



CORE CHARTBOOK — 2021

Key industry trends in index unit trusts, ETFs and other rules-based strategies.

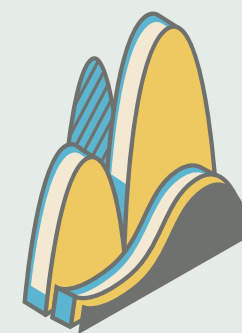
For professional investors only | (E&OE)



Trends In Global
Rules-Based Investing 2020



Trends In South African
Rules-Based Investing 2020



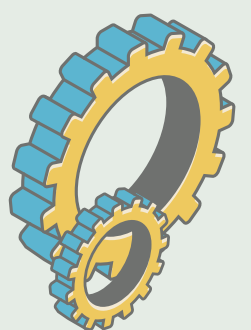
CIS Flows
2020



Trends In CIS Cost
2020



Trends In FCIS
2020



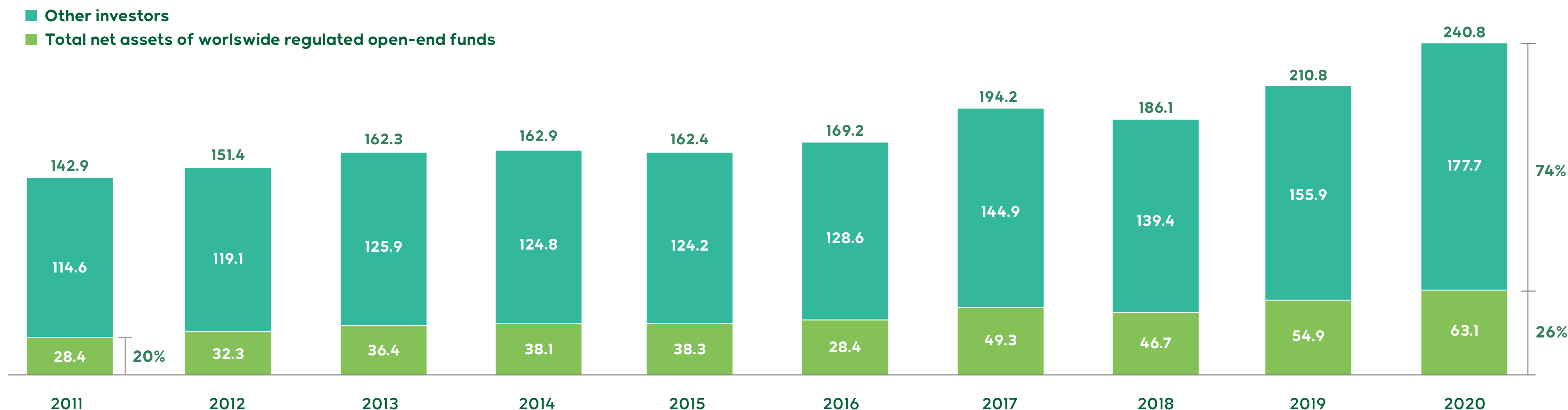
Nedgroup Investments
Core Range



TRENDS IN GLOBAL RULES-BASED INVESTING 2020

GROWTH IN REGULATED FUNDS MARKET SHARE OVER THE PAST DECADE

Worldwide regulated open-end fund share of worldwide equity and debt markets (Trillions of US dollars, year-end)



After the initial drawdown in early 2020 due to Covid-19, governments were able to stabilise markets through monetary and fiscal policies which resulted in regulated funds ending the year positive. The positive growth was also due to growth in overall net sales.

26%

Worldwide capital markets, as measured by the value of equity and debt securities outstanding, totalled \$240.8 trillion, of which regulated funds' net assets were 26 percent, or \$63.1 trillion.

74%

The remaining 74% of worldwide capital markets in 2020 were held by a wide range of other investors, such as central banks, sovereign wealth funds, DB pension plans, banks, insurance companies, hedge funds, broker-dealers, and individual investors.

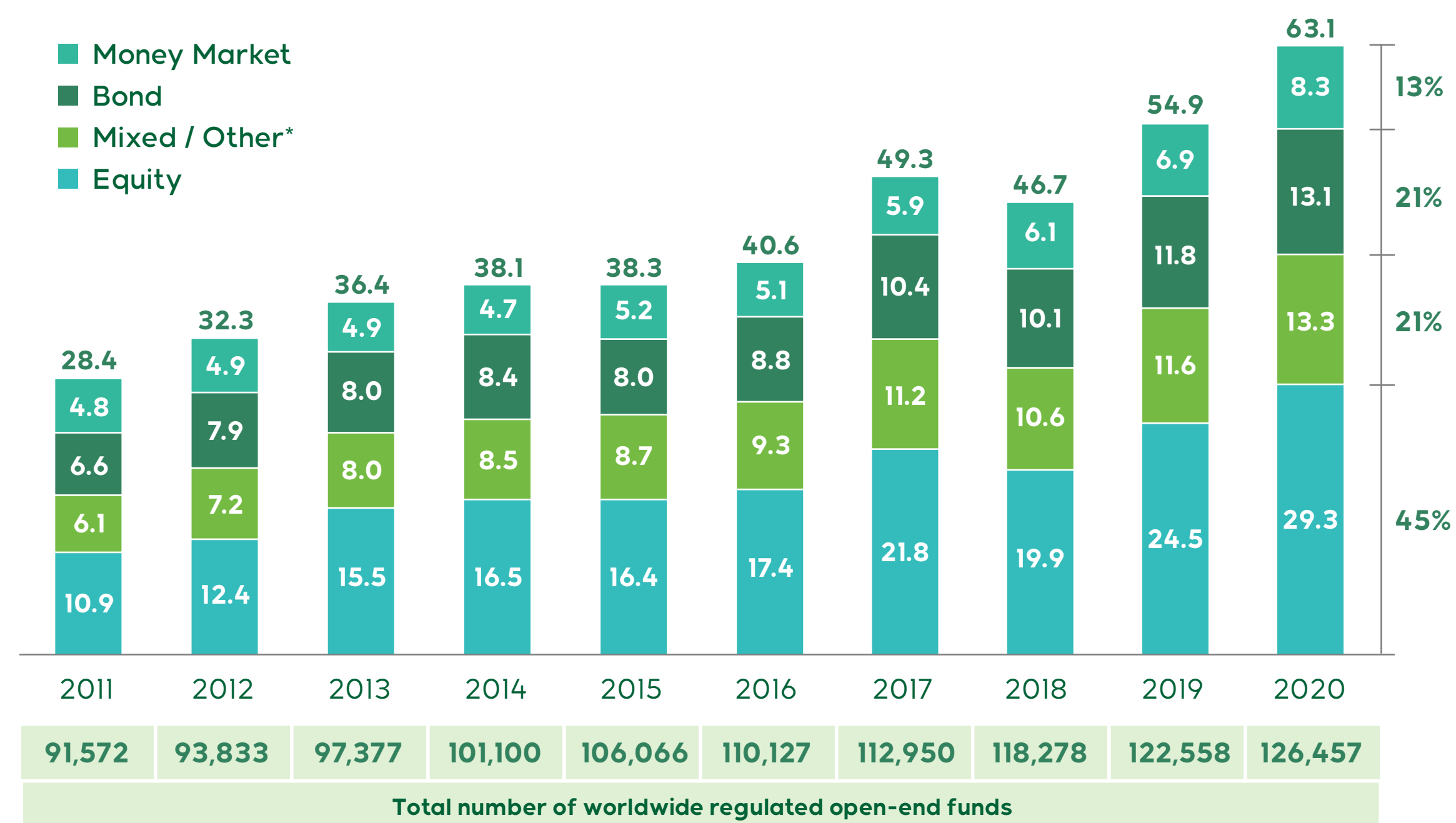
Data for worldwide debt markets are as of September 30, 2020.

Note: Regulated open-end funds include mutual funds, ETFs, and institutional funds.

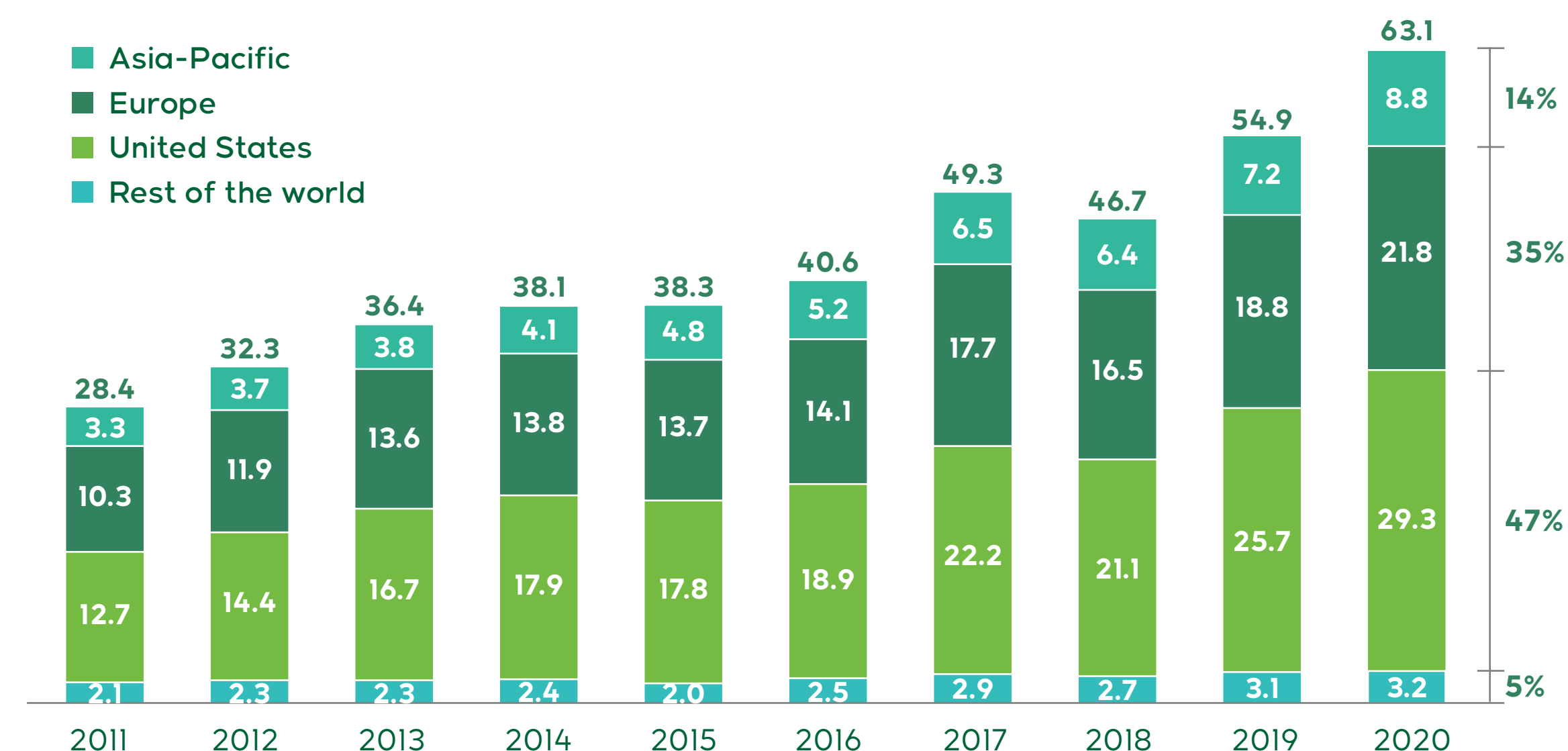
Source: Investment Company Institute tabulations of data from the International Investment Funds Association, World Federation of Exchanges, and Bank for International Settlements

REGULATED FUNDS DELIVER GROWTH UNDER THE SHADOW OF COVID-19

Net assets by type of fund (\$ trillion)



Net assets by region (\$ trillion)



\$63

Despite the impact that the COVID-19 pandemic had on financial markets during the first quarter of 2020, net assets in worldwide regulated funds increased by 14.9% for the year.

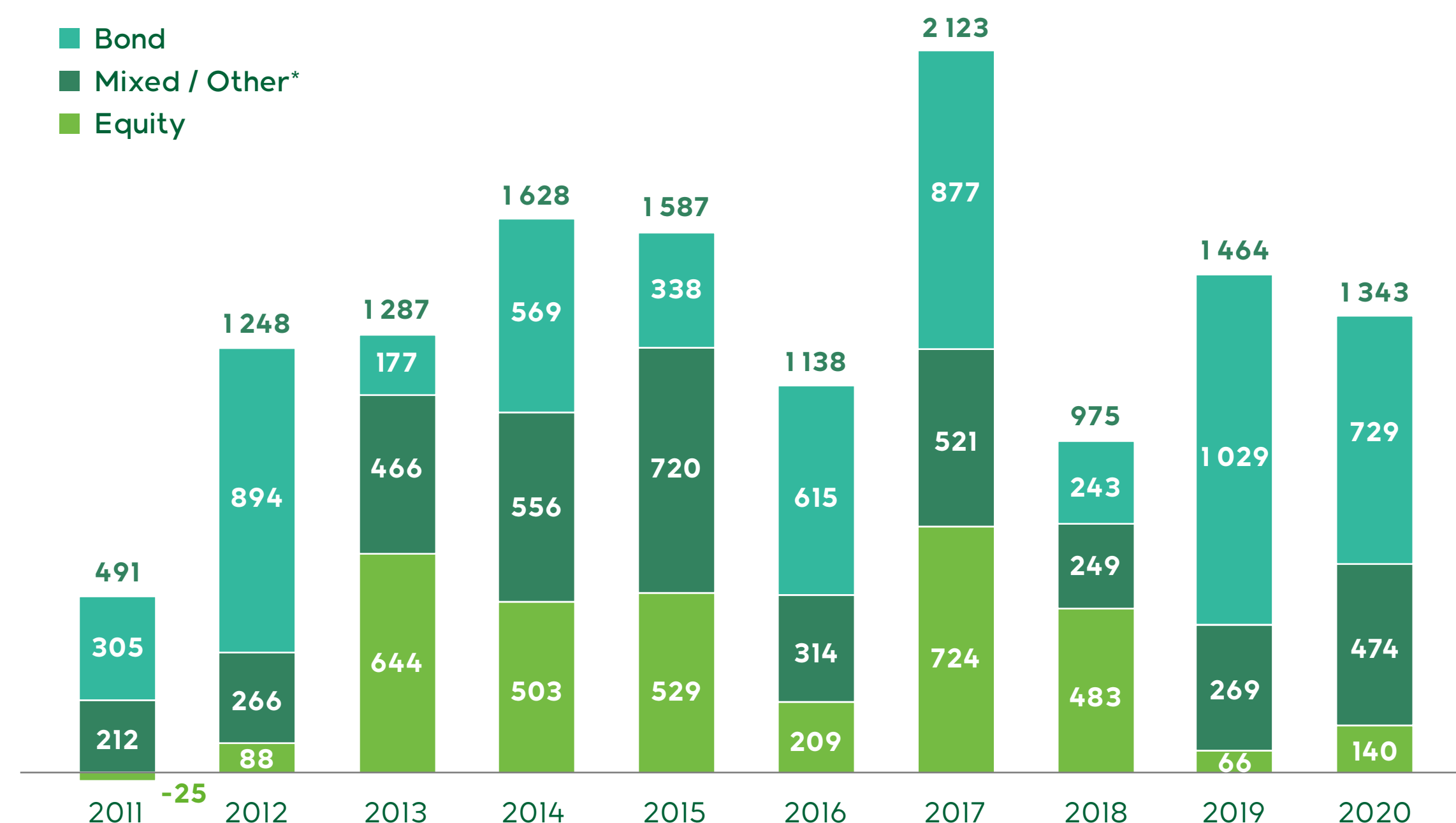


The market share of US fund decreased marginally relative to other regions mainly due to the dollar depreciating against other major currencies.

