



**NEDGROUP  
INVESTMENTS**

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# **NEDGROUP INVESTMENTS SA EQUITY FUND**

**Quarter Four, 2025**

## Nedgroup Investments SA Equity Fund (Class A2)

Performance to 31 December 2025	Nedgroup Investments SA Equity <sup>1</sup>	FTSE/JSE Capped SWIX
Three months	8.0%	8.9%
12 months	41.9%	42.6%

### Market Overview

Global equity markets performed very strongly in 2025, but the final quarter's performance was subdued in comparison to the previous nine months. South Africa remained the star performer with the FTSE-JSE Capped SWIX up 8.9% for the quarter and 42.6% for calendar year 2025 (all in ZAR). As the Rand continued to strengthen against most currencies and supported by a weakening US dollar, the FTSE-JSE Capped SWIX was up 14% in the final quarter and ended the calendar year up 63% in US dollars.

In comparison, the MSCI World Index was up 3.2% for the quarter and 21.6% for the year, with the S&P 500 up 2.7% and 17.9%, the DAX Index up 2.5% and 39.1%, the Nikkei 255 up 6.0% and 29.3% and the MSCI Emerging Markets Index up 4.7% and 34.2% (for the quarter and calendar year in US dollars).

As was largely expected, the US Federal Reserve (FED) cut its benchmark interest rate twice in the quarter, by 25bps on each occasion, in October and December. Oil prices however have dipped below \$60 for the first time this year - most likely driven by expectation of a surplus market which could initially be exacerbated by an easing in sanctions on Russian oil should a ceasefire negotiation be successful. While all parties continue to work towards a successful resolution of the Ukrainian / Russian conflict an immediate solution seems unlikely.

Much has been written about the dramatic rally in the gold price which ended the year at \$4,319/oz up 65% over the course of the year. Gold typically rises in a risk off environment and / or a period of low or negative real yields. The gold rally in 2025 has happened despite a healthy risk on environment (rising stock markets, loosening monetary policy) and real yields remaining at normalised levels. Continued buying of gold by central banks remains one of the major drivers this year. Market commentators have also linked gold's rally to rising US debt levels, growing threats to the FED's independence and an urge to diversify away from US treasuries given the potential USD debasement threat.

