

Stability Through Diversification

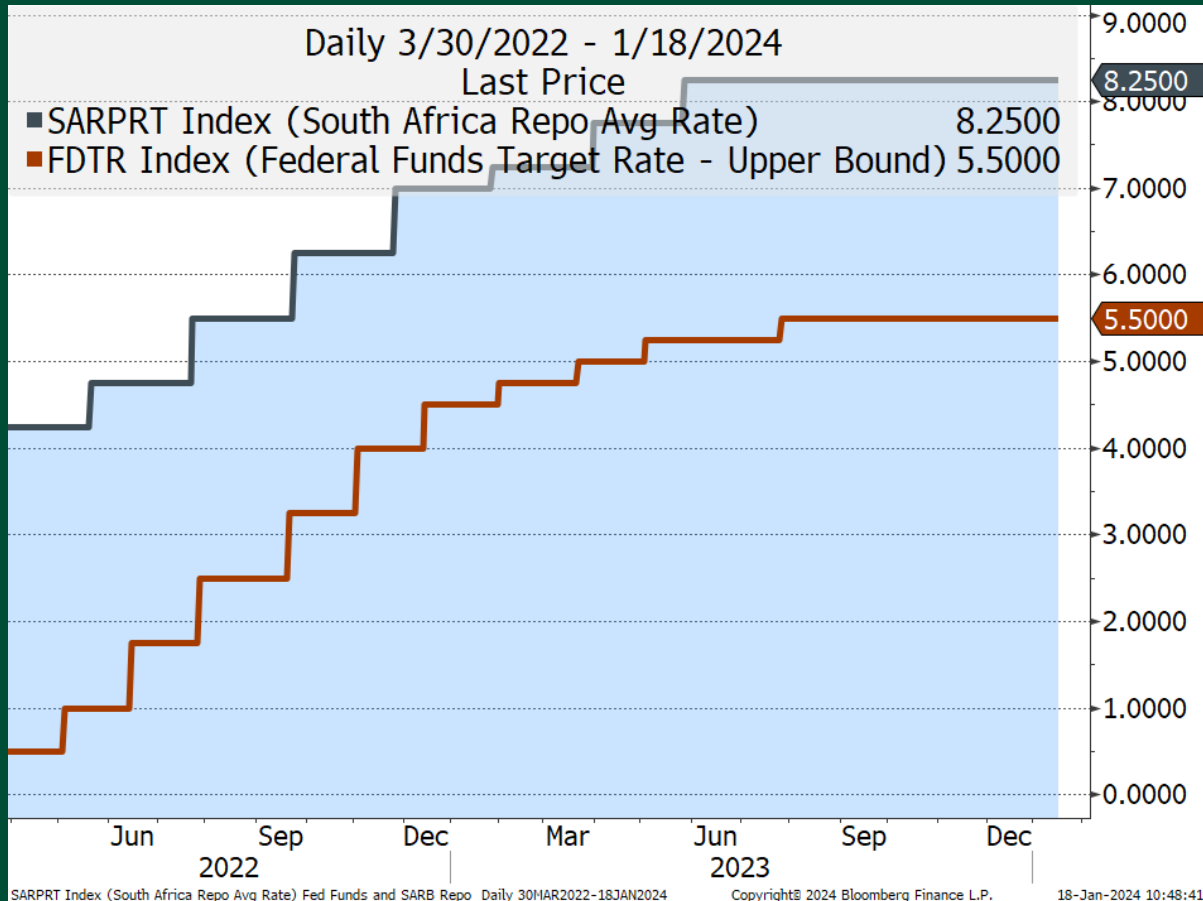
Rashaad Tayob

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Nedgroup Investments Stable Fund