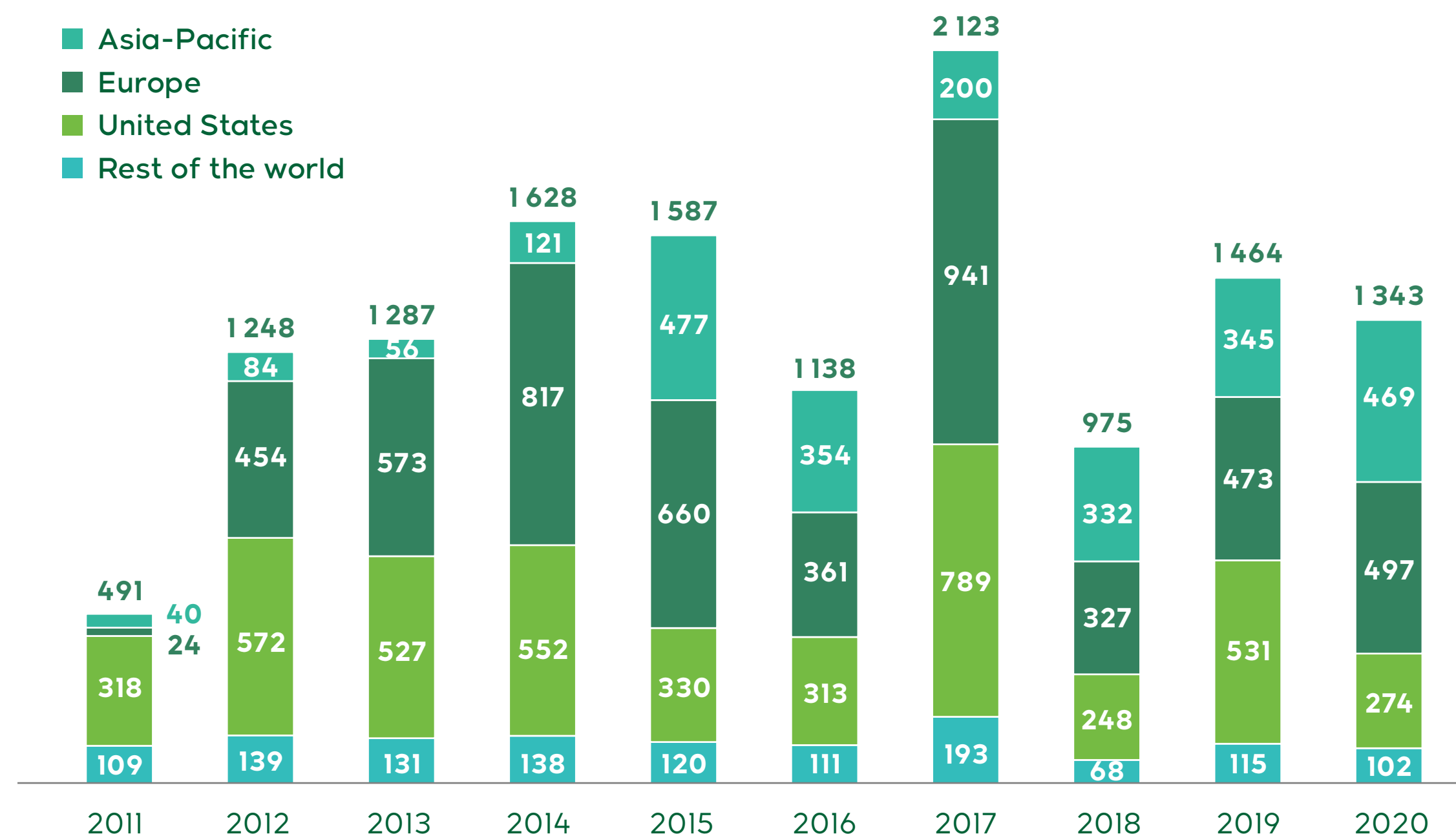
* Mixed/other funds include balanced/mixed funds, guaranteed/protected funds, real estate funds, and other funds.
Source: Investment Company institute.

STEADY NEW NET FLOWS IN AN UNCERTAIN YEAR

Net flows by type of fund (\$ billion)



Net flows by region (\$billion)



\$1.3 Trillion

Worldwide demand for regulated funds as measured by net sales decreased slightly in 2020, from \$1.5 trillion in 2019 to \$1.3 trillion in 2020.



The US market saw a decline in new net flows while Europe and Asia-Pacific experienced increases, partly due to their currencies appreciating against the US dollar.

* Mixed/other funds include balanced/mixed funds, guaranteed/protected funds, real estate funds, and other funds.
Source: Investment Company institute.



► Traditional passive strategies track single asset class market cap weighted indices such as the All Share Index (ALSI).

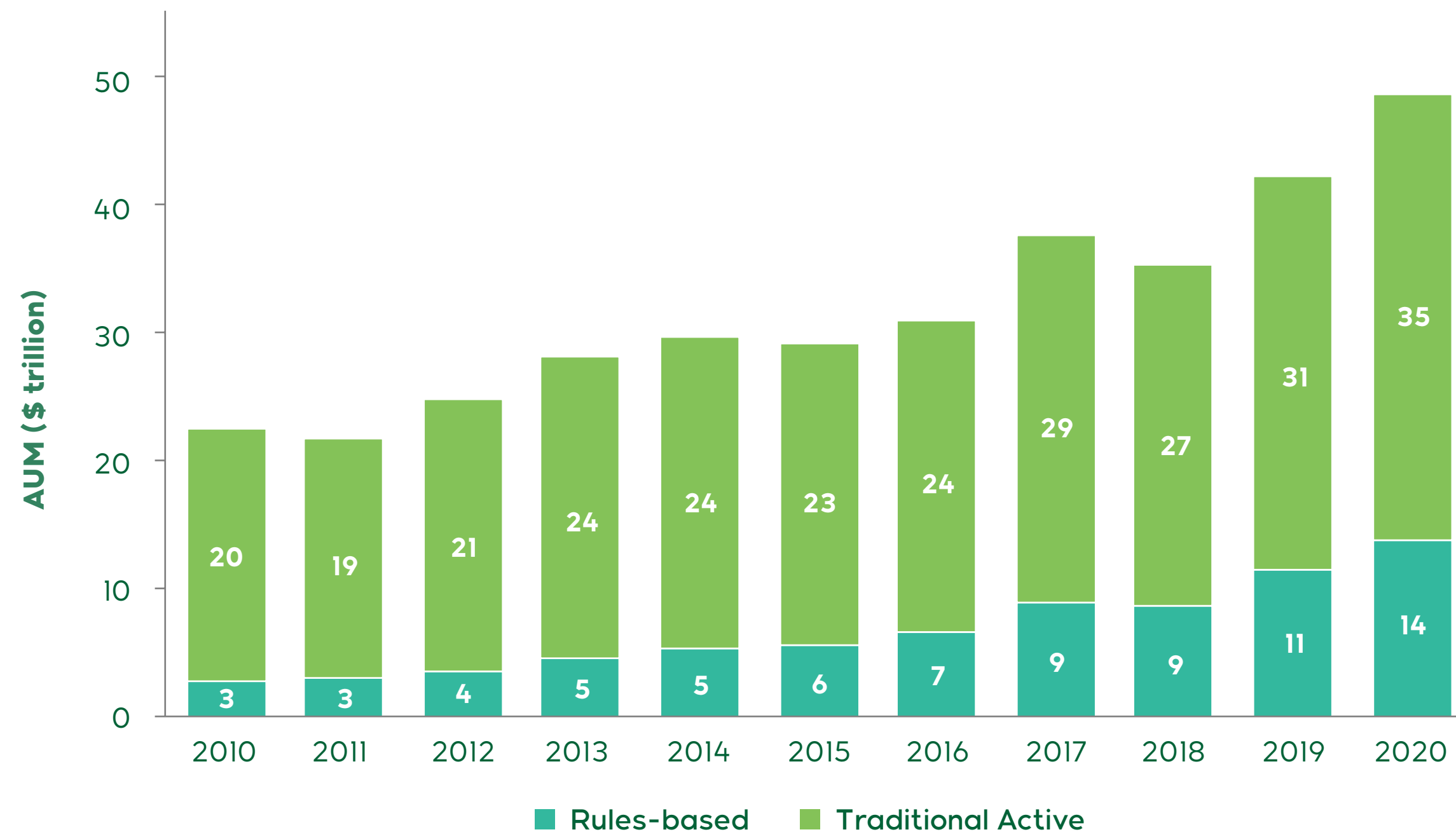
► The passive landscape has changed over the past two decades. We therefore use the term rules-based investing which includes Enhanced and Multi – asset strategies.

► Enhanced strategies includes smart beta products which track indices which make use of fundamental factors and more recently ones which included Environmental, Social and Governance (ESG) factors.

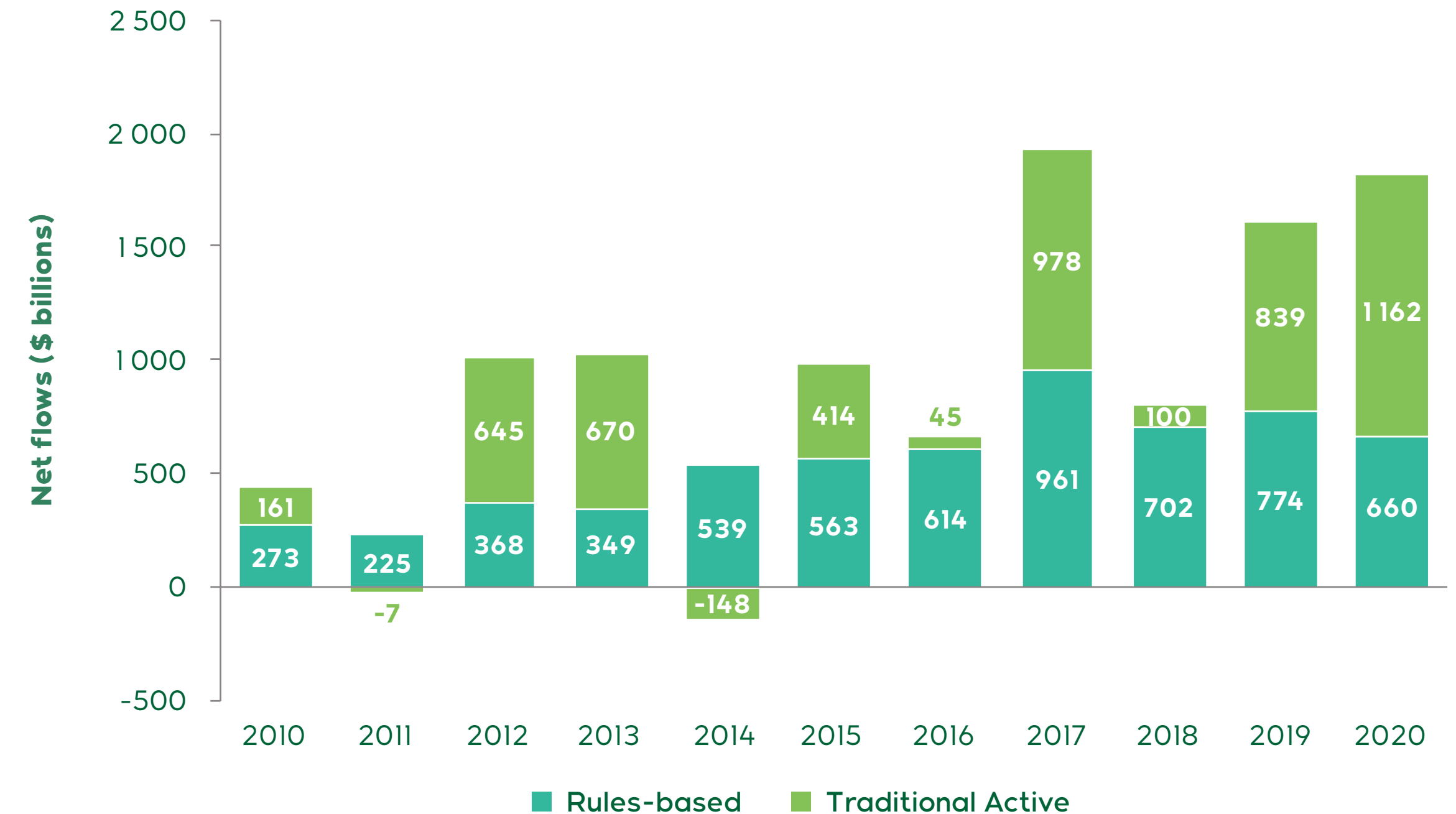
► Multi-asset strategies include portfolio construction considerations such as asset allocation, benchmark selection and rebalancing.

STEADY AND SUSTAINED GROWTH IN RULES-BASED FUNDS

Global total net assets



Global total net flows



Rules-based funds have seen robust growth over the past decade across the world and now account for nearly 30% of global total net assets.

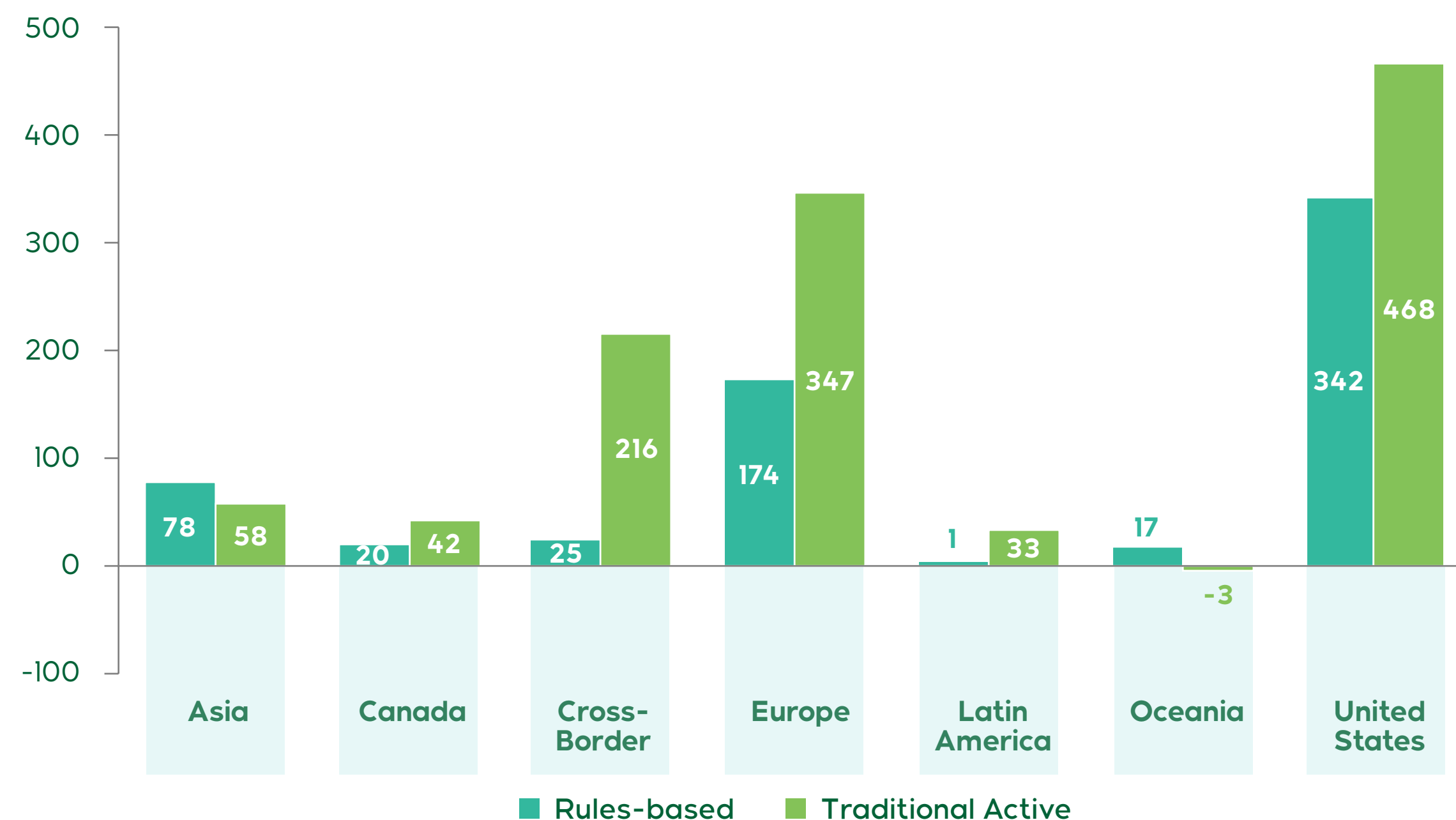


In spite of Covid19 global total net flows was up in 2020. Rules-based funds maintained their steady rise by attracting more than \$500 billion per annum over the past 7 years.

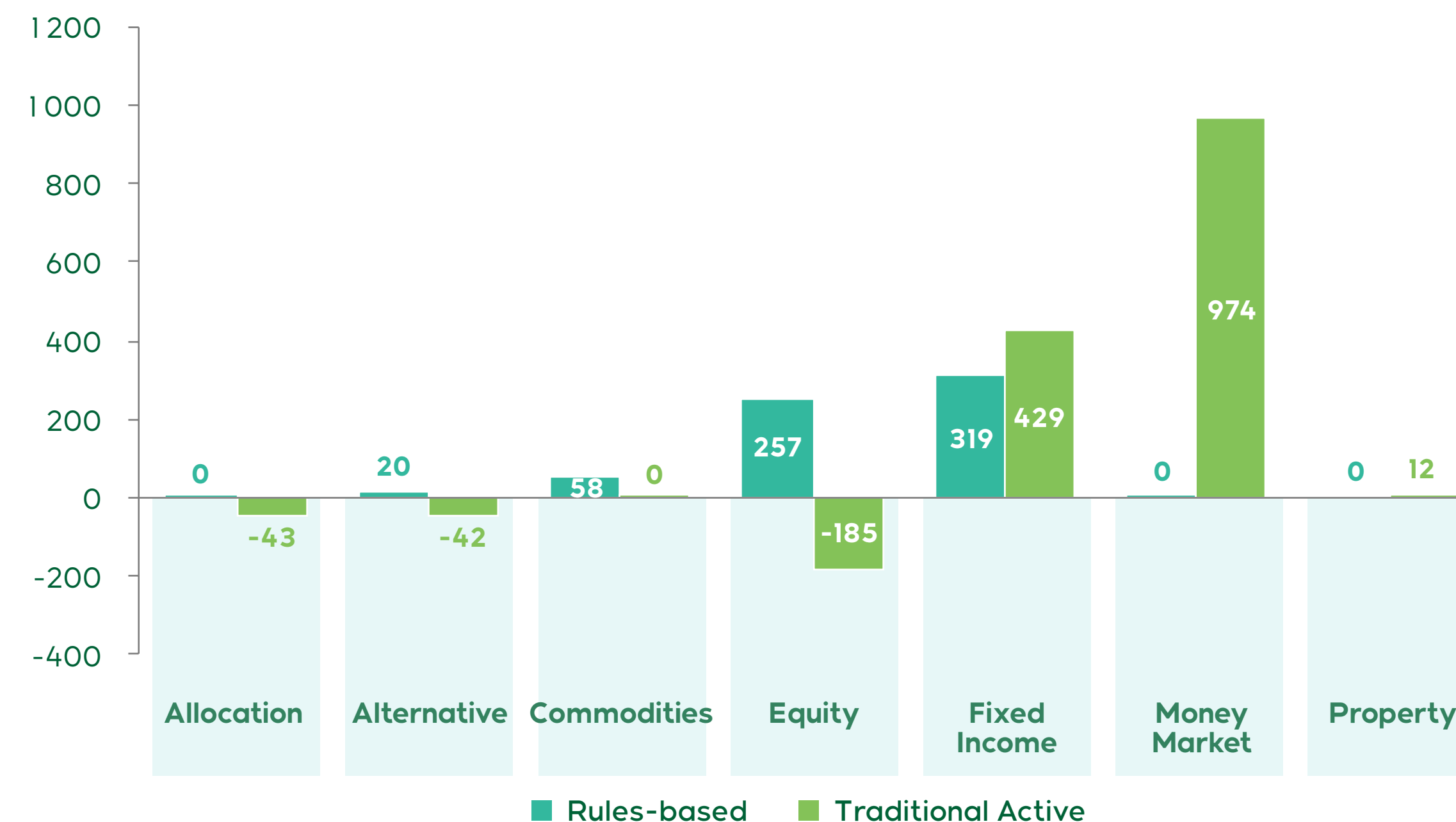
Source: Morningstar Direct, includes Worldwide Open-ended, Money Market and Exchange Traded Funds but excludes Fund of Funds and Feeder Funds.

