



NEDGROUP
INVESTMENTS

Nedgroup Investments
Multi-Managed
Future Focus Equity Fund

Performance with purpose

The Nedgroup Investments Multi-Managed Future Focus Equity Fund is designed to maximise capital growth over the long-term, while focusing on transformation and sustainability. We have partnered with three fund managers who have a proven track record of delivering superior investment performance and prioritising environmental, social, and governance (ESG) factors. Our fund aligns with the United Nations Sustainable Development Goals (SDGs) and leverages the Nedgroup Investments Responsible Investment Framework to ensure that our investments contribute to a better South Africa for present and future generations.

This fund is suitable for investors who are looking for pure South African equity fund exposure that delivers returns through stock selection, with an integrated and considered ESG approach underpinning the investment process.

Our aim is to be part of the solution and demonstrate that investing responsibly and incorporating sustainability into the investment process does not come at a cost to investment performance.



A photograph of several wind turbines in a field, silhouetted against a bright sunset sky with orange and yellow clouds. The sun is low on the horizon, creating a strong glow.

About the fund

The Nedgroup Investments Multi-Managed Future Focus Equity Fund is a dedicated South African equity portfolio structured as a single unit trust fund. The fund's primary objective is to maximise capital growth over a 5-7 year investment horizon by investing in South African listed equity stocks.

The fund consists of three equally weighted segregated mandates that are bespoke and exclusive to Nedgroup Investments. This means that each manager will manage a third of the overall equity portfolio and given South Africa's smaller investment universe, our fund managers will not exclude any stocks or sectors. Each fund manager's segment will consist of approximately 25-40 stocks, which brings the total number of holdings to an estimated 70-80 due to the cross holdings of certain stocks.

Diversification is further achieved through the fund managers' different, yet complementary, investment styles to deliver alpha.

Our focus is on strong investment performance, promoting gender equality, reducing social inequalities, while being committed to climate action and the just energy transition. We actively measure and report on two key pillars of **Social Equity** and **Climate Change**.

The fund's performance is measured against the FTSE/JSE Capped SWIX as well as relative to peers as reflected in the (ASISA) South African - Equity - SA General category.

ESG integration

Our managers are focused on the long-term growth prospects of the assets in which they invest. They all incorporate ESG principles into their investment processes, while focusing on a valuation-based approach for stock selection without applying an exclusionary approach.

Fund structure

The Nedgroup Investments Multi-Managed Future Focus Equity Fund is structured as a single unit trust fund (not a Fund of Funds), consisting of three separately managed and bespoke equity mandates. Each mandate is made up of a portfolio of South African equity stocks and managed by three leading and future focused managers who each have their own distinctive investment style. Ultimately, this portfolio is constructed to balance risk and return, and each manager contributes their expertise to build a well-diversified and high-performing fund.



Meet our managers

We have partnered with three future focused fund managers, who each manage an equal portion of the fund.

- ▶ **Aeon Investment Management**
- ▶ **Camissa Asset Management**
- ▶ **Perpetua Investment Managers**

These future focused fund managers have consistently demonstrated investment excellence and are majority black-owned. Our fund managers understand that sustainability underpins better investment performance.

Our selection process prioritised two key areas of investment performance and transformation.



We filtered the universe of available managers

Screening of managers is based on the below minimum requirements:

- Ownership structures
- Board representation
- Diversity of the senior investment teams
- Track record
- Longevity of firm
- Future Focus vision
- Investment style

We search for key suitability characteristics

We engaged in one-on-one meetings for initial due diligence, followed by detailed scoring and quantitative analysis to ensure:

- Stability of fund manager
- Significant level of experience
- Solid investment process
- Clear manager focus and alignment of objectives
- Suitable portfolio characteristics
- Excellent governance and risk controls
- Adequate capacity
- Intentional incorporation of ESG factors while focusing on a valuation-based approach for stock selection

We consistently monitor our selection

We aim to ensure that:

- Each fund is consistently delivering as expected
- Our selection of funds are complementing each other well

We do this through:

- Continuous interactions and discussions with fund managers
- Continuous review of performance and positioning
- Due diligence meetings twice a year with each fund manager

Why we selected and partnered with our managers



- Experienced investment professionals.
- Rigorous process of asset valuation and return modelling, using both fundamental and quantitative analysis.
- Explicit recognition that sustainability factors directly affect long-term business profitability is central to their investment philosophy.