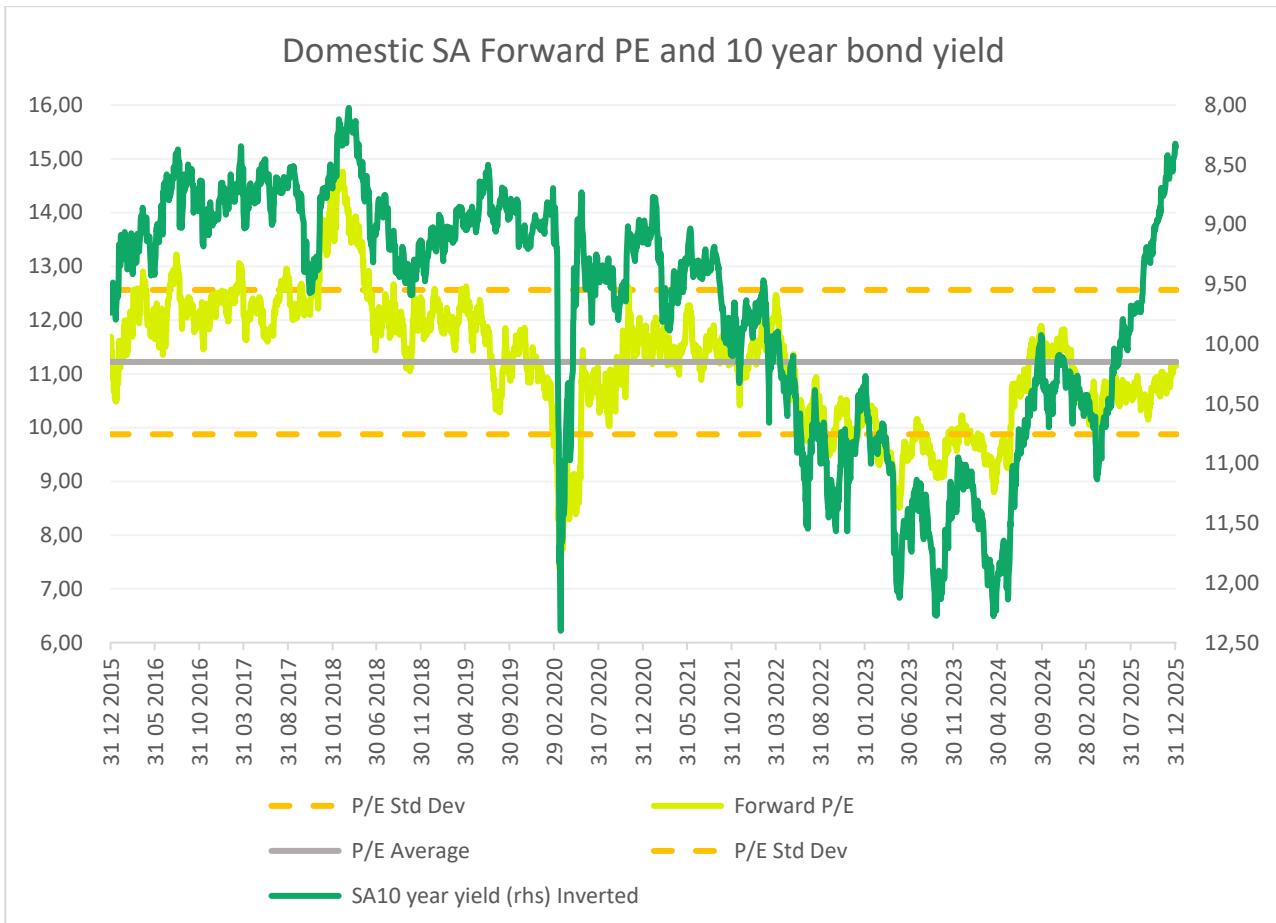
Platinum group metal (PGM) prices outperformed gold in the final quarter, with platinum up 30.7%, palladium up 28.4% ending the year at \$2,060 and \$1,620 respectively. The key drivers remain limited supply growth, further reductions in anticipated electric vehicle penetration rates as the US abolished EV subsidies and Europe backtracked on its plan to ban the sale of all ICE from 2035.

PGM and gold equities, financials (banks and insurers) and domestic property stocks drove the overall equity market performance in the fourth quarter. The breakdown of the Capped SWIX calendar year return of ~43% was very narrow with only the PGM equities, gold equities, telco stocks, British American Tobacco and domestic property stocks beating the Capped SWIX Index.

The SA Reserve Bank's (SARB) official move to a 3% inflation target (from previous target band of 3-6%), continuing fiscal discipline and South Africa's removal from the FATF grey list has seen the 10-year SA government bond yield ending the year at 8.19% – after starting the year above 10%. As previously highlighted the dislocation between South African bond yields and domestic equity valuations continues to persist. Domestic focused stocks should typically price off the SA government bond yield (risk-free rate used in the cost of equity) but valuations have not followed the rally in SA bonds. Coupling this domestic valuation argument with the benefits of stronger commodity prices on local economic growth and expected benefits from regulatory reforms we believe SA focused stocks offer an attractive opportunity at current valuations.

