

The Pivot?

Lara Dalmeyer

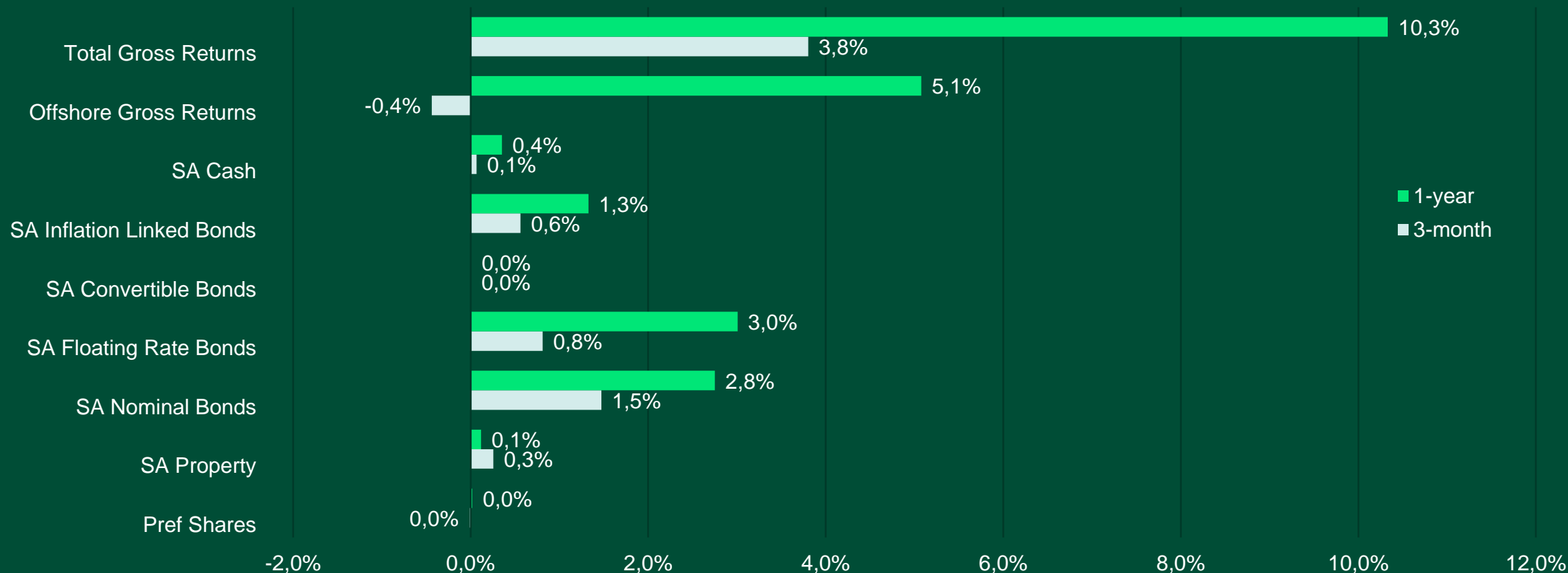
Co-Portfolio Manager of the Nedgroup Investments Flexible Income Fund

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January 2023

Nedgroup Investment Flexible Income Fund Performance ('R)

