levels of risk and volatility.

Investment manager

Nedgroup Investments Multi-Manager is a dedicated asset management division within Nedgroup Investments that consists of a diverse team of investment professionals based in Cape Town and London. We specialise in asset allocation and fund manager research and base our investment decisions on fundamentally-driven research.

Investment philosophy

We follow a long-term, valuation driven investment approach. Our investment philosophy is anchored to the following ten principles:

1. Long term investing, well considered.
2. Compounding is a powerful force.
3. Asset allocation is an important driver of returns.
4. Diversification has benefits.
5. Risks need to be properly understood.
6. The price you pay (valuation) is an important determinant of future returns.
7. Emotions can erode the value of rational decision making.
8. Costs are important.
9. Forecasting is difficult, assumptions need to be carefully considered.
10. Sound stewardship principles will improve odds of clients meeting their goals.

Who we are

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 funds. It is a member of the Association of Savings & Investment South Africa (ASISA).

Our Trustee

The Standard Bank of South Africa Limited is the registered trustee. Contact details: Standard Bank, Po Box 54, Cape Town 8000, Trustee-compliance@standardbank.co.za, Tel 021 401 2002.

Performance

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. Certain unit trust funds may be subject to currency fluctuations due to its international exposure. 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.

Pricing

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. Prices are published daily on our website and in selected major newspapers.

Fees

A schedule of fees and charges and maximum commissions is available on request from Nedgroup Investments.

Disclaimer

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Nedgroup Investments has the right to close unit trust funds to new investors in order to manage it more efficiently. For further additional information on the fund, including but not limited to, brochures, application forms and the annual report please contact Nedgroup Investments.

Nedgroup Investments contact details

Tel: 0860 123 263 (RSA only)
Tel: +27 21 416 6011 (Outside RSA)
Email: info@nedgroupinvestments.co.za
For further information on the fund please visit:
www.nedgroupinvestments.co.za

Our offices are located at

Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001

Write to us

PO Box 1510, Cape Town, 8000