Nedgroup Investments **Property Fund**

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January 2024

Performance to 31/12/2023

Strong relative performance since the end of 2019

	Quarter	Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)
Fund	8.6%	4.5%	15.6%	-3.3%	-5.3%
FTSE/JSE SAPY Index	16.4%	10.1%	14.9%	0.2%	-1.7%
Benchmark (peer group average of ASISA category)	14.3%	8.5%	13.4%	-0.4%	-1.9%

Source: Morningstar, Nedgroup Investments.

Fourth quarter performance

- The Fund underperformed both the market and the peer group
- Market returns driven by recovery in sector heavyweights Growthpoint & Redefine and rand-hedges like NEPI
- Positions in Accelerate, Delta and GRIT also detracted from performance
- Large overweight positions in Fairvest B and Spear made a positive contribution to absolute and relative performance

Performance in the fourth quarter

Driven by recovery in Growthpoint & Redefine and rand hedges

36.1%

Lighthouse was the best performer in the fourth quarter benefiting from the weaker rand and low levels of liquidity

9.7%

NEPI, Growthpoint & Redefine contributed 9.7% to the sector's return in the fourth quarter

Performance over past 12 months

Prospect of Fed pivot helped drive returns in the fourth quarter

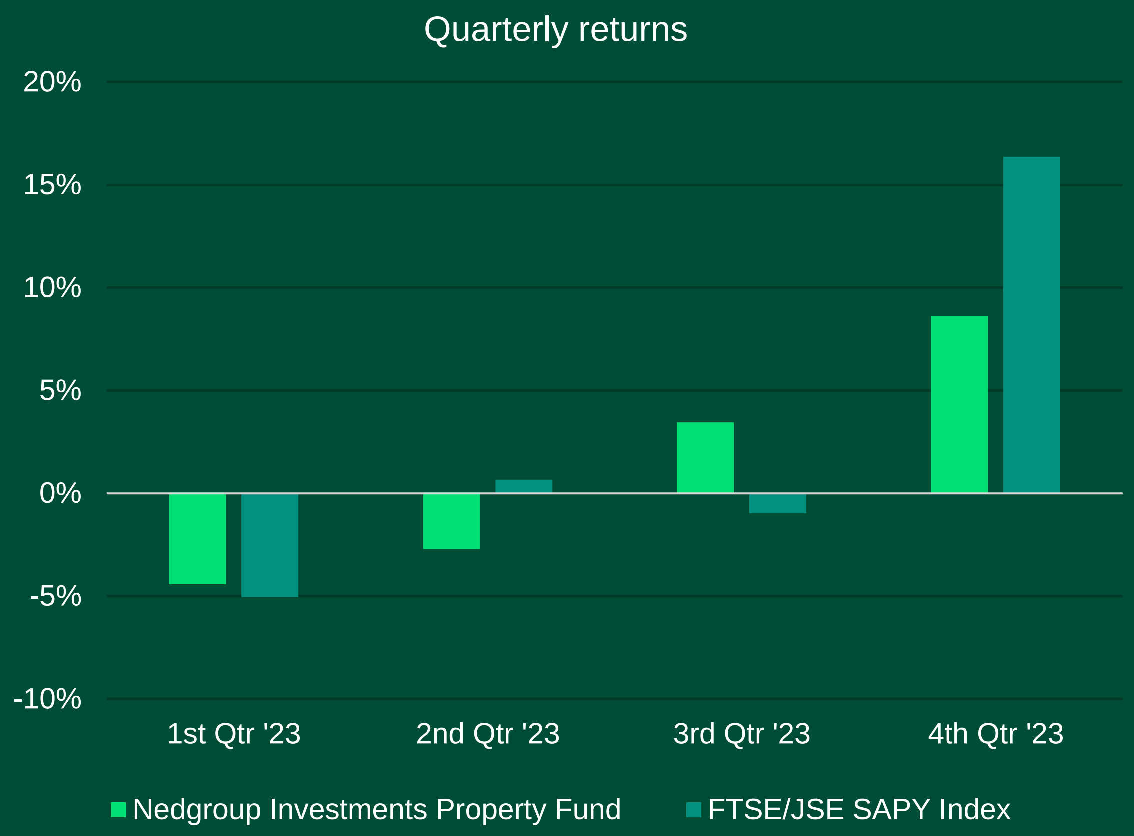
NEDGROUP INVESTMENTS

8.5%

The Fund underperformed the market over the past 12 months due primarily to the weaker rand – the SAPY index exposure to South Africa is now just 45%.

