

Clade Investment Management gets first Moody's rating in SA

23 May '07

Moody's Investors Service today assigned a long-term bond fund credit rating of A2 (global scale rating in local currency) and a market risk rating of MR4 to the Government Bond Exchange Traded Fund ("GOVEX"), South Africa's first fixed income Exchange Traded Fund ("ETF"). The GOVEX's investment manager is Clade Investment Management. This A2/MR4 rating is the same rating as that of RSA Government Bonds, and is the highest rating obtainable by a South African asset. No other fund in South Africa has received this rating from Moody's.

This Moody's rating reflects not only the quality of the underlying investments, and of Clade's management, but also the security of the ETF structure, which utilizes a debenture structure rather than the more conventional Collective Investment Scheme structure. Carl Liebenberg, CEO of Clade Investment Management said, "This rating also demonstrates the quality of the capabilities of the other partners in the ETF: Société Générale who act as custodian; PSG Absolute Investments who act as Authorized Participants; and Prescient who are the fund administrators."

The GOVEX was officially launched on 5 March 2007 and is registered for trading on the Bond Exchange of South Africa (BESA). The investment objective of the Fund is to replicate, as far as practicable, the price and yield performance of the BESA Government Bond Index (GOVI). In order to accomplish its objective, the Fund will invest in a portfolio of bonds that substantially represents all the constituent bonds of the GOVI Index, in substantially the same weighting.

Clade has approximately R9 billion under management, and offers several index based investment products, including the South African Investable Hedge Fund Index, and the Clade Enhanced Index Fund.

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