



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 some faint, illegible text visible on the left side.

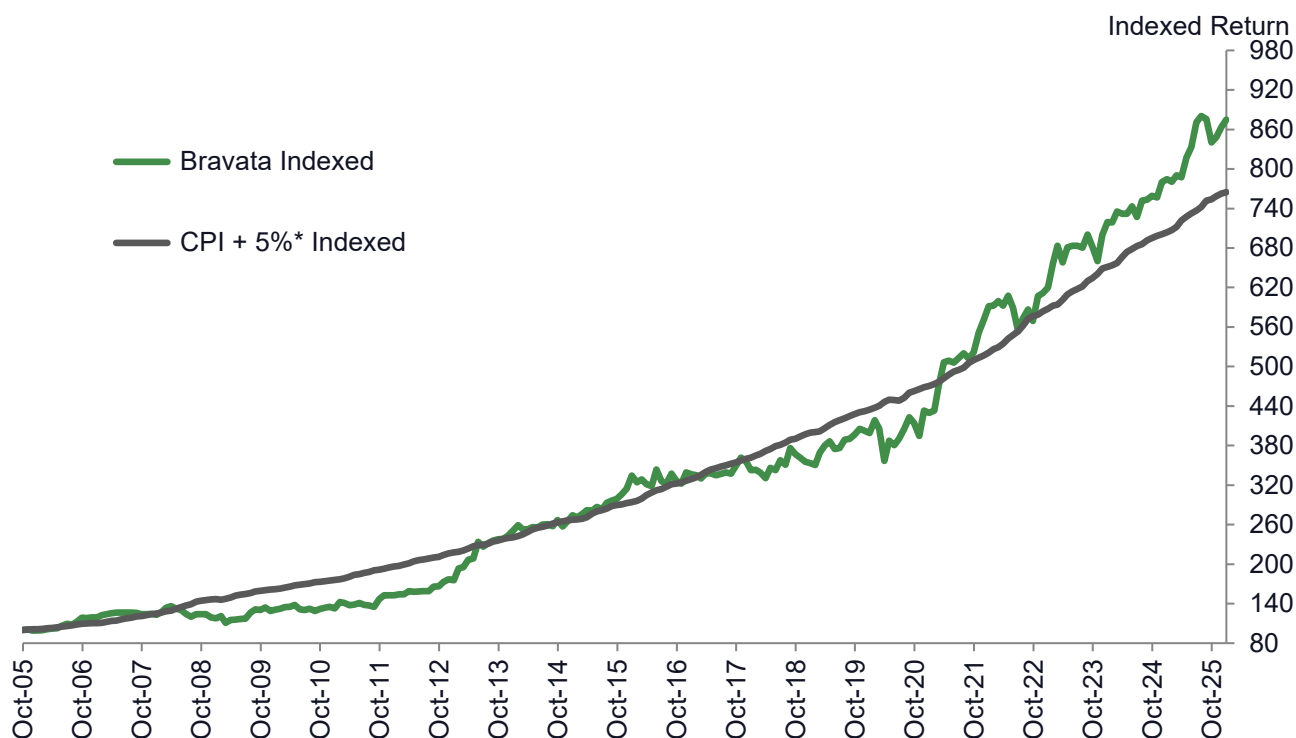
# **NEDGROUP INVESTMENTS**

## **Bravata Worldwide Flexible Fund**

Quarter Four, 2025

## PERFORMANCE

31 December 2025 (Annualised Net returns %)	1 year	3 years	5 years	7 years	10 years	Since Inception
Fund – A Class <sup>1</sup>	11.5	12.2	15.3	13.8	10.1	11.6
Benchmark <sup>2</sup>	8.7	9.2	10.2	9.7	10.0	10.8



\*Benchmark changed from CPI +4% to CPI +5% 1 January 2007. Past performance is not indicative of future performance.  
**Source:** Bloomberg, Stats SA, 31 December 2025

## CONTRIBUTORS AND DETRACTORS

Positive Contributors	%
Reinet	1.1
Dollar General	1.1
Super Group	0.9
Southern Sun	0.5
Netcare	0.4

Negative Contributors	%
We Buy Cars	-0.6
Bath & Body Works	-0.6
Galaxy Entertainment	-0.3
AECI	-0.2
Jumbo	-0.2

