



UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

see money differently

A photograph of an open book with white pages, tied with a white string bookmark. The book is open to a page that is mostly blank, with the text overlaid on the right side.

NEDGROUP INVESTMENTS SA EQUITY FUND

Quarter Three, 2025

Nedgroup Investments SA Equity Fund

Performance to 30 September 2025	Nedgroup Investments SA Equity ¹	FTSE/JSE Capped SWIX
Three months	13.1%	12.8%
12 months	26.0%	28.1%

Market Overview

Markets continued to power ahead during the third quarter, supported by generally accommodative monetary policy, as the US Federal Reserve embarked on rate cuts during September.

The MSCI World Index was up 7.4% for the quarter and 17.8% year-to-date (YTD), with the S&P 500 up 8.1% and 14.8%, the DAX Index down 0.2% and 35.7%, the Nikkei 255 up 9.1% and 21.9% and the MSCI Emerging Markets Index up 10.9% and 28.1% (for the quarter and YTD in US dollars).

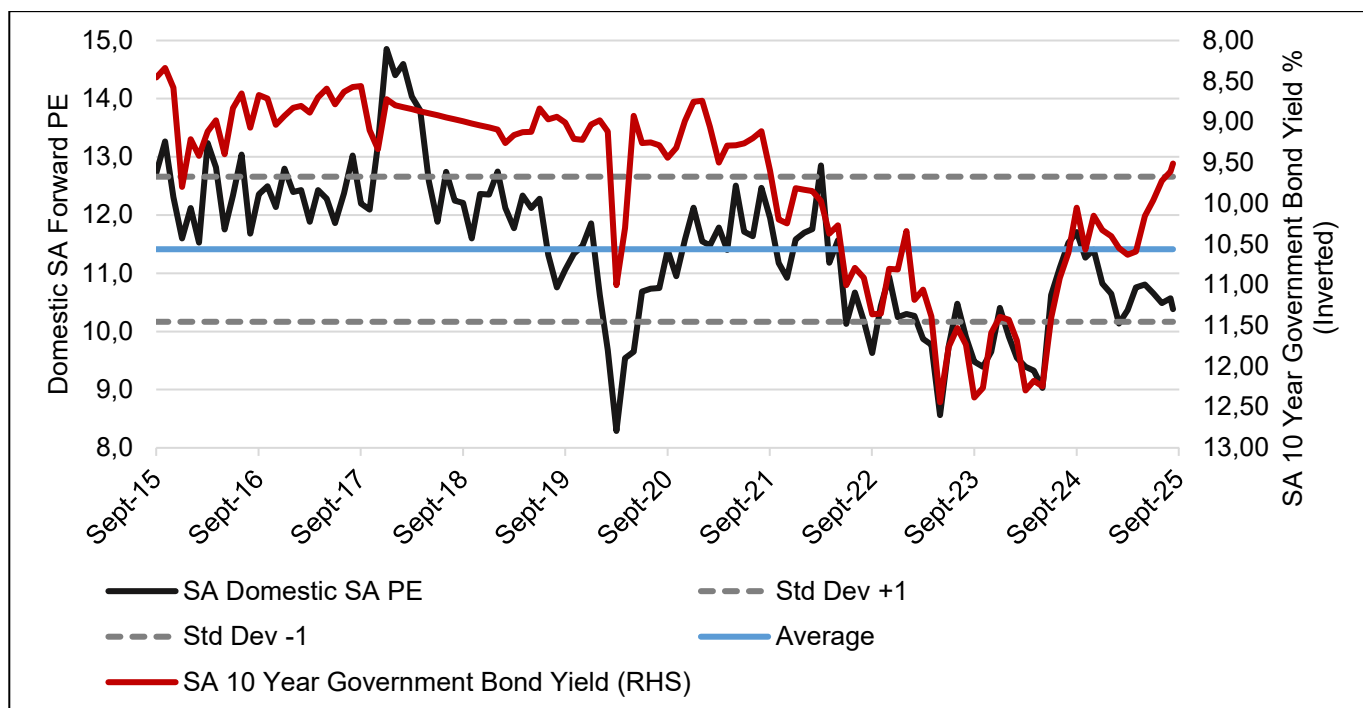
Domestically, the FTSE-JSE Capped SWIX was up 12.8% for the quarter and 31.7% YTD in Rands. As the Rand has strengthened, supported by a weakening US dollar, the FTSE-JSE Capped SWIX was up 15.8% for the quarter and 43.3% year-to-date in US dollars. However, the domestic rally has been somewhat narrow. Performance was largely driven by gold stocks, PGMs (platinum group metals), Naspers & Prosus and MTN.

