

Nedgroup Investments Value Fund

Class A2

November 2017



EQUITY RANGE

RISK RATING



Risk reward profile

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

GENERAL INFORMATION

ASISA category

South African Equity General

Benchmark

ASISA Category Average

Investment manager

Foord Asset Management (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 578).

Inception date

03 January 2012

Appropriate term

Minimum 5 - 7 years

Market value

R 2,507 Million

Income distributions

Frequency: Annually

December 2016: 138.64 cpu

Previous 12 months: 138.64 cpu

Fees and charges (excluding VAT)

Initial fees	0.00%
Annual management fee	1.25%

Total expense ratio	1.45%
Transaction costs	0.07%
Total investment charges²	1.52%

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 is suitable for investors seeking exposure to the domestic equity market with maximum capital appreciation as their primary goal over the long term. Investors should have a tolerance for short-term market volatility in order to achieve long-term objectives.

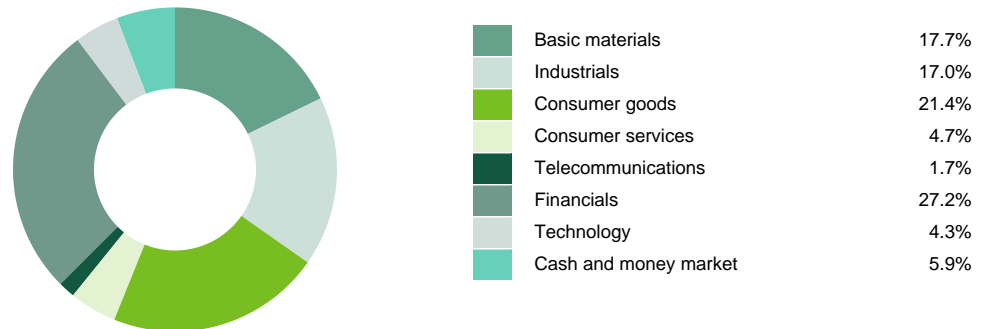
Performance¹

Period	Portfolio	Benchmark
1 year pa	11.4%	15.3%
3 Years pa	6.1%	5.8%
5 Years pa	9.0%	10.0%
Since Inception	11.1%	11.2%
Lowest 1 year return	-6.8%	
Highest 1 year return	27.1%	

Risk

Period	Portfolio	ALSI
Volatility [5 years]	9.5%	11.0%

Portfolio structure



Top 10 holdings

Share	Percentage
British American Tobacco Plc	8.2
Santam Ltd	7.8
Sasol Ltd	6.9
RMB Holdings Ltd	6.6
Steinhoff International H NV (JSE)	5.9
Hudaco Industries Ltd	5.7
Capital & Counties Properties Plc	5.6
Compagnie Fin Richemont	5.4
Remgro Ltd	5.2
Standard Bank Group Ltd	5.1
Total	62.5

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 01/10/2014 and ending 30/09/2017.

EQUITY RANGE

Investment manager commentary

Food Asset Management

Global bourses (+2.0%) gained for the 13th consecutive month as corporate earnings affirmed synchronised global growth. Emerging markets (+0.2%) lagged as geopolitics and commodity prices led to pockets of weakness in key markets.

The FTSE/JSE All Share Index (+1.5%) gained led by financials (+4.4%), while industrials (+1.4%) and resources (-1.6%) underperformed.

Financials outperformed led by banks (+8.3%) and life insurance (+6.5%) after rating agency Moody's postponed its South African sovereign credit rating decision until February next year. Positions in RMB Holdings (+7.7%) and Standard Bank (+5.6%) contributed meaningfully to portfolio returns.

Industrials were mixed, with general retailers (+8.4%), media (+7.0%) and food retailers (+5.7%) rebounding, driven by better-than-expected retail data and marginally improved political sentiment. Rand strength weighed on the consumer goods sector (-6.7%).

Resources retraced some of October's gains, with industrial metals (+15.3%) the best performing sector, and platinum miners (-6.5%) declining. Kumba (+19.6%) was the best performing JSE stock contributing meaningfully to portfolio returns.

The rand (+3.0% vs the US dollar) recovered from oversold levels which weighed on rand-hedge asset returns. The gain was driven by a combination of the credit rating downgrades being largely expected and general US dollar weakness.

The portfolio remains cautiously positioned and well-balanced.

The Nedgroup Investments Value Fund trades on a historic P/E ratio of 16.1x and dividend yield of 3.3%.

Please note an important change that will be effective January 2018. Fund commentary will be produced on a quarterly basis, moving from the current monthly cycle, to provide an enhanced analysis of the fund over a longer period.

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

Certain Nedgroup Investments unit trust funds apply a performance fee. For the Nedgroup Investments Flexible Income Fund and Nedgroup Investments Stable Fund, it is calculated daily as a percentage (the sharing rate) of total positive performance, with the high watermark principle applying.

For the Nedgroup Investments Bravata World Wide Flexible Fund it is calculated monthly as a percentage (the sharing rate) of outperformance relative to the fund's benchmark, with the high watermark principle applying. All performance fees are capped per fund over a rolling 12-month period. 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)
Tel: +27 21 416 6011 (Outside RSA)
Fax: 0861 119 733 (RSA only)
Email: info@nedgroupinvestments.co.za
For further information on the fund please visit: www.nedgroupinvestments.co.za

Our offices are located at

Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001

Write to us

PO Box 1510, Cape Town, 8000