**Date:** From 30 September 2025 to 31 December 2025

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

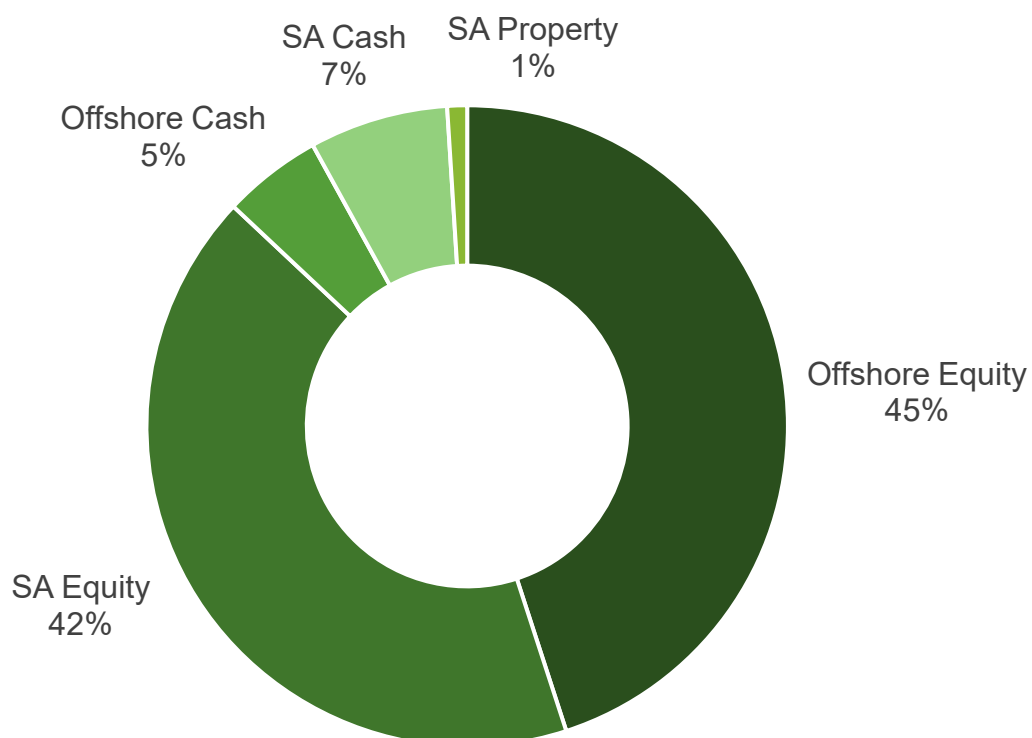
<sup>2</sup> Benchmark is South Africa CPI+5%

## TOP EQUITY HOLDINGS

	31 December 2025	30 September 2025	Change
	%	%	%
Aylett Global Equity Fund	8.5	8.7	-0.2
Reinet	8.1	7.2	0.9
Dollar General	5.6	4.5	1.1
British American Tobacco	5.0	4.9	0.1
We Buy Cars	4.8	4.9	-0.1
Netcare	4.1	3.4	0.7
Remgro	3.9	3.6	0.3
St James's Place	3.1	3.1	0.0
Southern Sun	3.1	2.6	0.5
Super Group	2.6	1.8	0.8
<b>Total</b>	<b>48.8</b>	<b>44.7</b>	

**Date:** 31 December 2025

## ASSET ALLOCATION





Entries	Change (%)
Philip Morris	0.6

Exits	Change (%)
SA Government Bond R186	-4.1
Absa	-1.2
Victoria's Secret & Co.	-1.1
Rubis	-1.1
Groupe Bruxelles Lambert	-1.0
Berkshire Hathaway	-0.9
BHP	-0.8
Melco Resorts & Entertainment	-0.7

**Date:** 31 December 2025

**ACTIVITY**

**Date:** From 30 September 2025 to 31 December 2025

Up Weights	Traded Value as % of NAV
Galaxy Entertainment	1.0
Mondi	1.0
We Buy Cars	0.6

Down Weights	Traded Value as % of NAV
Heineken	-0.6





**Date:** From 30 September 2025 to 31 December 2025

## **COMMENTARY**

“The big money is not in the buying or the selling, but in the waiting.” - Charles T. Munger

2025 turned out to be a reasonable year when taking into account the strength of the Rand versus offshore currencies. In US Dollar terms, the fund returned 20%. Errors of commission were few; however, errors of omission counted against us. For the last few years, our positive views on the currency, the bond markets, and the cheap valuations of local assets were well publicised, but we failed to invest in meaningful size. We missed the run in platinum shares, and we could have been more invested in the diversified miners, such as Anglo American. We were not long enough on the duration of the fixed interest bonds, and we sold too early. Fortunately, we did invest in South African banking stocks, making up 8% of the fund.

