



UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

see money differently

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

NEDGROUP INVESTMENTS STABLE FUND

Quarter Three, 2025

International

- Global growth stayed resilient as US economic activity was sustained on continued massive investment into AI infrastructure — the Chinese economy is stabilising on targeted stimulus, but Europe is stagnating
- Metals dominated the quarter after gold surged to fresh highs near \$4 000/oz and platinum rallied on tightening supply — copper traded higher after the collapse of Freeport McMoRan's key Indonesian mine
- The US Federal Reserve cut rates 0.25% in September, its first rate cut this year, while the ECB and BoE paused — meanwhile the US government faced a shut down from October after budget negotiations faltered
- The US dollar dipped after the Fed's dovish pivot, now down 12% against the euro this year — the other majors also firmed, while emerging-market currencies recovered on renewed risk appetite
- Global equities rose sharply to new highs as trade tensions eased and the AI frenzy continued — developed markets gained in mid-single-digits, but emerging markets outperformed after the MSCI China Index jumped 20%
- Global bonds were subdued as the US Federal Reserve delivered its first rate cut of the year — government bond yields declined modestly, but corporate bond credit spreads tightened to paper-thin levels in the risk-on environment


South Africa

- South Africa's GDP recorded modest growth, supported by stronger mining and manufacturing output — household consumption showed a mild uptick, but fixed investment and employment remained subdued
- The SARB cut the repo rate by 0.25% in July, but held rates steady thereafter, even as inflation moderated to below 3% — citing uncertainties relating to US reciprocal tariffs
- The rand gained against the weaker dollar, supported by broad emerging market strength, high carry yields and improved terms of trade as precious metals prices jumped — despite persistent political and fiscal uncertainty
- The FTSE/JSE All Share Index climbed sharply to a new record high, posting double-digit gains as gold and platinum miners rallied on soaring bullion prices — industrial and financial counters also strengthened, supported by a rebound in Naspers and Prosus in line with the recovery in Chinese technology shares
- Local bond yields fell during the third quarter, driving a strong rally in bond prices — inflation pressures eased, inflation expectations receded, and foreign investor interest strengthened amid growing signals that the SARB is preparing to formally lower the inflation target

Portfolio Commentary

- The fund added another 4.4% in the third quarter, taking its year-to-date return to 11.5% - well ahead of the CPI + 4% benchmark which stands at 6.4%, as well as the peer average which delivered 10.6%
- Over the past year, the fund has returned 12.8%, delivering real returns of 9% above inflation. In addition to generating strong real returns, the fund also continues its proud record of never having produced a negative return over any rolling 12-month period
- Global equities contributed positively to rand returns despite rand strength — Global equities climbed to new record highs as trade tensions eased and enthusiasm for AI persisted, with developed markets advancing in the mid-single digits, while emerging markets outperformed, led by a 20% surge in the MSCI China Index
- SA bonds also contributed meaningfully to returns, with local bonds rallying as inflation moderated and foreign demand strengthened — with the SA Reserve Bank coming out strongly in favour of lowering the inflation target to a fixed 3% from its current 3 – 6% range
- South African equities added to returns, with the FTSE/JSE All Share surging by double digit gains to an all-time high as gold and platinum miners rallied on record bullion prices — industrials and financials also advanced, with Naspers and Prosus rebounding alongside Chinese tech stocks
- The fund continued to benefit from its allocation to gold — the gold price surged to new highs near \$4 000/oz, fuelled by ongoing US dollar weakness, heightened geopolitical tensions that bolstered safe-haven demand, and sustained central bank purchases
- The fund's holding in brewer Anheuser-Busch Inbev was a detractor from returns this quarter — the world's largest brewer saw a share price decline after it reported a drop in volumes due to weaker demand in Brazil and China
- Domestic cash holdings continued to enhance absolute returns, with yields still outpacing inflation — the rand also strengthened against a softer US dollar despite ongoing political and fiscal uncertainty, supported by broad emerging market resilience, attractive carry yields, and improved terms of trade

Top contributors	Performance Contribution %	Holding Return %	Average Weight %
Foord International Fund	1.27	6.85	18.6
Foord Global Equity Fund	1.21	6.80	17.9
NewGold ETF	0.70	13.83	5.2
Prosus	0.47	22.35	2.2
RSA 1.875%(I2033)	0.35	4.61	7.7



