Nedgroup Investments Core Bond Fund

Core Range

see money differently

Q2 2026 | 30 June

Fund characteristics

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Fund overview

Fund Size	Time frame	Benchmark	Peer group	Risk profile
01	02	03	04	05
R8.8bn	**Min 3 years**	**All Bond Index**	**SA Interest Bearing Variable Term**	**Low - Medium**

The Benefits of the Core range

Liquidity
Focus on liquid bonds helps improve implementation efficiency and portfolio resilience.

Diversification
Exposure to both government and corporate bonds broadens return drivers.

Cost Effective
Low fees and reduced trading costs support stronger risk-adjusted returns.

Consistency
A neutral duration approach reduces dependence on interest rate calls.

Fund costs (A class)

0.35%	0.42%	0.00%	0.42%
Management fee (Excl. Vat)	Total expense ratio*	Transaction charges	Total investment charges

Fund manager

Taquanta — SA Fixed Income

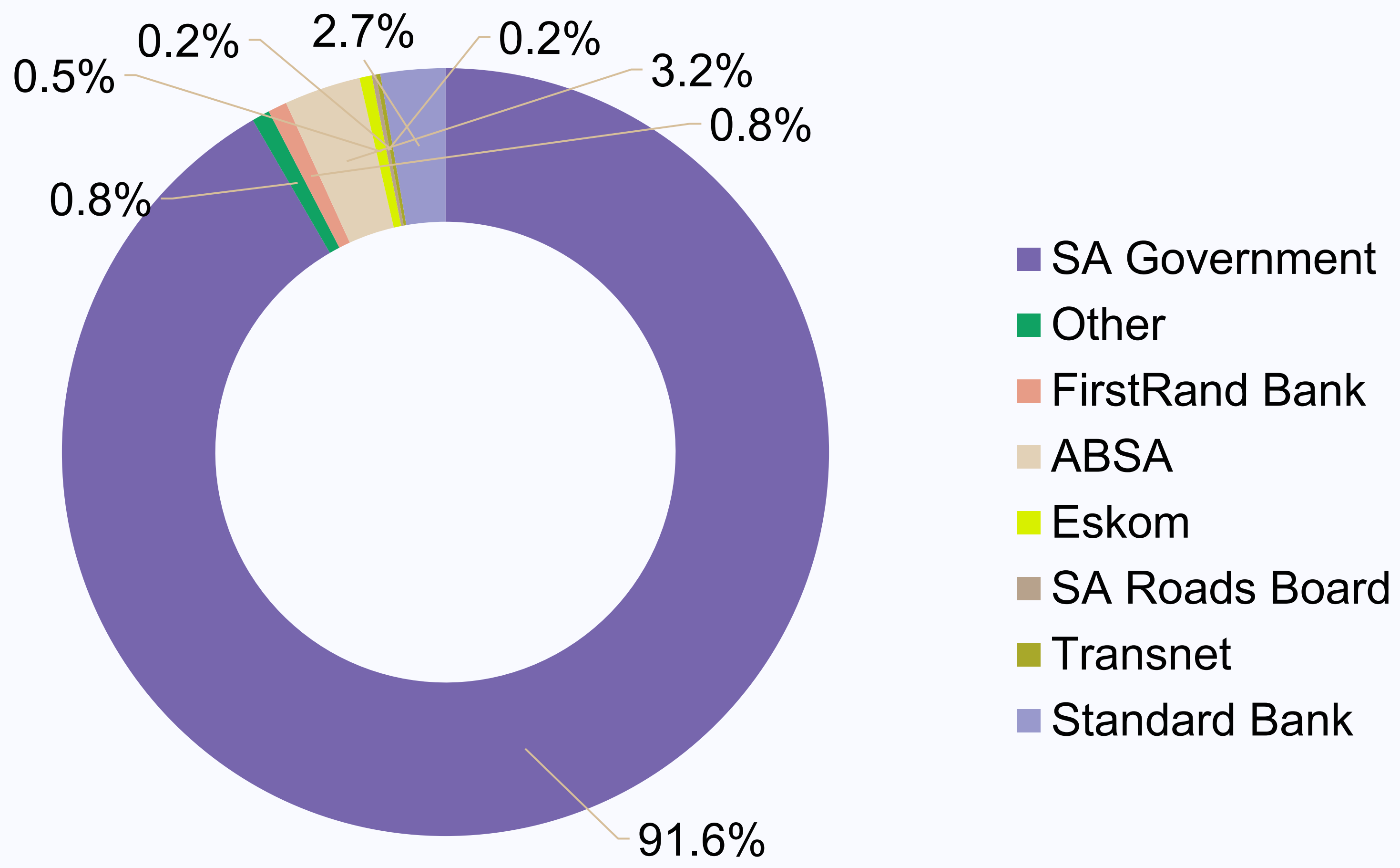
Source: Morningstar

*The Total Expense Ratio (TER) and Transaction Costs (TC) of the Fund are calculated on an annualised basis, beginning 3 years ago.

Fund positioning

As at 30 June 2026

Fund Composition



Maturity Spreads

	%
0 - 3 years	5.2%
3 - 7 years	21.6%
7 - 12 years	34.4%
> 12 years	38.9%

Source: Morningstar

*Inception 01 November 2012

Key take-outs this quarter

As at 30 June 2026

What began as a month overshadowed by fears of conflict and rising energy costs ended on a far more optimistic note. A ceasefire framework between the United States and Iran, coupled with the reopening of the Strait of Hormuz, eased concerns about supply disruptions and helped drive Brent crude oil prices 38% lower over the quarter to $72.90 per barrel. As inflation fears receded, investor confidence returned, lifting the MSCI All Country World Index 15.1% in the second quarter.