RULES-BASED FUNDS EXPERIENCE POSITIVE FLOWS ACROSS ALL REGIONS

Global estimated net flows by Region 2020



Global estimated net flows by Category 2020



60%

In 2020 Traditional active funds received more than 60% of the global net flows, however, the majority of the flows went into Money market funds. The net inflows were partially offset by outflows of \$185 billion in the equity space.

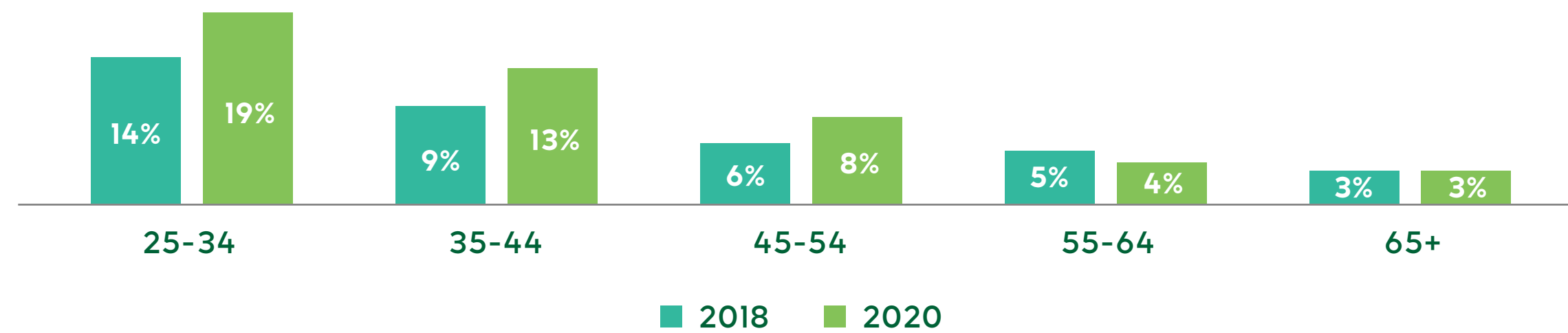


Fund investors continued to favour lower-cost funds in 2020 as Rules-based funds get positive global net flows across all the regions and categories. Only actively managed bond and hybrid funds with expense ratios among the lowest 25% saw inflows in 2020.

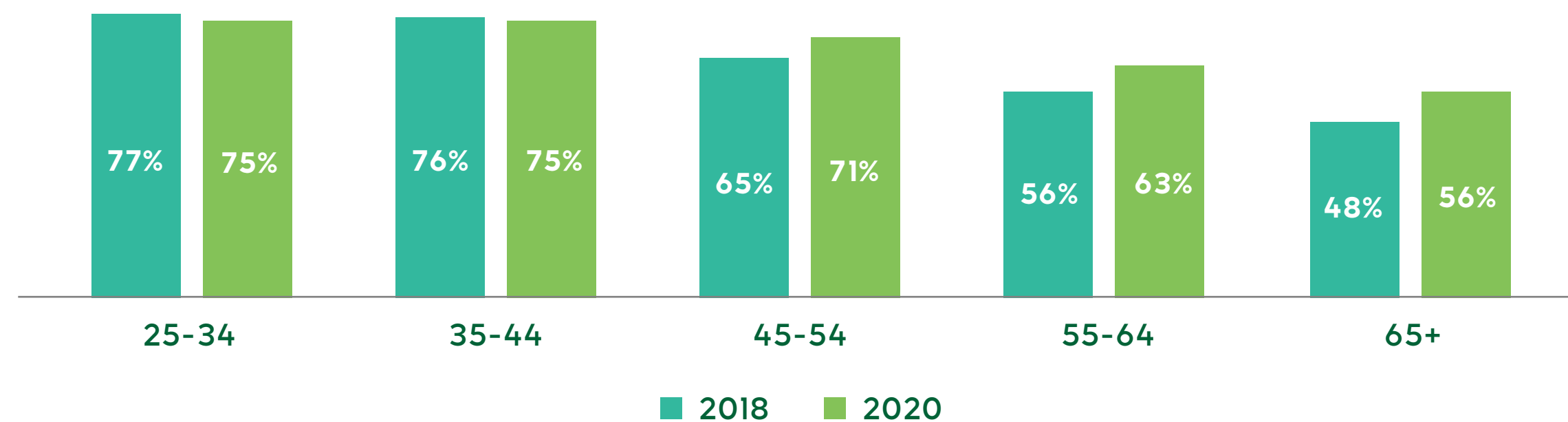
Source: Morningstar Direct, includes Worldwide Open-ended, Money Market and Exchange Traded Funds but excludes Fund of Funds and Feeder Funds.

INCREASED INTEREST IN ESG* INVESTING AMONG RETAIL INVESTORS

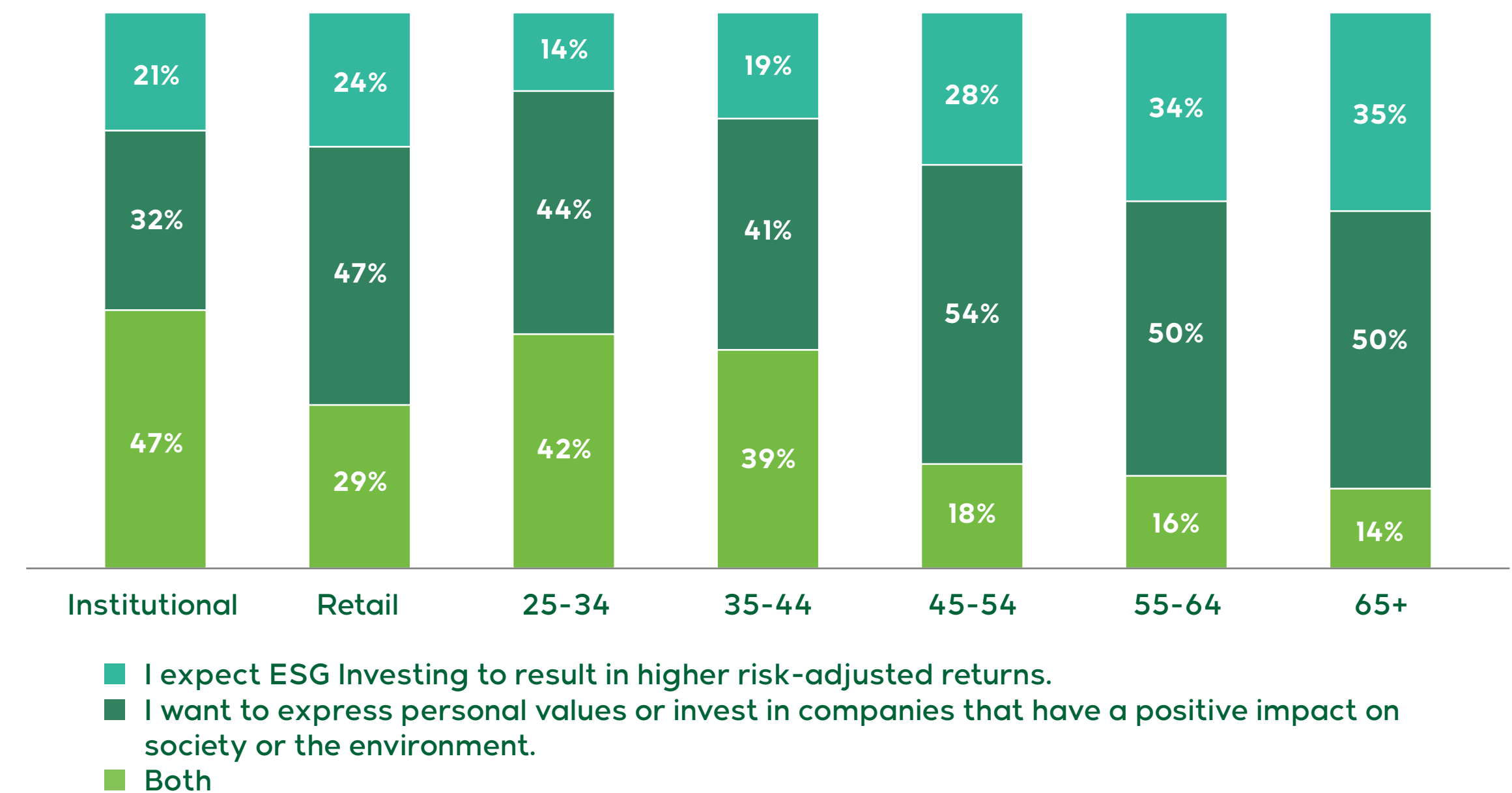
Retail investors currently employing ESG strategies, by age



Retail investors interested in ESG strategies, by age



Which best describes your interest in ESG?
(asked of those with an interest in ESG)



**under
45**

There is greater adoption and interest among investors under 45 in ESG strategies. Across all ages there has been an increased interest in ESG strategies since 2018.

**over
45**

Investors 45 and older who are interested in ESG investing showed a greater preference to expressing personal values as a reason for using ESG strategies.

Source: CFA Institute, Future of sustainability in investment management, 2020

*Environmental, Social and governance.



TRENDS IN SOUTH AFRICAN RULES-BASED INVESTING 2020

SOUTH AFRICAN TOTAL NET ASSETS OF RULES-BASED FUNDS HAVE INCREASED IN RECENT YEARS

	2017	2018	2019	2020	AUM Y-o-Y growth
Total rules-based market – AUM (R billion)	228.7	237.9	287.0	336.1	17.1%
Collective Investment Scheme (CIS) market	97.8	112.8	145.3	176.3	21.3%
Unit trust	60.4	70.5	94.7	112.6	18.9%
ETF	37.4	41.5	50.6	63.6	25.7%
Non-CIS market	130.9	125.1	141.7	159.8	12.8%
Pooled	9.2	11.8	9.7	11.3	15.1%
Segregated	121.7	113.3	132.0	148.5	12.5%

R336 Billion

At R336bn the rules-based market makes up around 5.9% of the over R6.3 trillion AUM of the total South African investment market (if we include the additional R38bn in FCIS). Rules-based strategies make up 5.6% of the CIS industry (R176 billion out of R3.1 trillion) up from 5.2% in 2019.

Year -on- Year

Despite the challenging investment environment of 2020, the total rules-based market had a y-o-y growth of 17.1%, compared to 4% in 2018 and 20% in 2019. The rules-based CIS market experienced y-o-y growth of 21.3% while the Non-CIS industry grew by 12.8% during 2020.

CIS

The CIS rules-based market remains larger than the institutional Non-CIS market. It makes up 52% of total rules-based AUM compared to 51% in 2019 and has effectively almost doubled in assets over the 3 year period.

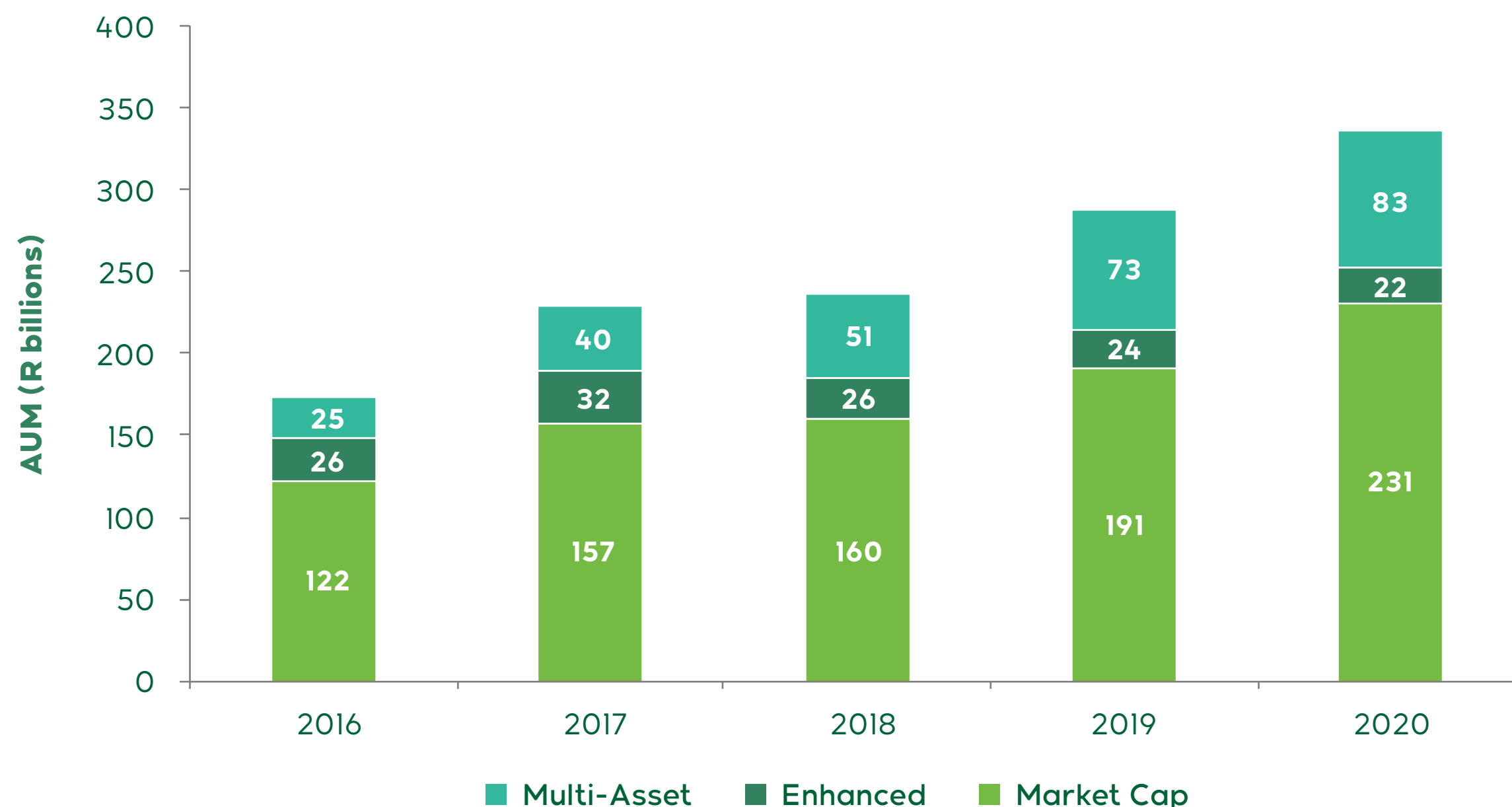
ETF

ETFs had a strong year in 2020 driven by investors seeking global exposure. They make up 36% of the CIS market and over the past 3 year period, have grown at an annual rate of 19.4%, not far behind Unit trusts which grew at a rate of 23.1% p.a.