see money differently

January 2024

2023 The year FED hiked until something broke.....and then hiked some more

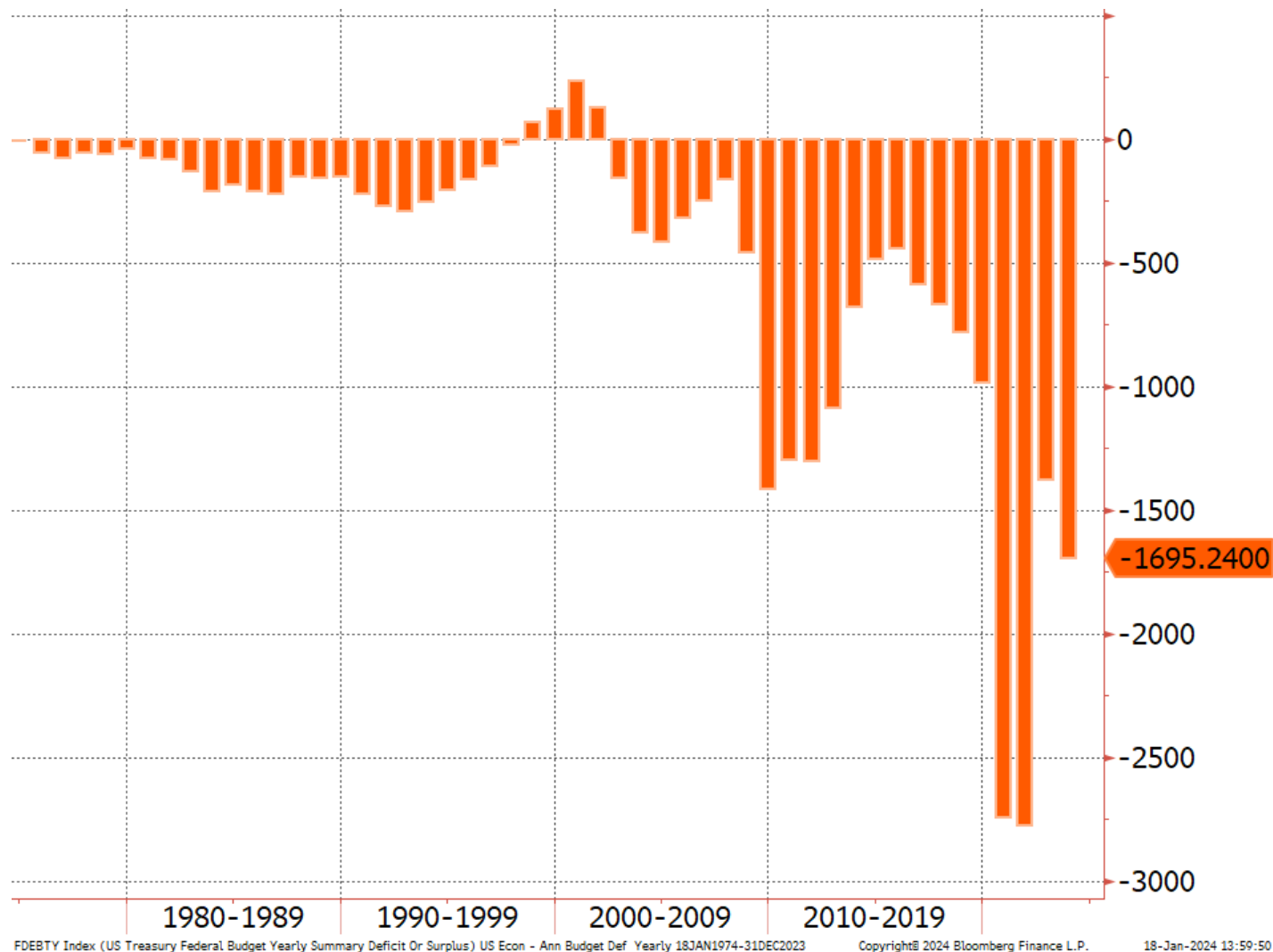


The Largest Bank Failures in US History

Bank name	Bank failure date	Assets*
Washington Mutual Bank	Sept. 25, 2008	\$307 billion
First Republic Bank	May 1, 2023	\$212 billion**
Silicon Valley Bank	March 10, 2023	\$209 billion**
Signature Bank	March 12, 2023	\$110 billion**
IndyMac Bank, F.S.B.	July 11, 2008	\$31 billion
Colonial Bank	Aug. 14, 2009	\$26 billion
First Republic Bank-Dallas, N.A.	July 29, 1998	\$17 billion

