



Quarterly review

Nedgroup Investments Core Global Feeder Fund



As at 30 September 2025



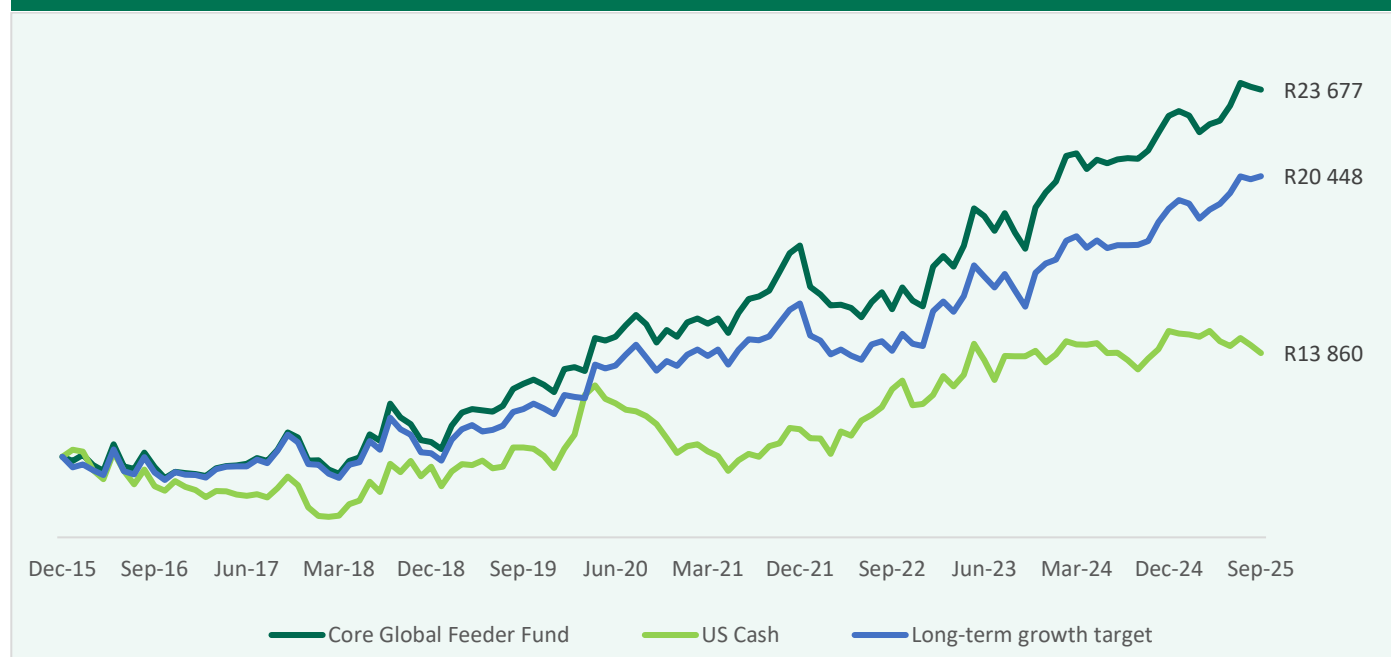
Markets Surge Amid Tariff Tensions and Central Bank Shifts

The OECD revised its 2025 global growth forecast upward to 3.2% from 2.9%, while maintaining its 2026 forecast at 2.9%. Growth in 2025 remained resilient, but higher tariffs and policy uncertainty are expected to weigh on trade and investment. Over the quarter, the Nedgroup Investments Core Global Feeder Fund increased by 2.6%.

The table below compares an investment in Nedgroup Investments Core Global Feeder Fund to US bank deposits (cash) investment over various time periods. For every R10 000 invested in the Nedgroup Investments Core Global Feeder Fund at inception (4 January 2016), you would have R23 677 at the 30th of September 2025. This is much higher than the R13 860 you would have achieved had you invested your money in US bank deposits (cash) over the same period.

	Value of R10,000 investment in Nedgroup Investments Core Global Feeder Fund versus US Cash ¹					
	3 Months	1 Year	3 Years	5 Years	7 Years	Inception 4 January 2016
Growth of fund (after fees) (Growth in %)	R10 259 2.6%	R11 222 12.2%	R15 280 15.2% p.a.	R15 849 9.6% p.a.	R20 650 10.9% p.a.	R23 677 9.3% p.a.
Growth of US Cash (Growth in %)	R9 880 -1.1%	R10 181 1.8%	R12 145 7.6% p.a.	R11 979 3.5% p.a.	R15 665 6.7% p.a.	R13 860 3.8% p.a.
Growth target (Global MA High Equity Mean) (Growth in %)	R10 306 3.1%	R11 432 14.3%	R14 600 13.6% p.a.	R14 525 8.3% p.a.	R19 237 9.2% p.a.	R20 448 7.6% p.a.