Gold has continued to rally, ending the quarter above \$3800 (+45% YTD) due to heightened geopolitical risks, central bank buying, a weakening US dollar, in addition to concerns around the US Federal Reserve Bank independence. PGMs have followed gold, further supported by an improved demand outlook for investment and jewellery, and auto catalysts (due to lower than expected battery electric vehicle sales and higher sales of hybrid vehicles). Our fund has significant exposure to gold and PGMs largely via AngloGold, Goldfields, Impala Platinum and Northam Platinum. We increased our exposure to Valterra Platinum via the accelerated bookbuild when Anglo American sold its remaining 19% stake.

Domestic focused companies have lagged and offer attractive opportunities. An interesting dynamic related to this is the dislocation between our bond yields and domestic equity valuations. SA bond yields have rallied strongly as markets priced in the anticipated 3% inflation target. Domestic focussed stocks typically price off the SA government bond yield as the risk-free rate used in the cost of equity but have not followed during the recent SA bond rally. As a result, we think SA focused stocks offer a compelling opportunity at current valuations.

¹ Net return for the Nedgroup Investments SA Equity Fund, A2 class. Source: Morningstar (monthly data series).

Graph 1: Domestic SA 1 Year Forward PE vs SA 10 Year Government Bond Yield (Inverted)

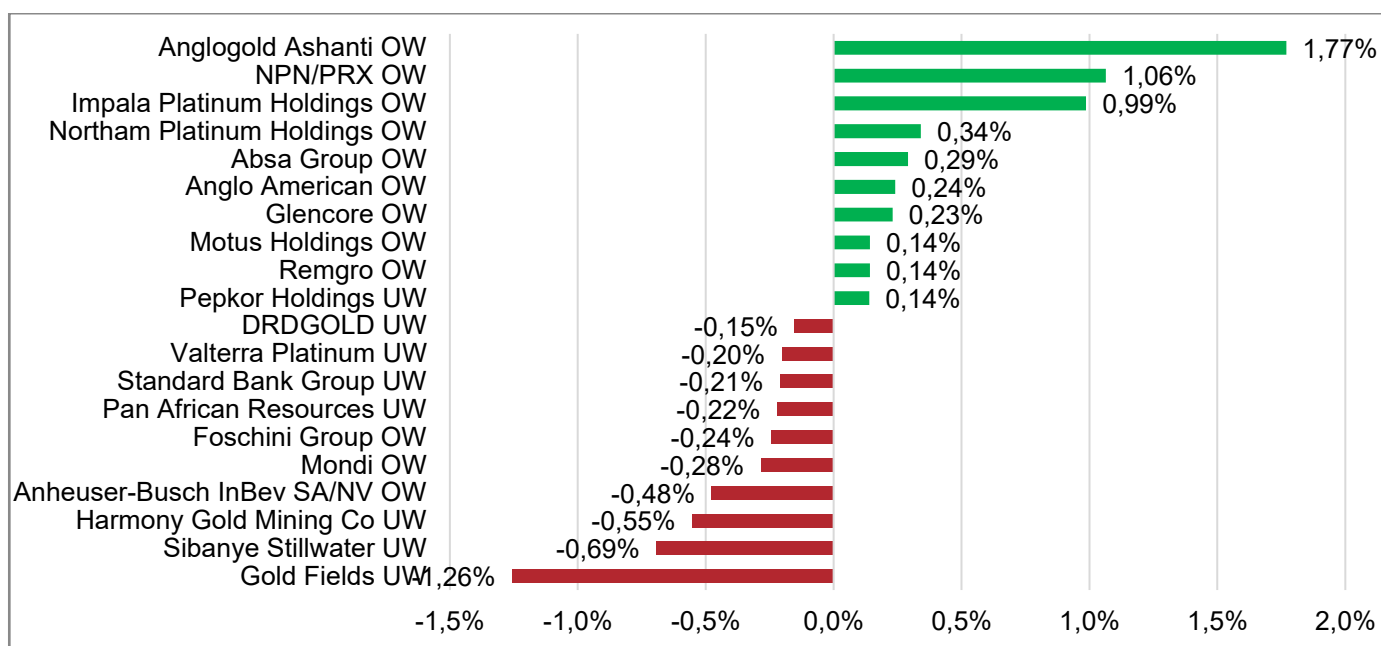


Source: Laurium Capital

Fund Performance and Contributors/Detractors

The Nedgroup SA Equity Fund has outperformed the market during the quarter and YTD, with the fund up 13.1% for the quarter and 31.4% YTD ahead of the market's 30.94%. The fund's outperformance was driven by positions in AngloGold, Prosus, Impala Platinum, Northam Platinum, AB InBev, Growthpoint and Momentum.