<sup>1</sup> 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

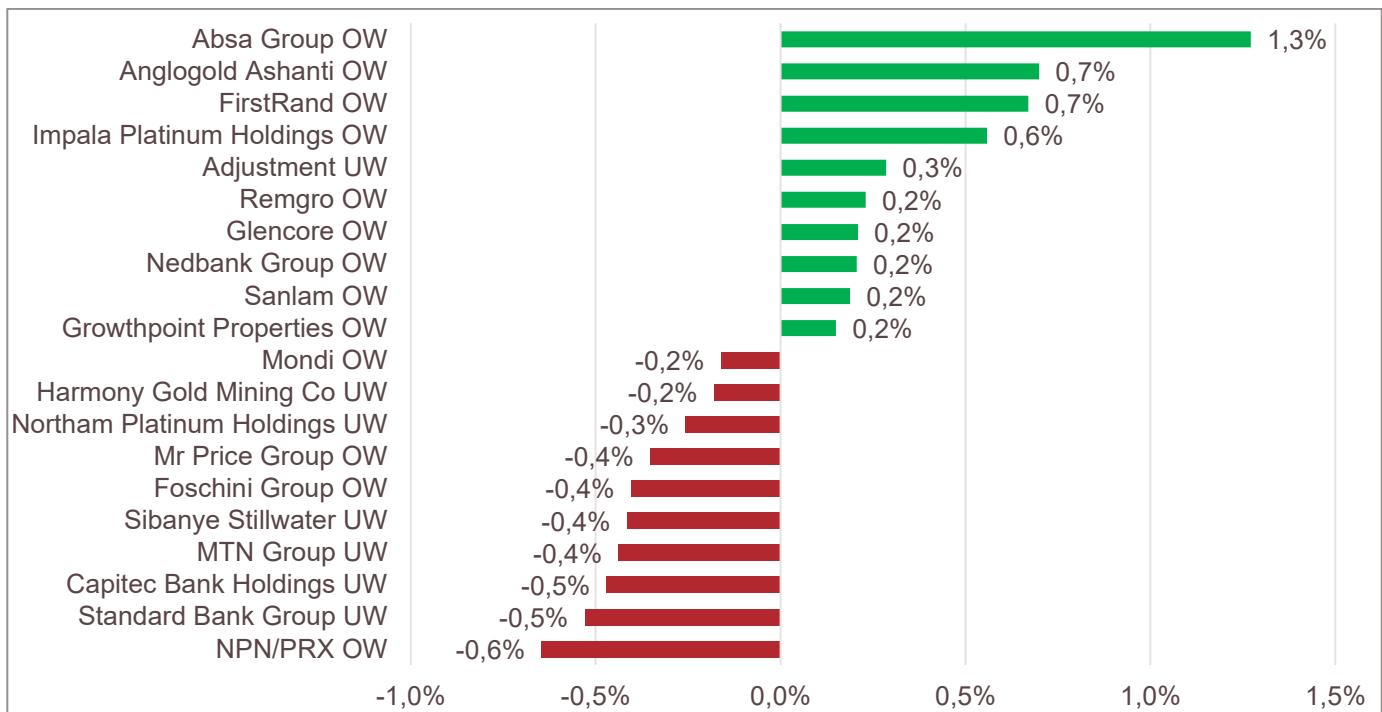
## Fund Performance and Contributors/Detractors

The Nedgroup SA Equity Fund is up 8.0% for the quarter and 41.9% for the calendar year 2025, broadly in line with the Capped SWIX returns of 9.5% and 43.4% respectively.

PGM and gold equities, financials (banks and insurers) and domestic property stocks drove the overall equity market performance in the 4Q25. Positive contributors to performance in the fourth quarter were the fund's overweight positions in ABSA Bank, AngloGold, FirstRand, Impala Platinum and Remgro. Detractors to performance were Prosus, underweight positions in Standard Bank and Capitec, and overweight positions in Foschini Group and Mr Price.

