

Nedgroup Investments Select Balanced Fund of Funds

Class A1

August 2021



SELECT 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 Medium Equity

Benchmark

Inflation + 3 - 5% 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

04 January 2016

Appropriate term

Minimum 5 years

Market value

R 1,332 Million

Income distributions

Frequency: Quarterly

June 2021: 17.16 cpu

Previous 12 months: 106.04 cpu

Fees and charges (excluding VAT)

Initial fees	0.00%
Financial advisers fee	0.00%
Annual management fee	1.19%
<small>*Includes the underlying funds' annual fees</small>	
Total expense ratio	1.29%
Transaction costs	0.13%
Total investment charges²	1.42%

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 fund is to achieve moderate levels of capital growth above inflation over the medium to long term. The solution aims to achieve its objective through investment in a combination of five multi-asset funds in equal weights. Diversification across asset classes, fund managers and investment strategies, as well as a maximum equity exposure of 60% helps to reduce risk and volatility relative to an average prudential portfolio. Both the underlying funds and the overall portfolio are compliant with Regulation 28 of the South African Pension Funds Act.

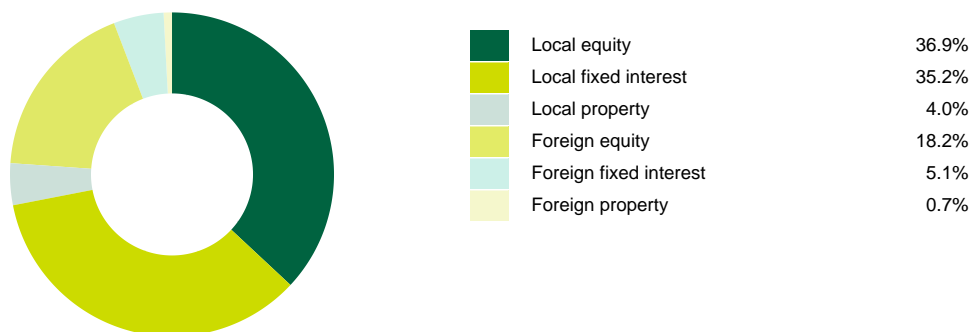
Performance¹

Period	Portfolio	Benchmark	ASISA category average
1 year pa	15.6%	8.8%	14.0%
3 Years pa	4.6%	8.1%	6.4%
5 Years pa	5.0%	8.5%	6.0%
Since Inception	5.5%	9.0%	6.2%
Lowest 1 year return	-12.1%		
Highest 1 year return	26.3%		

Risk

Period	Portfolio	ALSI
Volatility [5 years]	9.1%	15.3%

Portfolio structure



Manager allocation

Investment house	Portfolio	Percentage
Coronation Fund Managers	Coronation Capital Plus	20.1
Taquanta Asset Managers	Nedgroup Investments Core Guarded	20.1
ABAX Investments	Nedgroup Investments Opportunity	20.0
NinetyOne Asset Management	Ninety One Opportunity	19.9
Foord Asset Management	Foord Conservative	19.7
	Domestic Cash	0.3

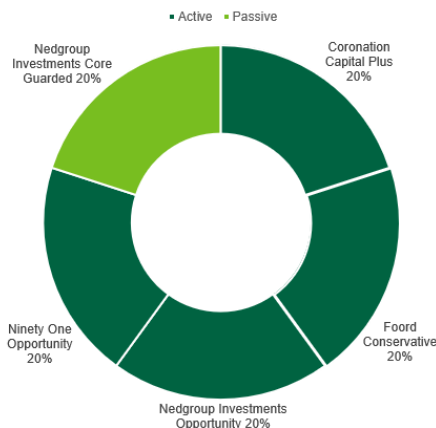
The above mentioned investment houses are authorised as Financial Service Providers under FAIS.

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 01/07/2018 and ending 30/06/2021.

Portfolio attributes

The Select Fund of Funds range consists of 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. Each solution is equally weighted across five fund managers. Rebalancing, back to the target weights of 20% per fund, takes place on a quarterly basis. Importantly, no performance fees are charged.



- 20% is invested in a low-cost, multi-asset fund that simply tracks the respective asset classes' market indices. The asset allocation of this fund is predetermined with total equity allocation at 35%. Actual exposure is rebalanced back to the predetermined weights on a quarterly basis.

- 80% is invested in four actively managed, multi-asset funds. Each of these fund managers have their own unique style and full discretion on asset allocation and stock selection.

As a combined solution the total equity exposure of the fund is maximum 60%. We believe these funds blended together will most consistently achieve the Select Balanced objective of outperforming SA inflation + 4% a rolling 5-year period, with the added benefit of lower 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)
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Email: info@nedgroupinvestments.co.za
For further information on the fund please visit:
www.nedgroupinvestments.co.za

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Write to us

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