



UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

see money differently

A photograph of an open book with white pages, tied with a white string bookmark. The text is overlaid on the right side of the image.

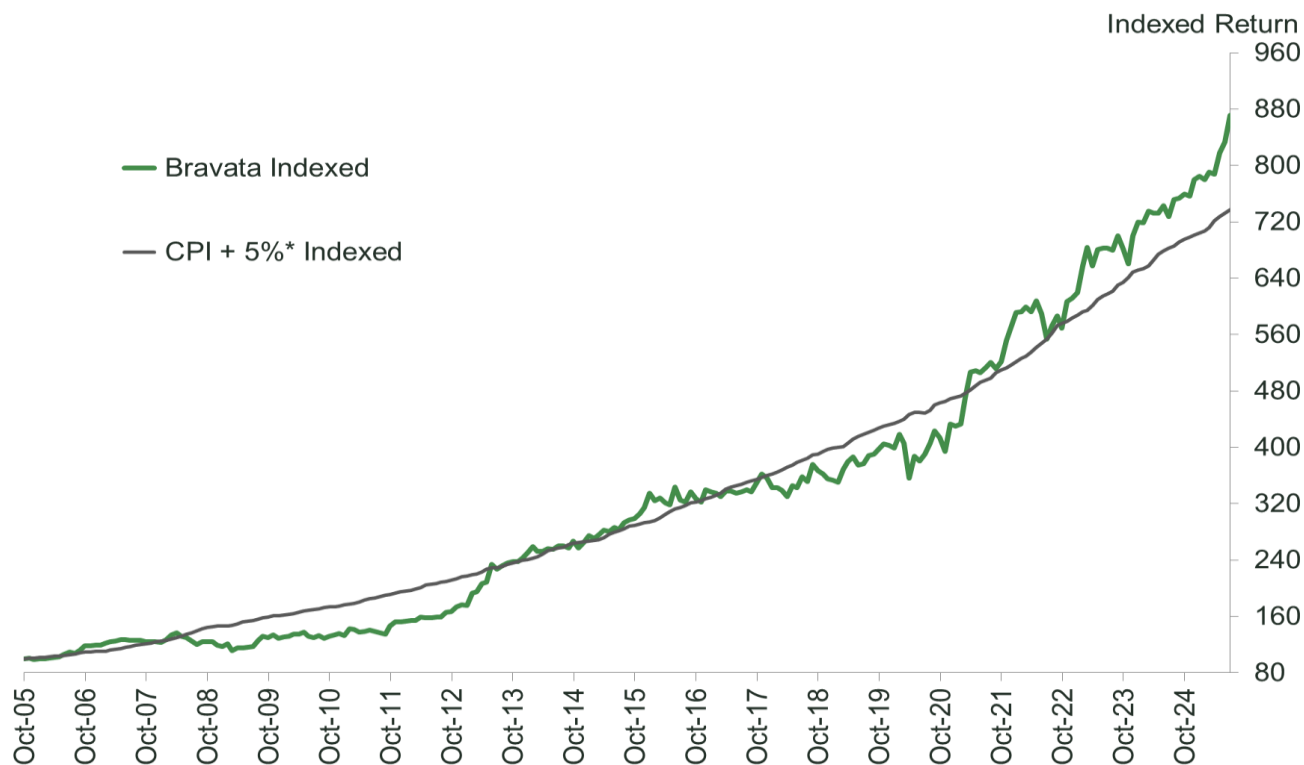
NEDGROUP INVESTMENTS

Bravata Worldwide Flexible Fund

Quarter Two, 2025

PERFORMANCE

| 30 June 2025 (Annualised Net returns %) | 1 year | 3 years | 5 years | 7 years | 10 years | Since Inception |
|--|-----------|------------|------------|------------|-------------|--------------------|
| Fund – A Class¹ | 19.7 | 16.3 | 17.4 | 13.5 | 11.9 | 11.6 |
| Benchmark² | 7.9 | 10.0 | 10.5 | 9.9 | 10.1 | 10.6 |



**Benchmark changed from CPI +4% to CPI +5% 1 January 2007. Past performance is not indicative of future performance.*

Source: Bloomberg, Stats SA, 30 June 2025

CONTRIBUTORS AND DETRACTORS

| Positive Contributors | % |
|---------------------------|-----|
| Reinet Investments | 2.0 |
| We Buy Cars | 1.8 |
| Dollar General | 1.0 |
| Aylett Global Equity Fund | 0.9 |
| SBM Offshore | 0.9 |

| Negative Contributors | % |
|-----------------------|------|
| Nutun | -0.2 |
| ConocoPhillips | -0.2 |
| Spar | -0.2 |
| Diageo | -0.1 |
| Bowler Metcalf | -0.1 |

Date: From 31 March 2025 to 30 June 2025

¹ Net return for the Nedgroup Investments Bravata Worldwide Flexible Fund (A Class).