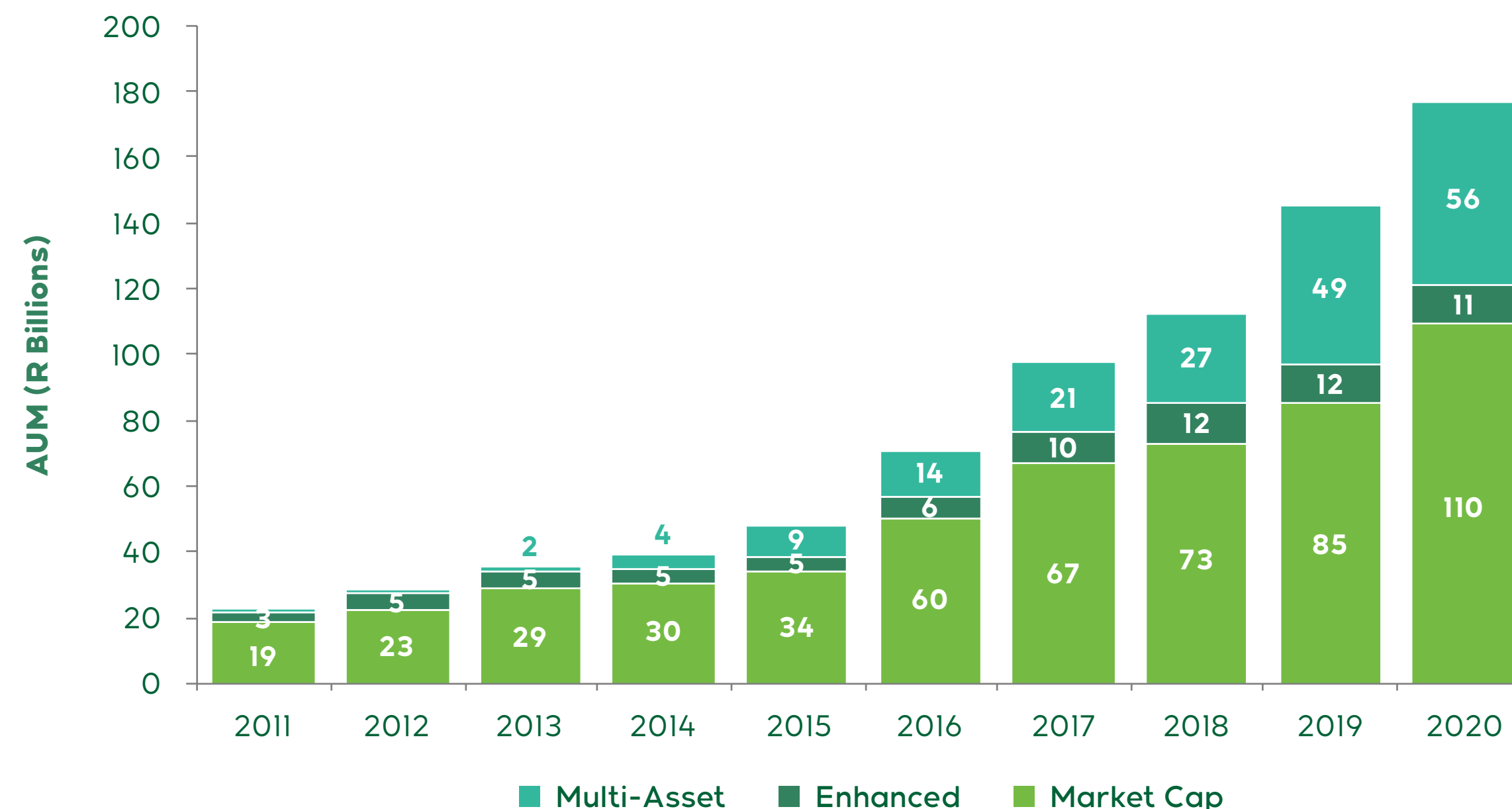
Source: Collective Investment Schemes – ASISA
Non-CIS – Old Mutual, Satrix, Sygnia financial results.

MARKET CAP STRATEGIES SEE THE STRONGEST GROWTH

AUM of total market (by investment strategy)



AUM of CIS market (by investment strategy)



29% ↑

Market Cap funds have seen the strongest y-o-y growth within the rules-based CIS market, up by 29% in 2020. This strategy represents 69% of the total CIS rules-based market, up from 66% in 2019.

Beta +

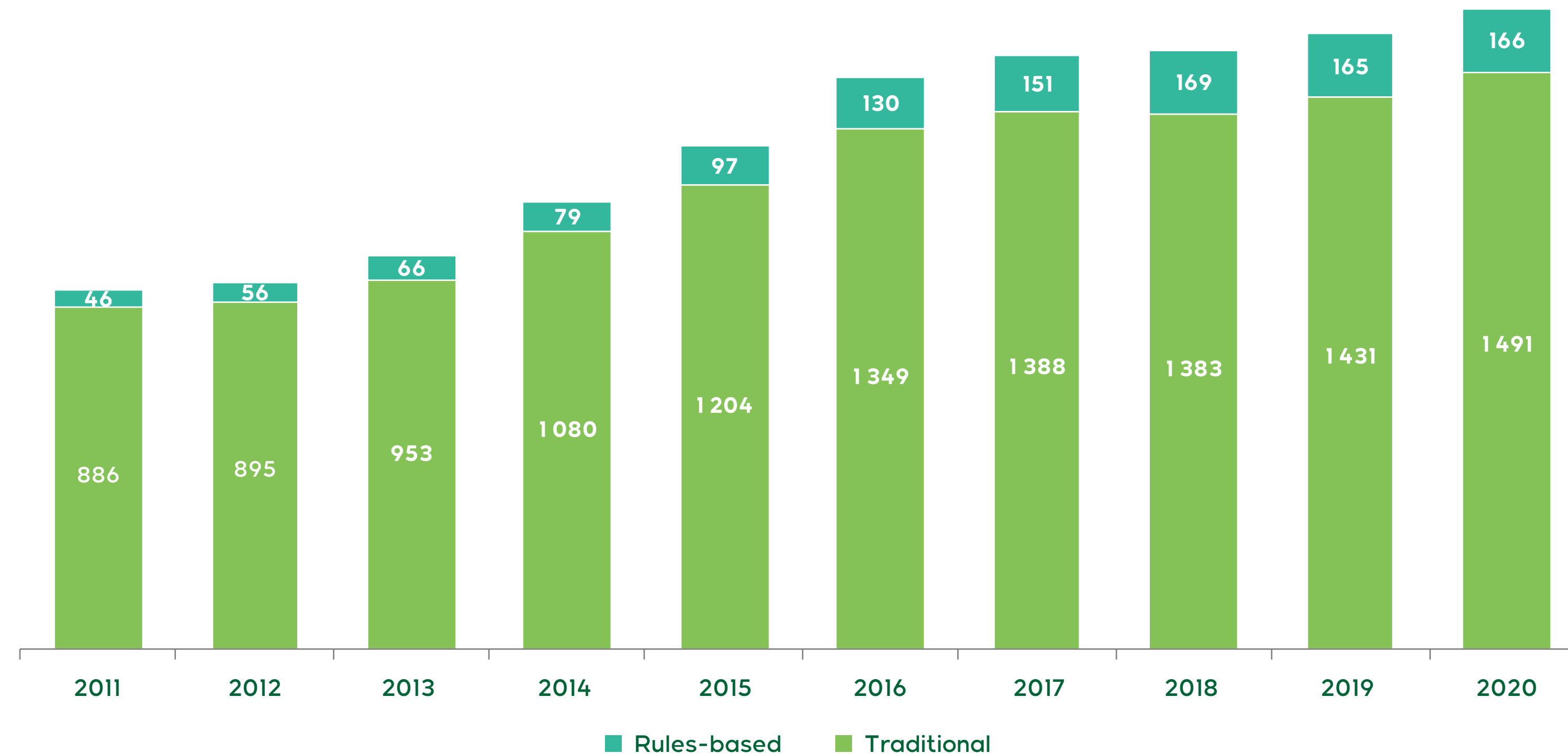
Enhanced strategies (smart beta) continued to see a decline in assets during 2020 both in the CIS rules-based market and the total rules-based market, down over 5%.

14% ↑

Multi-asset strategies continue to see y-o-y growth of over 14% in 2020. They now represent over 31% of the CIS rules-based market, up from 19% in 2015.

Source: Collective Investment Schemes – ASISA
Non-CIS – Old Mutual, Satrix, Sygnia financial results.

GROWTH IN THE NUMBER OF CIS RULES-BASED FUNDS SLOWING DOWN



Growth in the number of funds (2011-2020) p.a.	
CIS Industry	5.9%
Traditional active funds	5.3%
Rules-based funds	13.7%

166

The number of rules-based fund available in the SA market increased again in 2020, after declining in 2019. Traditional active funds continued with the increase in 2020.

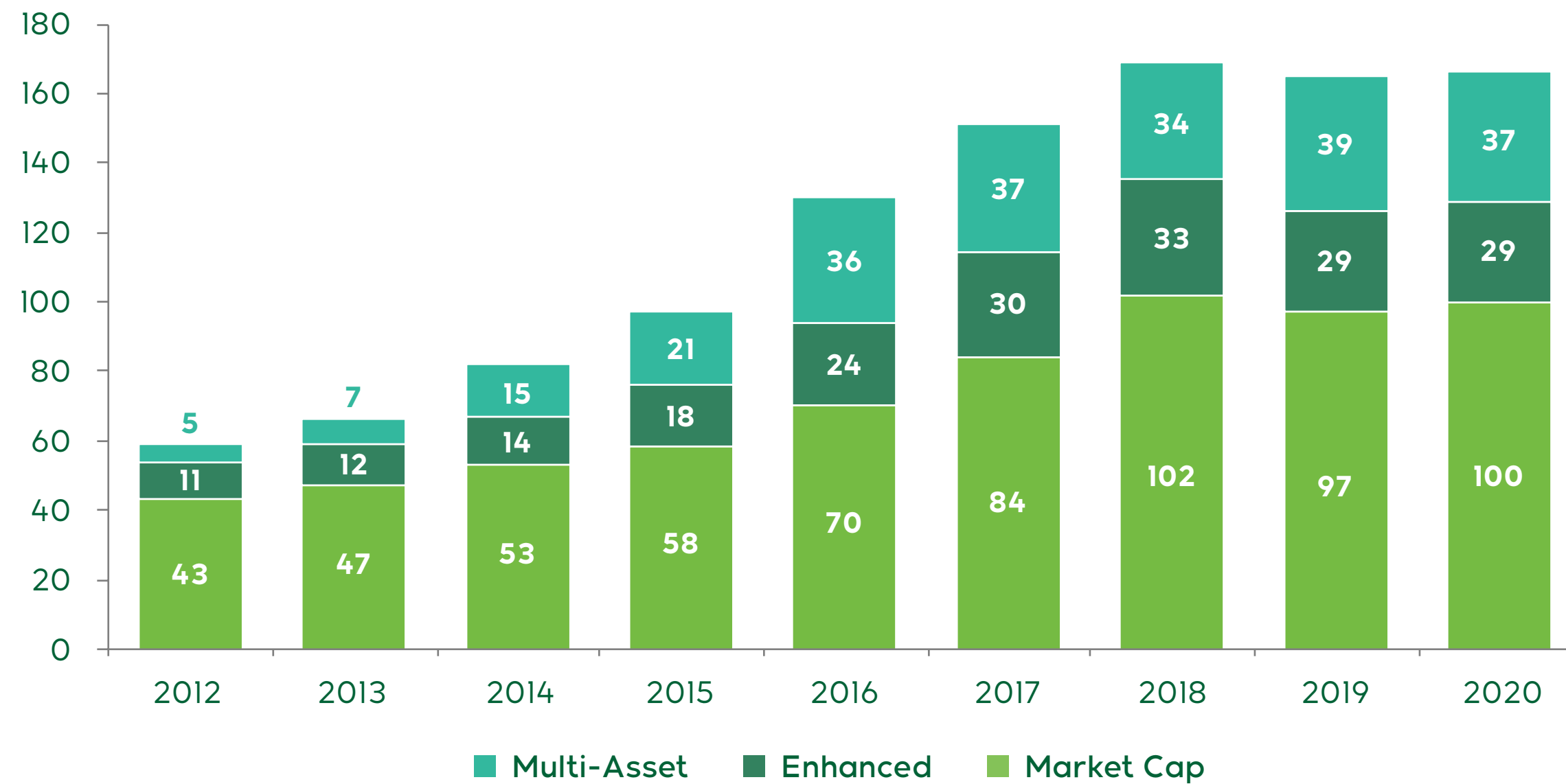
10%

Rules- based funds now make up 10% of the total number of CIS funds available in SA, up from 5% in 2011. This was due to annual growth of nearly 13.7% compared to 5.3% for traditional active funds.

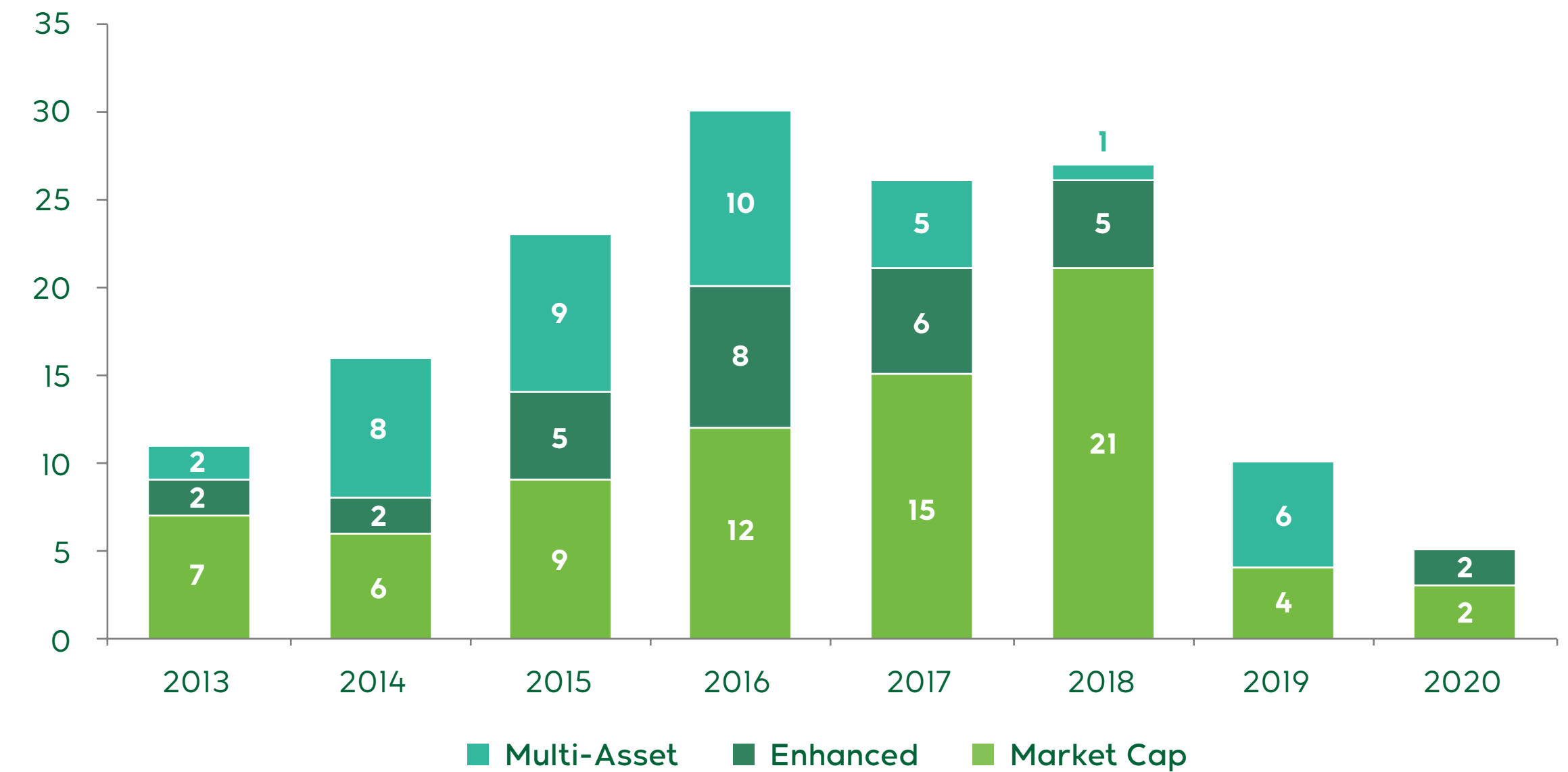
Source: ASISA.

TOTAL NUMBER OF CIS RULES-BASED FUNDS STABILISES IN 2020

Total number of rules-based funds



Number of rules-based funds launched per year



Rules-based multi-asset funds decline with no new fund launched in 2020. Funds in this strategy represent over 22% of all the rules-based funds, up from 8% in 2012.

Five

Only five new funds were launched in 2020, resulting in the lowest number of new funds launched since 2013.

Market Cap

Number of market cap funds increase in 2020. This is the only strategy that saw growth in the total number of CIS funds in 2020.

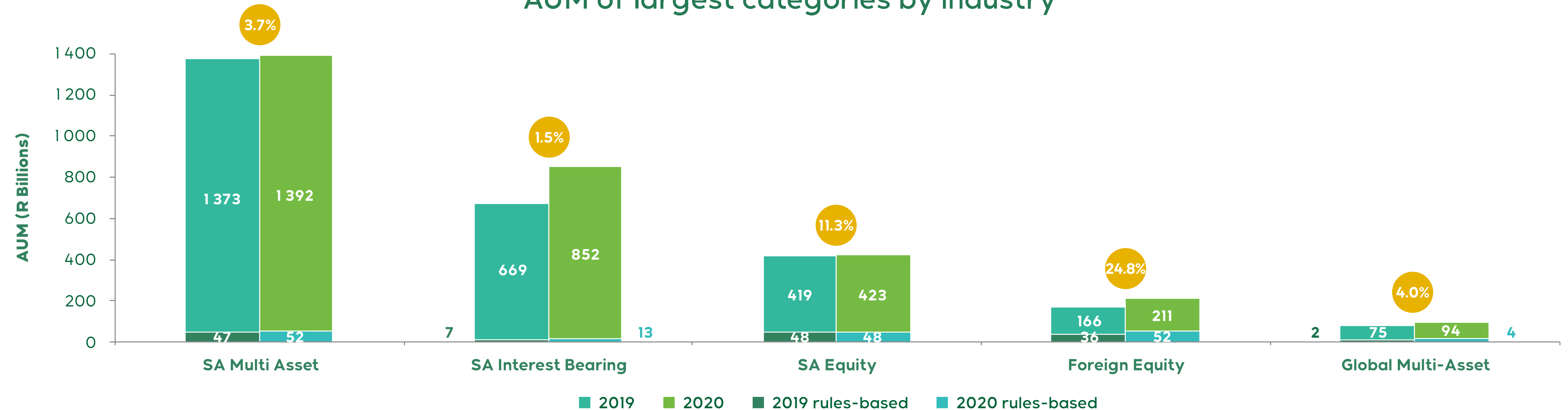


Although there were four funds closed down (particularly in the Market Cap and Enhance strategy space), the new launches resulted in the number of SA CIS market funds increase in 2020.

