

Nedgroup Investments Property Fund

Class A

May 2018



INCOME RANGE

RISK RATING



Risk reward profile

Property investments are volatile by nature and subject to potential capital loss.

GENERAL INFORMATION

ASISA category

South African Real Estate General

Benchmark

ASISA Category Average

Investment manager

Bridge Fund Managers (previously trading as Grindrod Asset Management) is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 29834).

Inception date

30 July 2010

Appropriate term

Minimum 5 years

Market value

R 3,418 Million

Income distributions

Frequency: Quarterly

March 2018: 0.94 cpu

Previous 12 months: 14.45 cpu

Fees and charges (excluding VAT)

Initial fees 0.00%
Annual management fee 1.00%

Total expense ratio 1.16%
Transaction costs 0.12%
Total investment charges² 1.28%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre
Tel: 0860 123 263
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Website: www.nedgroupinvestments.co.za
Email info@nedgroupinvestments.co.za

Portfolio profile

The portfolio is suitable for investors who require sector specific exposure to real estate securities as part of their overall investment strategy, with both income generation and capital appreciation as their primary goal over the long-term.

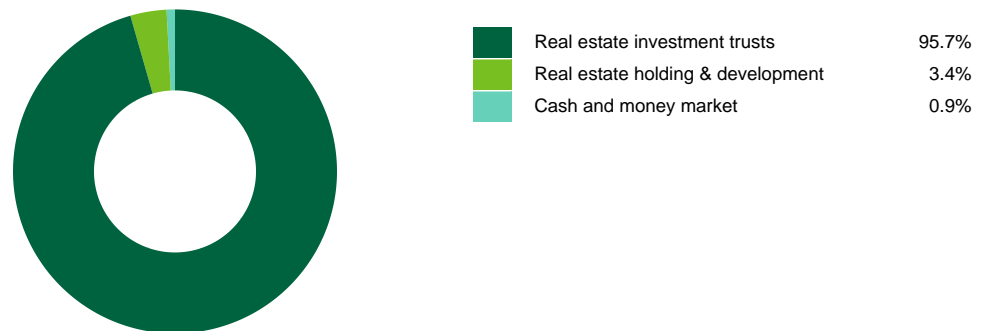
Performance¹

| Period | Portfolio | Benchmark |
|-----------------------|-----------|-----------|
| 1 year pa | -2.4% | -5.6% |
| 3 Years pa | 3.0% | 1.7% |
| 5 Years pa | 8.8% | 8.5% |
| 7 Years pa | 13.7% | 11.6% |
| Since Inception | 13.7% | 11.7% |
| Lowest 1 year return | -9.7% | |
| Highest 1 year return | 43.4% | |

Risk

| Period | Portfolio | ALSI |
|----------------------|-----------|-------|
| Volatility [5 years] | 9.1% | 18.1% |

Portfolio structure



Top 10 holdings

| Share | Percentage |
|--------------------------------|-------------|
| Delta Property Fund Ltd | 10.5 |
| Arrowhead Properties Ltd - A | 9.9 |
| Accelerate Property Fund Ltd | 9.8 |
| Octodec Investments Ltd | 9.8 |
| Rebosis Property Fund Ltd | 9.1 |
| Indluplace Properties Ltd | 8.2 |
| Dipula Income Fund Ltd - B | 7.7 |
| Tower Property Fund Limited | 6.8 |
| Fairvest Property Holdings Ltd | 6.4 |
| Safari Investments Limited | 6.4 |
| Total | 84.5 |

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 01/04/2015 and ending 31/03/2018.

Portfolio attributes

- This is a specialist listed property fund aiming to achieve a high level of current income, inflation hedged income growth and long-term capital appreciation.
- By capping portfolio assets under management at 1% of the SA Listed Property Sector the fund has the flexibility to take advantage of small-cap outperformance in the sector.
- The fund offers excellent diversification benefits in the context of a well diversified portfolio due to its low correlation to other asset classes, particularly equities.
- The manager implements high conviction stock selection without regard to the benchmark and therefore performance relative to the benchmark and peer group may deviate widely from time to time.

Investment manager

- Bridge Fund Managers (Pty) Ltd (BFM) is a South African registered investment management company and an authorised financial services provider
- BFM was founded in 2009 under the Grindrod Asset Management brand.
- Late in 2016, a new majority shareholder was introduced (Infinitus Holdings (Pty) Limited) and Grindrod Asset Management was rebranded Bridge Fund Managers.
- Bridge Fund Managers has a track record in specialist listed property mandates spanning two decades and has been managing the Nedgroup Investments Property Fund since its inception in July 2010.

Investment philosophy

- The investment process is grounded on rigorous primary research.
- The principle focus is on building a property portfolio that has a high starting yield and with distribution growth that will be in excess of inflation.
- The portfolio construction process looks to find the highest level of initial income yield and forecast income growth, while offering an optimal level of diversification in terms of property type, geographic exposure and management risk.
- Emphasis is therefore placed on determining what each company is likely to produce in terms of distribution growth over the next 3 years, along with a qualitative opinion of what the longer-term growth rate is likely to be given the quality and location of the property portfolio and management's track record of extracting value from the portfolio through active asset management.

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

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