Performance Contribution

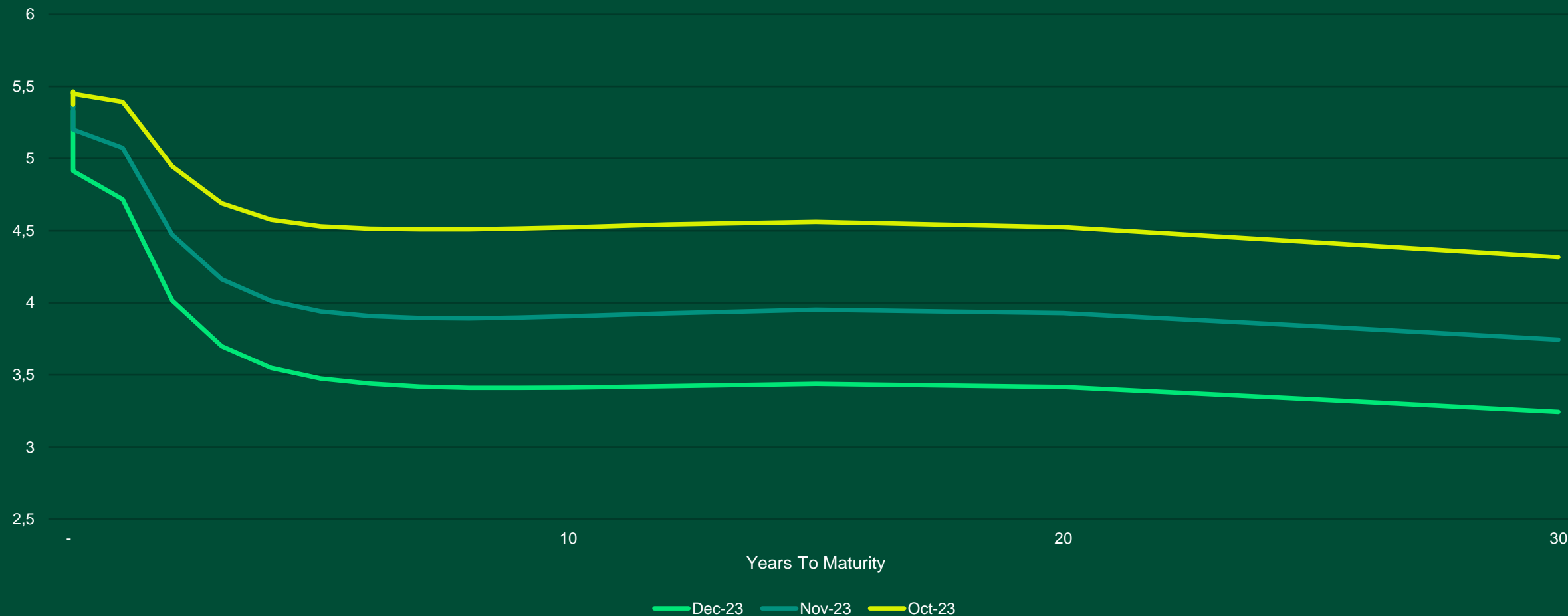


The Global Backdrop

