

see money differently



NEDGROUP INVESTMENTS

Cash Solutions Range

Q2 2023

Marketing Communication

Nedgroup Investments Cash Solutions Range

Past performance is not indicative of future performance and does not predict future returns.

| Periodic returns up to 30 June 2023 | 1 month | 3 months | YTD 2023 | 1 year | 3 years | Gross Est. Yield* | Modified Duration |
|-------------------------------------|---------|----------|----------|--------|---------|-------------------|-------------------|
| Money Market Fund | 0.7% | 1.8% | 3.4% | 6.3% | 5.0% | 9.02% | 0.11 |
| Prime Money Market Fund | 0.6% | 1.7% | 3.2% | 6.0% | 4.7% | 8.17% | 0.09 |
| Corporate Money Market Fund | 0.7% | 1.8% | 3.4% | 6.4% | 5.0% | 8.88% | 0.10 |
| Core Income Fund | 0.8% | 2.2% | 4.3% | 7.8% | 5.8% | 9.15% | 0.12 |
| <i>SteFI Call</i> | 0.6% | 1.9% | 3.6% | 6.6% | 4.6% | | |
| <i>SteFI Composite</i> | 0.6% | 1.9% | 3.7% | 6.8% | 5.0% | | |

All net return for the Nedgroup Investments fund's respective C classes. Source: Morningstar

*Gross Est. yields are available daily at **Cash Solutions** (nedgroupinvestments.co.za)

Macro Overview

The U.S. economy has held up despite the Fed's aggressive interest rate hikes. First quarter GDP growth was revised up to 2%, unemployment is close to all-time lows, and consumer confidence is at a 17-month high. In June's FOMC meeting, policy rates were left unchanged on the back of risks pertaining to second round effects - underpinned by a resilient economy.

On the other hand, the rest of the world economy continues to buckle under restrictive monetary pressures. Looking at the PMI manufacturing indices, the EU is at 43, the worst since October 2022, and the sixth decline in a row. The UK is at 46, and down for a fourth straight month. Germany is at 41, a fifth straight drop and the worst in 8 months.

In SA, the Absa PMI print slid to 47.6 in June, the lowest reading in the prevailing calendar year. Fears of a mild recession that can further tame inflation have also begun to resurface. In the month of May, headline CPI fell to 6.3% y/y from 6.8% y/y in April, and below surveyed expectations of 6.5% y/y

With inflation receding quickly, it now looks increasingly likely that rates may have peaked at 8.25%. The FRA market is currently pricing in a 60% probability of a 25-bps hike at the next MPC meeting. The outlook for policy intervention beyond what the market is pricing in will arguably hinge on the rand and trends in policy rates elsewhere in the world.

In the SA money market, the 3-m JIBAR rate was unchanged versus the previous month at 8.5%, while the 12-m JIBAR rate fell by 40 bps m/m to 9.6%. These elevated JIBAR rates mean that money market funds are likely to generate a return of between 9% and 10% over the next 12 months with no (or limited) risk of capital loss.

Disclaimer

WHO WE ARE

Nedgroup Collective Investments (RF) Proprietary Limited is an authorised Collective Investment Scheme and the representative of Nedgroup Investments Funds PLC in terms of the Collective Investment Schemes Control Act. 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.

GROSS ESTIMATED YIELD

Gross Yield: means the sum of all expected income over the next 12-months from underlying instruments in the portfolio divided by the cumulative net asset value of the fund. The expected income amounts are approximate and based on market assumptions and forecasts. Actual returns may differ, based on changes in market values, interest rates and changes in costs experienced during the investment period.

MODIFIED DURATION

Modified duration measures how sensitive a bond's price is to a change in the interest rate level and follows the concept that interest rates and bond prices move in opposite directions. In other words, it estimates by how much, measured as '% change', you can expect a bond price to fall for every 1% increase in interest rates and vice versa. The weighted average modified duration collectively measures the total portfolio's sensitivity

HOW ARE OUR FUNDS PRICED

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 is available on request from Nedgroup Investments. One can also obtain additional information on Nedgroup Investments products on our website.

DISCLAIMER

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. 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. Our funds are traded at ruling prices and can engage in borrowing and scrip lending.

Some funds may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks, which could include foreign exchange risks, market conditions and macro-economic and political conditions.

A fund of funds may only invest in other funds, and a feeder fund may only invest in another single fund, both will have funds that levy their own charges, which could result in a higher fee structure.

The Nedgroup Investments Money Market Fund offering aims to maintain a constant price of 100 cents per unit. A money market fund is not a bank deposit. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument held. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of a capital loss. Excessive withdrawals from the fund may place the fund under liquidity pressures and that in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average as at the relevant dates provided for in the fund fact sheet. Nedgroup Investments has the right to close its funds to new investors in order to manage it more efficiently.

NEDGROUP INVESTMENTS CONTACT DETAILS

Tel: 0860 123 263 (RSA only)

Tel: +27 21 416 6011 (Outside RSA)

Email: info@nedgroupinvestments.co.za

For further information on the fund please visit: www.nedgroupinvestments.co.za

OUR OFFICES ARE LOCATED AT

Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001

WRITE TO US

PO Box 1510, Cape Town, 8000

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