



UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

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

NEDGROUP INVESTMENTS MINING & RESOURCES FUND

Quarter Three, 2025

Nedgroup Investments Mining & Resources Fund

The commentary was produced in conjunction with the sub-investment manager, M&G Investments.

Total return as at 30 September 2025	Fund ¹	Peer Group ²
3 Months	36.5%	42.5%
6 Months	47.2%	54.3%
12 Months	54.6%	70.7%
3 Years	14.4%	24.1%
5 years	20.6%	22.2%
10 years	20.3%	21.1%

1. Nedgroup Investments Mining & Resources Fund, A class.

2. ASISA South Africa Equity Resources category

Market Commentary

Markets experienced significant volatility in the third quarter, influenced by uncertainty surrounding global macroeconomic factors. This includes concerns about US fiscal policy, the prospects for stabilisation in Europe, and the potential for improvements in China. Since US monetary and fiscal policy can have far-reaching global effects, market expectations are largely leaning towards a potential weakness of the US dollar.

Precious metals

Gold has continued to perform exceptionally well amid global uncertainties, primarily due to its status as a haven. The U.S. Federal Reserve's dovish pivot, along with significant purchases by international institutions and central banks, has boosted gold prices. Additionally, uncertainties in the U.S. about inflation, rising government debt levels, and concerns about the Fed's independence contributed to the gold price surpassing \$4,000 per ounce early in the fourth quarter.

Since June, the PGM (platinum group metals) basket has rallied strongly, with all its metals rising. Platinum, in particular, has performed well year-to-date, contributing significantly to the basket's overall strength. Prices have been supported by supply disruptions in the first half of the year and by investment demand, especially from China. In the second quarter, we observed an increase in platinum purchases by jewellery wholesalers; however, this has not led to a rise in jewellery demand from end customers.

Base and bulk metals

Copper prices improved in the third quarter, recovering from earlier weakness, and reached their highest levels since mid-2024. Tighter supply conditions and favourable macroeconomic factors largely drove this increase. During the quarter, supply disruptions caused by a mudslide at a mine in Indonesia have heightened near-term supply risks.

Iron ore prices entered the third quarter with upward momentum due to the seasonal restocking cycle and have remained relatively stable and range-bound as the quarter comes to a close. China's steel production cuts have primarily impacted electric arc furnaces, which mainly use scrap steel, rather than blast furnaces that rely on iron ore. Looking ahead to 2026, there is a risk of supply growth that could lead to a market surplus.

Energy: Oil and Coal

Brent crude traded within a narrow range, finishing the quarter nearly unchanged. The outlook appears negative due to weak demand expectations and increasing supply as OPEC adjusts its cuts.

Thermal coal prices faced ongoing pressure throughout much of 2025, entering the third quarter in a subdued market. Weak demand and high inventory levels limited any potential for price increases.

China and India, traditionally the largest importers of thermal coal, have reduced their imports due to high domestic production and low utilisation of coal-fired power plants.

Portfolio Commentary

The fund's top five performing positions added 29.04% to returns over the quarter, while the bottom five detracted -0.60%

Contributors	Ave. Weight	Performance Contribution	Detractors	Ave. Weight	Performance Contribution
AngloGold Ashanti Plc	21.0%	10.5%	Sappi Ltd	1.2%	-0.3%
Gold Fields Ltd	14.9%	10.2%	South32 Ltd	1.4%	-0.1%
Northam Platinum	9.3%	3.8%	Mondi Plc	0.3%	-0.1%
Valterra Platinum	5.6%	3.1%	Sibanye Stillwater	0.1%	-0.04%
Exxaro Resources Ltd	5.6%	1.5%	Omnia Holdings Ltd	2.6%	-0.04%
		29.04%			-0.60%

Current positioning and outlook

Gold equities have performed strongly this quarter, driven by rising gold prices. We continue to favour Anglo Gold as our preferred investment in the gold sector. The management team is focused on enhancing the portfolio through operational recovery and effective cost control.

Gold Fields has also benefited from the favourable gold price environment and the growth prospects of the Salares Norte mine. Salares Norte has made significant progress in its ramp-up, and the processing plant has successfully operated throughout the winter so far. However, we remain cautious due to potential execution risks associated with this ramp-up.

The PGM sector made a significant contribution to returns during the period, driven by a rally in the PGM basket. Valtterra has become our preferred holding as it is a high-quality company with valuable assets, particularly the Mogalakwena operation. Valtterra was unbundled from Anglo American in the second quarter, and the 19% shareholding retained by the former parent company was sold in the third quarter.

Northam Platinum remains one of our key PGM holdings, strategically advantaged by its well-capitalised and high-quality assets. The management team continues to invest in these assets across various cycles, which supports a stable and growing production base.

On the other hand, Sibanye is our least preferred PGM producer. While it is highly leveraged to PGM prices, the company faces significant structural challenges.

Exxaro is involved in the coal export market. Although coal prices were low during the quarter, the stock performed well, driven by strong results in the first half of the year. In addition to its export business, Exxaro supplies a significant amount of coal to Eskom at commercial prices, which offers some defensive leverage when coal prices are weak.

Sappi and Mondi have been adversely affected by a weak paper and packaging market cycle driven by low consumer demand, excess product supply, and uncertainty over tariffs. The short-term recovery outlook appears bleak.

Responsible Investing

We discussed policy with Omnia's remuneration chair in advance of their Annual General Meeting (AGM). We are committed to maintaining consistent implementation of these policies into the following year.

Additionally, we held our annual governance meeting with the Exxaro chair and several Non-Executive Directors (NEDs), particularly those serving on the remuneration and investment committees. During this meeting, we reviewed the management changes that have taken place over the year and the steps the board has taken to ensure stable operations, supported by strong governance practices.

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.

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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.

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