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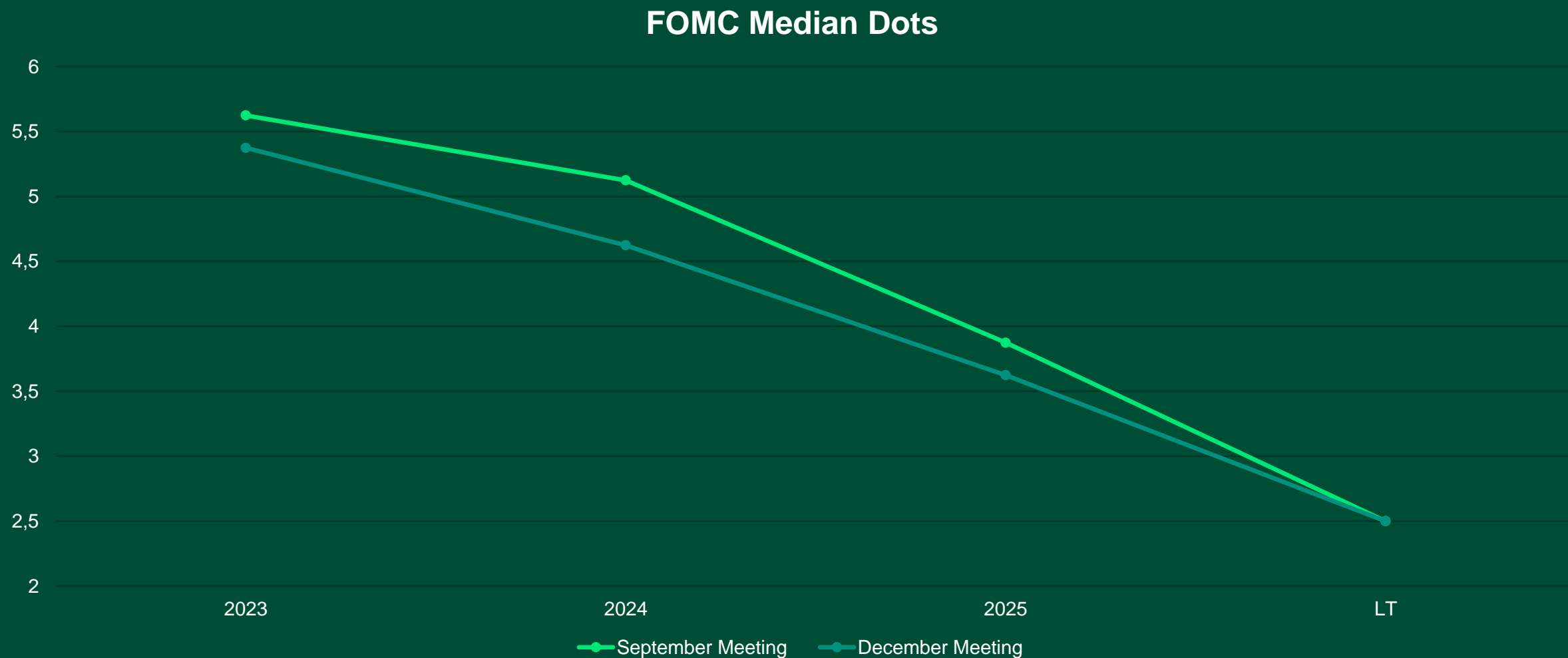
US OIS Yield Curve

