



**NEDBANK**  
INSURANCE

March 2026

# Nedgroup Life Smooth Bonus Fund



see money differently

Nedgroup Life Assurance Company Limited Reg No 1993/001022/06. A licensed and designated insurer, authorised FSP (40915) and registered credit provider (NCRCP61). Terms and Conditions apply.



## Investment objective

The Smooth Bonus Fund is designed to provide inflation-beating returns by declaring an annual bonus that smooths out the volatility of the stock market exposure. Volatility is further reduced by investment in a range of asset classes (see Graph 2 below).



## How the Smooth Bonus Fund works

Policyholder premiums are invested in a range of underlying investment funds, which one typically finds on an investment platform.

However, rather than being exposed to the volatility of these underlying funds, a bonus is declared at the end of every year that aims to smooth out the volatility of those funds while aiming to provide a real return over the medium to long term. The declared bonus serves to increase the value of clients' overall investment.

An interim bonus rate is declared to ensure a fair return for those policyholders who exit the fund mid-declaration.

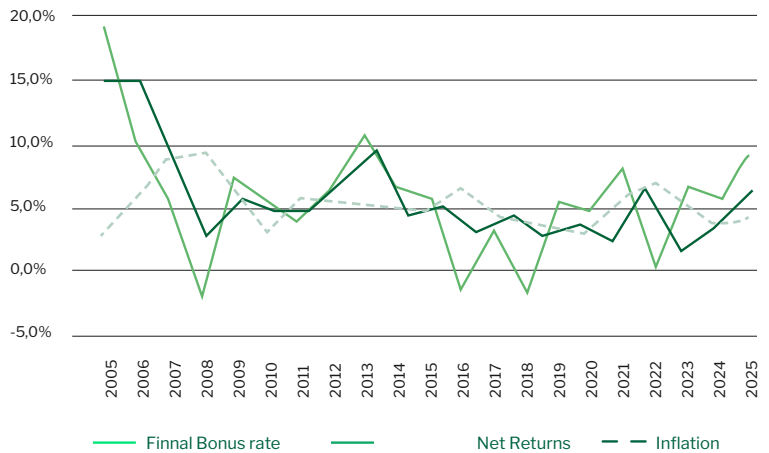
The Smooth Bonus Fund has an underlying guarantee of 4.25% per annum after all charges and taxes.

This guarantee is applicable to only policyholders who have been invested in the fund for the full duration of their policy.

## Performance<sup>1</sup> per year

Period	Declared bonuses	Benchmark (Inflation)	All-share index (alsi)
1 year	9.0%	3.1%	28.7%
3 years	2.0%	3.7%	16.0%
5 years	3.0%	4.8%	14.4%
10 years	5.5%	7.6%	8.1%

## Final bonus rate declared vs net returns vs inflation<sup>2</sup>





## Underlying funds

There are 2 funds in which the Smooth Bonus Fund's assets are invested:  
Nedgroup Investments Core Guarded Fund and Stable Fund.



## Charges

There are 3 categories of charges levied on the Smooth Bonus Fund:

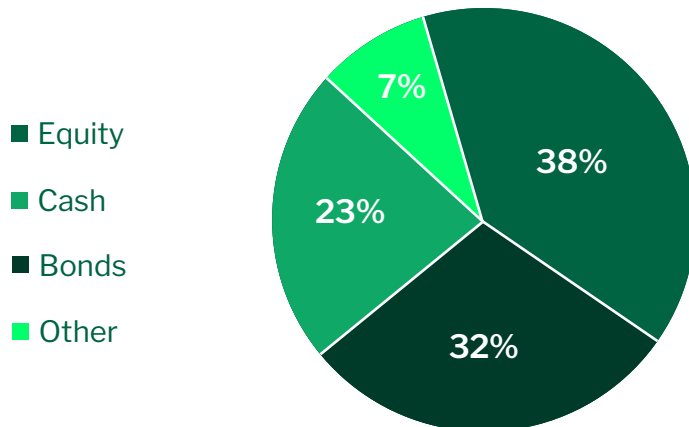
- Investment management charges
- Policy management charges
- Capital guarantee charges

The average of these charges for the Smooth Bonus Fund in 2026 is 6.33%, annualised.

In addition to the above, tax is also deducted, which ensures the proceeds are paid out without any further obligation to tax.

Tax has resulted in a reduction in the returns of 0.39%, annualised for 2026.

## Smooth fund asset composition at March 2026



## Commentary

Annualised bonuses have been lower than the desired benchmark for the medium term, which has been driven largely by the poor performance of equity markets over the same time frame.

Over the longer term, specifically 10 years, the actual performance is on track with the benchmark.

Final bonus declared for 2023: 7.0%  
Final bonus declared for 2024: 6.5%  
Final bonus declared for 2025: 9.0%