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Ninety One

Investing for a world of change

When “safe” money turns risky



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The corporate cash landscape is shifting. Recent market developments have reminded investors that cash is not automatically safe simply because it sits in a cash strategy. The real difference often comes down to who is managing it, how they are managing it, and what risks are being taken in the background to deliver the yield on offer. That makes now a good time for institutional investors to revisit their cash arrangements.

In more uncertain markets, the gap between asset managers can become very clear, very quickly. Strong governance, deep credit research, disciplined liquidity management and direct accountability are no longer “nice-to-haves” when it comes to corporate cash. They are the very characteristics that matter most when the margin for error is low.

At Ninety One, this has always been the foundation of our approach to managing cash: capital preservation first (i.e. “safe”), liquidity second, yield third. Not because yield doesn’t matter, but because yield only matters if clients can access their money when they need it, and if their capital has been preserved along the way.

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Why manager quality matters

Our South African corporate cash capability is supported by one of the largest globally integrated fixed income platforms across developed and emerging markets. That gives our local portfolio managers access to deep credit research, risk management insight and market intelligence from across the firm. Our cash portfolios are not managed in isolation. They benefit from the same investment discipline and credit framework used across Ninety One's broader fixed income platform.

That depth becomes especially important when markets are less forgiving. In cash management, the risks that cause the most damage are not always obvious at the beginning. They can sit quietly behind attractive headline yields: weaker counterparties, lower-quality paper, poor secondary-market liquidity, concentration risk, lock-ups or governance gaps. These risks can seem theoretical until investors need liquidity quickly. Then they become very real. Our process is designed to mitigate that trade-off.

We invest in high-quality, investment-grade instruments, supported by independent in-house credit research rather than relying solely on external ratings. Every counterparty is assessed through our own credit process, with strict issuer and sector limits. We also maintain high portfolio liquidity and avoid instruments that offer a marginal yield advantage but come with restrictions or poor tradability that we do not believe are worth the risk. The result is a cash solution focused on yield without compromise.

Yield is not the whole story

For institutional investors, the right question is not simply: who is offering the highest yield today? A better question is: what risks are being taken to deliver that yield, and will those risks still feel acceptable in a stressed market?

That question has become more important in South Africa. Recent market developments have reinforced the value of choosing a manager with integrated investment management, strong governance, experienced teams and direct accountability to clients. In cash, operational discipline and investment discipline are closely linked.

At Ninety One, our investment team has worked through multiple market cycles. Our process is consistent. Our priorities are transparent. And our commitment is simple: to manage corporate cash with the same care, rigour and accountability that institutional investors expect across the rest of their portfolios.

Confidence, not complexity

Corporate cash should give investors confidence, not complexity. It should be safe, accessible and productive – in that order.

For institutions reviewing their cash arrangements, Ninety One offers more than a cash portfolio. We bring together global fixed income depth, local market experience and a disciplined approach to protecting client capital.

In a market where cash decisions carry greater weight, the quality of the asset manager matters more than ever.

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