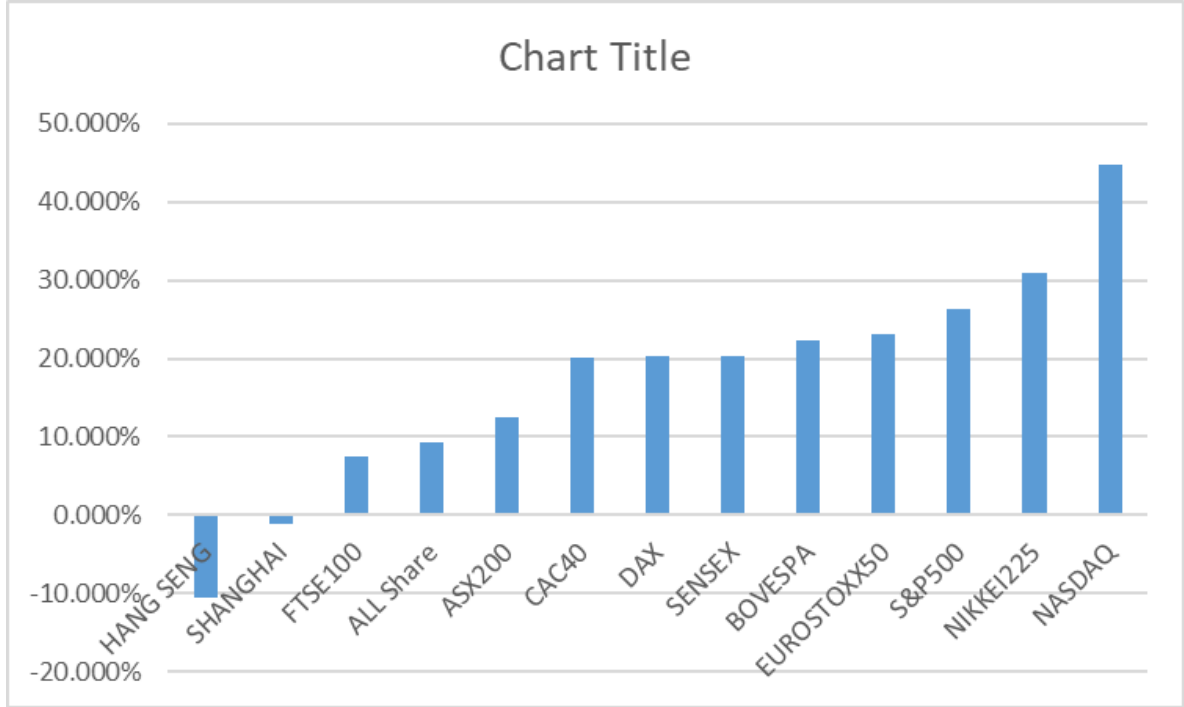
Massive fiscal stimulus was enough to offset the monetary tightening

Increasing Divergence between Spending and Revenue. What happens in a recession?



The much predicted Recession never arrived

Stocks Recovered their 2022 losses, Bond Yields almost unchanged



Protecting capital is the first step to growing capital

2023 was a year of recovery for global markets

Returns* (%) 12 months to 31 December 2023



Protecting capital is the first step to growing capital

2 Year Returns: Global Equities back to square one - where to from here?

Returns* (%) 24 months to 31 December 2023



Performance attribution/contribution

Sector contribution to 31 December 2023

	JSE equities %	JSE property %	Bonds %	Cash %	Other Assets %	Foreign assets %
3 months	0.9	0.6	2.0	0.2	0.5	0.0
1 year	2.4	1.0	3.1	0.7	1.0	3.2
Average weight*	11%	3%	27%	11%	5%	43%

Contributors

- SA Equities
- SA Bonds and Property
- Standard Bank

Detractors

- Global equity
- Naspers/Prosus

* 1 year

Nedgroup Investments Stable Fund

Performance to 31 December 2023



	A Units ¹	Inflation ²	Peer mean ³
	%	%	%
1 year	10.7	5.6	11.1
3 years p.a.	7.5	6.2	8.5
10 years p.a.	7.6	5.2	6.9
15 years p.a.	9.3	5.3	8.1

