

# Nedgroup Investments Global Cautious Feeder Fund

Class A1

May 2019



## INTERNATIONAL RANGE

### RISK RATING



### Risk reward profile

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio is subject to currency fluctuations due to its international exposure.

### GENERAL INFORMATION

#### ASISA category

Global Multi Asset Low Equity

#### Benchmark

USD Libor 1 Month (Rand equivalent)

#### Investment manager - since June 2016

Chartwell Investment Partners is registered with the US Securities and Exchange Commission as an investment advisory firm.

#### Inception date

30 October 2009

#### Appropriate term

Minimum 3 - 5 years

#### Market value

R 547 Million

#### Income distributions

Frequency: Annually

December 2018: 5.88 cpu

Previous 12 months: 5.88 cpu

#### Fees and charges (excluding VAT)

Initial fees	0.00%
Annual management fee (feeder fund)	0.00%
Annual management fee (offshore fund)	1.10%
<b>Total expense ratio</b>	<b>1.30%</b>
Transaction costs	0.06%
<b>Total investment charges<sup>2</sup></b>	<b>1.36%</b>

#### Please Note:

Differences may exist due to rounding

### CONTACT

Client Services Centre

Tel: 0860 123 263

Website: [www.nedgroupinvestments.co.za](http://www.nedgroupinvestments.co.za)

Email [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)

### Portfolio profile

The portfolio is suitable for investors seeking medium to long term exposure to a diversified multi-asset portfolio of global investments, with a focus on fixed income, whilst being prepared to accept a degree of volatility in performance. The portfolio will have a maximum equity exposure of 30%. The portfolio will be subject to currency fluctuations due to its international exposure. The portfolio is rand-denominated, which provides investors who may have utilised their full individual offshore allowance an opportunity to obtain additional exposure to international markets.

The underlying fund of the portfolio is USD-denominated and therefore this feeder fund is subject to currency fluctuations. Rand strength will have a negative impact on the rand-denominated performance and rand weakness a positive impact.

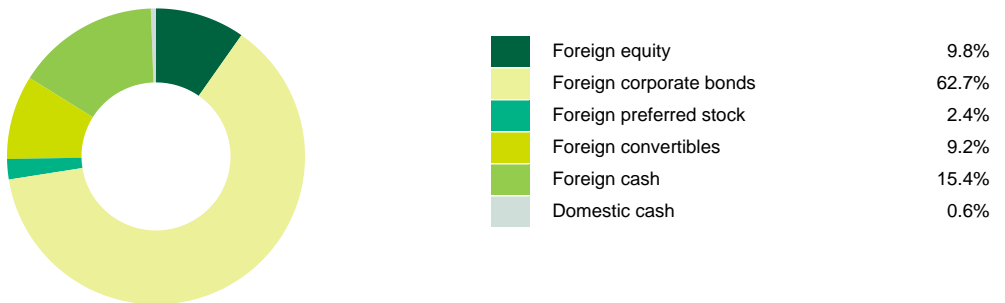
### Performance<sup>1</sup>

Period	Portfolio	Benchmark
1 year pa	16.6%	17.6%
3 Years pa	0.2%	-1.1%
5 Years pa	10.0%	7.6%
7 Years pa	12.0%	8.7%
Since Inception	9.7%	7.5%
Lowest 1 year return	-12.0%	
Highest 1 year return	33.7%	

### Risk

Period	Portfolio	ALSI
Volatility [5 years]	15.0%	11.1%

### Portfolio structure



### Top 5 equities

Share	Percentage
Chesapeake Energy Preferred	1.6
Viacom Inc - Class B	1.3
Jefferies Financial Group Inc	1.0
Cleveland-Cliffs Inc	1.0
Molson Coors Brewing Co	1.0
<b>Total</b>	<b>5.8</b>

### Top 5 bonds

Share	Percentage
Constellation Brands 3.875% 14-15/Nov/19	2.7
Sherwin-Williams Co 2.25% 17-15/May/20	2.6
Newmont Mining Corp 5.125% 09-01/Oct/19	2.6
HP Enterprise Co 3.6% 16-15/Oct/20	2.5
Becton Dickinson & Co. 2.675% 14-15/Dec/19	2.4
<b>Total</b>	<b>12.8</b>

1) The annualized total return is the average return earned by an investment each year over a given time period. Performance is calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of reinvestment and dividend withholding tax. Due to the delayed release of inflation data, relevant benchmarks will lag by one month. Data source: © Morningstar Inc. All rights reserved.

2) Total Expense Ratio (TER), expressed as a percentage of the Fund, relates to expenses incurred in the administration of the Fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. Transaction Costs (TC), expressed as a percentage of the Fund, relate to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impact fund returns. It should not be considered in isolation as returns may be impacted by other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charges expressed as a percentage of the Fund, relates to all investment costs of the Fund. Both the TER and TC of the Fund are calculated on an annualised basis, beginning 01/04/2016 and ending 31/03/2019.

## Portfolio attributes

- The fund has the flexibility to invest across the capital structure, from equity to cash equivalents.
- The fund invests in a broad universe of income generating assets, with a focus on Corporate Bonds, including investment grade, high yield, preferred securities and convertible bonds.
- Bond issue size should be in excess of \$100m and credit rating usually BBB down to B.
- Equity exposure invested in large-, mid- and small-cap stocks with a minimum market cap of \$125m and dividend yield greater than 1% at time of purchase.
- Focused on total return rather than just yield, with as much emphasis on risk as return.

## Investment manager

- Chartwell Investment Partners is an investment management firm based in the United States with \$8 billion assets under management.
- Fund managers, George Cipolloni and Mark Saylor, have been working together on the strategy since 2006.

## Investment philosophy

- Valuation driven: Purchase equity at discount to intrinsic value and bonds at discount to par or relatively wide spread.
- Contrarian: Have a tendency to think differently than Wall Street consensus.
- Bottom-up: Focus on high or improving ROC, management strategy, competitive position. Macro view, if any, a by-product of bottom up research.
- Independent thinking: All research in-house.
- Long-term: Willingness to see through short term issues, including price declines.

## Who we are

Nedgroup Collective Investments (RF) Proprietary Limited, is the company that is authorised in terms of the Collective Investment Schemes Control Act to administer the Nedgroup Investments unit trust funds. 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.

## Performance

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. Certain unit trust funds may be subject to currency fluctuations due to its international exposure. 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.

## Pricing

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 and maximum commissions is available on request from Nedgroup Investments.

## Disclaimer

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Nedgroup Investments has the right to close unit trust funds to new investors in order to manage it more efficiently. For further additional information on the fund, including but not limited to, brochures, application forms and the annual report please contact Nedgroup Investments.

## Nedgroup Investments contact details

Tel: 0860 123 263 (RSA only)  
Tel: +27 21 416 6011 (Outside RSA)  
Email: [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)  
For further information on the fund please visit:  
[www.nedgroupinvestments.co.za](http://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