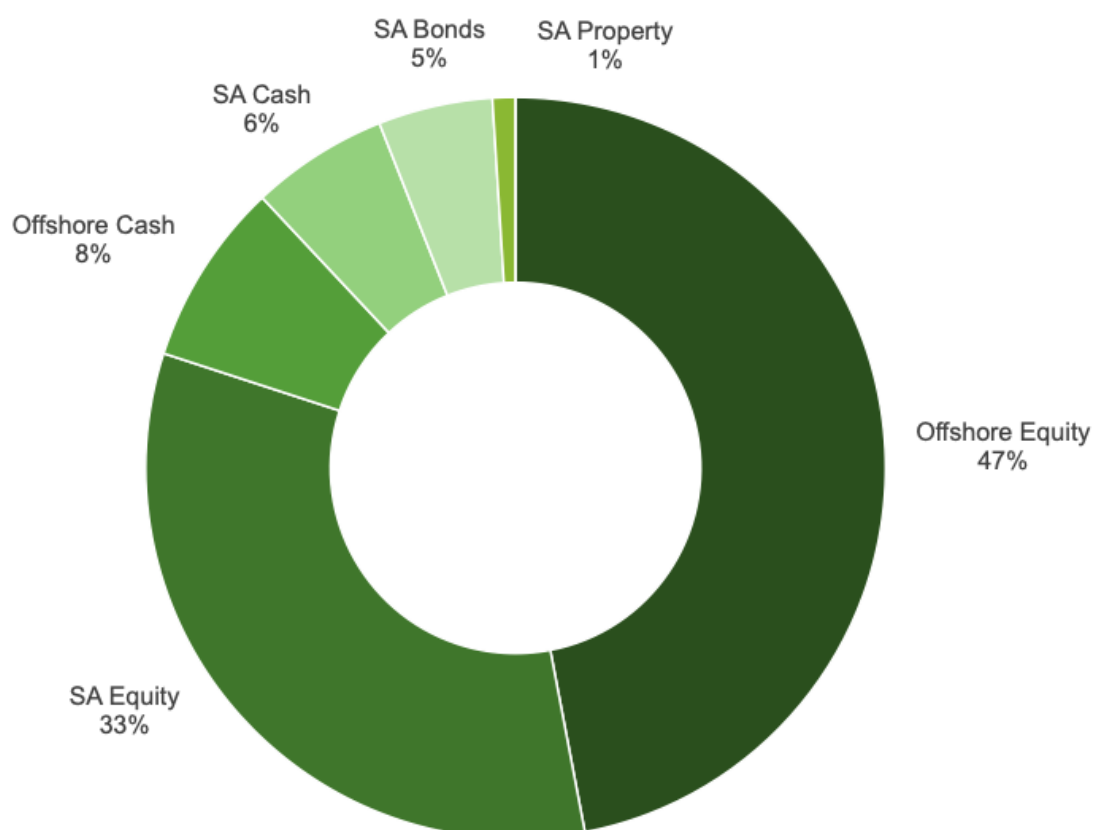
² Benchmark is South Africa CPI+5%

TOP EQUITY HOLDINGS

| Holdings | 30 June 2025 | 31 March 2025 | Change |
|---------------------------|--------------|---------------|--------|
| | % | % | % |
| Aylett Global Equity Fund | 8.6 | 8.7 | -0.1 |
| Reinet Investments | 7.9 | 6.7 | 1.2 |
| We Buy Cars | 5.2 | 4.0 | 1.2 |
| British American Tobacco | 4.3 | 4.1 | 0.2 |
| Dollar General | 4.2 | 3.4 | 0.8 |
| St James's Place | 3.0 | 2.6 | 0.4 |
| AECI | 2.9 | 3.0 | -0.1 |
| Southern Sun | 2.7 | 2.7 | 0.0 |
| Remgro | 2.7 | 2.6 | 0.1 |
| Netcare | 2.7 | 2.8 | -0.1 |
| Total | 44.2 | 40.6 | |

Date: 30 June 2025

ASSET ALLOCATION



Date: 30 June 2025

ACTIVITY

| Entries | Change | Exits | Change |
|--------------------------|--------|-----------|--------|
| | % | | % |
| Diageo | 0.7 | Coca-Cola | -0.7 |
| Mondi | 0.6 | FirstRand | -0.5 |
| SA Government Bond R2032 | 0.5 | | |

Date: From 31 March 2025 to 30 June 2025

| Up Weights | Traded Value as % of NAV | Down Weights | Traded Value as % of NAV |
|-------------------------|-----------------------------|--------------------|-----------------------------|
| SA Government Bond R186 | 0.8 | Berkshire Hathaway | -2.8 |
| Stor-Age | 0.7 | SBM Offshore | -2.7 |
| Spar | 0.6 | | |

Date: From 31 March 2025 to 30 June 2025

COMMENTARY

Over the last three months, the investment world has had no shortage of uncertainty and fear. These important drivers of market performance are well known and reported, so there's no merit in repeating them. Our benchmark agnostic approach and long-term thinking have suited our style of investment, and we have been satisfied with our performance despite holding significant cash in the portfolio. Our decision to minimise exposure to US dollar assets has been vindicated. Although implementing this over the last three years has been challenging, our long-term investment horizon and patience appear to be paying off. We do not profess to be experts in currency outcomes, but the decline of the US dollar is not surprising.

