



see money differently

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

# **NEDGROUP INVESTMENTS**

## **Cash Solutions Range**

Q2 2024

**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 2024	1 month	3 months	YTD 2024	1 year	3 years	Gross Est. Yield*	Modified Duration
Money Market Fund	0.71%	2.17%	4.40%	9.04%	7.00%	8.99%	0.20
Prime Money Market Fund	0.70%	2.12%	4.23%	8.70%	6.66%	8.81%	0.20
Corporate Money Market Fund	0.71%	2.17%	4.36%	8.96%	6.93%	9.02%	0.20
Core Income Fund	0.77%	2.41%	4.75%	9.73%	7.45%	9.32%	0.15
<i>SteFI Call</i>	0.61%	1.94%	3.96%	8.16%	6.17%		
<i>SteFI Composite</i>	0.63%	2.02%	4.12%	8.48%	6.46%		

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

\*Gross estimated yields are available daily at **Cash Solutions** ([nedgroupinvestments.co.za](https://nedgroupinvestments.co.za))

## Macro Overview

The harmonised index of consumer prices in the eurozone rose by 2.5 percent year-on-year in June, a slight decline from the 2.6 percent year-on-year recorded in the previous month. Excluding food and energy, core inflation eased from 2.9 percent year-on-year in May to 2.8 percent year-on-year in June, in line with market expectations. Market participants are also forecasting additional policy adjustments by the European Central Bank (ECB), following the 25-basis points rate cut announced on the 6th of June. The ECB has now joined three other central banks overseeing the 10 most heavily traded currencies in reducing their policy rates since the start of the year.

The strength of US consumers, which has been reliant on the boost in savings from the pandemic era, seems to be coming to an end. Following the steady rise in the official unemployment rate, the total number of Americans collecting unemployment benefits rose for the 8th straight week, to 1.84 million as of the 15th of June 2024. This is the highest level in more than two years. Similarly, the US economic surprise index has also registered its most negative reading in 24 months, with policy expectations currently indicating possible rate cuts from as early as September 2024.

According to Statistics South Africa, total employment decreased by 67 000 quarter-on-quarter, from 10 731 000 in December 2023 to 10 664 000 in March 2024. This was mainly owed to layoffs across the trade, community services, business services, and the mining sector. Similarly, gross earnings paid to employees fell by R35.1 bn from R993 bn in December 2023 to R957.9 bn in March 2024. With nearly half of the working population unemployed, and the average household debt-to-income ratio north of 70 percent, policymakers remain poised to reduce real rates that have been on an upward trajectory since the peak of inflation back in July 2022.

In the SA money market, forward rates have since readjusted lower, pricing in the probability of 3 rate cuts over the next 12 months. In June 2024, the 3-month JIBAR rate was unchanged while the 12-month JIBAR rate fell by 27.5 bps to 8.917 compared to the previous month.

# 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](mailto: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

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For further information on the fund please visit: [www.nedgroupinvestments.co.za](http://www.nedgroupinvestments.co.za)

## OUR OFFICES ARE LOCATED AT

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DATE OF ISSUE

July 2024