

RATING ANNOUNCEMENT

GCR assigns Nedgroup Investments Prime Money Market Fund national scale a fund rating of AAA_{(ZA)(f)}; Stable outlook

Rating action

Johannesburg, 20 May 2025 – GCR Ratings (GCR) has assigned Nedgroup Investments Prime Money Market Fund (NEDPMMF) a national scale fund rating of AAA_{(ZA)(f)} with Stable outlook

Rated entity / issue	Rating class	Rating scale	Rating	Outlook/Watch
Nedgroup Investments Prime Money Market Fund	Fund Rating	National Scale	AAA _{(ZA)(f)}	Stable outlook

Fund data/summary

Fund inception date	01 March 2018
Fund currency	South African Rand
Assets under management (AUM)	ZAR1.3Bn (\$71.4M)*
Fund benchmark	STeFI Call Deposit Index (STeFI Call)
Net asset value (NAV)	Targeted constant price of ZAR1.00

*as at March 2025

Rating rationale

Fund profile: NEDPMMF is a conservative fixed income fund which aims to maximise interest income, while preserving capital and providing immediate liquidity. The credit quality is superior due to the investment mandate that limits exposures to direct South African (SA) government and foreign bank money market instruments and issuances guaranteed by them. To achieve liquidity, NEDPMMF predominantly invests in treasury bills (T-bills) and places money in call accounts with foreign banks.

Weighted Average Credit Quality (WACQ): The WACQ has remained consistent over time. The fund may invest in rand denominated money market instruments issued or guaranteed by SA government and foreign banks with a minimum international scale rating of A-. Some concentration, given the constrained mandate, does not negatively affect the score, as investments are of high credit quality. The assigned score of 19.50 reflects the average credit quality observed over a 12-month period to March 2025. On average T-bills accounted for 56.0% of the portfolio.

Maturity & Duration: The weighted average maturity (WAM) averaged at 97 days, whilst the fund's weighted average duration (WAD) averaged at 70 days over the past 12 months. Therefore, the average score for WAM and WAD is 1.00.

Sustainability Assessment: The sustainability assessment is neutral to the rating. The fund has constantly outperformed its benchmark. The investment management function is outsourced to Taquanta Asset Management (Taquanta), a specialist cash and fixed income asset manager with a stable management and investment team. GCR believes the fund is managed within a very strong control environment and the capacity, capability and competence of the Taquanta team facilitate achievement of performance objectives set within mandate constraints.

Liquidity: Over the 12-month review period, the fund's combined exposure to T-bills and call accounts averaged 78.0%. The fund is consistently managed with a liquidity focus in response to a high corporate client base.

Outlook statement

The Stable Outlook reflects GCR's expectation that the WACQ will remain above 18.00 over the rating horizon, benefitting from the mandate restrictions.

Rating triggers

The rating is at the national scale ceiling. A rating downgrade would be possible if the fund adopted a more flexible mandate that does not guarantee a consistently high credit quality range.

Analytical Contacts

Primary analyst	Kefilwe Thubisi	Senior Analyst: Structured Finance, Securitisation, Funds
Johannesburg	Kefilwet@GCRratings.com +27 117 841 771	
Committee chair	Yohan Assous	Group Head: Structured Finance, Securitisation, Funds
Johannesburg	Yohan@GCRratings.com +27 117 841 771	

Related criteria and research

Criteria for the GCR Ratings Framework, May 2024
GCR Rating Scales, Symbols & Definitions, May 2023
Criteria for Fund Ratings, May 2024

Ratings history

Nedgroup Investments Prime Money Market Fund

Rating class	Review	Rating scale	Rating	Outlook/Watch	Date
Fund Rating	Initial	National Scale	AAA _(ZA) (f)	Stable outlook	June 2018
Fund Rating	Last	National Scale	WD _(ZA) (f)	n.a	March 2024

n.a.: Not applicable

Risk score summary

Fund Rating Factors	Score
Credit Quality	19.50
Weighted Average Credit Quality (WACQ)	19.50
Adjustments	0.00
Maturity and Interest Rate Risk (average)	1.00
Weighted Average Maturity (WAM) Assessment	1.00
Weighted Average Duration (WAD) Assessment	1.00
Sustainability Assessment	0.00
Franchise Strength and Manager Track Record	0.00
Performance	0.00
Liquidity	0.00
Liquidity Assessment	0.00
Adjustments	0.00
Total Risk Score	20.50