Contributors

Reinet contributed handsomely for the quarter, largely driven by rumours of a possible sale of Pension Corporation. At the time of writing, the sale has indeed materialised, but at a lower price than the market anticipated. It has therefore retraced slightly since the end of June, but we await guidance from management as to what will be done with the large cash pile now available to them. There remains significant upside should the capital be returned to shareholders.

We Buy Cars delivered another impressive set of results in May, further confirming our investment thesis. The business continues to demonstrate many of the qualities we value in an investment, and we think its ability to compete and profit will only grow as We Buy Cars scales and grows. The current share price reflects considerably higher expectations than when we initially invested, meaning future returns are unlikely to be able to match the share performance since listing, but we remain confident in its ability to deliver attractive returns over the long term.

We have reduced our stakes in Berkshire Hathaway and SBM Offshore, despite the fact that we find these companies very attractive in the long term.

Detractors

The earnings for the first half of the year for Nutun disappointed us. The potential earnings power of the business appears intact; however, the lack of access to sufficient funding, combined with pricing that was not attractive, depressed earnings in the collections business. Some restructuring of the Business Process Outsourcing (BPO)

business and delays in some of the contracts that have been won also resulted in disappointing earnings in that segment.

Management guidance is for a much better second half and a trajectory of continued improvements thereafter as things settle down. These delays are unfortunate, and as a result, earnings are behind where we estimated they would be at this stage.

Although a detractor, ConocoPhillips (COP) is performing well and delivering on its key objectives. They have continued volume growth, great production assets and strong free cash flows underpinned by a robust balance sheet. However, as a commodity producer, oil and gas prices have a significant impact on valuation. Year to date, we have seen oil prices weaken as the market has become concerned with oversupply. A key driver of this has been the decision by OPEC to unwind their voluntary supply cuts at a faster rate than expected. The reasons for the sudden unwind are unknown; the most bearish would be that they are returning to a volume share mindset regardless of price.

We will likely never know the true reason, so we can only deal with the situation at hand. In reality, while oil prices have retreated from their highs, they are still at healthy levels for COP due to their low-cost asset base. We reduced our position size in the fund at higher levels as we were worried about prices staying at that level, which has now played out. COP remains an incredibly well-run company that is generating healthy cash flows at these prices, paying generous returns to shareholders and will be a key beneficiary when prices increase again.

Going Forward

As usual, the future is uncertain, and we have no shortage of bad news. To the contrary, in South Africa, small changes made by the government are moving the country in a direction that should benefit the economy. But this will take time. For example, while not officially calling it privatisation, the introduction of private enterprise in the railways and ports is welcomed.

This bodes well for our mandate as we can invest in global and local companies. South African companies are cheap; they are lean after years of very little growth from the economy and having dealt with the aftermath of COVID. It won't take much for these companies to make superb profits. In the meantime, we choose to buy into any weakness that may occur as Mr. Market provides us with more opportunities to invest in assets we have come to know quite well. Our margin of safety continues to grow. A word of caution, our region will have its challenges, and our expectation of success is over the next five to ten years.

In the offshore markets, we continue to invest in alcohol and liquor companies. Should the US markets recover and perform in the short term, we will not do as well relative to the market.

Walter Aylett

30 June 2025

Disclaimer

WHO WE ARE

Nedgroup Collective Investments (RF) Proprietary Limited is an authorised Collective Investment Scheme and the representative of Nedgroup Investments Funds PLC in terms of the Collective Investment Schemes Control Act. 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.

HOW ARE OUR FUNDS PRICED

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 is available on request from Nedgroup Investments. One can also obtain additional information on Nedgroup Investments products on our website.

DISCLAIMER

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. 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. Our funds are traded at ruling prices and can engage in borrowing and scrip lending.

Some funds may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks, which could include foreign exchange risks, market conditions and macro-economic and political conditions.

A fund of funds may only invest in other funds, and a feeder fund may only invest in another single fund, both will have funds that levy their own charges, which could result in a higher fee structure.

The Nedgroup Investments Money Market Fund offering aims to maintain a constant price of 100 cents per unit. A money market fund is not a bank deposit. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument held. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of a capital loss. Excessive withdrawals from the fund may place the fund under liquidity pressures and that in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average as at the relevant dates provided for in the fund fact sheet. Nedgroup Investments has the right to close its funds to new investors in order to manage it more efficiently.

NEDGROUP INVESTMENTS CONTACT DETAILS

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