Source: ASISA.

STRONG GROWTH IN RULES-BASED FUNDS BUT OFF A SMALL BASE

AUM of largest categories by industry



3.5%

The Multi-asset category, which represent around half of the CIS market, increased by just over 1% in 2020. Rules-based multi-asset funds however grew by over 10% and now make up 3.7% of the multi-asset category.

94%

SA Interest bearing sector increased by 27% in 2020. Rules-based funds for this category grew by over 94% as investors moved aggressively into SA Bond funds which now make up nearly 12% of the R114bn Bond (variable term) category.



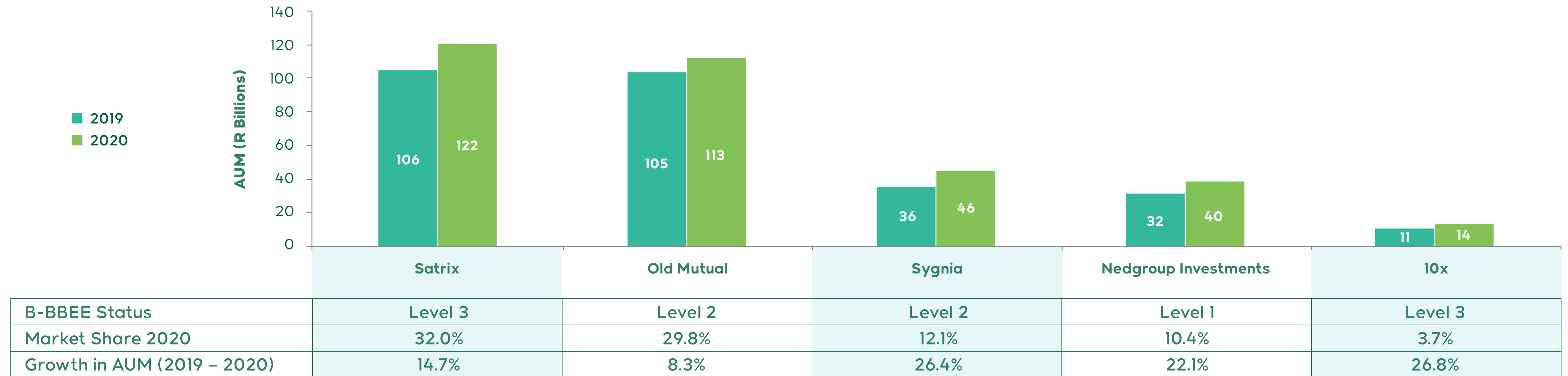
Foreign Equity was the second largest growing CIS category with growth of 27% y-o-y. Similar trends can be observed for rules-based funds in this category which grew by over 44%. Rules-based funds now make up nearly 25% of Foreign equity category, up from 22% in 2019.

x2

Global multi-asset funds also experience double digit growth during 2020, up by 25% y-o-y. Rules based funds doubled their market share during the year and now makes up 4% of the category.

Source: ASISA.

TOTAL MARKET: LARGEST RULES-BASED MANAGEMENT COMPANIES



B-BBEE

Transformation within the rules-based management companies has improved over the past decade. Nedgroup Investments is currently the only firm whose parent company holds a Level 1 B-BBEE status. Their rules-based best of breed™ manager, Taquanta Asset Managers, is the largest black owned asset management firm in SA.

Top 5

Top five management companies accounts for approximately 88% of the total AUM in rules-based strategies. This is slightly lower than the market share the top five management companies had in 2019 (88% vs 91%).



All top 5 management companies experience growth in AUM in 2020, with Sygnia, Nedgroup and 10x growing by more than 20%.

27%

10x had the strongest overall growth (27% growth) in 2020, followed by Sygnia and Nedgroup Investments.

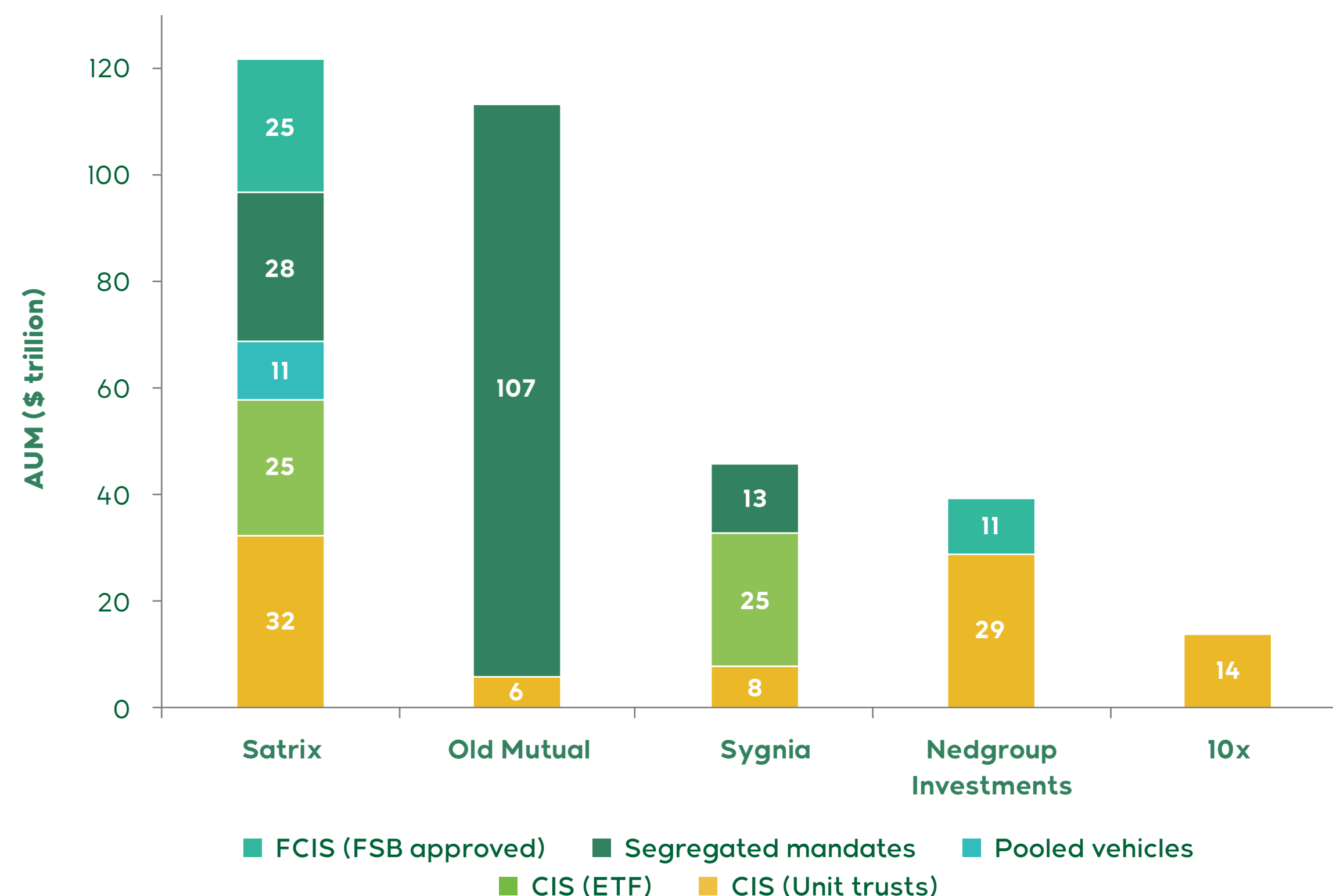
Sources: CIS: ASISA.

Non-CIS: Old Mutual, Satrix, and Annual financial statements (Sygnia).

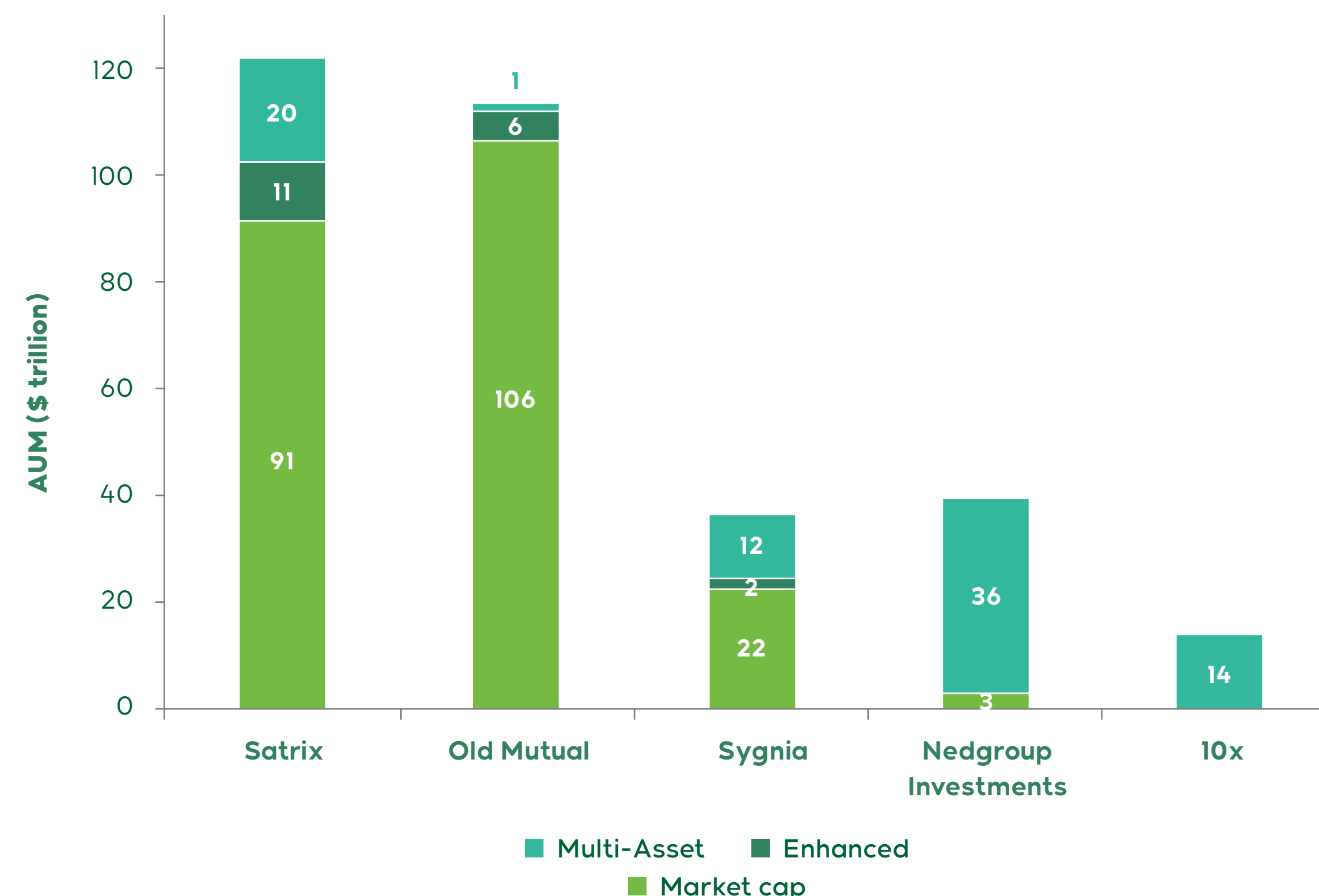
B-BBEE Status: Alexandra Forbes manager watch survey 2020.

MANAGEMENT COMPANIES FAVOUR DIFFERENT MARKET SEGMENTS

Investment vehicle

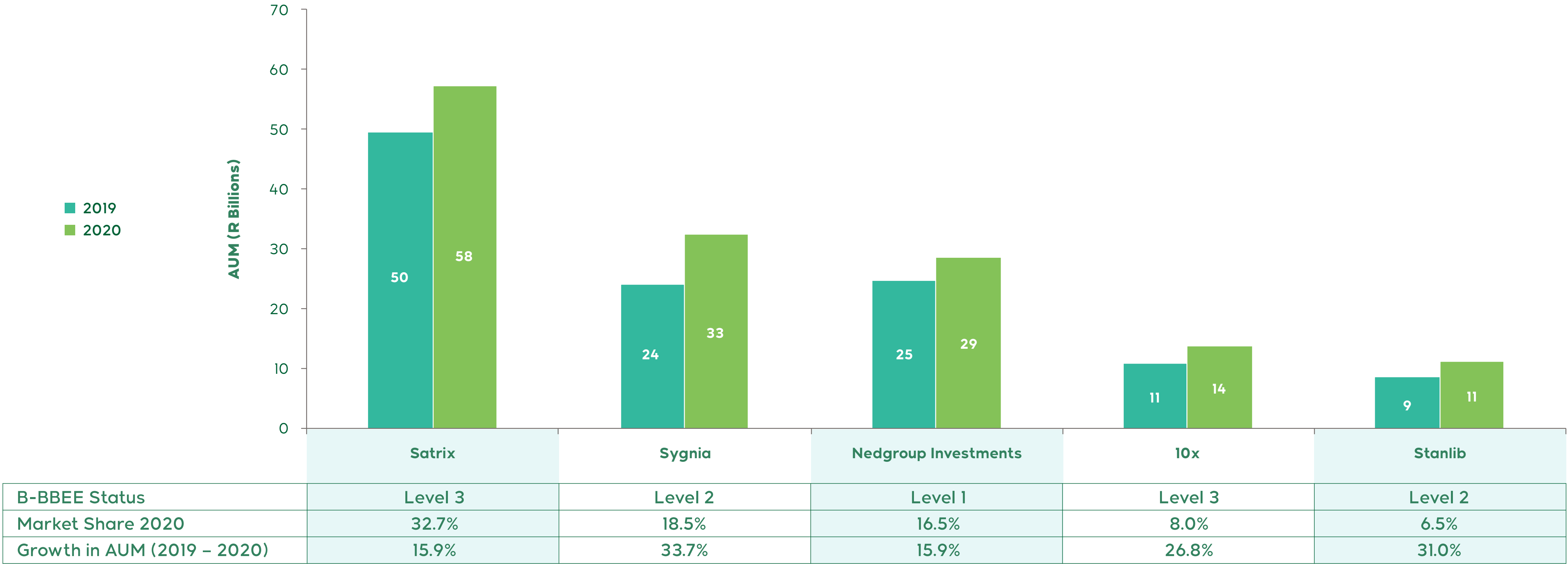


Investment strategy



Source: CIS and FCIS: ASISA
Non-CIS: Old Mutual, Satrix and Annual financial statements (Sygnia).

CIS MARKET: LARGEST RULES-BASED MANAGEMENT COMPANIES



Sources: ASISA.

THE LARGEST CIS RULES-BASED FUNDS IN SOUTH AFRICA

Fund	ASISA Category	AUM (R MILLION)		
		2019	2020	Growth
Nedgroup Investments Core Diversified Fund	South African – Multi Asset – High Equity	14 512	14 748	1.6%
10X High Equity Index Fund	South African – Multi Asset – High Equity	9 360	11 876	26.9%
Sygnia Itrix MSCI World ETF	Global – Equity – General	7 846	9 859	25.7%
Satrix SWIX Top 40 Index Fund	South African – Equity – Large Cap	9 765	8 790	-10.0%
Satrix 40 ETF	South African – Equity – Large Cap	8 818	8 787	-0.4%
Satrix MSCI World Equity Index Feeder Fund	Global – Equity – General	4 632	6 917	49.3%
Nedgroup Investments Core Guarded Fund	South African – Multi Asset – Low Equity	6 473	6 696	3.4%
Sygnia Itrix MSCI USA ETF	Regional – Equity – General	5 211	5 714	9.6%
Satrix Balanced Index Fund	South African – Multi Asset – High Equity	5 098	4 969	-2.5%
Satrix MSCI World ETF	Global – Equity – General	2 622	3 914	49.3%



Global equity funds saw the largest growth among the top 10 largest CIS rules-based funds in 2020 as investors seek offshore exposure amidst the Covid19 pandemic.



The two largest rules-based funds are still Multi-asset high equity funds. There are four multi-asset funds in total in the top 10 with three of them seeing positive growth in 2020.



The two SA equity funds within the top 10 both decline in size during 2020.