- Experienced and highly skilled investment team.
- Follow a 'bottom-up' investment process to harness their investment philosophy in a disciplined, yet flexible manner – enabling creative and rigorous thinking.
- Valuation-focused, with a contrarian orientation.



- Stable and highly skilled investment team.
- Rigorous, repeatable and pragmatic investment process.
- Committed to the belief that stewardship is the responsible management and oversight of capital to create long-term value leading to sustainable benefits for the economy, the environment, and society.

'Future Focus' managers

These 'Future Focus' managers were selected because they reflect diversity in age, gender and race, and realise the importance of sustainability underpinning better investment performance.

They also meet our criteria of a minimum level of 50% black ownership, board representation and senior investment team members.



The fund managers' aggregate Diversity, Equity and Inclusion statistics



Ownership



Board Representation



Senior Investment Professionals

*ACI – African, Coloured, Indian



Asief Mohamed
Founder and CIO

Aeon Investment Management

“Aeon Investment Management has been committed to inclusivity since its inception nearly 20 years ago. We have built a business that mirrors the diverse demographics of South Africa, rooted in the belief that a diverse team is key to delivering strong investment outcomes for our clients. We are dedicated to driving sustainable change by incorporating ESG principles into our investment process, advocacy efforts, and corporate responsibility initiatives. Our unwavering belief that ESG factors are essential for long-term value creation has been our guiding philosophy. Aeon Investment Management is proud to be part of a fund that champions these principles while delivering robust investment returns for our shared clients.”

Philosophy: Rigorous process of asset valuation and return modelling, using both fundamental and quantitative analysis.

Style: Growth At a Reasonable Price (GARP), seeking to combine the best of growth and value investing.



Investment process:



Research and analysis

Aeon Investment Management aims to align investments with key SDGs, including Climate Action, Gender Equality, Decent Work and Economic Growth, and Reduced Inequalities. These themes resonate with the challenges facing the world today and offer an opportunity to invest in companies that are future-ready and create a positive societal impact.



Portfolio construction

Aeon’s process incorporates a distinctive application of ESG principles alongside robust rules designed to tilt the portfolio towards sustainable outcomes. They take a sector-specific approach to ESG materiality, focusing on critical metrics such as carbon emissions, gender pay gaps and pay ratios, governance transparency, and ethical behaviour.



Ongoing monitoring

- Aeon closely monitors the portfolio’s ESG impact relative to its benchmark, ensuring accountability and alignment with their goals. Furthermore, their dedicated ESG team plays a pivotal role in the process.
- Aeon continuously engages with company management, as they provide critical insights that may override ESG scores and hence portfolio construction decisions, ensuring that ESG considerations remain central to their strategy.



Mandi Dungwa
Portfolio Manager

Camissa Asset Management

“The Nedgroup Investments Multi-Managed Future Focus Equity Fund will be differently positioned from the market given our contrarian orientation. We tend to be differently positioned from the benchmark and our competitors. Our valuation focus means we will be integrating sustainability factors into our assessment of long-term cash flows, which ultimately determines how our portfolio is constructed. We will also be actively engaging with investee companies on material sustainability factors with the aim to be a change agent and report back on those engagements. This fund aims to generate great risk-adjusted returns while also making a positive long-term impact.”

Philosophy: Opportunities arise when market prices deviate from intrinsic value.

Style: Valuation-focused, with a contrarian orientation.

Investment process:



Research and analysis

Camissa continues to generate ideas based on their philosophy and valuation driven process that identifies mispriced assets. Sustainability assessments are included in the research process and company cash flow adjustments are made to reflect the cost of decarbonisation or allocating a higher discount rate to incorporate ESG and/or sustainability risks.



Portfolio construction

Camissa positions the fund differently from the market given their contrarian orientation. The valuation focus means Camissa integrates sustainability factors into their assessment of long-term cash flows, which ultimately determine how the portfolio is constructed.



Ongoing monitoring

- Camissa will actively engage with investee companies on material sustainability factors, with the intention to be a change agent and report back to Nedgroup Investments on these engagements.
- Camissa’s assessments will be complemented by direct management engagements (at least once a year), which will ensure that the investee companies are aligned with their investment objectives.



