

# Nedgroup Investments Corporate Money Market Fund

Class C

October 2017



## 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 portfolio typically displays little volatility.

## GENERAL INFORMATION

### Client type

Institutional

### ASISA category

South African Interest Bearing Money Market

### Benchmark

STeFI Call Deposit

### 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

20 September 2012

### Appropriate term

No minimum period

### Market value

R 29,556 Million

### Income distributions

Frequency: Monthly

October 2017: 0.64 cpu

Previous 12 months: 7.71 cpu

### Fees and charges (excluding VAT)

Initial fees 0.00%  
Annual management fee 0.20%

Total expense ratio 0.24%  
Transaction costs 0.00%

**Total investment charges<sup>2</sup> 0.24%**

### 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 aims to maximise interest income while protecting the initial capital and providing immediate liquidity to investors by investing in short-term money market instruments of the highest quality. Complies with Regulation 28 of the South African Pension Funds Act and Regulations 29 and 30 of the Medical Schemes Act.

## Performance<sup>1</sup>

Period	Portfolio - Gross	Portfolio - Net	Benchmark
1 year pa	8.3%	8.1%	6.9%
3 Years pa	7.7%	7.4%	6.4%
5 Years pa	6.9%	6.7%	5.9%
Since Inception	6.9%	6.6%	5.9%
Lowest 1 year return	5.5%	5.3%	
Highest 1 year return	8.4%	8.1%	

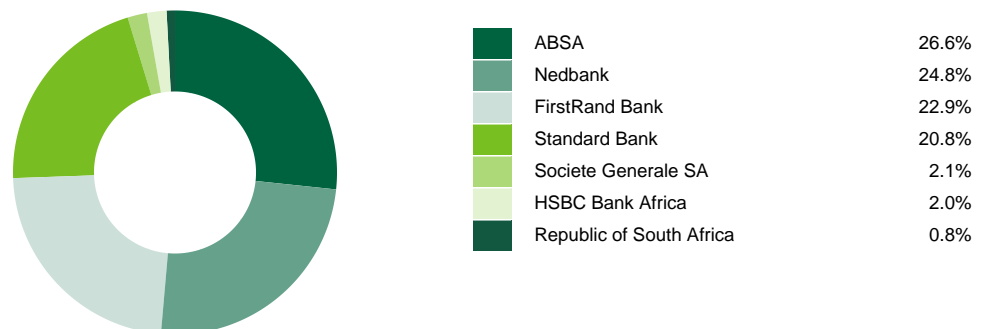
## Risk

Period	Portfolio	ALSI
Volatility [5 years]	0.3%	11.0%

## Maturity spread

Maturity spread	% Spread
0 - 3 months	58.9%
3 - 6 months	19.3%
6 - 13 months	21.8%
<b>Total</b>	<b>100.0%</b>

## Portfolio structure



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

# NEDGROUP INVESTMENTS CORPORATE MONEY MARKET FUND

October 2017



## INCOME RANGE

### Investment manager commentary

#### Taquanta Asset Management

The latest report from the IMF pointed to sustained momentum in growth for the euro area, Japan, Asian and European emerging markets as well as Russia, but downward revisions to the growth prospects for the US and UK. Despite the improved outlook for growth, inflation remain below target for most advanced economies.

Key themes highlighted in the report were, amongst others, that growth in nominal wages in most developed economies are still substantially lower compared to that seen prior to the 2008-2009 recession. Further, that the adverse effects of increased global temperatures are elevated in countries with hotter climates which tend to be in low-income countries, the effects of which are a lower per capita output with a rise in temperatures.

Locally, markets reacted negatively to Malusi Gigaba's Medium-Term Budget Policy Statement presented in October, with the rand weakening to over R14 to the dollar shortly after his speech (from 13.73 prior to the statement). Key items noted was the shortfall in tax receipts because of sluggish growth (R50bn shortfall), continued rising South African public debt, and a widening budget deficit of 4.3% of GDP. Economic growth for South Africa was revised downwards to 0.7% for 2017. The statement also emphasised that debt service costs were the fastest-growing category of expenditure, and that gross national debt is projected to reach 61 per cent of GDP by 2021/2022.

CPI increased to 5.1% year-on-year in September from 4.8% the previous month, with upward pressure on fuel and diesel prices noted as one of the main contributors to the lift in inflation. Growth in retail trade sales jumped to 5.5% year-on-year compared to 1.6% the previous month. PPI inflation was recorded as 5.2% year-on-year in September, up from 4.2% the previous month.

Private sector credit extension slowed to 5.6% year-on-year in September from 6.0% in August. Since September 2015, private sector credit extension has slowed from 8.39% to 5.60% year-on-year this September.

In the aftermath of the Medium-Term Budget Policy Statement, Moody's published communication that signalled an increased likelihood of a downgrade in November. S&P may also revisit the country's local currency credit rating in November. Our base case view is for interest rates to remain flat for the remainder of 2017, with the direction for 2018 being uncertain and highly dependent on the outcome of the rating reviews in November, as well as the ANC elective conference in December. The fund is well positioned to take advantage of the uncertain times ahead.

The Nedgroup Investments Corporate Money Market Fund is invested 95.15% in the big four South African banks, with 4.09% in South African branches of international banks and 0.76% in South African government and government-guaranteed paper. The fund continues to comfortably outperform its benchmark, delivering a gross return of 0.66% in October 2017.

#### 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

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

#### Our offices are located at

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#### Write to us

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