Market starting to bet on interest rate cuts



December FOMC

Confirming the likelihood of cuts



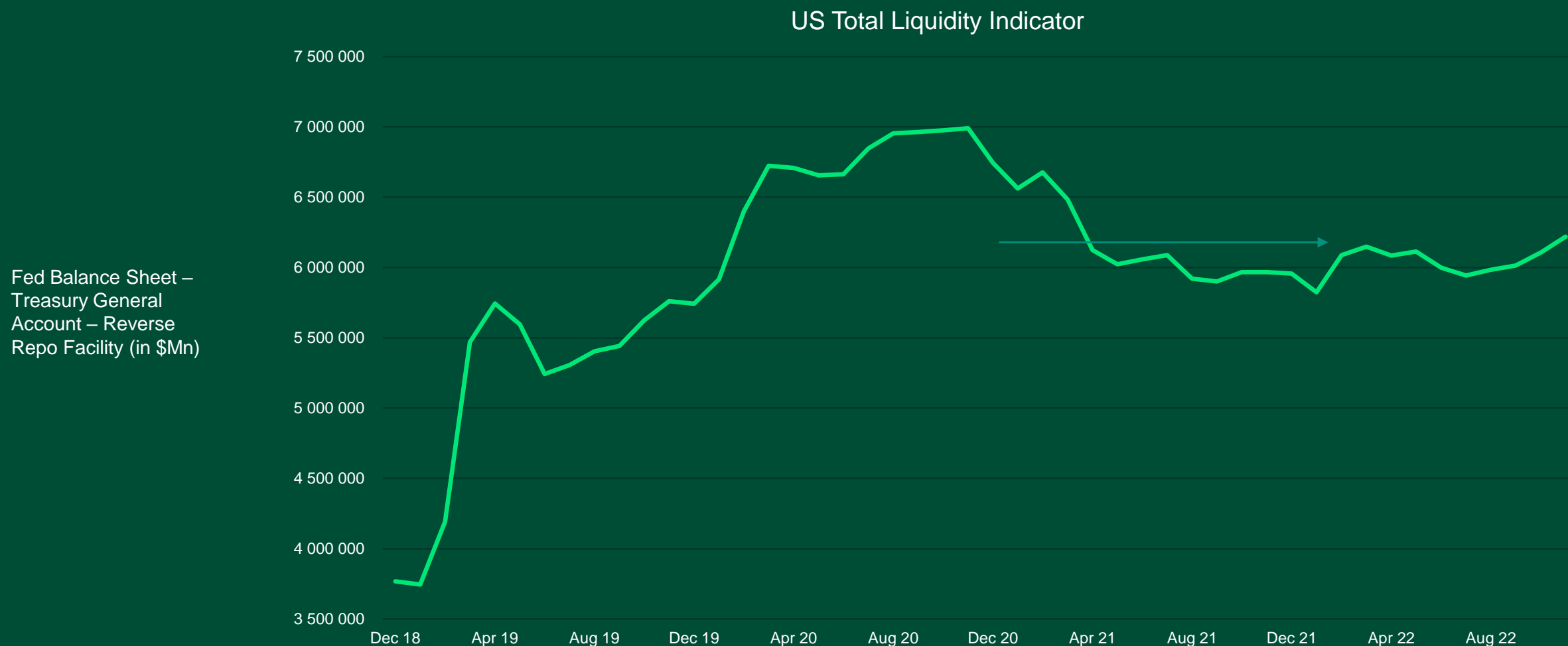
The US Economy

Inflation still above target and the economy still relatively strong



Inflation coming down?