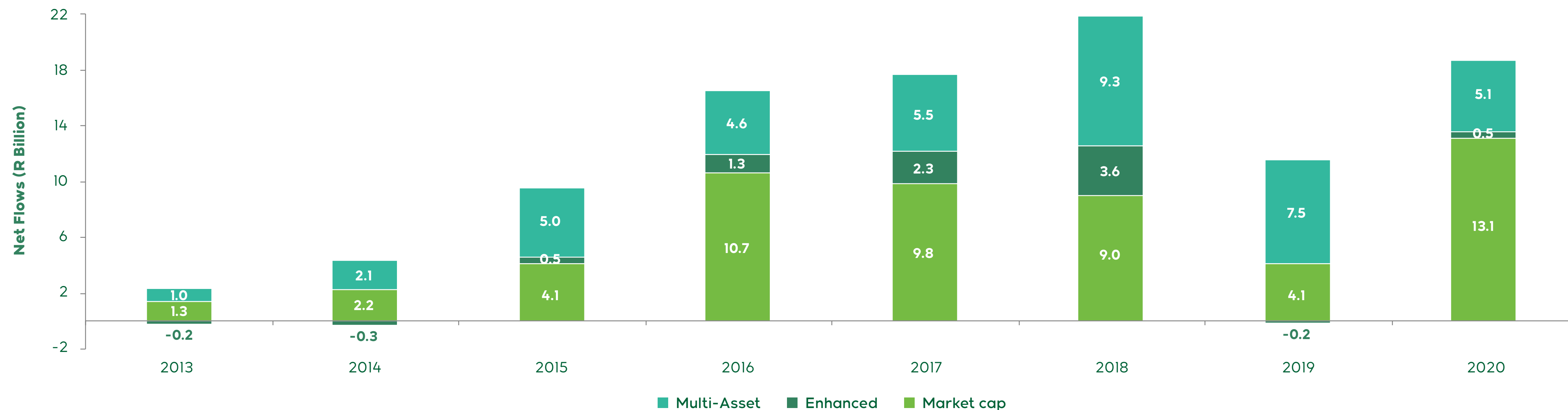
Source: ASISA.



CIS FLOWS 2020

CONSISTENT NET FLOWS INTO RULES-BASED CIS FUNDS

Net flows per strategy



**R18
Billion**

Rules-based funds accounted for 8.4% (R18bn of the R206bn) of the total net flows into the collective investment scheme industry in 2020, down from 11% in 2019.

**R5
Billion**

Rules-based Multi-Asset funds net inflows contracted for the second year in a row, a decrease of 32% (R5.1bn vs R7.5bn).

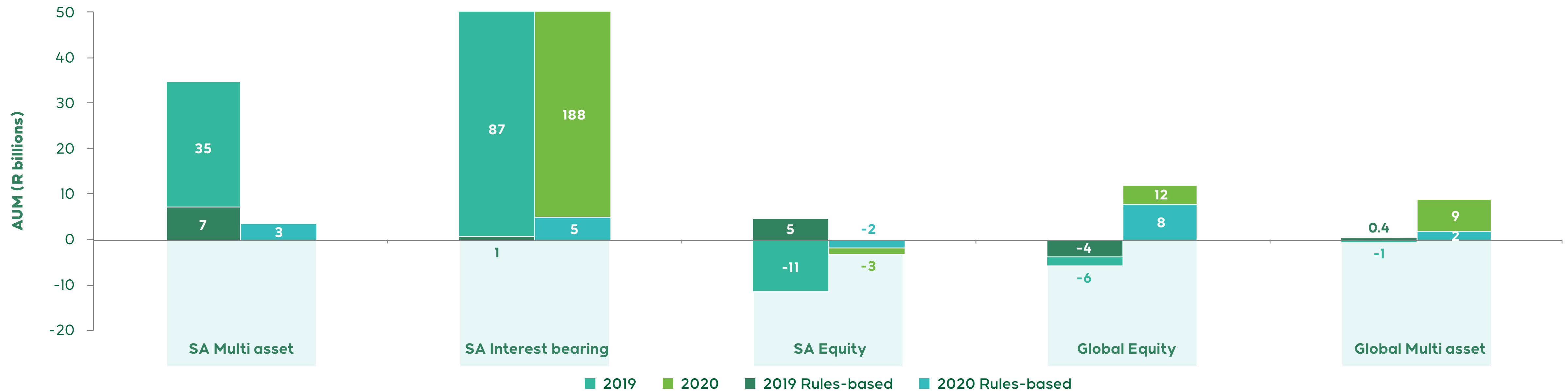
**%
increase**

Largest flows went into Market Cap strategies, mainly SA bond and global equity funds. This is the biggest net inflows experienced in these strategies for the past 8 years.

Source: ASISA.

RULES-BASED FUNDS MAINTAIN STEADY FLOWS ACROSS CATEGORIES

Netflows of largest categories - industry and rules-based



Most categories saw a decline in net flows during 2020. The noticeable exception were SA interest bearing (mostly Money Market), global equity and global multi-asset.



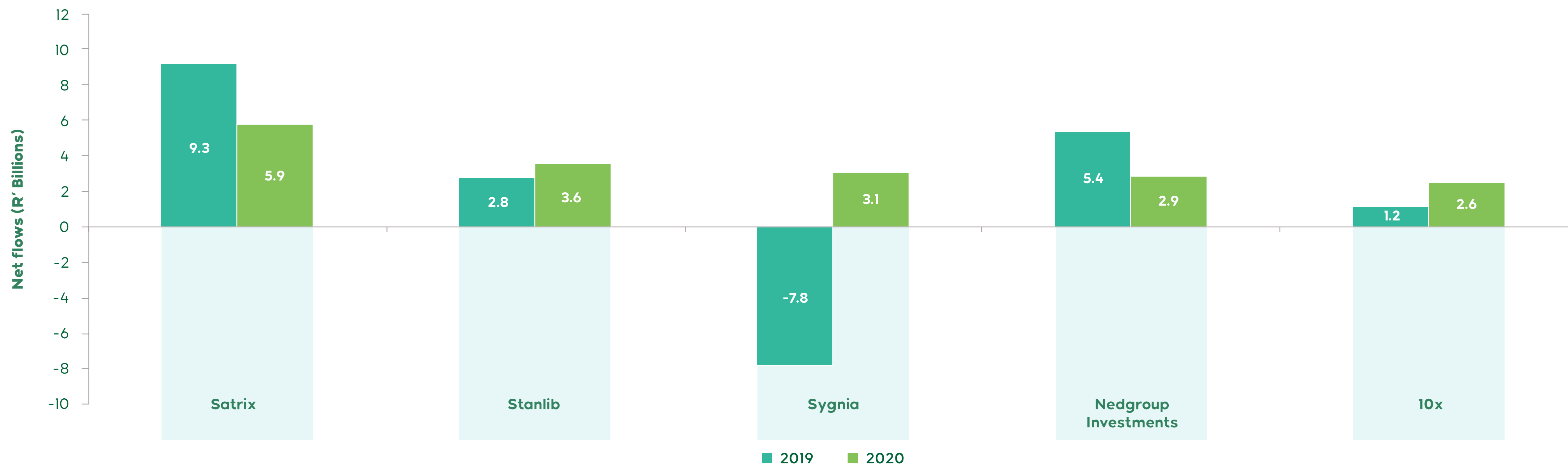
SA interest bearing rules based fund saw around 400% growth in net flows during 2020 as investor seeking higher yields by investing into SA bond funds.



Global equity and global multi-asset both attracted strong flows in 2020. Rules-based funds attracted 2/3rds of the net flow in the global equity category and over 20% in the global multi-asset category.

Source: ASISA.

CIS MARKET: TOP 5 NET FLOWS BY MANCO



The five largest CIS rules-based Manco's all received net inflows during 2020 with only two seeing a decrease in net inflows during the year. This is in contrast to the net outflows from the large traditional active management houses.



Despite receiving lower flows than in 2019, Satrix still attracted the most net flows during 2020. StanLib increased in net flows to R3.6bn and was closely followed by Sygnia, Nedgroup Investments and 10X.

Source: ASISA.

LARGEST RULES-BASED FUND INFLOWS IN 2020

Fund	ASISA Category	Flows (R Million)	AUM
10x High Equity Index Fund	South African – Multi Asset – High Equity	2 064	11 876
Nedgroup Investments Core Global Feeder Fund	Global – Multi Asset – High Equity	1 715	3 780
Satrix Bond Index Fund	South African – Interest Bearing – Variable Term	1 679	3 287
Nedgroup Investments Core Bond Fund	South African – Interest Bearing – Variable Term	1 609	3 108
Satrix MSCI World Equity Index Feeder Fund	Global – Equity – General	1 306	6 917
Stanlib MSCI World Index Feeder Fund	Global – Equity – General	1 206	1 085
Satrix MSCI China Feeder Fund	Regional – Equity – General	1 111	2 021
Stanlib ALBI Bond Index Tracker Fund	South African – Interest Bearing – Variable Term	983	2 021
Satrix Nasdaq 100 Feeder ETF	Regional – Equity – General	889	2 014
Sygnia Itrix S&P500 ETF	Regional – Equity – General	849	2 008

Source: ASISA.

LARGEST RULES-BASED FUND OUTFLOWS IN 2020

Fund	ASISA Category	Flows (R Million)	AUM
Satrix SWIX Top 40 Index Fund	South African – Equity – Large Cap	-1 079	8 789
Sygnia Itrix MSCI USA ETF	Regional – Equity – General	-722	5 714
Stanlib Top 40 ETF	South African – Equity – Large Cap	-677	710
Satrix 40 ETF	South African – Equity – Large Cap	-506	8 787
Fairtree Smart Beta Prescient Fund	South African – Equity – General	-325	-
Satrix Low Equity Balanced Index Fund	South African – Multi Asset – Low Equity	-325	1 094
Stanlib ALSI 40 Fund	South African – Equity – Large Cap	-310	1 241
Satrix Mid Cap Index Fund	South African – Equity – General	-304	530
Nedgroup Investments Core Diversified Fund	South African – Multi Asset – High Equity	-300	14 748
Satrix Dividend+ Index Fund	South African – Equity – General	-225	238

Source: ASISA.



TRENDS IN CIS COST 2020

TOTAL INVESTMENT CHARGES (TIC) IN THE CIS MARKET

Asset-weighted average TICs to 31 December 2020

ASISA category	RULES-BASED FUNDS					CIS MARKET			
	Fee (incl. VAT)	TER	Transaction costs	TIC	AUM as % of CIS Market	Fee (incl. VAT)	TER	Transaction costs	TIC
SA Equity	0.24%	0.21%	0.12%	0.33%	12.7%	0.60%	0.74%	0.25%	1.00%
SA Multi-Asset	0.23%	0.29%	0.07%	0.36%	3.6%	0.80%	1.03%	0.11%	1.14%
SA Real Estate	0.20%	0.24%	0.13%	0.37%	14.8%	0.46%	0.50%	0.14%	0.64%
SA Interest Bearing	0.22%	0.25%	0.03%	0.29%	1.6%	0.32%	0.33%	0.00%	0.34%
Global Equity	0.34%	0.48%	0.03%	0.51%	19.1%	0.68%	1.20%	0.07%	1.28%
Global Multi-Asset*	0.00%	0.54%	0.00%	0.54%	4.3%	0.64%	1.29%	0.08%	1.38%
Global Real Estate	0.30%	0.35%	0.00%	0.36%	15.1%	0.52%	1.14%	0.10%	1.24%
Regional Equity	0.71%	0.77%	0.01%	0.78%	78.2%	0.69%	0.84%	0.15%	0.98%
Total Asset weighted	0.34%	0.36%	0.06%	0.42%	6.4%	0.62%	0.81%	0.10%	0.91%

CIS

Rules-based funds have not had an major impact on average TICs in South Africa as they only make up 6.4% of the CIS market. Asset weighted TICs are around 0.50% lower than the whole CIS Market, down from 0.54% in 2019.

TIC

Rules based funds, with the exception of SA interest bearing and SA real estate, offer total cost savings of between 0.5% - 1% compared to the whole CIS market's asset weighted average TICs.

Global

Asset weighted TIC have increased across the global mandates in the CIS market in 2020 compared to last year, meanwhile rules-based funds have seen a decline in fees in this category.

Domestic

The asset-weighted TIC of the domestic CIS market reduced in 2020 due to the reduction in management fees, the opposite to the global categories.

Source: Morningstar.

* Single fund that charges no fees at the Feeder fund level and so only the Offshore fund filters through into the TER.

ESTIMATING ACTIVE FEE THRESHOLDS USING ASSET – WEIGHTED RETURNS

Largest category - SA Multi-Asset High Equity over the period 1 September 2009 – 31 December 2020



α

The asset weighted return for the SA Multi-Asset High Equity category was around 0.5% higher per annum before fees compared to a rules-based fund. The higher returns can be attributed to some of the larger funds taking on higher risk (as measured by standard deviation) and most balanced funds having higher global equity allocations over the past decade which outperformed global fixed income.

0.9% ↓

The asset weighted peer average for retail fee classes (available to the direct public) underperforms its rules-based counterpart by nearly 0.9% per annum over the 11 year period.

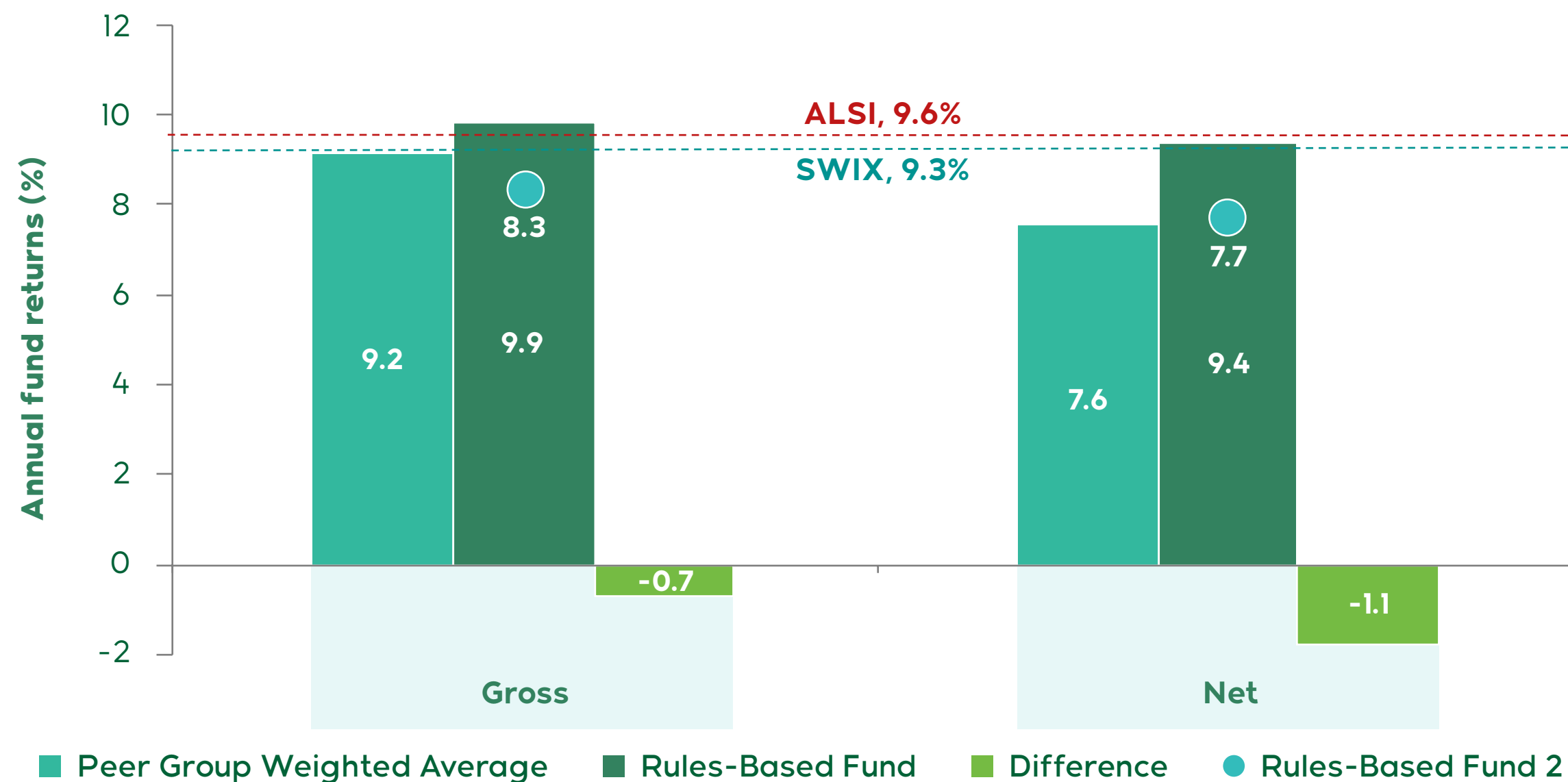
0.3% ↓

The asset weighted TIC for all fee classes is lower than the retail fee TIC leading to an actual asset weighted underperformance of 0.3% per annum over the past three years. In 2020 we showed how asset weighted TICs have steadily declined over the past decade as fees have been unbundled.