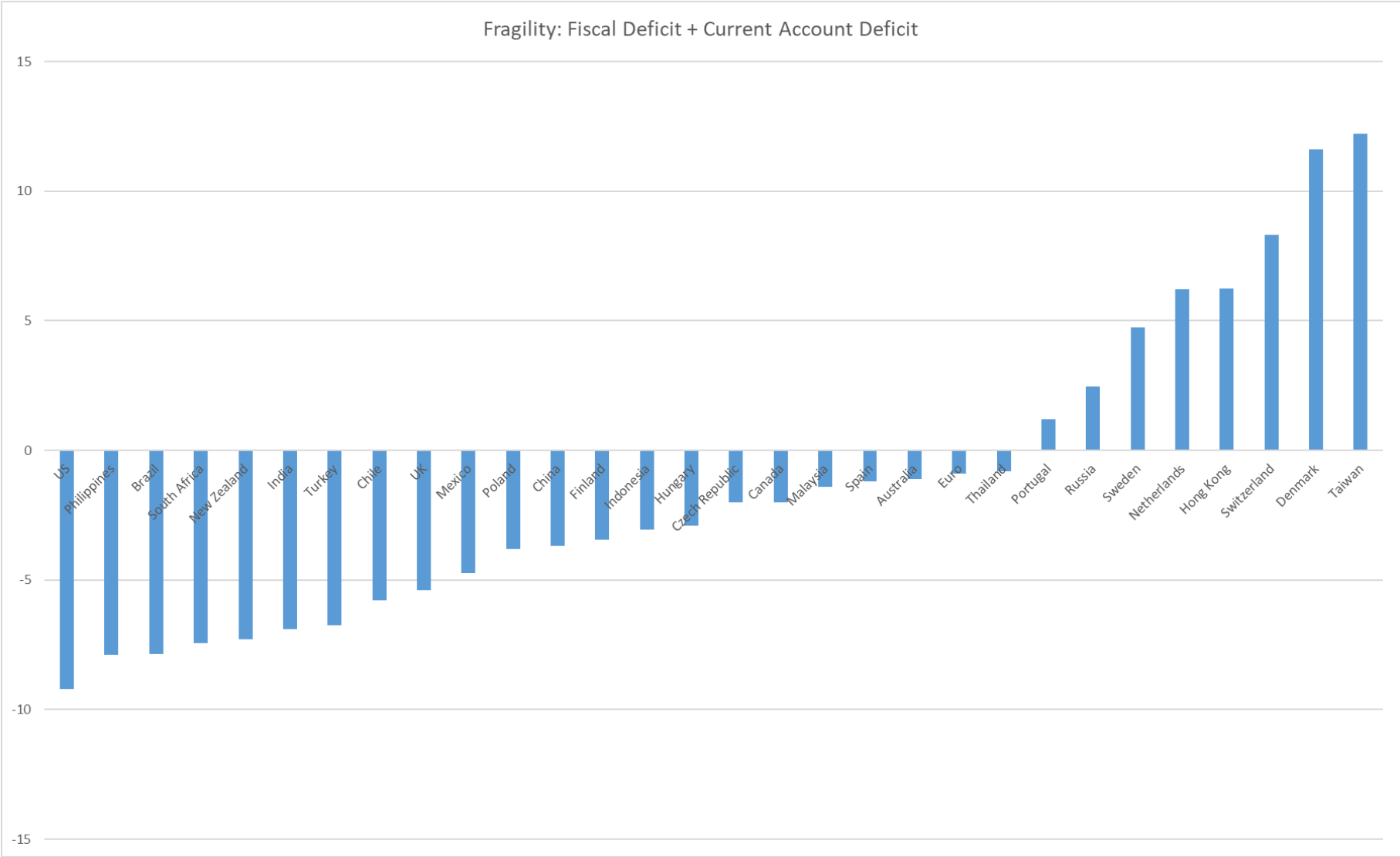
Note 1: Daily linked total return (capital & income) based on unit price (3pm valuations). Returns in percent net of service fees and fund expenses

Note 2: Source: Stats SA (estimated for December 2023)

Note 3: Morningstar South African MA - Low Equity Category

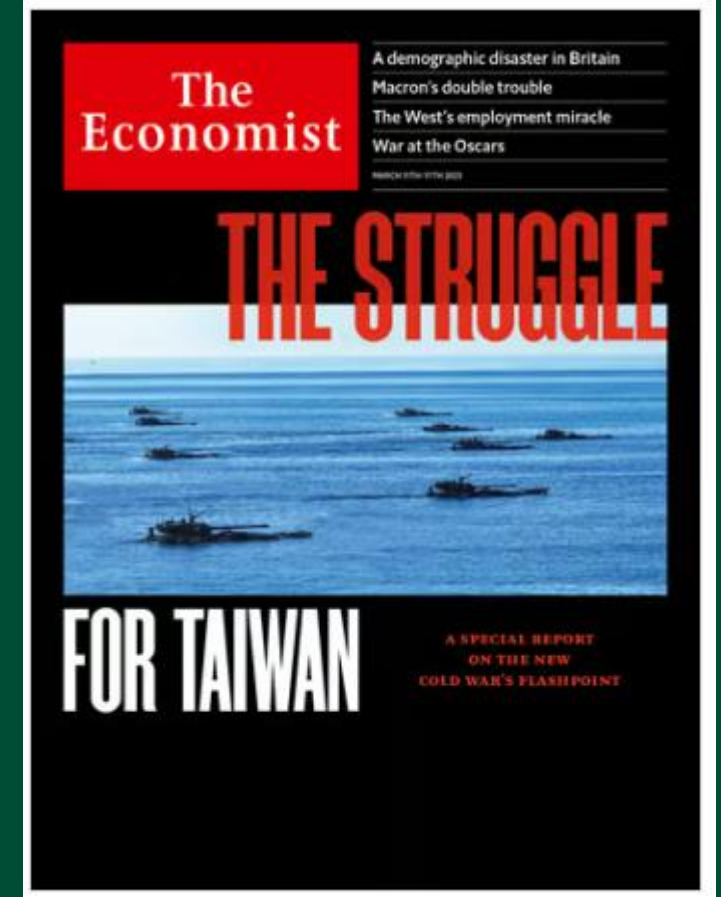
Massive imbalances in the Global Economy