Furthermore, our offshore investments performed well in their respective currencies. Our decision to invest in the Aylett Global Equity Fund has served us well over the last twelve months. Additionally, shares such as Reinnet, British American Tobacco (BAT), Dollar General and St James's Place have made a significant contribution to our total performance.

Reinnet and BAT are good examples of meeting Charlie's maxim for making “the big money” as mentioned above. Both shares were invested in many years ago, and in particular, Reinnet, we first explored in 2009. The latest development was the announcement of the sale of the Pension Insurance Corporation (PIC) stake, which sparked market speculation around a potential wind-up of the company. Regulatory approval for the transaction is still pending, with a decision expected by the end of February. Once approval is received, management is expected to provide greater clarity on the company's future strategic direction.

Overall, we would give ourselves a “C+” for our performance. Hopefully, looking forward, we will back ourselves with more conviction.

## **Actions Taken**

Uncharacteristically, we were quite active in focusing and rotating the fund, towards South African stocks in particular, and selling investments that met our target prices. As previously mentioned, we increased our exposure to our local bank holdings and increased our exposure to counters such as Netcare, Remgro, We Buy Cars, and Stor-Age, to name a few. It has also been our intention to focus the fund by reducing the number of investments.


The fund sold all of its fixed interest positions throughout the year. We suspect that in time to come the low-interest rate environment will not last long, and as inflation, global risk and uncertainty in world stock markets persist, interest rates will tend to drift higher.

## **Portfolio Structure**

The fund, despite its high equity exposure, includes many of the shares that are unloved, defensive in nature and predictable. Our increased exposure to South Africa results in a semblance of risk mitigation, as pedestrian results are expected. To us, this makes no sense. In just the last twelve months, the following macro events have taken place:

- The currency has strengthened, especially against the US dollar.
- Our terms of trade have improved significantly as we export commodities at higher prices.



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- Interest rates are much lower, making borrowing costs for the government and consumer more affordable.
  - The Government of National Unity is working despite perceptions that it is not.
  - Privatisation is taking place in state assets, such as rail and ports, a fact the ANC describes as partnerships.
  - Inflation appears to be benign, and savers are achieving record real returns. The local shares, although somewhat higher than two years ago, are still cheap, except for some of the precious metals.

Our offshore section of the fund continues to remain focused on tobacco, alcohol, US consumer stocks, and providing some exposure to rising equity markets, asset managers. The dividend yields on most stocks are significant when compared to foreign currency rates. We continue to shun the US Dollar. At a measured pace, we continue to increase our exposure to the East as we perceive that the next twenty years will be more lucrative there than in the Western Hemisphere.

## **GOING FORWARD**

There is no shortage of poor global news, and our expectations of rising risks for investors have been confirmed. For an extended period, the world benefitted from the advantages of free trade: an absent trade tariff regime, relative global peace over the last fifty years, an increase in global travel, the low cost of capital, declining interest rates for long periods, and low energy costs; as Louis Armstrong sang, "What a wonderful world."

All this has disappeared, and quickly. Many actions of the US government will be difficult to reverse. The EU faces significant challenges in the form of negative local population growth and rising energy costs.

Perhaps the prospects are summed up by the Prime Minister of Singapore, Lawrence Wong:

"We are certainly in the midst of a great transition to a multipolar world, a post-American order in a multipolar world. No one can tell how the transition will unfold, but there is no doubt it will be messy and unpredictable.

America is stepping back from its role as a global insurer, but there is no other country that is able or willing to fill the vacuum. So, we are in an uncomfortable position where the old rules don't apply anymore, but the new ones have not been written, and we must brace ourselves for more turbulence ahead."

As investors, we cannot wait and hope for a new world order. As always, we will invest in the most difficult times, should Mr Market provide us with wonderful buying opportunities in times of great uncertainty. In the short term, we will need to have ample cash to take advantage, and our returns may be pedestrian. Investors in our fund should at least have a five-to-ten year time horizon, and we expect volatility to be higher than normal.

*Walter Aylett*

31 December 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.

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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](http://www.nedgroupinvestments.co.za)

### OUR OFFICES ARE LOCATED AT

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