

Nedgroup Investments Core Income Fund

Class B

October 2018



INCOME RANGE

RISK RATING



Risk reward profile

For credit and income instruments, while unlikely, capital loss may occur due to an event like the default of an issuer. The liquidity of this portfolio is less than that of a traditional money market portfolio.

GENERAL INFORMATION

ASISA category

South African Interest Bearing Short Term

Benchmark

STeFI Composite

Investment manager

Taquanta Asset Managers (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 618).

Inception date

01 July 2005

Appropriate term

Minimum 6 Months

Market value

R 42,423 Million

Income distributions

Frequency: Monthly

October 2018: 0.65 cpu

Previous 12 months: 7.58 cpu

Fees and charges (excluding VAT)

Initial fees 0.00%
Annual management fee 0.50%

Total expense ratio 0.59%

Transaction costs 0.00%

Total investment charges² 0.59%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre

Tel: 0860 123 263

Fax 0861 119 733

Website: www.nedgroupinvestments.co.za

Email info@nedgroupinvestments.co.za

Portfolio profile

The portfolio aims to preserve capital, but provide returns in excess of that offered by a traditional money market portfolio. The mandate is, however, more flexible and the average portfolio duration will be longer than that of traditional money market portfolios. The portfolio complies with Regulation 28 of the South African Pension Funds Act.

Performance¹

Period	Portfolio	Benchmark
1 year pa	7.9%	7.3%
3 Years pa	8.0%	7.4%
5 Years pa	7.3%	6.8%
7 Years pa	6.9%	6.4%
10 Years pa	7.3%	6.8%
Lowest 1 year return	5.3%	
Highest 1 year return	10.3%	

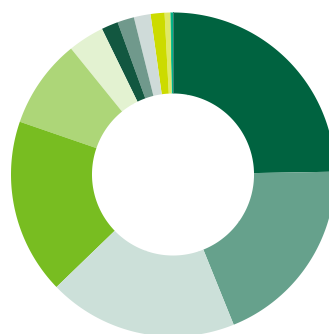
Risk

Period	Portfolio	ALSI
Volatility [5 years]	0.4%	18.7%

Maturity spread

Maturity spread	% Spread
0 - 3 months	17.9%
3 - 6 months	9.5%
6 - 13 months	12.1%
> 13 months	60.4%
Total	100.0%

Portfolio structure



Nedbank	24.8%
ABSA	19.0%
Standard Bank	18.9%
FirstRand Bank	17.5%
Investec	8.9%
Nedgroup Collective Investments	3.7%
Southchester	1.8%
Landbank	1.6%
Standard Chartered	1.6%
China Construction Bank	1.5%
HSBC Bank Africa	0.5%
Societe Generale SA	0.1%
The Thekwini Warehousing Conduit	0.1%



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 01/10/2015 and ending 30/09/2018.

Portfolio attributes

A South African income portfolio which aim to preserve capital, but provide returns in excess of that offered by a traditional money market portfolio. The fund is best suited to client cash that is more stable or 'core' and which the investor does not expect to draw over the short-term.

Key characteristics of the fund:

- Higher yield than traditional money market funds and cash deposit rates*
- Daily liquidity
- Diversification across counterparties

Investment manager

Taquanta is one of a few specialist cash and fixed income asset managers in South Africa. Their fixed income team, consisting of former treasury professionals whose skills are clearly differentiated from generic cash and fixed income asset managers, is amongst the top ranked cash managers in the country from a consistency and risk adjusted return perspective.

The fixed income team at Taquanta manages Nedgroup Investments range of Money Market funds, as well as the Core Income Fund.

Investment philosophy

The investment process is built on the premise of capital preservation from which all key risk drivers are managed to achieve the Nedgroup Investments Core Income Fund's object through different investment cycles. The investment manager will endeavour to unlock the liquidity risk premium embedded in money market assets via the structuring and purchasing of assets that will create yield enhancement over the life of the asset within the fund.

* Please note that the Nedgroup Investments Core Income Funds is not risk free and is also not a bank deposit account. Please refer to the Frequently Asked Questions document on the Core Income Fund's webpage.

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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