The US boom is on shaky foundations



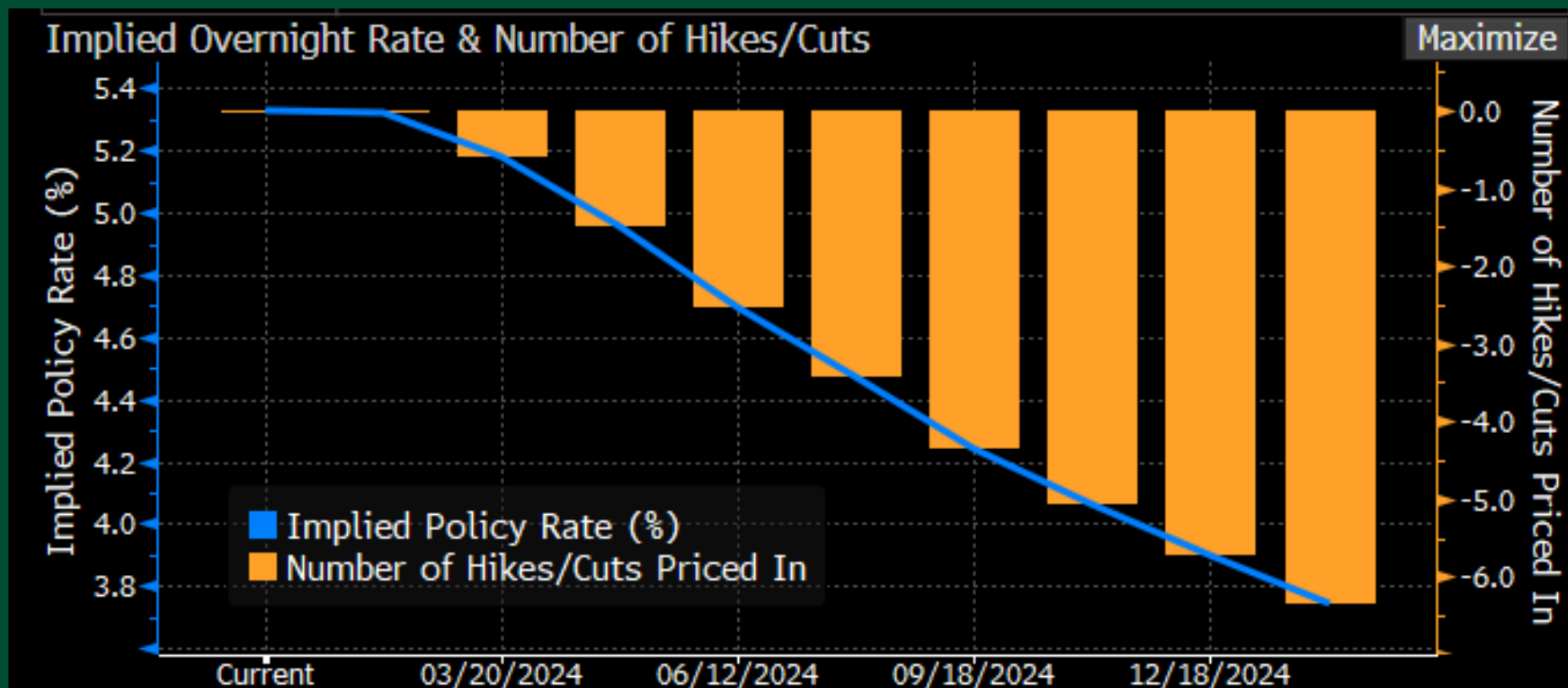
Geopolitical Risks abound

How long can the markets ignore deglobalization?



