



UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

see money differently

A photograph of an open book with white pages, tied with a white string bookmark. The text is overlaid on the right side of the book.

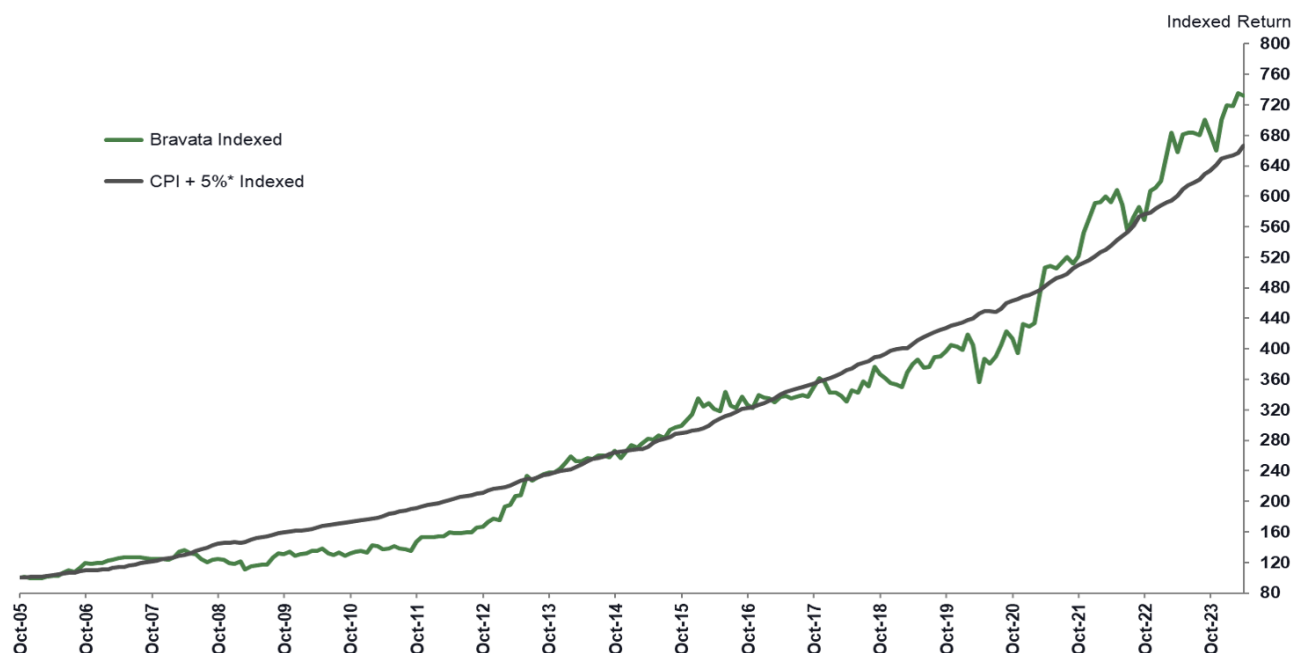
NEDGROUP INVESTMENTS

Bravata Worldwide Flexible Fund

Quarter One, 2024

PERFORMANCE

31 March 2024 (Annualised Net returns %)	1 year	3 years	5 years	7 years	10 years	Since Inception
Fund – A Class ¹	11.3	13.1	14.0	11.7	11.2	11.4
Benchmark ²	10.8	11.4	10.3	10.1	10.4	10.8



*Benchmark changed from CPI +4% to CPI +5% 1 January 2007. Past performance is not indicative of future performance.

Source: Stats SA, 31 March 2024

Despite delivering a positive 1.7% performance this quarter, the fund slightly trailed the 2.3% benchmark. Over longer periods the fund has delivered outperformance as can be noted above.

Contributors and detractors

Positive Contributors	%	Negative Contributors	%
Rubis	1.2	Delfi	-0.6
Berkshire Hathaway Inc-CI B	0.9	Sabre Corp	-0.6
Bath & Body Works Inc	0.5	AECI LTD	-0.5
Sbm Offshore Nv	0.4	Victoria's Secret & Co	-0.4
Dollar General Corp	0.3	St James's Place Plc	-0.4

Date: 30/12/2023 to 31/03/2024

As can be expected, the quarter saw a mix of successes and challenges. Rubis, after a period of flat performance, delivered strong results and announced an attractive asset sale, boosting its year-to-date performance. Berkshire remained resilient, and SBM Offshore demonstrated positive results and improved capital allocation with increased share buybacks. Bath & Body Works and Dollar General, after a weak 2023, showed signs of improvement, leading to positive share price reactions.

On the negative side, Delfi, a previous winner, faced setbacks due to fears of higher cocoa prices impacting profitability. We believe this situation is temporary, and Delfi is well-positioned for future growth. Even though they reported decent results, Sabre continued to be weak after an underwhelming outlook for the year ahead.

¹ Net return for the Nedgroup Investments Bravata Worldwide Flexible Fund (A Class).