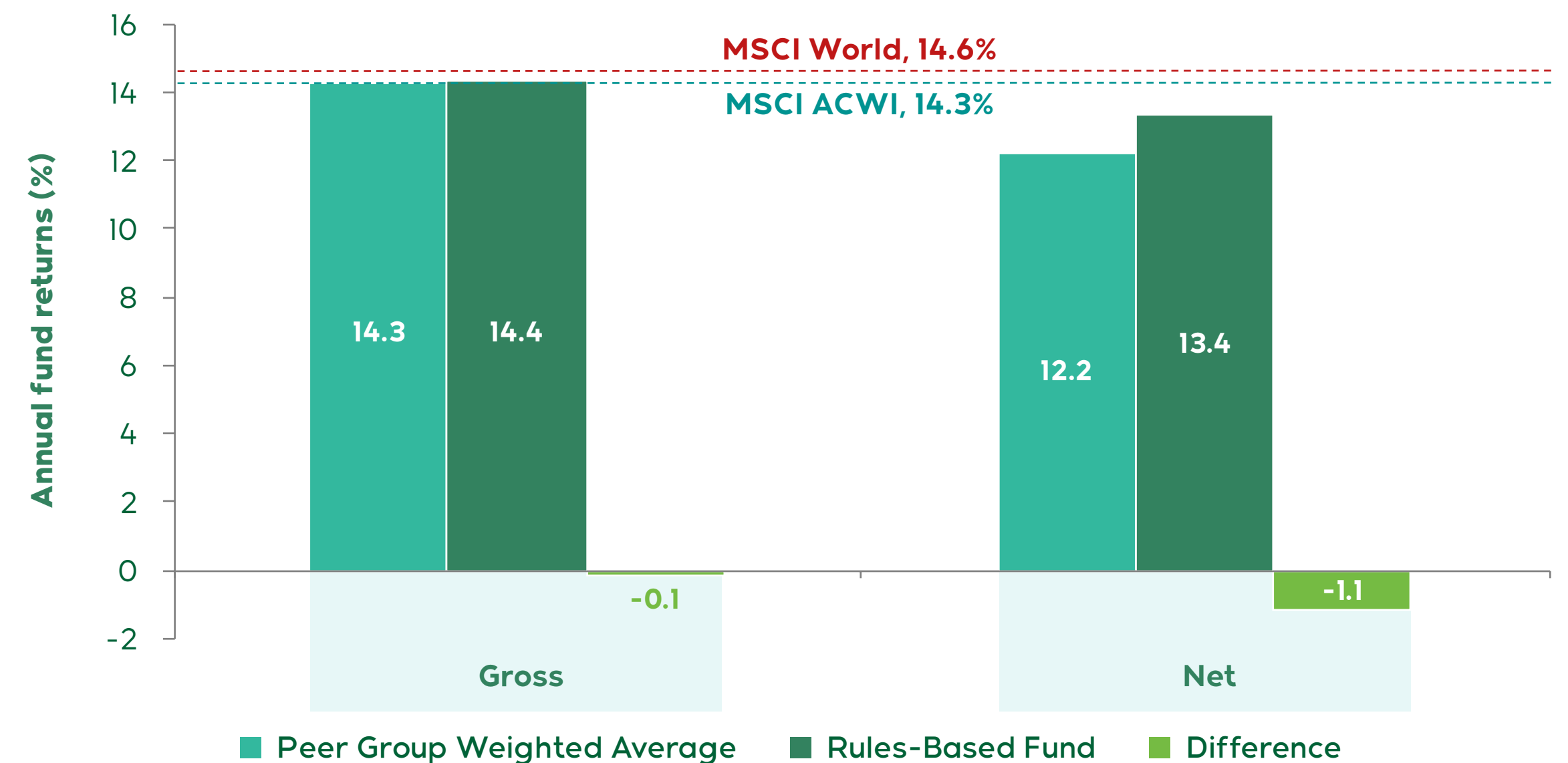
Source: Morningstar
Rules-based fund: Nedgroup Investments Core Diversified Fund.

AVERAGE RAND INVESTED IN EQUITY FUNDS UNDERPERFORMED BEFORE FEES

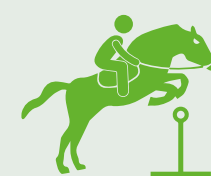
SA Equity funds with no offshore (Jan 2011 to Dec 2020)



Global Equity funds (Jan 2014 – Dec 2020)



Benchmarking in SA has always been a contentious issue as active managers seek benchmarks which are more closely aligned to their mandates. Most fund managers have used a SWIX benchmark over the past decade and marginally underperformed before fees.



There were two ALSI Index funds with track records but with very different outcomes. One outperformed its benchmark by using a range of investments tools to save on frictional costs while the other underperformed the index by 1.3% before fees.



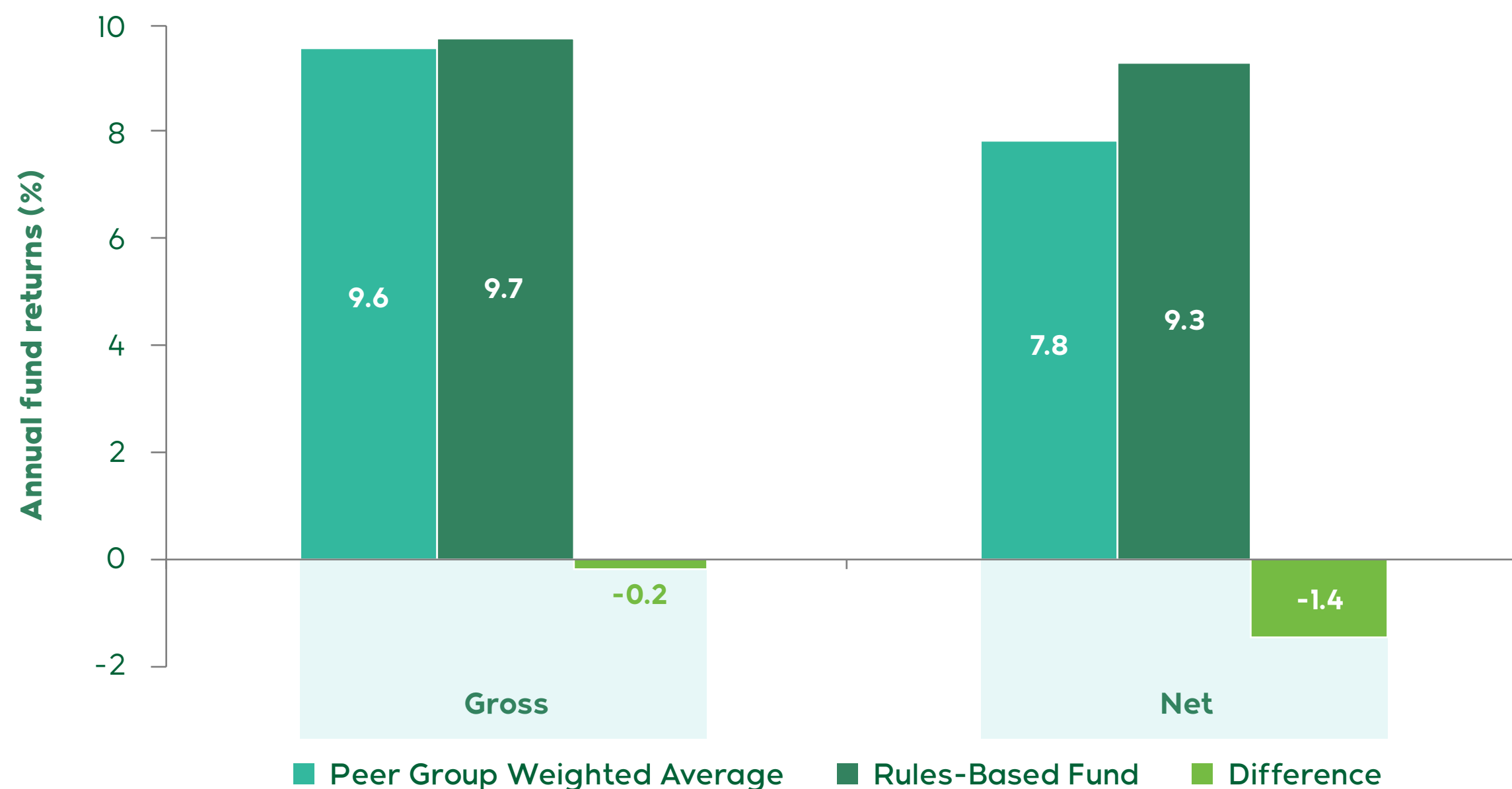
The asset weighted return for the Global Equity category was marginally behind before fees compared to a rules-based fund which tracks a MSCI World benchmark. After fees the asset weighted peer group under performs by over 1%.

Source: Morningstar

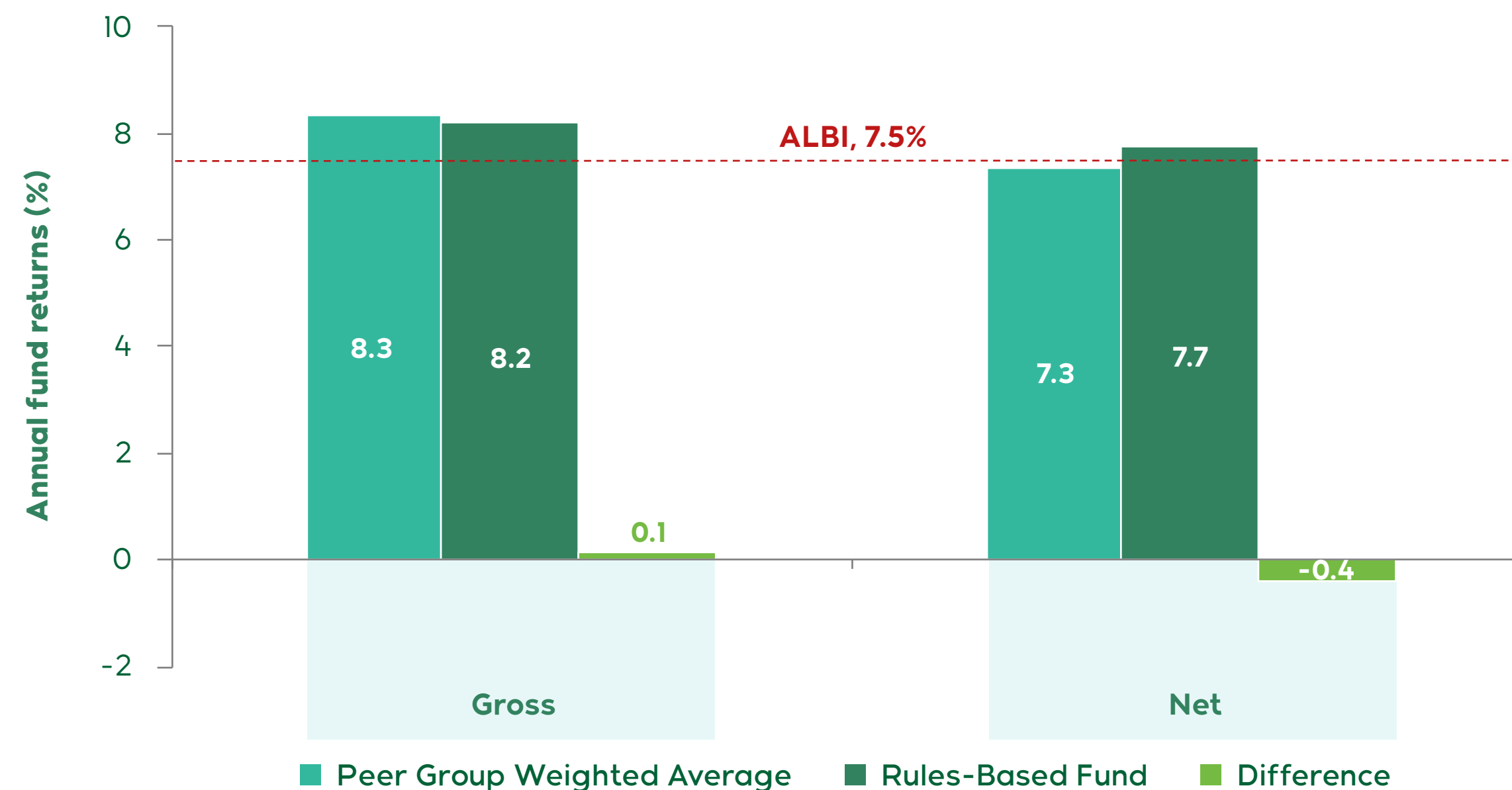
SA Equity rules-based fund: Gryphon All Share Tracker Fund; SA Equity rules-based fund 2: Invest Index Fund; Global Equity rules-based fund: Satrix MSCI World Equity Feeder fund.

FIXED INCOME IS RARELY “PASSIVE”

SA Multi-Asset Low Equity (Feb 2010 – Dec 2020)



SA “Vanilla” Bond funds (Nov 2012 – Dec 2020)



0.2% ↓

The asset weighted return for the SA Multi-Asset Low Equity category was around 0.2% lower per annum before fees compared to a rules-based fund. These funds typically have around half of their assets invested in fixed income which is rarely passively managed, even within rules-based funds, and therefore hard to generate alpha.

ALBI

Most bond managers include corporate credit within their portfolios and so there is a benchmark mismatch to the All bond Index (ALBI). The asset weighted return for the SA bond funds was marginally ahead of a rules-based fund which matches the duration of the peer group.

Source: Morningstar.

SA Multi-Asset Low Equity rules-based fund: Nedgroup Investments Core Guarded Fund; SA Bond funds rules-based fund: Nedgroup Investments Core Bond Fund.

LOW SUCCESS RATES FOR SOUTH AFRICAN ACTIVE EQUITY FUNDS

South Africa & Namibia Active Equity Funds success rates, over the 10 years through December 2020

PERIOD	ACTIVE FUNDS		PASSIVE FUNDS		ASSET-WEIGHTED PERFORMANCE		EQUAL-WEIGHTED PERFORMANCE		Active success rate
	# at beginning of period	Survivorship rate	# at beginning of period	Survivorship rate	Active	Passive	Active	Passive	
1 year	204	95.1%	53	100%	2.8%	4.8%	2.4%	0.8%	55.4%
3 years	208	81.7%	56	80.4%	0.7%	1.5%	0.3%	0.0%	42.8%
5 years	185	74.6%	40	85.0%	4.1%	5.6%	3.4%	5.2%	18.4%
10 years	121	57.9%	27	63.0%	7.6%	8.8%	6.8%	7.2%	31.4%

32%

South African active funds' long-term success rates are low. Over the 10 years through December 2020, the active manager success rate was less than 32% in nearly two thirds of the categories surveyed.