The market is very optimistic on inflation and rates

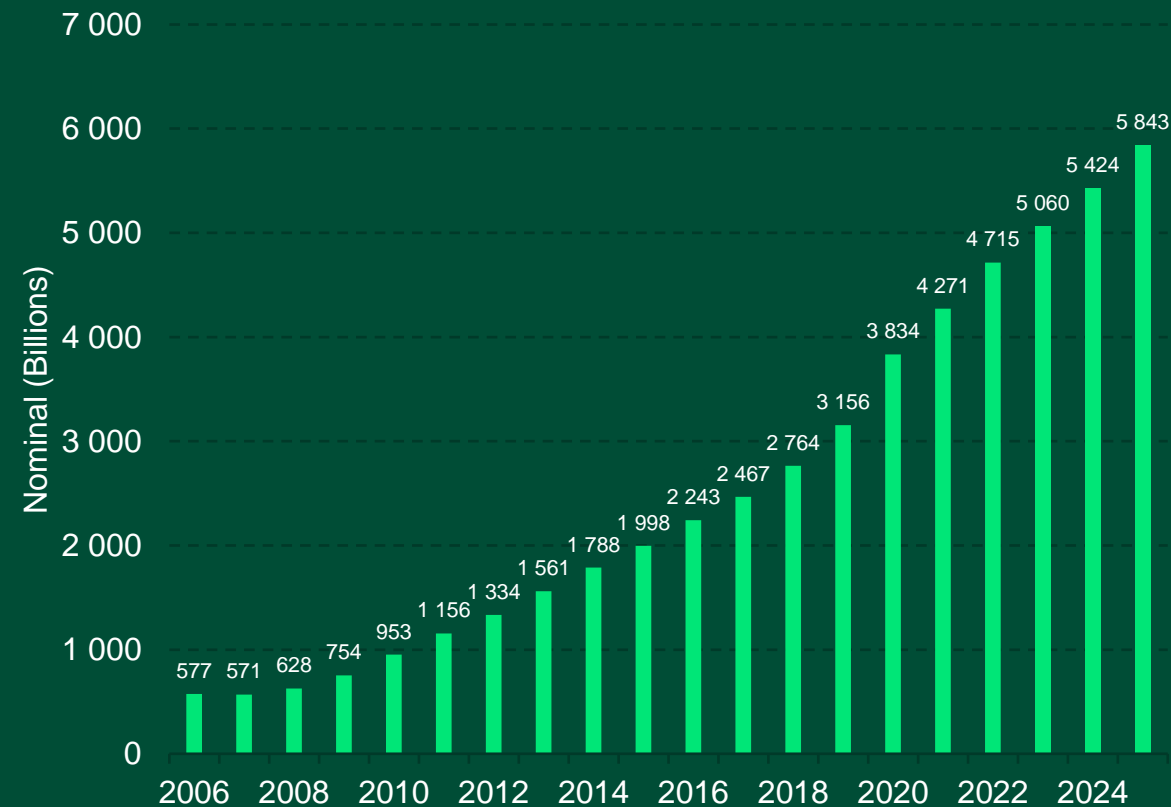
What if rates don't come down as expected?



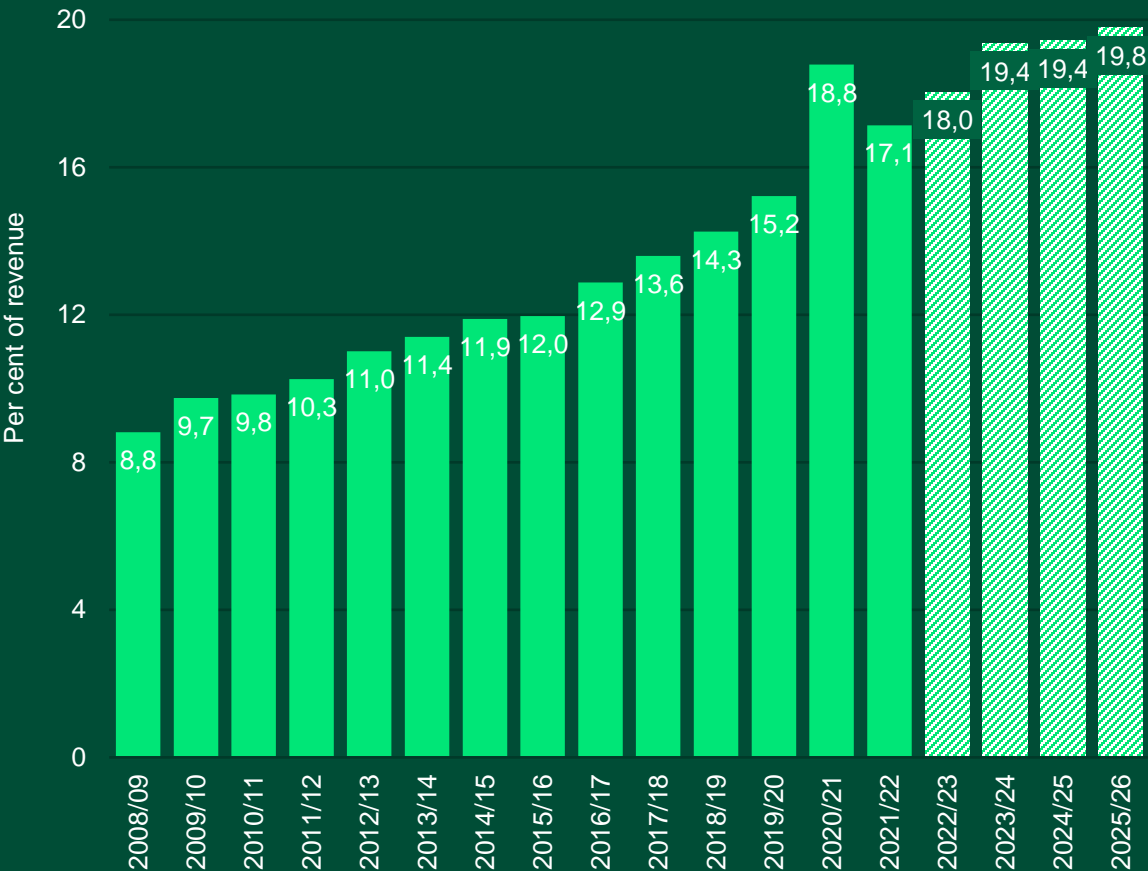
SA's Upcoming February Budget will be another challenging one

How much will we rely on our reserves?