Delphine Govender
Co-Founder and CIO

Perpetua Investment Managers

“We are excited to be one of the fund managers managing the Nedgroup Investments Multi-Managed Future Focus Equity Fund. We are aligned with the fund’s objectives, not only in terms of our investment approach, but also given our intrinsic and holistic mission as a business. While the incorporation of ESG principles is arguably considered by many investors, both globally and in South Africa, our view on how we have been able to make this pursuit significantly more robust is largely as a result of our continuously evolving assessment framework and scorecard, which has become more powerful and effective over the past 12 years. We believe this will continue to improve and extend as more data regarding ESG, responsible investing and sustainability practices becomes available.”

Philosophy: Bottom-up, fundamental research, seeking out mispriced, undervalued companies

Style: Unconstrained, core-value oriented



Investment process:



Research and analysis

Perpetua’s approach typically aligns with a “Core Value” investment style, which specifically encompasses all theses for why an investment offers value. They seek to differentiate themselves by exploiting value-oriented opportunities across the size curve of companies and can invest a greater proportion of their portfolio in mid and small cap value-oriented companies.



Portfolio construction

Perpetua follows a bottom-up investment process that facilitates stock selection and a bottom-up, rigorous and fundamental research approach. They concentrate on their ability to develop better insight over the longer-term fundamentals of a business, which may be underappreciated in a market that has more of a shorter-term focus.



Ongoing monitoring

- As part of the ESG analysis and assessment of each investment, Perpetua has devised a standalone ESG rating process. This process is completed by the analyst as part of the formal assessment of an investment and requires the analyst to individually rate the ESG factors based on pre-stipulated criteria.
- Perpetua believes that ESG analysis should form an integral part but have also clearly distinguished part of each analysts’ fundamental analysis process in respect of the investment under consideration. Therefore, the sustainability issues relating to a company are embedded into the decision-making related to that company and/or industry.

Sustainability metrics

The fund aims to prioritise investments in companies that are aligned with the UN SDGs.

The two pillars the fund will actively measure, track and report on are:

Social Equity



SDG 5: Gender Equality
SDG 10: Reduced Inequalities

Examples of metrics are:

- Company leadership & board diversity.
- Company diversity policies & targets.
- Responsible and fair staff relations.
- Human & Labour rights management.

Climate Change



SDG 13: Climate Action

Examples of metrics are:

- Company emission reduction initiatives.
- Carbon reduction year timelines.
- Net zero target year(s).
- Science-Based Target Initiative approval.



Why you should invest in the Nedgroup Investments Multi-Managed Future Focus Equity Fund:

- The Nedgroup Investments Multi-Managed Future Focus Equity Fund provides a single-entry point to three of South Africa's leading black-owned asset managers who exhibit strong investment performance track records.
- Benefit from a competitive institutional fee structure.
- The fund may be used as a standalone fund or as a building block within a fund of funds or model portfolio structure.
- The only access point to three exclusive segregated equity mandates that have been agreed with the underlying managers.
- Exposure to an efficient equity risk and return trade off by investing in a broad range of South African listed equity stocks.
- A focus on selecting companies that demonstrate both a potential for long-term growth and strong sustainability practices.
- Detailed reporting on UN SDG alignment and outcomes related to our key sustainability pillars: Social Equity and Climate Change.
- Leverage the Nedgroup Investments brand and distribution network to raise maximum awareness.



The Nedgroup Investments Multi-Manager team remains responsible for performing the following functions:

- Implementing a robust investment and risk management process.
- Undertaking continuous quantitative (number crunching) and qualitative (face to face) research.
- Actively collaborate with managers on diversity and sustainability matters.
- Ensuring that the underlying managers are complementing each other from a style perspective.
- Thorough due diligence and on-going monitoring of underlying fund managers.
- High quality fund reporting, including an in-depth focus on sustainability.
- The ability to negotiate competitive fees with underlying managers in order to enhance investment returns.
- Accessibility in terms of bespoke information and analysis needed for detailed client report backs.

A photograph of several wind turbines in a field, silhouetted against a bright sunset sky. The sun is low on the horizon, creating a warm, golden glow. The turbines are arranged in a line, with one in the foreground on the right and others receding into the distance. The sky is filled with soft, wispy clouds.

Contact us

For more information on the Nedgroup Investments Multi-Managed Future Focus Equity Fund, please speak to your dedicated Business Development Manager, Fasiega Benjamin - FasiegaB@nedgroupinvestments.co.za or Andile Hlanti - AndileHI@nedgroupinvestments.co.za. Alternatively, please call us on 010 216 7710.

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