Treasury is making the Fed's job harder



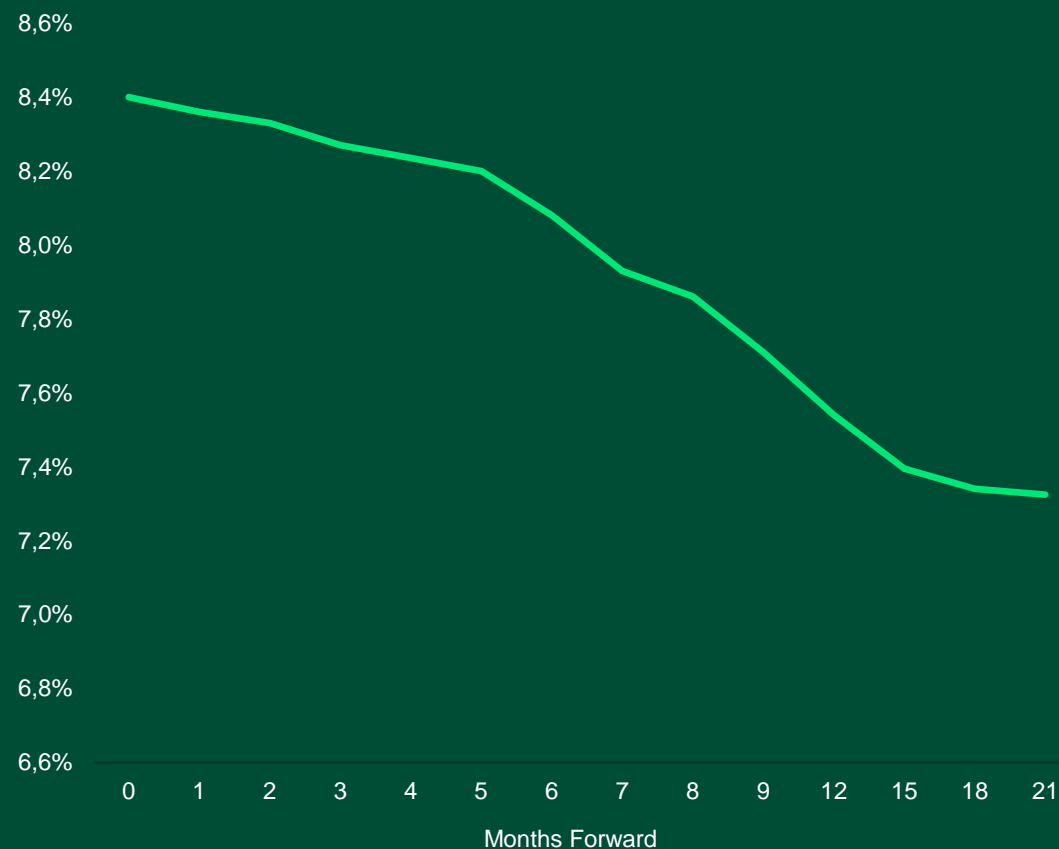
Local Rates

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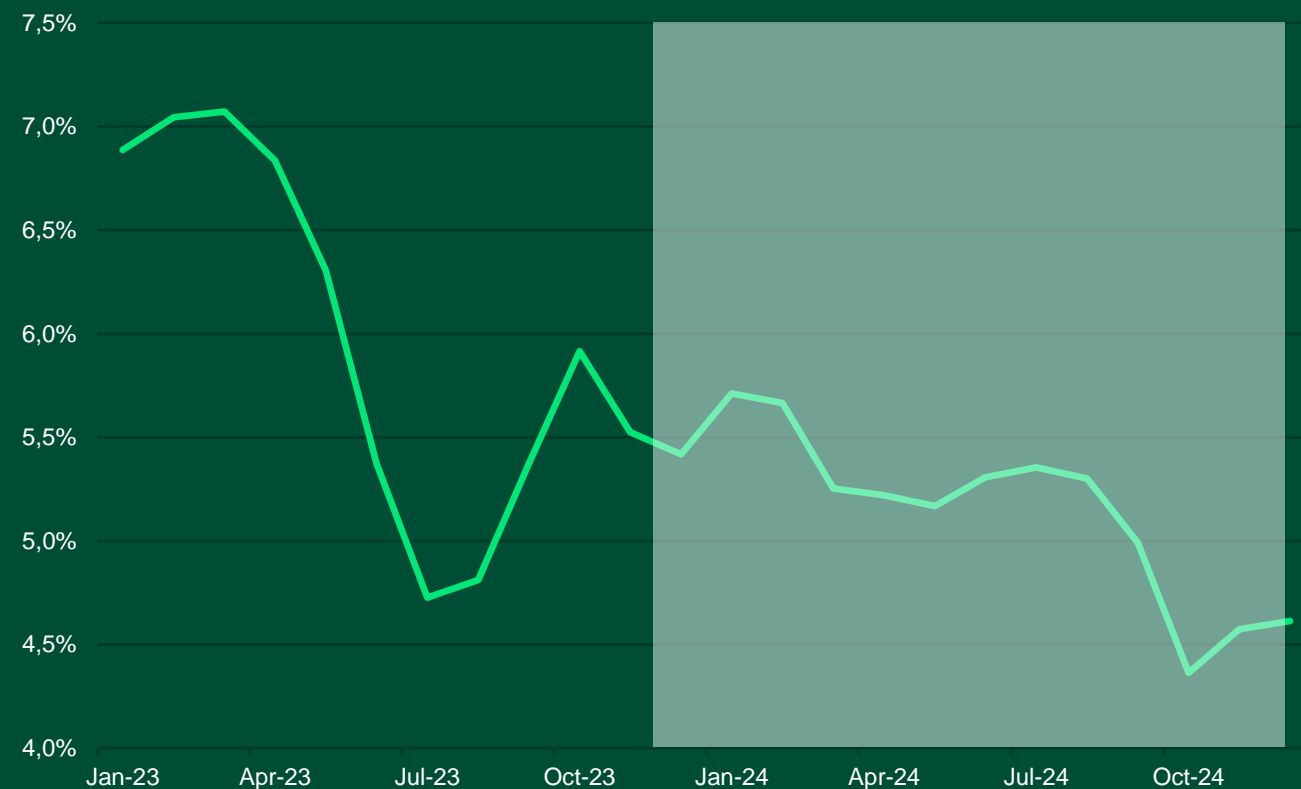
Local Rates