South Africa Debt Profile



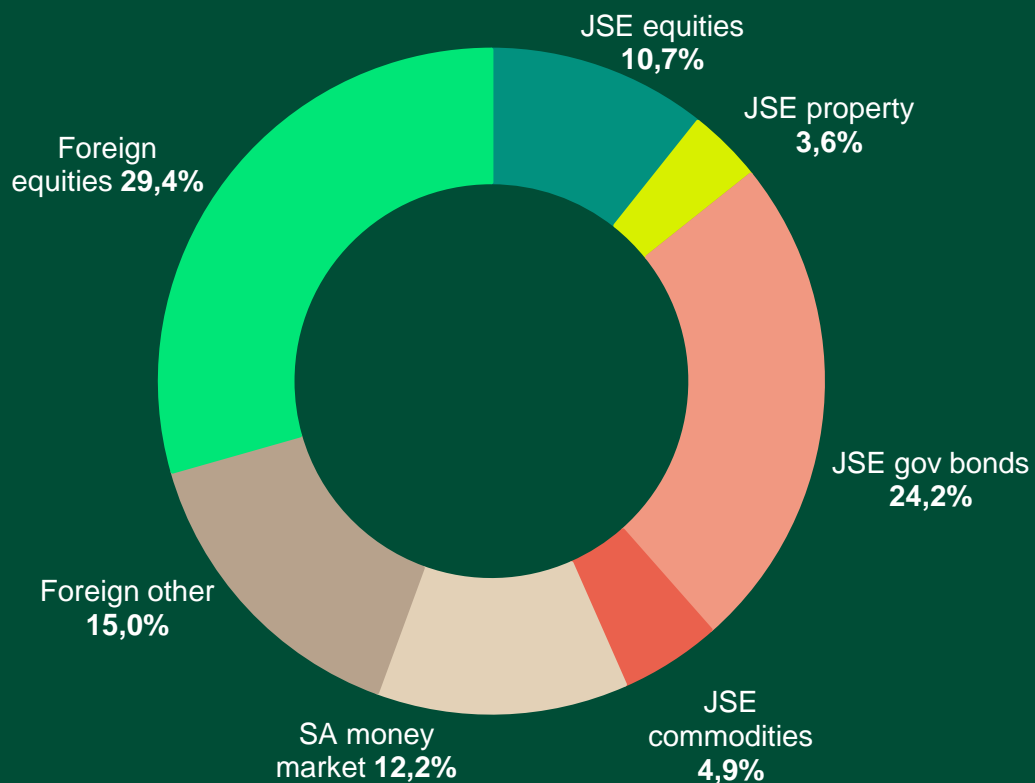
Debt-service costs a % of budget revenue



Nedgroup Investments Stable Fund

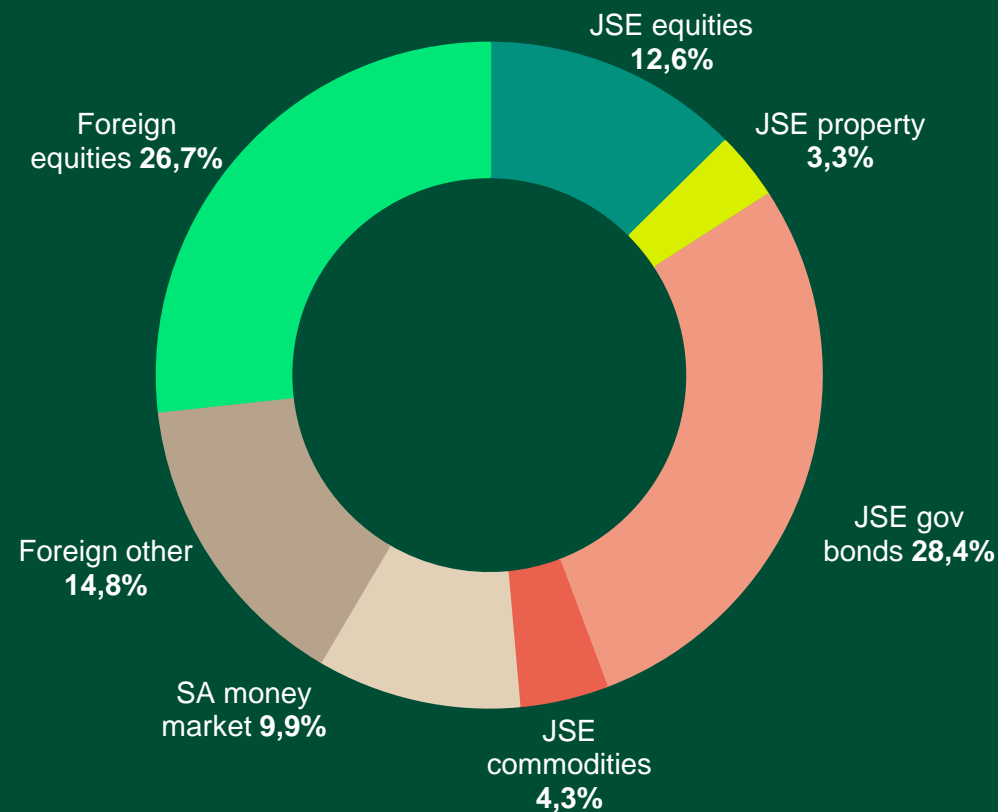
Asset allocation – diversified for stability