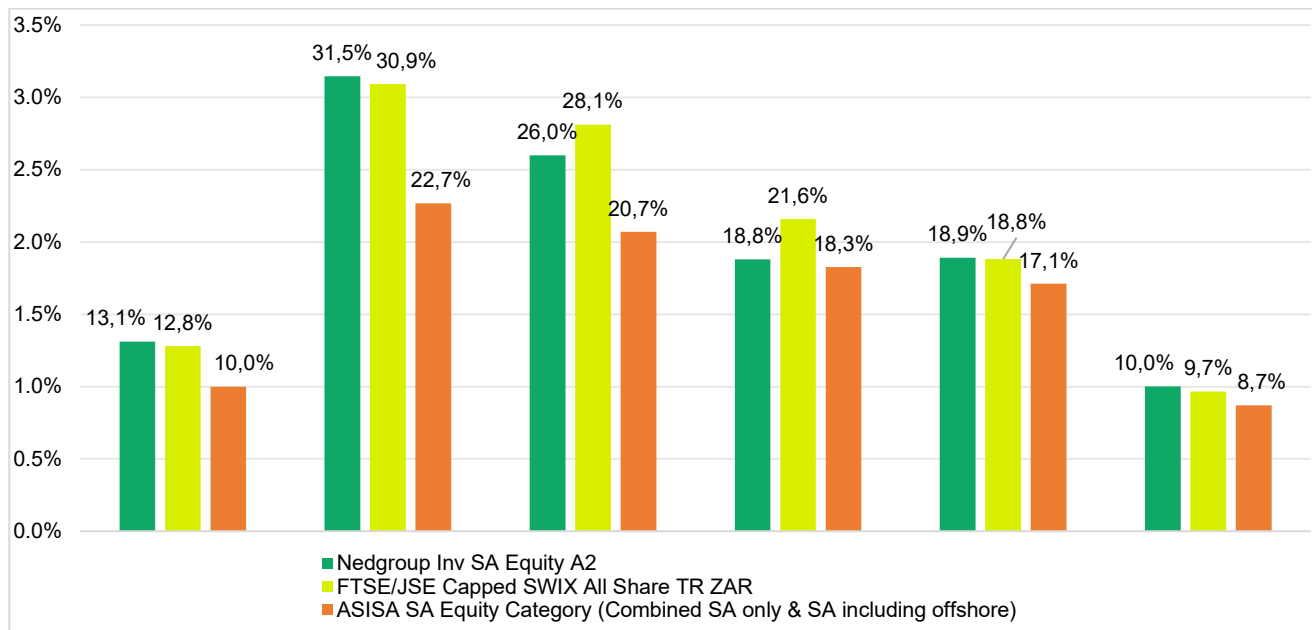
Graph 2: Nedgroup SA Equity Fund Attribution vs. Capped SWIX: Top 10 Winners and Losers Q3 2025



Source: Laurium Capital



Graph 3: Cumulative Returns Since Inception 27 March 2014 to 30 September 2025 vs Fund Benchmark (Capped SWIX) and Peer Group



Source: Morningstar Direct & Laurium

Fund Positioning and outlook

The fund has exposure to SA largely via banks, particularly FirstRand and ABSA, which are well placed to benefit from an expected increase in corporate lending and infrastructure funding. In addition to banks, the fund holds insurers such as Momentum and Sanlam, as well as Remgro, The Foschini Group, Woolworths and Mr Price.

Prosus and Naspers remain high conviction positions in the fund. We believe Tencent is a high-quality business and a genuine AI beneficiary, as it benefits from AI deployment across its 1.4 billion WeChat user base by deploying AI within game development, in-game play, improved advertising click-through-rates, AI search and cloud. In addition to this, the non-Tencent assets have turned free cash positive, a significant milestone towards unlocking the value of these assets.

The fund also holds rand hedges such as AB InBev, Bidcorp and British American Tobacco, which we view as well diversified businesses, with reasonable growth underpins and attractive valuations.

Conclusion

Against the above this backdrop, we find believe valuations are attractive and believe that our SA Equity portfolio is well positioned to benefit from potential upside. Given the relatively muted nature of expectations, incremental positive changes are expected to be well received and generate returns for our clients.



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.

NEDGROUP INVESTMENTS CONTACT DETAILS

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For further information on the fund please visit: www.nedgroupinvestments.co.za

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