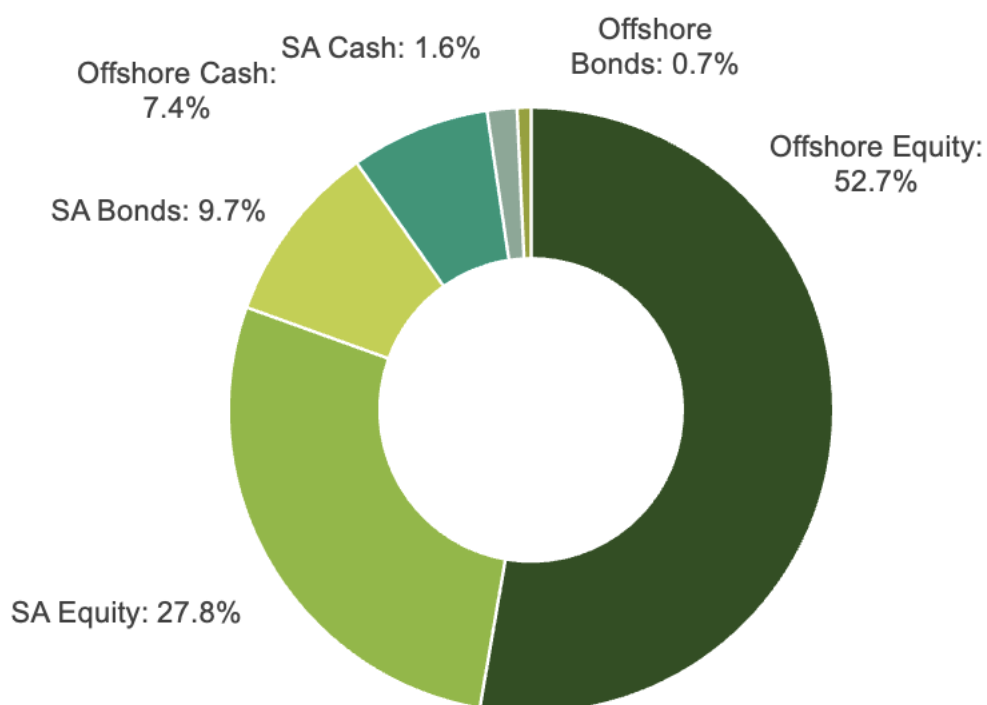
² Benchmark is South Africa CPI+5%

AECI declined in the quarter due to underwhelming results, but with new management in place and future disposals of non-core assets we believe it remains compelling. Victoria's Secret, despite reasonable 2023 results, issued weak 2024 guidance, dampening its share price. St. James's Place announced an extraordinary charge for customer complaints, impacting their 2024 earnings and cash flow.

Top Holdings

Holdings	31 March 2024	31 December 2023	Change
	%	%	%
Reinet Investments	7.8	8.1	-0.3
Aylett Global Equity Fund	7.6	6.6	1.0
Berkshire Hathaway Inc	5.3	4.7	0.6
Rubis	3.8	2.8	1.0
British American Tobacco Plc	3.0	2.6	0.4
SBM Offshore	2.9	2.5	0.4
Jumbo	2.7	2.6	0.1
Bath & Body Works Inc	2.7	3.3	-0.6
AECI Ltd	2.7	2.9	-0.2
Anheuser-Busch Inbev	2.3	2.3	0.0
Total	40.8	38.4	

Asset allocation



Activity

Entries	Holding	Change
	%	%
Netcare Ltd	1.4	1.4
WeBuyCars	0.9	0.9
Super Group Ltd	0.8	0.8
Remgro Ltd	0.4	0.4

From 31 December 2023 to 31 March 2024

We added four new companies in the quarter, some returning characters and one new. We exited none. Netcare, a company we know well and have owned before, became available again at an attractive valuation. WeBuyCars shares were obtained during the pre-listing process and are an exciting new addition to the portfolio. Super Group weakened considerably over the quarter even as their Australian listed subsidiary increased in share price, a disconnect we think will be temporary. Remgro's weaker-than-expected results presented an opportunity to add the company back to the fund.

During the quarter, we strategically increased our holdings in familiar companies that presented greater value. Spirit AeroSystems rebounded significantly from recent lows, even before the rumoured Boeing takeover, so we partially sold our stake. Other sales were driven by strong share prices, allowing us to reallocate those funds towards even more promising opportunities.

LOOKING FORWARD

This quarter's dominant global theme is the growing realisation that US interest rate cuts will likely be delayed, and be less substantial than previously expected, impacting economies worldwide. We have been highlighting the potential persistence of inflation, a scenario that now seems to be unfolding. Despite this, global markets remain surprisingly strong, fuelled by robust growth and limited signs of major economic distress.

South Africa faces a critical time with the upcoming May elections. We will not predict outcomes here, but the sudden emergence of the MK Party has added uncertainty. A coalition government seems increasingly likely at national and provincial levels, but the shape and form of this is too hard to call. Due to this uncertainty, South African assets remain lowly valued across most metrics, reflecting low (or no?) expectations for a positive outcome.

Our portfolio is carefully positioned for different scenarios. We hold cash-generative companies (both local and global) that offer substantial shareholder returns in weaker environments, and that can also grow in stronger ones. Additionally, our investment in South African bonds provides attractive real yields, whilst a cash position allows us to capitalise on future market opportunities.

Walter Aylett

31 March 2024

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.

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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

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

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