8.6%

Income return (net of fees) was just above 8.5%, lower than expected due to not receiving dividends from Accelerate, Indluplace & NEPI (return of capital).



Current fund positioning

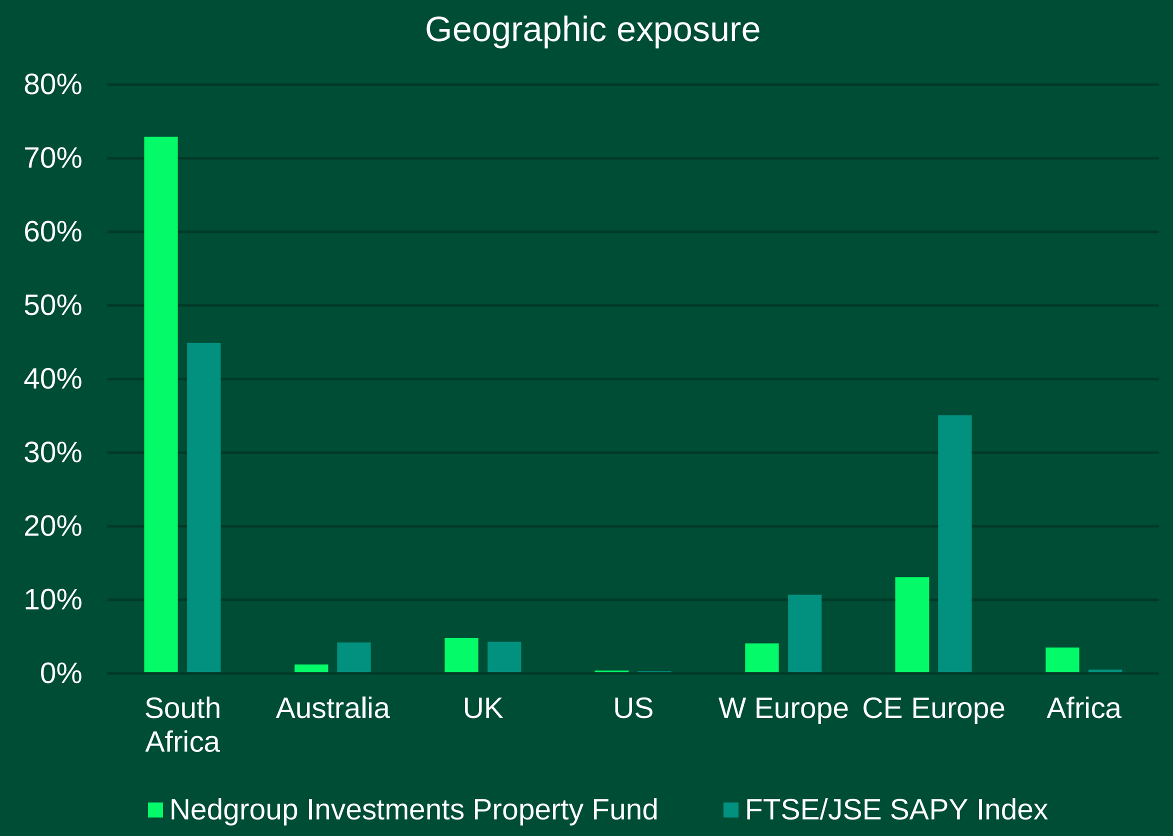
Overweight SA and underweight Eastern Europe

72.9%

SA focussed portfolio offering above-average income yield (+2% above the market and peer group). Within SA, the Western Cape remains the preferred region and Gauteng (especially Sandton offices) the least preferred.

13.1%

Exposure to Eastern Europe remains below the market average but has been increased during the quarter through higher exposure to NEPI.