Top detractors	Performance Contribution %	Holding Return %	Average Weight %
Anheuser-Busch InBev	-0.20	-15.00	1.2
Shaftesbury Capital	-0.15	-14.82	1.0
Aspen	-0.15	-18.83	0.7
Pepkor	-0.06	-6.33	0.9
Bidvest	-0.03	-6.83	0.5

Investment Strategy

- South African equities remain selective, with SA Inc holdings focused on high-quality banks, as well as staple food producers and retailers — an uninspiring budget and growing uncertainty over the future of the GNU have eroded confidence in near-term structural reforms needed to revive growth
- The weighting in foreign assets remains elevated at 48% of the portfolio — measured together with non-rand earnings of JSE-listed companies, total foreign economic exposure is even higher on a look-through basis
- Foreign equities remain focused on companies with pricing power which are best placed to protect investor capital from higher inflation — direct investment in US equities remains low in relative terms, given potential earnings risks arising from an economic slowdown
- A moderate allocation to South African bonds, with a preference for inflation-linked instruments, was trimmed after falling yields drove strong fixed-income gains — while SA inflation-linked bonds still offer attractive real yields, we continue to avoid SA credit assets where we believe risks remain mispriced
- Listed property is limited to a low weighting, given poor fundamentals for the asset class, despite optically attractive yields — sector risks include excess capacity, weak rental trend, consumer headwinds and rapidly escalating municipal costs
- The allocation to foreign government bonds remains low, comprising of short-duration US Treasuries with a preference for inflation-linked bonds — while listed property also remains low, given sector risks and unattractive valuations
- In this ‘risk-on’ environment, the fund remains deliberately positioned for balance – participating in market strength while maintaining the capital protection and consistency that have underpinned the fund’s long-term success

Responsible Investment Summary



Voting resolutions for Q3 2025

Portfolio

Adopt Financials
Auditor/Risk/Social/Ethics related
Buy Back Shares
Director Remuneration
Dividend Related
Issue Shares
Loan/financial assistance
Other
Re/Elect Director
Remuneration Policy
Shares under Director Control

Total count	For	Against	Abstain
2	50%	50%	0%
11	100%	0%	0%
2	100%	0%	0%
3	100%	0%	0%
1	100%	0%	0%
2	0%	100%	0%
1	0%	100%	0%
6	50%	50%	0%
10	100%	0%	0%
3	33%	67%	0%
1	0%	100%	0%

Foord Global Equity Fund

Adopt financials
Auditor/risk/social/ethics related
Buy back shares
Dividend related
Issue shares
Re-elect director
Remuneration policy including directors' remuneration
Other

Total count	For	Against	Abstain
6	100%	0%	0%
16	100%	0%	0%
3	100%	0%	0%
4	100%	0%	0%
10	10%	90%	0%
45	100%	0%	0%
13	15%	85%	0%
15	87%	13%	0%

Foord International Fund

Adopt financials
Auditor/risk/social/ethics related
Buy back shares
Dividend related
Issue shares
Re/elect director or members of supervisory board
Remuneration policy including directors' remuneration
Others

Total count	For	Against	Abstain
6	100%	0%	0%
13	100%	0%	0%
3	100%	0%	0%
3	100%	0%	
10	10%	90%	0%
36	100%	0%	0%
9	11%	89%	0%
14	86%	14%	0%





General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention, it would typically be intentional or for strategic reasons
- We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, providing loans and financial assistance to associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion we have voted in favour of such resolutions, we could gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated
- The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes. In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings



Notable company engagements (Q3 2025)

Company	Topic	Company Attendees	Event Notes
Omnia	Remuneration Policy	Members of the Board	Foord voted against the Remuneration Policy. While Foord supports the focus and choice of performance metrics, the targets established are considered insufficiently demanding and do not present an adequate stretch for management. Furthermore, the comparator group used for Total Shareholder Return (TSR) calculations comprises an unusual mix of companies, many of which operate in sectors that differ significantly from Omnia's core business.
Tiger Brands	Remuneration and Governance	Chairperson and Board of Directors	<p>The Chairperson confirmed that Tigers expects to settle the Listeriosis claim by the end of the calendar year. Based on informal discussions with the plaintiffs' attorney regarding the proposed settlement, Tigers is confident that the offer will be fully covered by its insurance. This will allow the company to bring closure to a significant social issue without any adverse financial impact.</p> <p>The Board also discussed succession planning and confirmed that the process is underway. The CEO-designate will undergo a 12-month handover period with the current CEO to ensure strategic continuity.</p> <p>In addition, the remuneration policy metrics were reviewed and deemed appropriate to support the effective execution of the company's strategy.</p>

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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