Fund Return versus US Cash¹ in Rand from inception ending 30 September 2025



Since the inception of the Nedgroup Investments Core Global Feeder Fund it has done better than US cash. However, it is to be expected that occasionally there will be periods where the fund does not beat US cash over 5 years. Over the long term², a portfolio such as Nedgroup Investments Core Global Feeder Fund would have delivered a higher return than US cash around 86% of the time over any 5-year period.

1. We used the ICE Bank of America 3-month deposit rate for US cash returns converted into Rands
2. Based on Global market returns from 1997 to 2018 (source Morningstar) using the same long-term equity allocation and fees.



Economic and market review



Global markets navigated a turbulent quarter marked by trade shocks, monetary policy pivots, and record-breaking rallies. In a dramatic move, the United States imposed a 50% tariff on Indian exports, rattling regional markets and amplifying volatility. Mexico followed suit, announcing steep tariffs on Chinese vehicles and other imports, signalling a broader shift in global trade dynamics and raising concerns about a potential fragmentation of global supply chains.

Despite these headwinds, the U.S. economy showcased resilience. Revised data from the Bureau of Economic Analysis revealed GDP growth of 3.3% year-on-year in the second quarter, up from an initial 3.0% estimate and rebounding from a 0.5% contraction in the first quarter. Robust consumer spending and a decline in imports, driven by tariff measures, underpinned the recovery. This strength came even as businesses braced for higher input costs and uncertainty around future trade negotiations.

Equity markets soared to unprecedented heights in September, led by Wall Street's AI-fuelled optimism. Oracle emerged as a standout, with shares surging 30% in a single session - the largest one-day gain in nearly three decades - after forecasting a sharp increase in AI-related revenue. The broader rally unfolded against a backdrop of tariff uncertainty and looming government shutdown risks, underscoring investor confidence in technology as a driver of growth. Global equity benchmarks followed suit, with emerging markets outperforming developed peers, buoyed by China's stimulus measures and enthusiasm around artificial intelligence.

Inflation trends painted a mixed picture. Headline U.S. CPI held steady at 2.7% in July, while core CPI accelerated to 3.1%, driven by services inflation posting its strongest monthly gain this year. Goods inflation remained muted, particularly in tariff-sensitive categories, suggesting that price pressures are increasingly concentrated in labour-intensive sectors. This divergence has complicated the Federal Reserve's policy calculus, as inflation dynamics no longer move in lockstep with employment trends.

Central banks delivered divergent signals. At Jackson Hole, Fed Chair Jerome Powell hinted at a September rate cut, citing a disconnect between inflation and employment. The Federal Reserve later trimmed rates by 25 basis points to 4.00 - 4.25%, with one dissenting vote favouring a deeper cut. Across the Atlantic, the Bank of England lowered rates to 4.0%, while the European Central Bank held steady at 2.0%, reflecting persistent inflationary pressures and global uncertainty. These moves highlight a growing divergence in monetary policy across advanced economies, as central banks grapple with balancing growth risks against inflationary persistence. U.S. Treasury yields eased, with the 10-year falling to 4.20% after weak labour data, signalling investor expectations of further easing.

Commodities mirrored the volatility. Gold surged 16.8% for the quarter, hitting a record \$3,858 per ounce in September amid dollar weakness and shutdown fears. Brent crude slid 6.1% to \$68 per barrel on softer Chinese demand, underscoring concerns about the durability of global growth. Meanwhile, emerging markets posted strong gains, with the MSCI EM Index up 10.9%, led by China's 20.8% rally on stimulus and AI enthusiasm. Indian equities lagged, dropping 6.6%, as trade tensions weighed on sentiment and growth prospects.

Looking ahead, uncertainty looms large as policymakers and investors weigh competing forces. Trade tensions threaten to reshape global supply chains, while the AI-driven boom continues to redefine corporate strategies and market valuations. With central banks signalling caution and commodity markets flashing mixed signals, the coming months may test whether optimism rooted in technological progress can withstand the pressures of geopolitics and structural economic challenges.





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