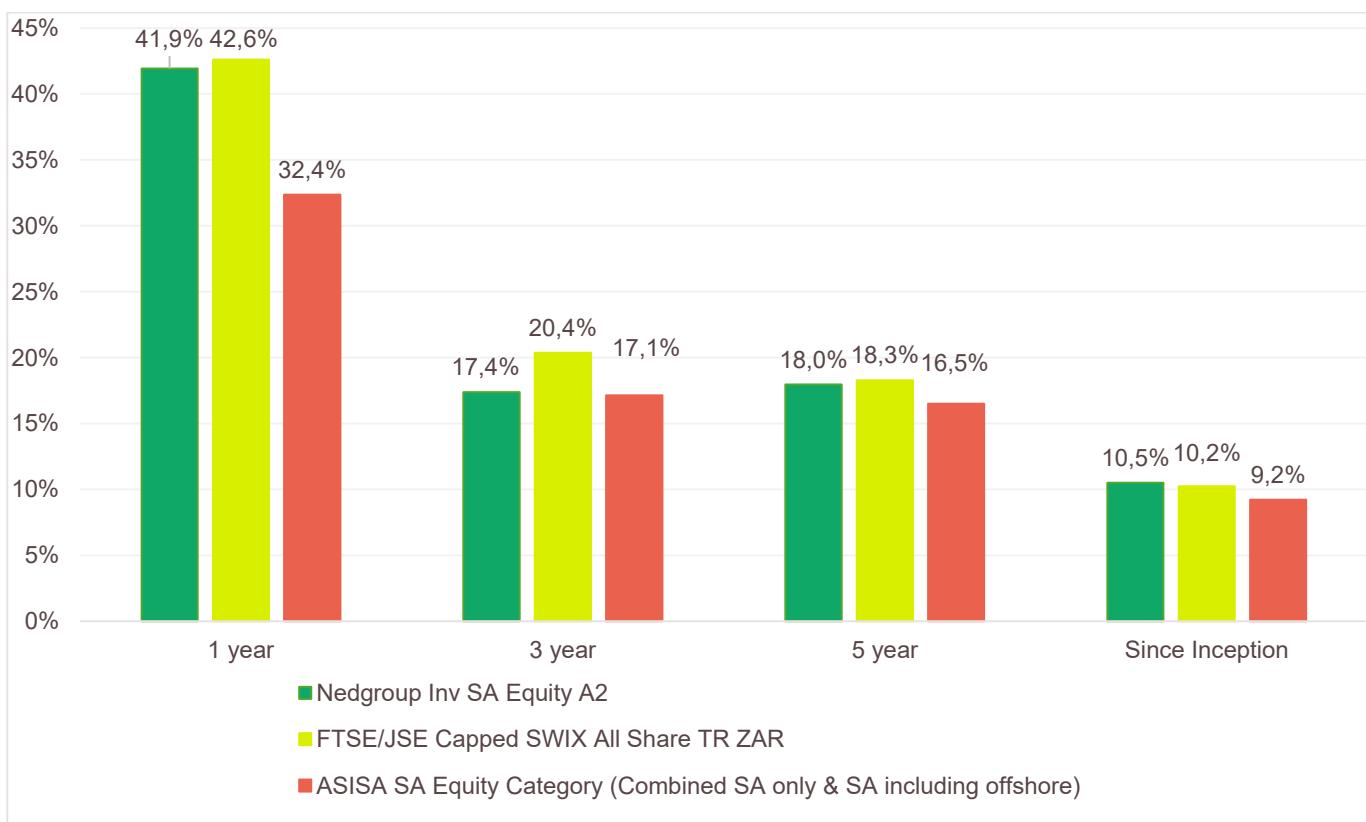
For the calendar year our significant weightings in AngloGold, Impala Platinum, Prosus, ABSA Bank and FirstRand contributed positively to performance. Gold Fields, Sibanye, Harmony, (all underweight positions), MTN (which we sold to early) and an overweight position in Foschini Group were detractors to annual performance.

Graph 2: Nedgroup SA Equity Fund Attribution vs. Capped SWIX: Top 10 Winners and Losers Q4 2025



Source: Laurium Capital

Graph 3: Cumulative Returns Since Inception 27 March 2014 to 31 December 2025 vs Fund Benchmark (Capped SWIX) and Peer Group



Source: Morningstar Direct

## Fund Positioning and outlook

Our fund retains exposure to gold and PGMs via holdings in AngloGold, Goldfields, Impala Platinum and Valterra Platinum. Positions in Anglo American plc and Glencore (added to during the year) provide the fund with exposure to copper growth. SA Inc exposure is largely via banks, with FirstRand and ABSA our preferred plays, which should benefit from an expected increase in corporate lending and infrastructure funding. The fund retains positions in insurers (Sanlam and Discovery), Mr Price, The Foschini Group and Bidvest.

Prosus and Naspers remain high conviction positions in the fund. Tencent is a genuine AI beneficiary, as it benefits from AI deployment across its 1.4 billion WeChat user base. Furthermore, the non-Tencent assets have turned free cash positive, which will further contribute to the unlocking of value in these assets.

The fund still holds rand hedges such as AB InBev, Bidcorp and British American Tobacco (reduced the position during the year given the strong price performance), which are well diversified businesses, with reasonable growth opportunities and importantly remain attractively valued.

Based on our assessment of valuation levels and growth opportunities the SA Equity portfolio is well positioned to benefit from potential upside driven by these factors.

# 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.

Contact details: Standard Bank, Po Box 54, Cape Town 8000,

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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)

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