

# Nedgroup Investments Private Wealth Equity Fund

Class A

November 2017



## PRIVATE WEALTH

### RISK RATING



### Risk reward profile

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

### GENERAL INFORMATION

#### ASISA category

South African Equity General

#### Benchmark

JSE SWIX Top 40 Index

#### Investment manager

Nedgroup Investment Advisors (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 1652).

#### Inception date

01 May 2004

#### Appropriate term

Minimum 5 - 7 years

#### Market value

R 2,342 Million

#### Income distributions

Frequency: Annually

December 2016: 88.87 cpu

Previous 12 months: 88.87 cpu

#### Fees and charges (excluding VAT)

Initial fees 0.00%  
Annual management fee 1.00%

Total expense ratio 1.11%  
Transaction costs 0.27%  
**Total investment charges<sup>2</sup> 1.38%**

#### 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](http://www.nedgroupinvestments.co.za)  
Email [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)

### Portfolio profile

The portfolio seeks to provide investors with both capital growth and dividend income by investing in equities traded on the JSE. Investors should be prepared for and be comfortable with market volatility in order to achieve long-term objectives.

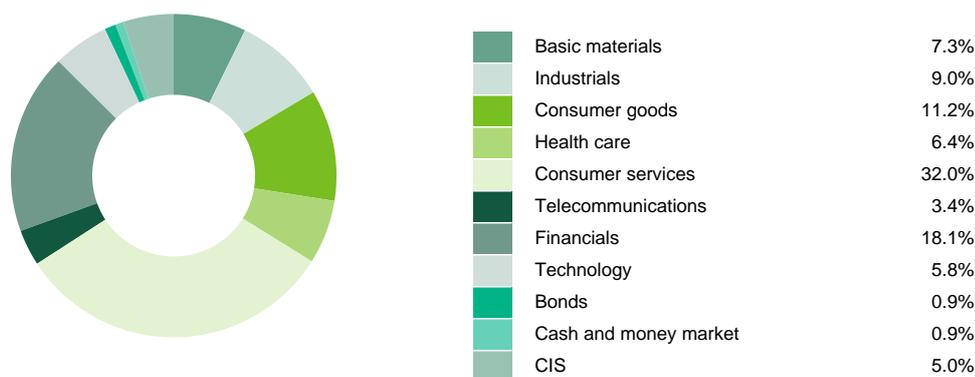
### Performance<sup>1</sup>

Period	Portfolio	Benchmark
1 year pa	9.1%	27.6%
3 Years pa	7.1%	9.8%
5 Years pa	14.5%	14.0%
7 Years pa	15.6%	14.9%
10 Years pa	11.4%	10.9%
Lowest 1 year return	-37.2%	
Highest 1 year return	44.8%	

### Risk

Period	Portfolio	ALSI
Volatility [5 years]	10.8%	11.0%

### Portfolio structure



### Top 10 holdings

Share	Percentage
Naspers Ltd	16.6
British American Tobacco Plc	5.2
Aspen Pharmacare Holdings	5.1
Remgro Ltd	4.8
Reinet Investments SCA	4.6
BID Corporation Ltd	4.6
RMB Holdings Ltd	4.0
Sasol Ltd	4.0
Old Mutual Plc	4.0
EOH Holdings Ltd	3.5
<b>Total</b>	<b>56.4</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

# NEDGROUP INVESTMENTS PRIVATE WEALTH EQUITY FUND

November 2017



## EQUITY RANGE

### Investment manager commentary Nedgroup Investment Advisors

South African risk assets were broadly lifted by the global tide, despite some choppy waves back home. November was dominated by concerns of possible credit ratings downgrades, with ratings agencies Moody's and S&P scheduled to provide updates towards the end of the month. Nervousness and poor sentiment were evident in bond markets in the run up, which delivered -1.0% for the month as yields and credit spreads priced in concerns. Equity markets similarly reflected some anguish, with negative returns in smaller counters and domestically orientated sectors. A relief rally post the announcement provided some reprieve for local stocks, turning the tide for financials and general retailers. In aggregate, continued buoyancy in global markets supported companies exposed to offshore markets, with the All Share ending the month in positive territory, delivering +6.3%.

The five-year overhang from possible credit ratings downgrades culminated in further action in November. On 24 November, S&P downgraded South Africa's local and foreign currency debt by one notch each, formally moving the country to sub investment grade and the outlook to stable from negative. Moody's opted to put the country on review for downgrade, to be concluded in a 90-day review period, highlighting the importance of the February 2018 budget in their analysis. With this, South Africa averted removal of its local currency bonds from the Citi World Government Bond Index (WGBI). Exclusion from this index is likely to trigger significant selling of South African local currency bonds by foreigners, estimated to result in outflows between \$8-12billion. Both entities highlighted lack of economic growth, pressure on (and lack of) fiscal consolidation and deteriorating institutional strength as part of their rationale.

### The Nedgroup Investments Private Wealth Equity Fund November 2017 (Fund: 0.86% versus SWIX40: 3.58%)

The Fund underperformed its SWIX40 benchmark by 2.72% in November. During the month of November our large underweight position in Naspers (c. 30% of the benchmark) continued to weigh on the performance of the Fund. Naspers rallied a further 7% over this period. Other portfolio action undertaken during the month involved adding to City Lodge, The Foschini Group and Woolworths. The Fund reduced its position in tertiary education group Stadio, based on its stretched valuation, and also drew down on cash which had been steadily accumulated over the previous six months.

#### 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](mailto: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](mailto:info@nedgroupinvestments.co.za)  
For further information on the fund please visit: [www.nedgroupinvestments.co.za](http://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