

# Nedgroup Investments Opportunity Fund

Class A

April 2019



## 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 Medium Equity

#### Benchmark

Inflation + 5% over rolling 3 years

#### Investment manager

Abax Investments (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 856).

#### Inception date

27 June 2011

#### Appropriate term

Minimum 3 - 5 years

#### Market value

R 7,539 Million

#### Income distributions

Frequency: Semi-annually

December 2018: 43.62 cpu

Previous 12 months: 85.70 cpu

#### Fees and charges (excluding VAT)

Initial fees 0.00%  
Annual management fee 1.35%

Total expense ratio 1.59%  
Transaction costs 0.29%  
**Total investment charges<sup>2</sup> 1.88%**

#### Please Note:

Differences may exist due to rounding

### CONTACT

Client Services Centre

Tel: 0860 123 263

Website: [www.nedgroupinvestments.co.za](http://www.nedgroupinvestments.co.za)

Email [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)

### Portfolio profile

The portfolio is suitable for investors requiring moderate levels of capital growth 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 60% 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.

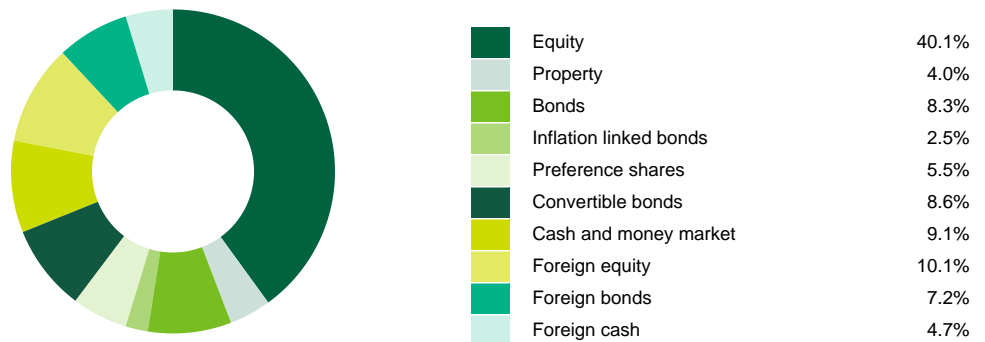
### Performance<sup>1</sup>

Period	Portfolio	Benchmark
1 year pa	9.2%	9.7%
3 Years pa	4.8%	10.1%
5 Years pa	6.9%	10.2%
7 Years pa	10.0%	10.5%
Since Inception	10.7%	10.6%
Lowest 1 year return	-9.2%	
Highest 1 year return	23.7%	

### Risk

Period	Portfolio	ALSI
Volatility [5 years]	6.6%	10.9%

### Portfolio structure



### Top 10 holdings

Share	Percentage
Naspers Ltd	7.7
Impala Platinum Holdings Conv.Bond 6.375% 070622	5.7
Zambezi Platinum RF Ltd Pref Share	3.6
R2032 8.25% 310332	3.0
Royal Bafokeng Platinum Conv.Bond 7.00% 150322	2.9
Standard Bank 5.73413% 200623	1.9
R2037 8.50% 310137	1.9
PSG Financial Services Ltd Pref Share	1.9
Investec Euro Stoxx 50 Autocall 130223	1.8
Sappi Ltd	1.7
<b>Total</b>	<b>32.1</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 01/01/2016 and ending 31/12/2018.

## Portfolio attributes

- This is a moderate-risk balanced fund aiming to achieve the dual objectives of inflation + 5% per annum over rolling 3 years, as well as no negative 24-month periods.
- The fund will have a maximum exposure of 60% to equities and 25% to listed property.
- Offshore exposure will be limited as per South African Reserve Bank regulations, currently 30% with an additional 10% that may be invested in Africa.
- The portfolio manager seeks to invest beyond the traditional asset classes to add value via a broad range of asset classes and strategies.
- The portfolio manager favours investments with an asymmetric risk-return profile, seeking to minimise downside participation, while capturing an acceptable level of upside.

## Investment manager

- Abax Investments is an independent, owner-operated investment firm founded in 2003.
- AMG, a global asset management company with interests in leading fund management boutiques around the world, owns 25%, with the remaining 75% owned by employees and 3 charitable trusts.
- Abax is dedicated exclusively to fund management across a focused range of equity, multi-asset and fixed income portfolios.
- Abax have managed the Nedgroup Investments Opportunity Fund since inception in June 2011.

## Investment philosophy

- The focus is on quality and the price paid in order to protect downside and capture as much of the upside as possible.
- The manager uses fundamentally based asset valuation models to identify assets which have deviated from fair value.
- Risk is balanced across the alpha sources and the fund is constructed so as to generate performance in a range of market conditions
- Top-down, strategic asset class allocation is married with a bottom-up view of individual securities.
- The fund is structured to maximize expected returns for an acceptable level of downside risk.
- Abax's structured approach of asset valuation and return modelling is fundamental in delivering consistent performance, and controlling risk.

## 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

Tel: 0860 123 263 (RSA only)  
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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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