31 December 2023



31 December 2023 Total equity holding = 40%

31 December 2022



- Global asset prices elevated after the Q4 rally
- Lower inflation allows room for rate cuts, but will it be enough?
- Political and Geopolitics risk will remain elevated
- SA economy structurally challenged
- SA Bonds reasonable value, short term Inflation Linked Bonds attractive
- Physical gold is an attractive diversifier
- Diversification ensures STABLE inflation beating outcomes

Thank you.

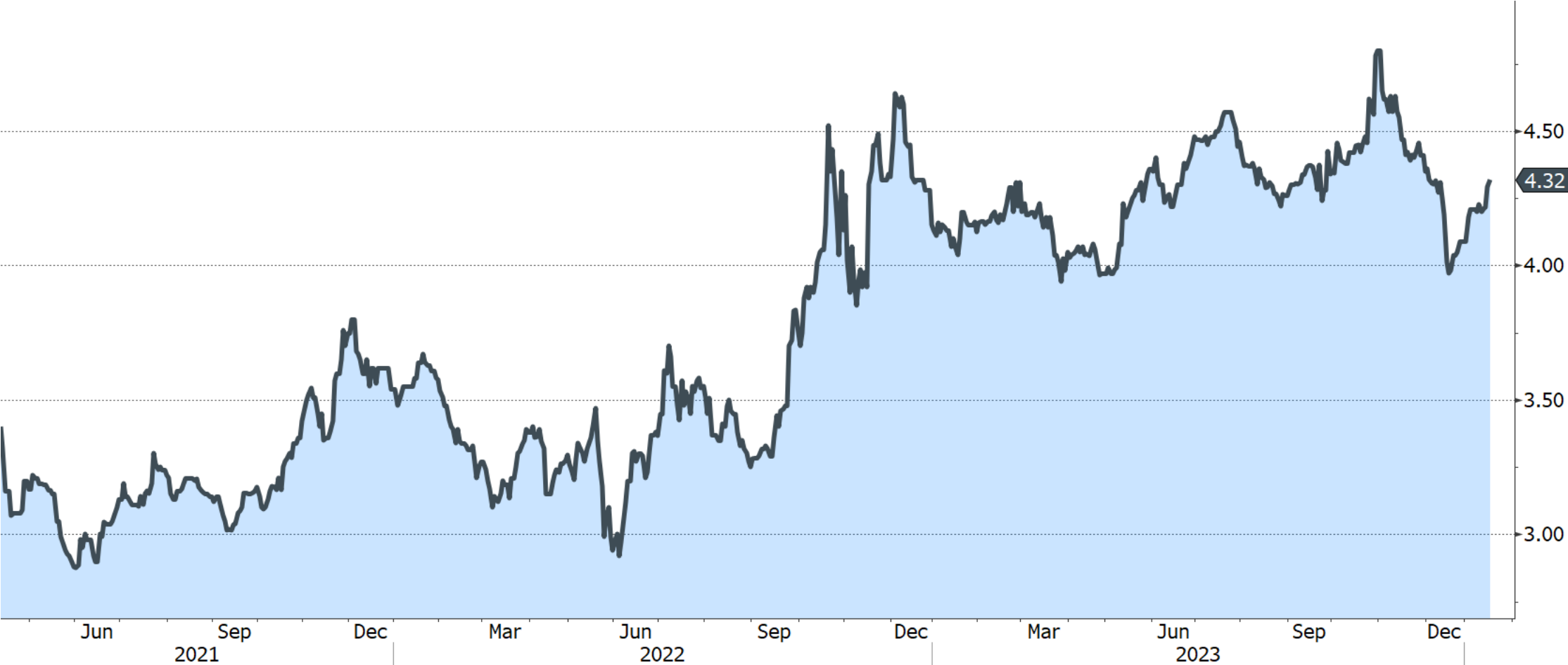
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South African ILB's look attractive

“Real” yields above 4%



LW909927 Corp (SACPI 1 7 03/31/29) Pres - I2029 Yield Daily 12APR2021-18JAN2024

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