

Nedgroup Investments Entrepreneur Fund

Class A

January 2019



EQUITY RANGE

RISK RATING



Risk reward profile

Equity investments are volatile by nature and subject to potential capital loss. Due to its specialist nature, the portfolio will typically display higher volatility than a general equity portfolio.

GENERAL INFORMATION

ASISA category

South African Equity Mid & Small Cap

Benchmark

ASISA Category Average

Investment manager

Abax Investments (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 856).

Inception date

03 November 2003

Appropriate term

Minimum 5 - 7 years

Market value

R 2,252 Million

Income distributions

Frequency: Annually

December 2018: 32.89 cpu

Previous 12 months: 32.89 cpu

Fees and charges (excluding VAT)

Initial fees 0.00%
Annual management fee 1.50%

Total expense ratio 1.74%
Transaction costs 0.22%
Total investment charges² 1.96%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre

Tel: 0860 123 263

Website: www.nedgroupinvestments.co.za

Email info@nedgroupinvestments.co.za

Portfolio profile

The portfolio is suitable for investors who require specific exposure to small- and mid-cap sector shares as part of their overall investment strategy, with maximum capital appreciation as their primary goal over the long term.

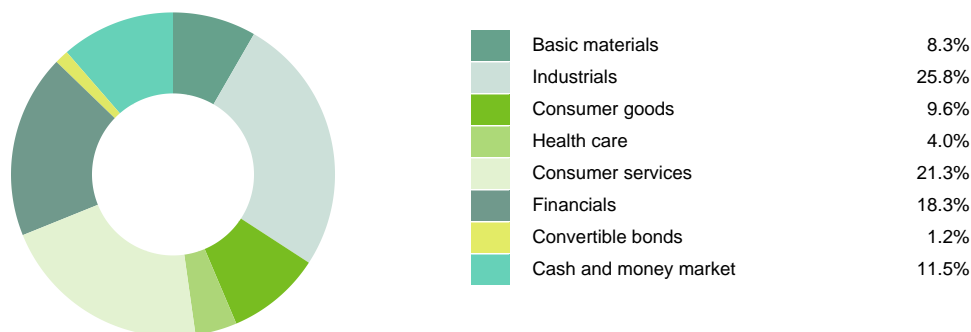
Performance¹

Period	Portfolio	Benchmark
1 year pa	-10.7%	-11.9%
3 Years pa	3.1%	0.5%
5 Years pa	6.6%	1.8%
7 Years pa	11.5%	6.5%
10 Years pa	15.1%	10.4%
Lowest 1 year return	-10.7%	
Highest 1 year return	47.2%	

Risk

Period	Portfolio	ALSI
Volatility [5 years]	8.5%	19.0%

Portfolio structure



Top 10 holdings

Share	Percentage
Naspers Ltd	5.8
KAP Industrial Holdings Ltd	4.3
Santam Ltd	4.2
JSE Ltd	4.0
Barloworld Ltd	3.9
Italtile Ltd	3.7
Truworths Int Ltd	3.6
Wilson Bayly Holmes-Ovcon Ltd	3.5
AVI Ltd	3.4
Hudaco Industries Ltd	3.4
Total	39.7

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 01/01/2016 and ending 31/12/2018.

Portfolio attributes

- This is a domestic equity fund targeting maximum capital appreciation over the long term by investing in established small to mid-sized companies as well as emerging companies that are in an expansionary phase of their life.
- The manager may not purchase an equity security currently listed within the FTSE/JSE Large Cap Index, but is permitted to hold up to 20% of the portfolio in large cap stocks if they were purchased when they were outside the Large Cap Index and subsequently migrated to that index.
- The fund manager typically seeks out businesses with an enduring competitive advantage resulting in a portfolio of predominantly 'growth' stocks.
- Due to both the nature and concentrated focus of these portfolios, they may be more volatile than portfolios that are diversified across the broader.

Investment manager

- Abax Investments is an independent, owner-operated investment firm founded in 2003.
- AMG, a global asset management company with interests in leading fund management boutiques around the world, owns 25%, with the remaining 75% owned by employees and 3 charitable trusts
- Abax is dedicated exclusively to fund management across a focused range of equity, multi-asset and fixed income portfolios
- Abax have managed the Nedgroup Investments Entrepreneur Fund since July 2004.

Investment philosophy

- Abax believe in bottom-up, fundamental research, stock picking and focus on earnings growth as the primary driver of share price appreciation
- Some specific considerations for a Small-Mid cap mandate include liquidity (the ability to sell out of a position as quickly as it was purchased), competent and trustworthy management, and a bias to quality rather than speculative investments in low quality businesses that appear to offer substantial value.
- They also incorporate macroeconomic and industry views into their share and portfolio construction discussions to inform a top-down perspective but the investment decision is driven primarily by the bottom-up analysis.

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
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