Hikes most likely finished, but remain cautious

FRA Curve



SA Inflation



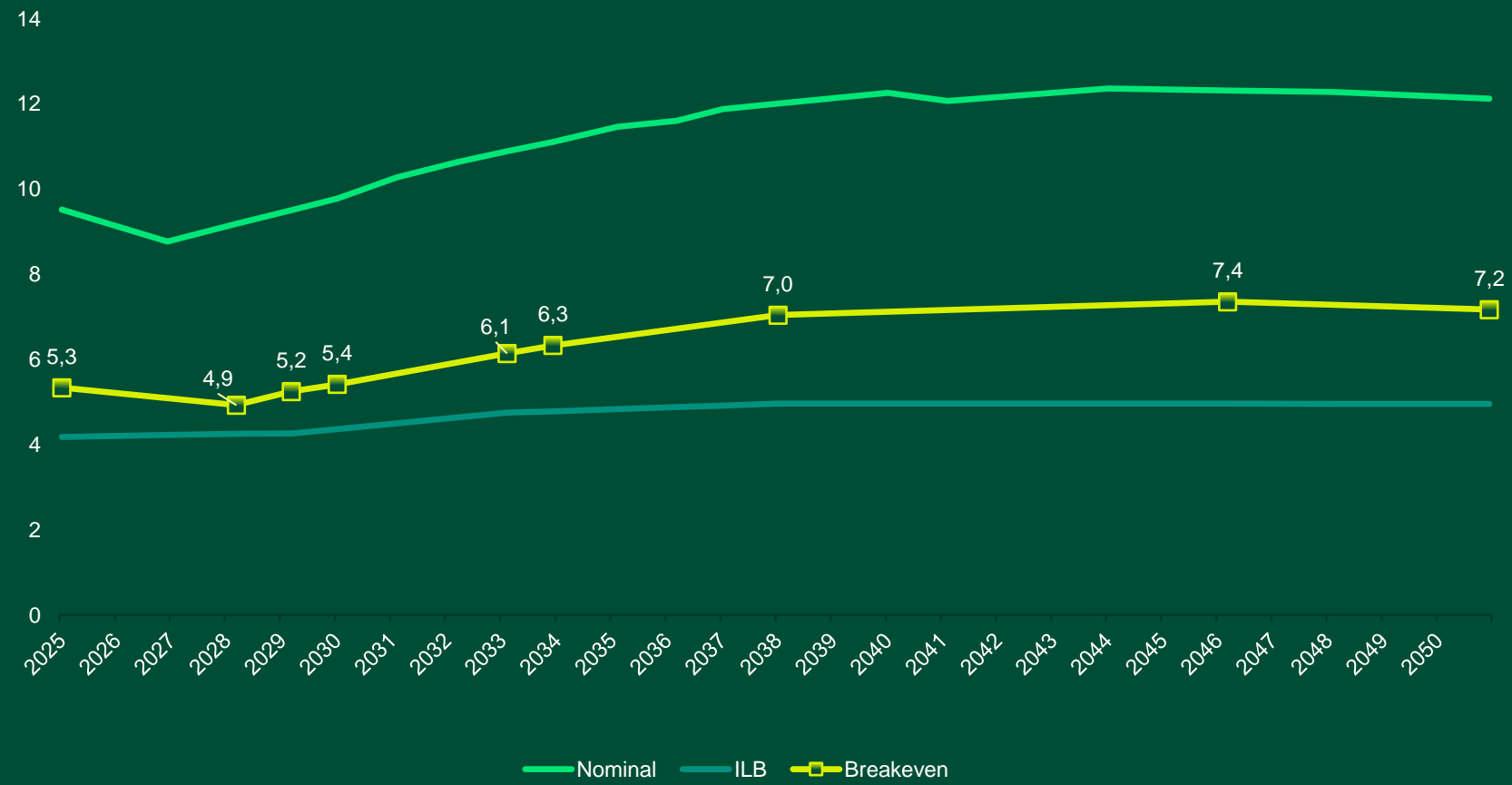
Bond Valuations

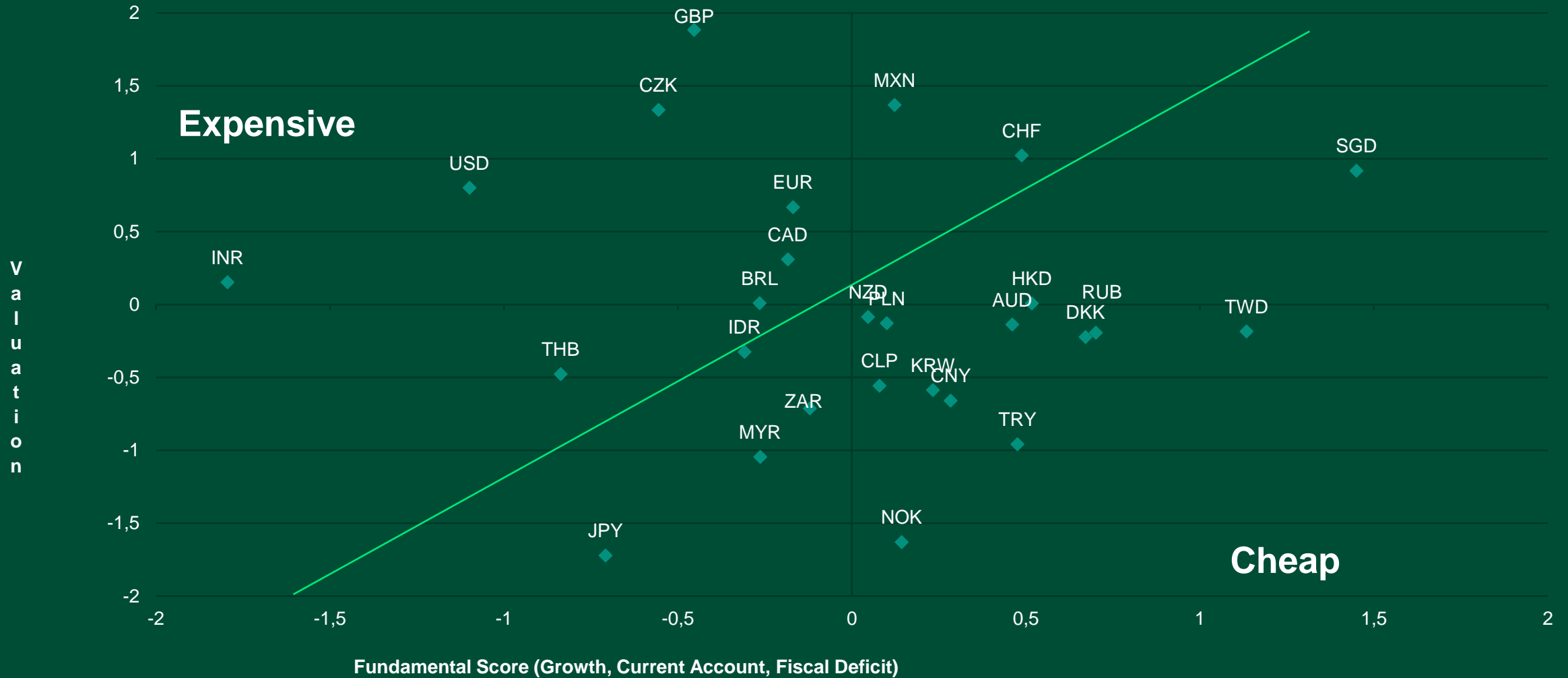
Are Bonds Cheap?