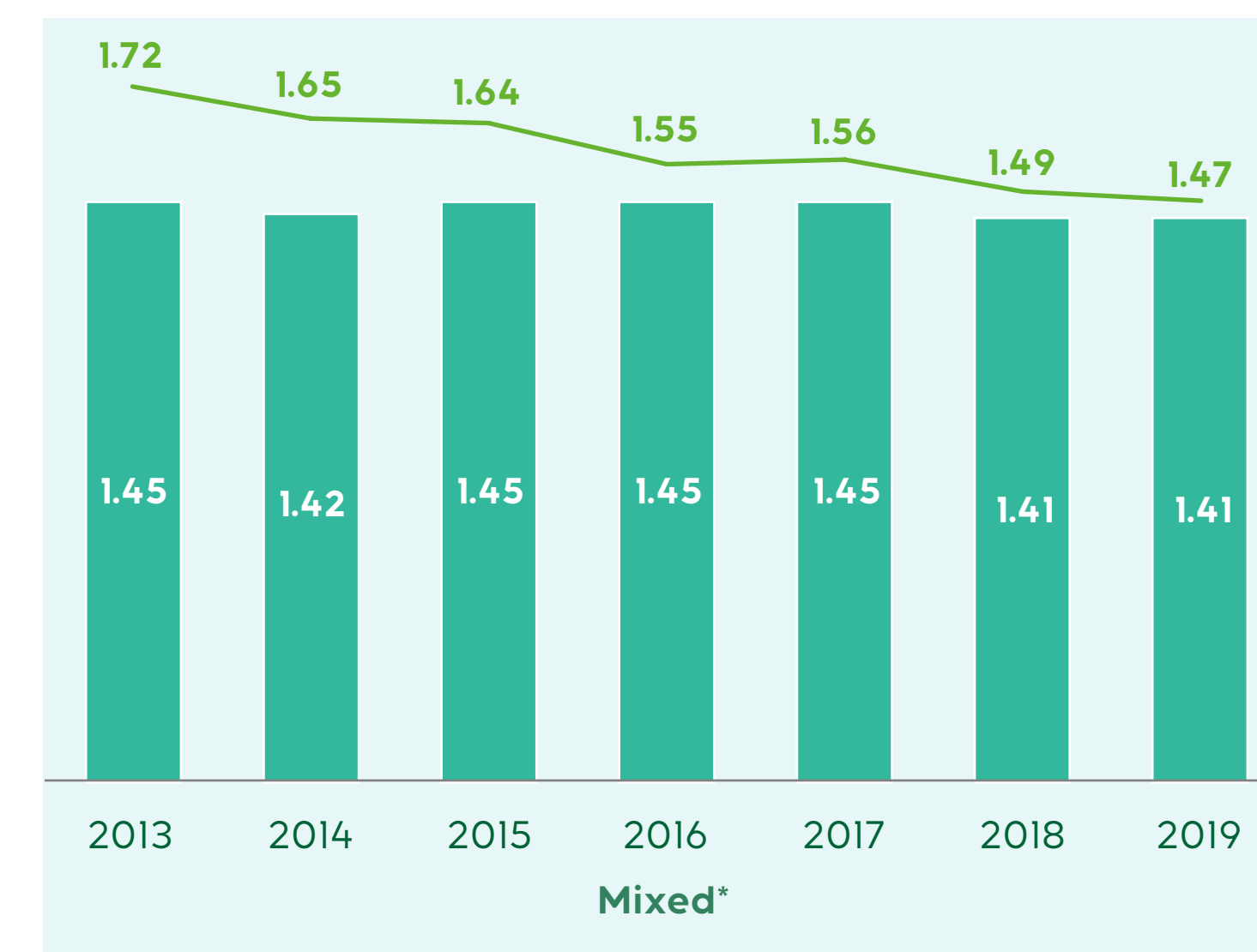
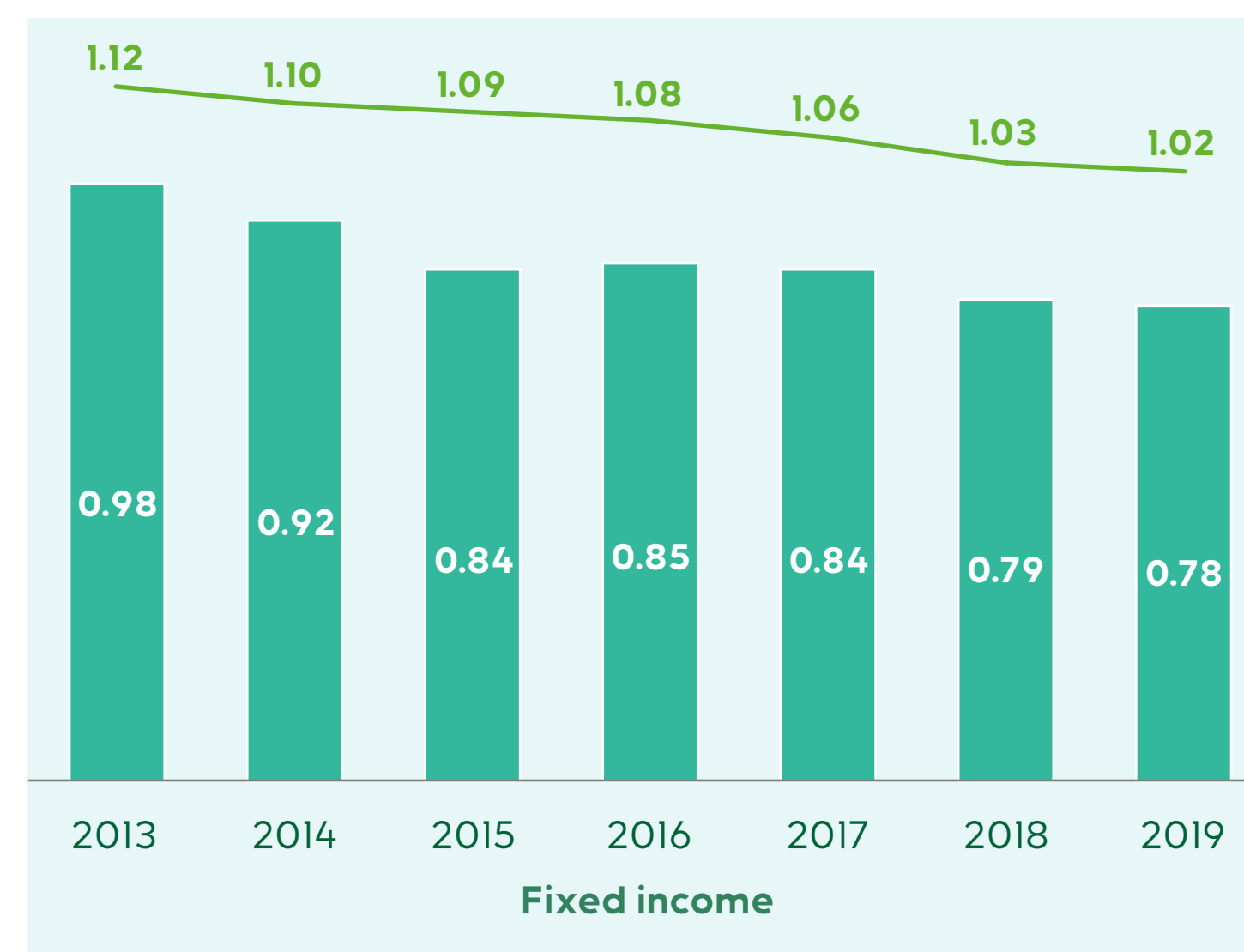
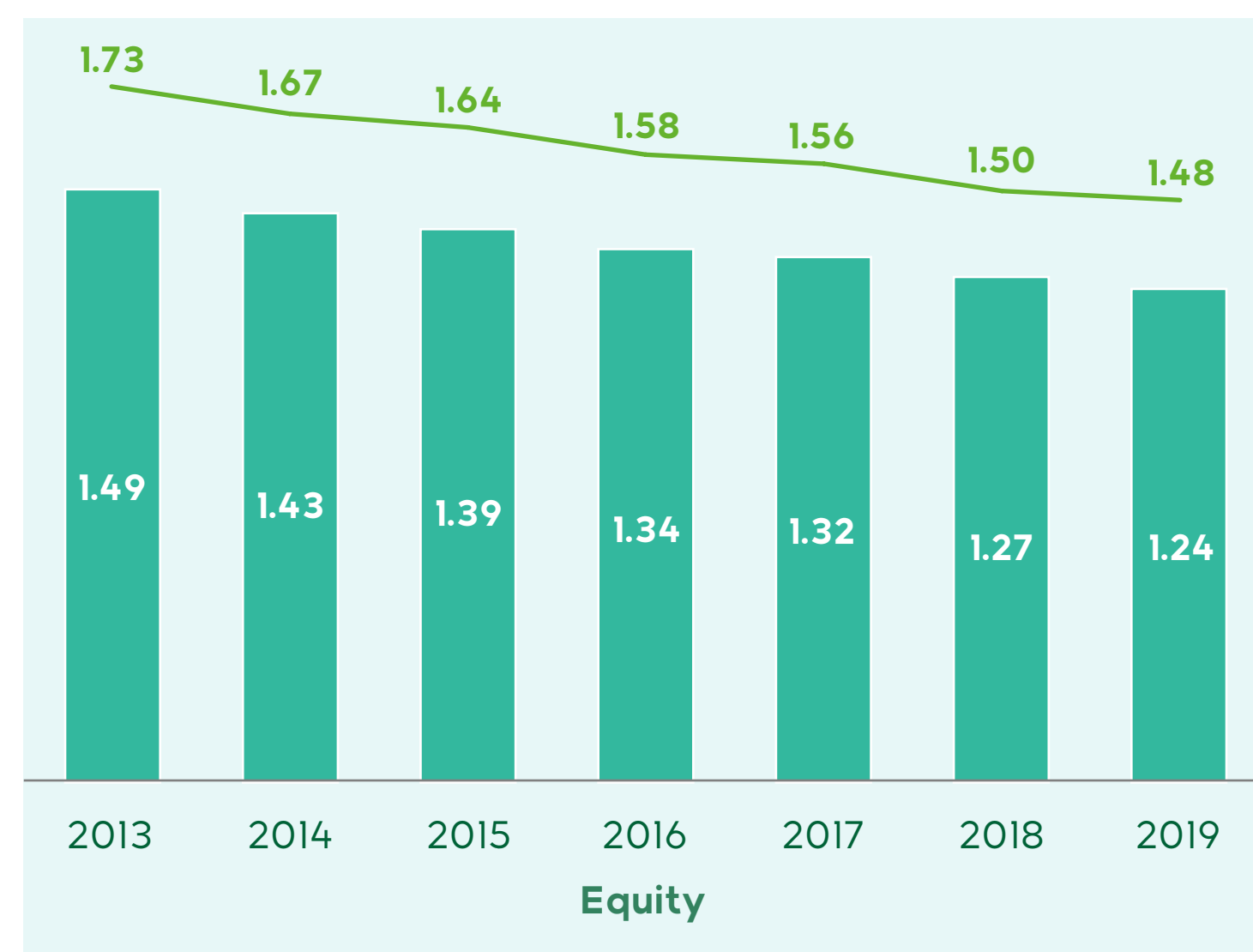
50%

During 2020, across all 65 categories Morningstar examined, only 50.2% of nearly 19 000 active funds both survived and outperformed their average passive counterpart.

Source: Morningstar Active-Passive Barometer 2020.

DECLINING ONGOING CHARGES FOR UCITS FUNDS

Investors in UCITS pay below-average ongoing charges



— Simple average ongoing charge ■ Asset-weighted average ongoing charge

OCF

On an asset-weighted basis, average ongoing charges in equity and fixed income UCITS funds have decreased since 2013, while ongoing charges for mixed funds have remained relatively stable.



Asset weighted average ongoing charges have been consistently lower than the simple average ongoing charges illustrating that investors tend to concentrate their assets in lower-cost funds.

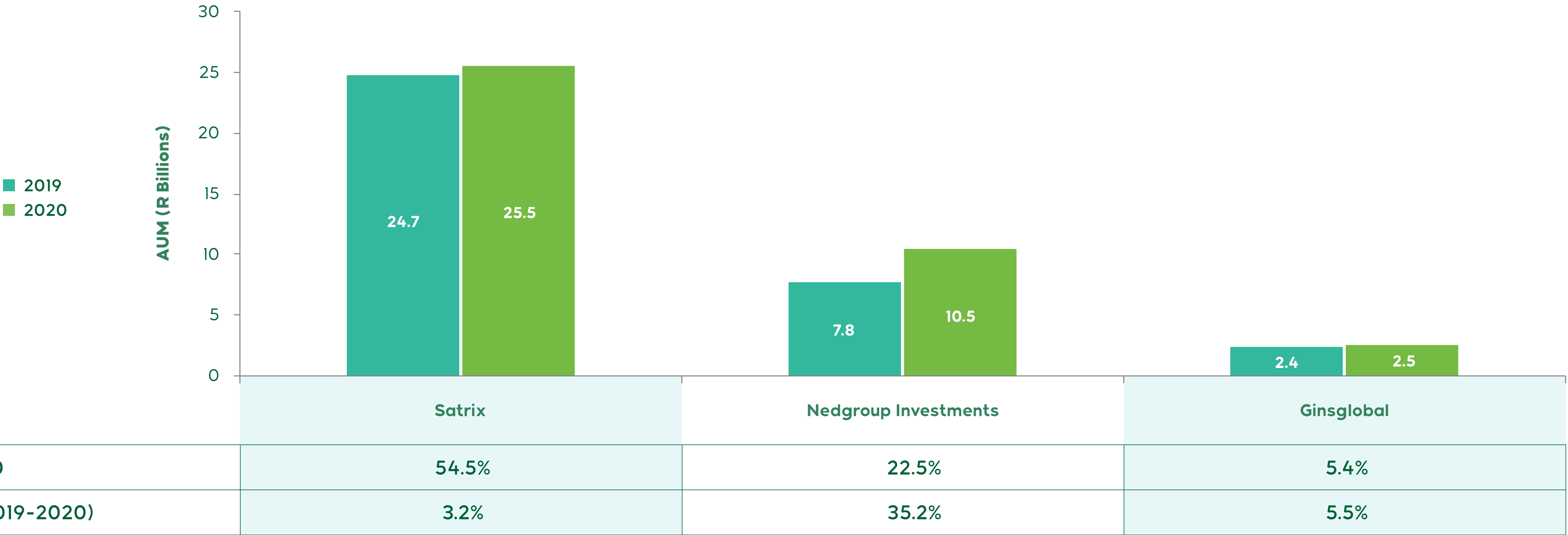
Source: Investment Company Institute tabulations of Morningstar Direct data. See ICI Research Perspective; "Ongoing Charges for UCITS in the European Union, 2019."

* Mixed funds invest in a combination of equity and fixed-income securities. Note: Data exclude ETFs.



TRENDS IN FCIS 2020

LARGEST RULES-BASED FCIS MANAGERS



3

There are currently three asset management companies that offer rules-based funds in the South African market, with two providing only market cap strategies and one with only multi asset.

Nedgroup

Satrix is still the biggest SA rules-based FCIS manager in 2020, however, Nedgroup have seen the highest growth in the rules-based FCIS space.

Source: ASISA. Excludes BlackRock® who could not provide numbers before publication of the data.

LARGEST FSB-APPROVED RULES-BASED FUNDS*

Name	Morningstar category	AUM (2020) R million	AUM (2020) \$ million**	AUM (2019) R million	Y-o-Y growth
Satrix World Equity Tracker Fund	Global Large-Cap Blend Equity	23 887	1 699	22 959	4%
Nedgroup Inv Funds Core Global Fund	USD Aggressive Allocation	10 507	747	7 773	35%
GinsGlobal Global Equity Index Fund	Global Large-Cap Blend Equity	1 784	127	1 895	-6%
Coreshares S&P 500 ETF	Global Large-Cap Blend Equity	1 180	84	900	31%
Satrix Emerging Markets Equity Tracker Fund	Global Emerging Markets Equity	933	66	759	23%
Coreshares S&P Global Property ETF	Property - Indirect Global	427	30	472	-10%
Satrix Global Factor Enhanced Equity Fund	Global Equity	287	20	889	-68%
GinsGlobal Global Bond Index Fund	Global Bond	258	18	262	-2%
Satrix Europe (Ex-UK) Equity Tracker Fund	Europe ex-UK Equity	143	10	859	-83%
GinsGlobal US Equity Index Fund	US Large-Cap Blend Equity	139	10	94	47%

Source: ASISA. Excludes BlackRock®.

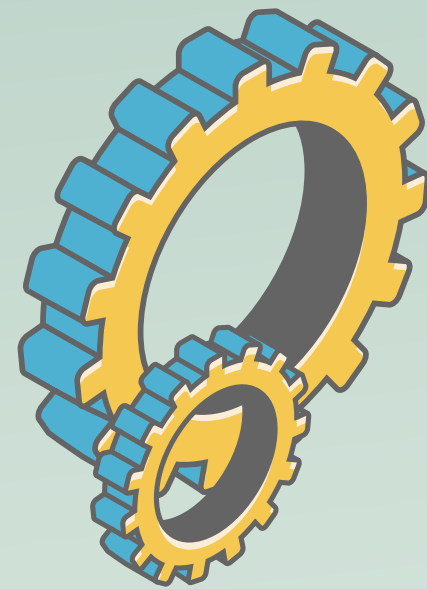
*AUM only includes assets held by South African investors.

** Rand conversion: R14.69 as at 31 December 2020.

LARGEST NET INFLOWS – RULES-BASED FUNDS

Name	Morningstar category	NET FLOWS (R MILLION)	
		2020	2019
Nedgroup Inv Funds Core Global Fund	USD Aggressive Allocation	1 408	1 293
Coreshares S&P 500 ETF	Global Large-Cap Blend Equity	71	106
GinsGlobal US Equity Index Fund	Global Large-Cap Blend Equity	21	8
Satrix Emerging Markets Equity Tracker Fund	Global Emerging Markets Equity	3	74
GinsGlobal Japanese Equity Index Fund	Japan Large-Cap Equity	1	-1
GinsGlobal European Real Estate Index Fund	Property - Indirect Eurozone	-1	-0
GinsGlobal European Equity Index Fund	European Equity	-17	52
CoreShares S&P Global Property ETF	Property - Indirect Global	-33	45
GinsGlobal Global Bond Index Fund	Global Bond	-49	3
GinsGlobal Global Equity Index Fund	Global Large-Cap Blend Equity	-486	-4 125

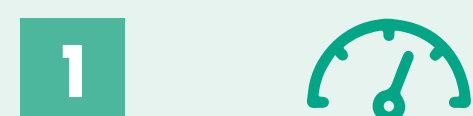
Source: ASISA.



NEDGROUP INVESTMENTS CORE RANGE

THE MULTI-ASSET CORE RANGE

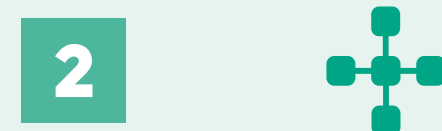
THE SOUTH AFRICAN MULTI-ASSET CORE RANGE



NEDGROUP INVESTMENTS CORE ACCELERATED FUND

An aggressive balanced portfolio that targets returns of inflation + 6% p.a. over rolling seven-year periods.

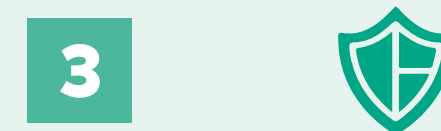
The combined strategic equity and listed property allocation is 90%.



NEDGROUP INVESTMENTS CORE DIVERSIFIED FUND

A traditional balanced portfolio that targets returns of inflation + 5% p.a. over rolling five-year periods.

The combined strategic equity and listed property allocation is 75%.



NEDGROUP INVESTMENTS CORE GUARDED FUND

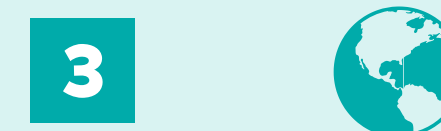
A conservative balanced portfolio that targets returns of inflation + 3% p.a. over rolling three-year periods.

The combined strategic equity and listed property allocation is 42%.



The above portfolios are compliant with Regulation 28 of the Pension Funds Act and can be used for retirement funds, preservation funds, endowments, retirement annuities and living annuities.

THE GLOBAL MULTI - ASSET CORE RANGE



NEDGROUP INVESTMENTS CORE GLOBAL FUND

A global balanced portfolio that aims to provide capital growth through low-cost exposure to a range of global asset classes. Diversification across asset classes will help to reduce risk and volatility to moderate levels over the medium to longer term.

Used for the offshore exposure in the Nedgroup Investments Core Guarded, Nedgroup Investments Core Diversified and Nedgroup Investments Core Accelerated Funds.

BlackRock

ACCESS POINTS

Nedgroup Investments provides two FSB approved access points to the Core Global Fund:



1. **Domiciled in Ireland**
Nedgroup Investments
Core Global Fund (USD)



2. **Domiciled in South Africa**
Nedgroup Investments
Core Global Feeder Fund (ZAR)

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