Current fund positioning

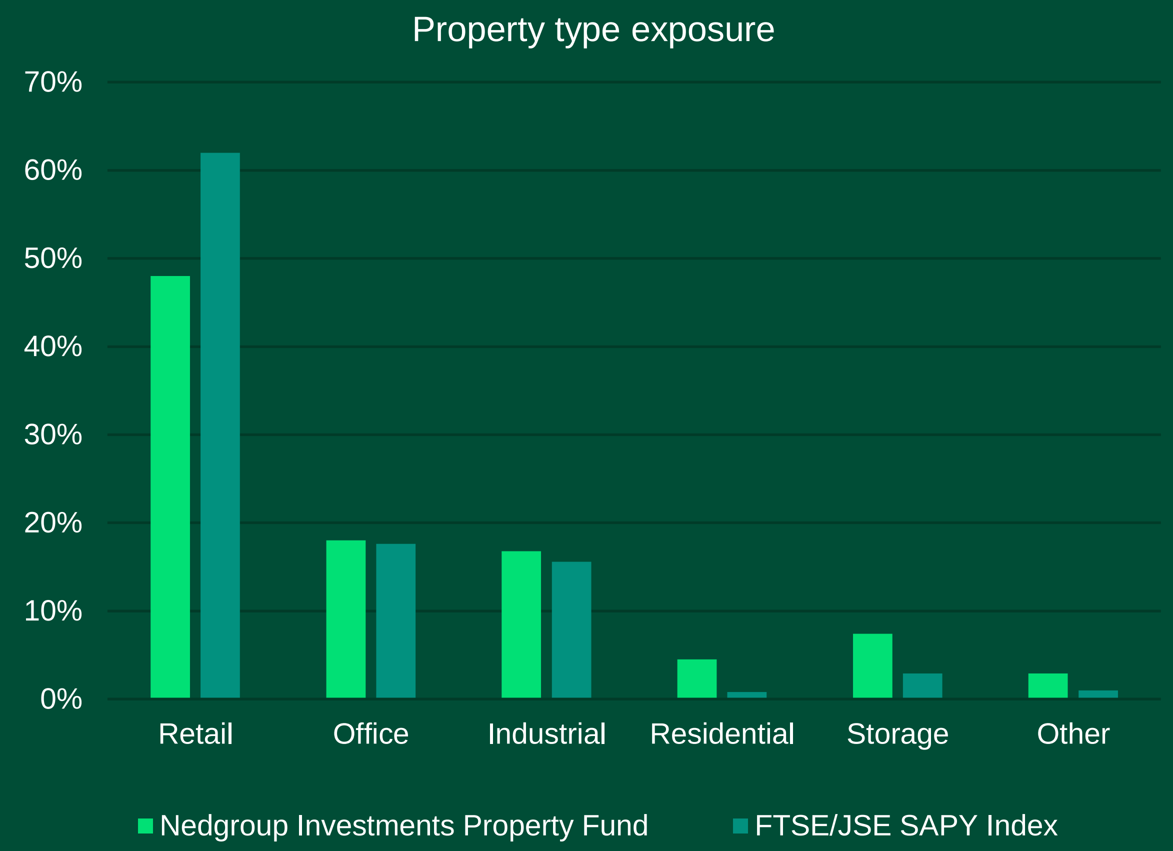
Underweight large malls and overweight residential and self-storage

22.5%

Convenience and neighbourhood retail remains the single largest property type exposure in the portfolio and has continued to deliver above-average growth in rental income.

11.9%

Residential and self-storage exposure is high but has reduced substantially following SA Corporate's acquisition of Indluplace.



Outlook for 2024

Distributions for the Fund are forecast to grow in excess of 10% given the artificially low base created in 2023

Following strong capital growth in the fourth quarter and some downward revisions to forecast dividends, the forward income yield is now just above 10%

The outlook for the sector has improved given fewer and less severe incidences of loadshedding and expectations that globally, interest rates have peaked and central banks should start cutting rates in 2024

There is still significant value in the sector although most of that value now sits in companies that are not in the major indices

Thank you.

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