10Y Bond Valuation

US 10Y Real	1.7%
SA Inflation (LT)	5%-5.5%
Inflation Risk Premium	0.3%
<i>Implied Country Risk Premium</i>	<i>3.5% - 4.0%</i>
SA 10Y Yield	11.0%





Portfolio Overview

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Portfolio positioning

Nedgroup Investments Flexible Income Fund

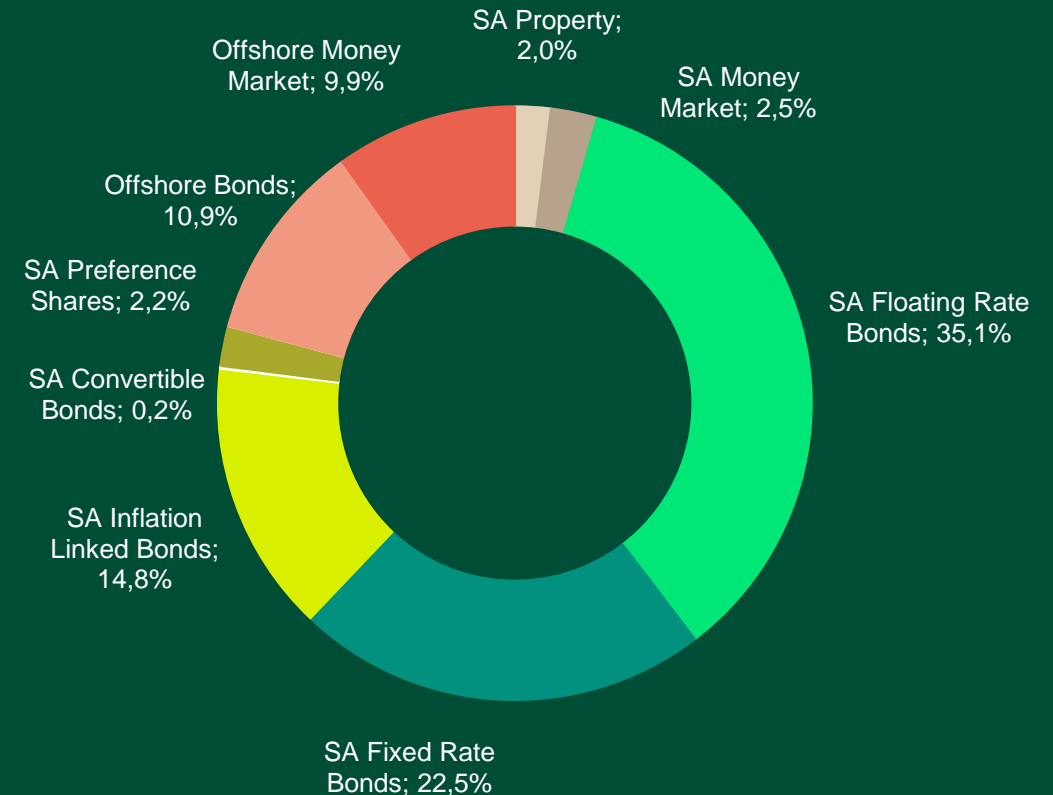
Fund Strategy

- Focus on diversification
- Maintain high degree of credit quality
- Bonds move to fair value, remain nimble
- Take advantage of overly hawkish/bearish market moves

Fund Analytics

- Fund estimated gross 12-month projected yield 9.6%
- Fund total duration 1.5 years
 - 0.8 Year SA Bonds
 - 0.3 Year SA Inflation Linked Bonds
 - 0.3 Year Offshore Bonds
- Effective FX exposure 3.8%

Portfolio Positioning



Thank you.

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