

Nedgroup Investments Stable Fund

Class C

November 2017



ASSET ALLOCATION RANGE

RISK RATING



Risk reward profile

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.

GENERAL INFORMATION

ASISA category

South African Multi Asset Low Equity

Benchmark

Inflation + 4% over rolling 3 years

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

01 November 2007

Appropriate term

Minimum 3 years

Market value

R 26,345 Million

Income distributions

Frequency: Semi-annually

June 2017: 2.40 cpu

Previous 12 months: 5.01 cpu

Fees and charges (excluding VAT)

Initial fees 0.00%

Annual management fee 1.35%

Total expense ratio 1.95%

Transaction costs 0.03%

Total investment charges² 1.98%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre

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Website: www.nedgroupinvestments.co.za

Email info@nedgroupinvestments.co.za

Portfolio profile

The portfolio aims to offer investors total returns that are in excess of inflation over the medium-term and is suitable for conservative investors requiring a high level of capital protection, with the potential for some capital growth and who do not wish to make complex asset allocation decisions between equities, cash and bonds, both locally and offshore. Diversification across asset classes and a maximum equity exposure of 40% helps to reduce risk and volatility relative to an average prudential portfolio. The portfolio complies with Regulation 28 of the South African Pension Funds Act.

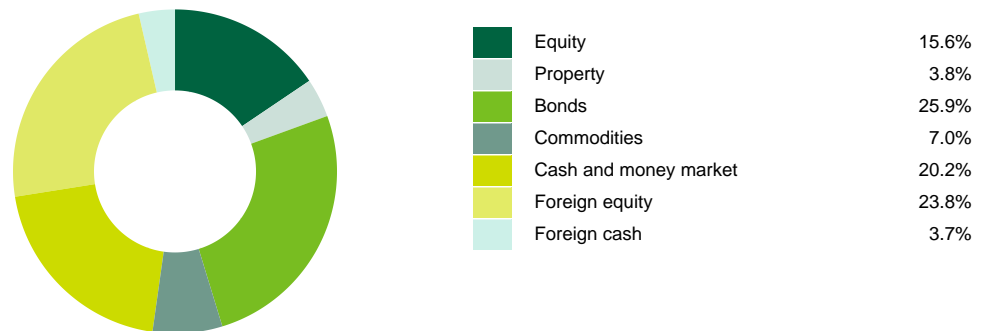
Performance¹

Period	Portfolio	Benchmark
1 year pa	7.8%	9.0%
3 Years pa	6.5%	9.5%
5 Years pa	8.4%	9.7%
7 Years pa	9.7%	9.8%
10 Years pa	9.6%	10.2%
Lowest 1 year return	-0.7%	
Highest 1 year return	19.5%	

Risk

Period	Portfolio	ALSI
Volatility [5 years]	4.6%	11.0%

Portfolio structure



Top 10 holdings

Share	Percentage
R186 10.5% 211226	20.6
NewGold ETF	6.1
Bank of China 8.65 230318	3.0
Capital & Counties Properties Plc	2.9
British American Tobacco Plc	2.8
Aspen Pharmacare Holdings	2.2
FirstRand FRN Jibar 3-mth +225bps 020624	2.1
Sasol Ltd	2.0
Nedbank 9.389% 301120	2.0
Compagnie Fin Richemont	1.9
Total	45.6

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.

ASSET ALLOCATION RANGE

Investment manager commentary

Food Asset Management

US equities (+3.0%) continued to lead global developed markets (+2.2%) higher with corporate earnings growth affirming synchronised global economic growth. Market sentiment also reacted positively to the House passing Republican-sponsored US tax reform proposals.

The FTSE/JSE All Share Index (+1.5%) gained, led by financials (+4.4%) while industrials (+1.4%) and resources (-1.6%) underperformed. Positions in RMB Holdings (+7.7%), Standard Bank (+5.6%) and Mr Price (+18.7%) contributed meaningfully to portfolio returns.

Global developed market bond yields were little changed. Benign inflation prints have kept monetary policy sufficiently loose to support ongoing expansion despite the length of the current expansionary cycle.

South African bond yields moved slightly higher and the ALBI (-1.0%) fell after S&P downgraded South Africa's foreign and local credit rating and Moody's placed it on negative watch. The downgrades had already largely been priced-in following October's bleak Medium-Term Budget Policy Statement.

Global hard commodity prices diverged as the iron ore price (+4.7%) rose while copper (-1.7%) retreated and precious metals were slightly higher on broad dollar weakness. Oil (+2.8%) rose to its highest level in two years on Saudi Arabian geopolitics and OPEC and Russian agreement to extend production cuts. The rand (+3.0% vs the US dollar) recovered from oversold levels, despite the credit rating downgrades, on a combination of the downgrades being largely expected and general US dollar weakness.

The managers maintain the portfolio bias to securities with foreign earnings complemented by attractive real-yield domestic assets and select domestically-focused businesses. The Nedgroup Investments Stable Fund remains well-balanced and positioned to deliver real returns regardless of the outcomes of South Africa's immediate political and economic turmoil.

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

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For further information on the fund please visit: www.nedgroupinvestments.co.za

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Write to us

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