Glossary

Assets	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Capital	The sum of money that is invested to generate proceeds.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Cash	Funds that can be readily spent or used to meet current obligations.
Credit	A contractual agreement in which a borrower receives something of value now, and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Downgrade	The rating has been lowered on its specific scale.
Environment	The surroundings or conditions in which an entity operates (Economic, Financial, Natural).
Exposure	Exposure is the amount of risk the holder of an asset or security is faced with as a consequence of holding the security or asset. For a company, its exposure may relate to a particular product class or customer grouping. Exposure may also arise from an overreliance on one source of funding. In insurance, it refers to an individual or company's vulnerability to various risks
Income	Money received, especially on a regular basis, for work or through investments.
Interest Rate Risk	The potential for losses or reduced income arising from adverse movements in interest rates.
Interest Rate	The charge or the return on an asset or debt expressed as a percentage of the price or size of the asset or debt. It is usually expressed on an annual basis.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Mandate	Authorisation or instruction to proceed with an undertaking or to take a course of action. A borrower, for example, might instruct the lead manager of a bond issue to proceed on the terms agreed.
Market	An assessment of the property value, with the value being compared to similar properties in the area.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.
Rating Outlook	See GCR Rating Scales, Symbols and Definitions.
Risk	The chance of future uncertainty (i.e. deviation from expected earnings or an expected outcome) that will have an impact on objectives.
Securitisation	A process of repackaging portfolios of cash-flow producing financial instruments into securities for sale to third parties.
Senior	A security that has a higher repayment priority than junior securities.
Structured Finance	A method of raising funds in the capital markets. A Structured Finance transaction is established to accomplish certain funding objectives whilst reducing risk.
Total Risk	Both systematic and unsystematic risks.
Treasury Bill	Short-term obligation backed by the government that bears no interest and is sold at a discount.
Upgrade	The rating has been raised on its specific scale.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its importance or, relative size to a pool of assets or liabilities.
Weighted	The weight that a single obligation has in relation to the aggregated pool of obligations. For example, a single mortgage principal balance divided by the aggregated mortgage pool principal balance.

Salient points of accorded rating

GCR affirms that a.) no part of the rating process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The credit ratings have been disclosed to the rated entity.

The ratings above were solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- A breakdown of the fund investment portfolio from April 2024 to March 2025.
- Details regarding the fund management, investment management and administration activities of the fund.
- Exchange rate source: <https://www.bloomberg.com/markets/currencies> ZAR 18.2548: \$1 as at 15/05/2025.

CREDIT RATINGS ISSUED BY GCR ARE GCR'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY GCR (COLLECTIVELY, PUBLICATIONS) MAY INCLUDE SUCH CURRENT OPINIONS. GCR DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE. SEE APPLICABLE GCR RATING SCALES, SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY GCR'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: FRAUD, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS") AND OTHER OPINIONS INCLUDED IN GCR'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL OR HOLD PARTICULAR SECURITIES. GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. GCR ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING OR SALE.

GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT GCR'S PRIOR WRITTEN CONSENT.

GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by GCR from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. GCR adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources GCR considers to be reliable including, when appropriate, independent third-party sources. However, GCR is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, GCR, its affiliates and its and their directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if GCR or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by GCR.

To the extent permitted by law, GCR, its affiliates and its and their directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, GCR or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY GCR IN ANY FORM OR MANNER WHATSOEVER.

GCR hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) rated by GCR have, prior to assignment of any credit rating, agreed to compensate GCR for the provision of those credit ratings opinions and services rendered by it. GCR also maintains policies and procedures to address the independence of GCR's credit ratings and credit rating processes.