South Africa delivered encouraging news during the quarter, with Fitch upgrading the country's sovereign credit rating from BB- to BB, reflecting improved fiscal discipline and progress in structural reforms. Economic growth remained modest but positive, with GDP expanding 0.5% in Q1 2026, while inflation rose to 4.5% in May, below market expectations. Improved investor sentiment, a stronger rand and renewed foreign demand helped local bonds recover, with the 10-year government bond yield falling from 9.33% in March to 8.66% by mid-June. Despite these positive developments, weaker consumer spending, subdued investment and persistently high unemployment continued to temper the economic outlook.

Artificial intelligence remained a powerful driver of markets, but June marked a subtle shift. Investors increasingly broadened their focus beyond the largest technology companies, seeking opportunities across sectors and regions. Nowhere was this more evident than in developing economies, where the MSCI Emerging Markets Index surged 24.1% during the quarter, reflecting a growing appetite for risk as market participation widened.

The improving geopolitical backdrop offered policymakers some relief, but caution remained the order of the day. While falling oil prices improved the inflation outlook, price pressures across major economies continued to run above central bank targets. In the United States, the Federal Reserve kept interest rates unchanged at 3.50%-3.75%, underscoring the delicate balance between supporting growth and ensuring inflation remains on a path back to target.

Therefore, the Core Bond Fund increase by 7.6% over the quarter.

Consistent performance compared to peers

As at 30 June 2026

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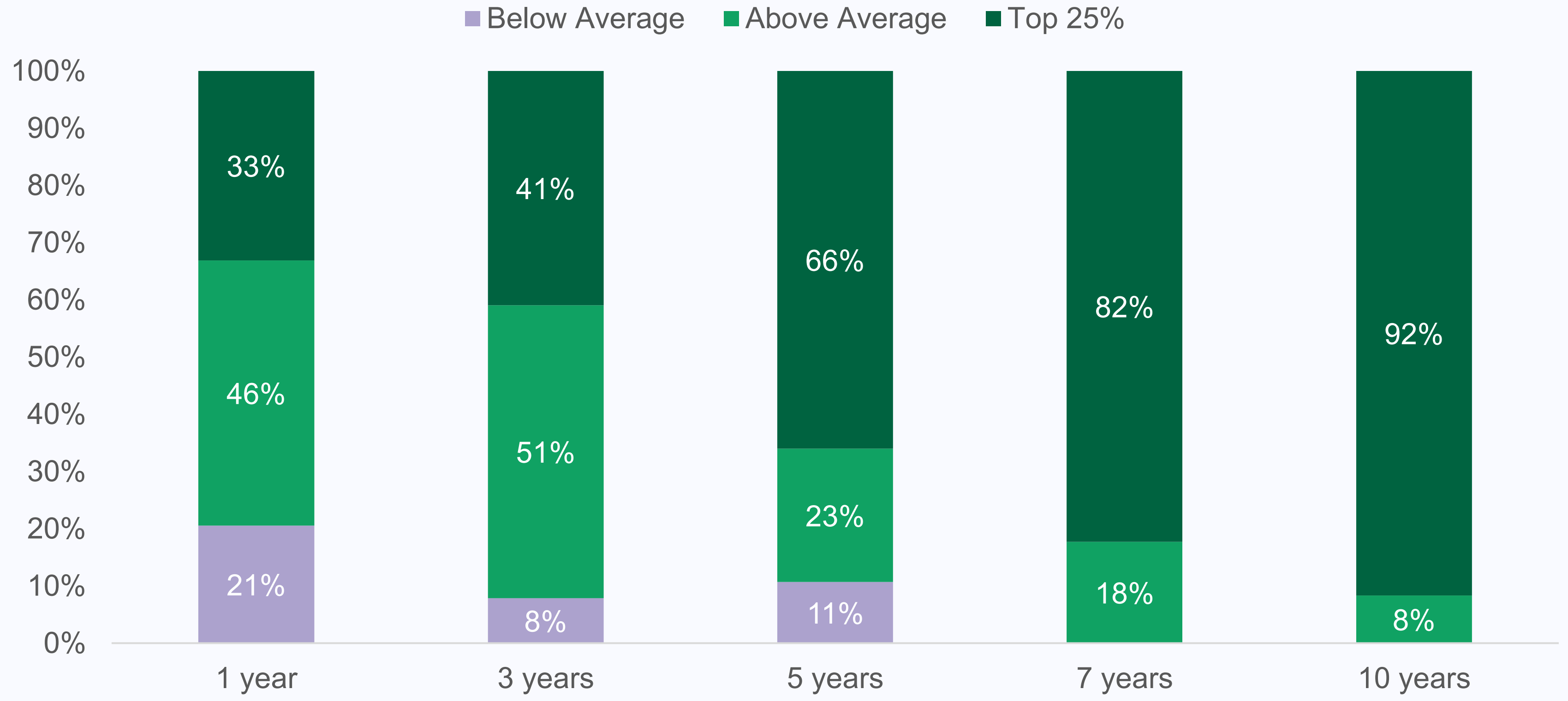
Fund performance (A class)

	Q2'26	1 year	3 years	5 years	7 years	10 years
Fund	**7.6%**	**20.0%**	**17.3%**	**12.2%**	**11.2%**	**10.8%**
Peers	7.6%	20.8%	16.5%	11.4%	10.3%	9.7%
All Bond Index	7.9%	21.5%	17.8%	12.4%	11.1%	10.8%

Risk measures since inception*

	Volatility	Max drawdown
Fund	**7.5%**	**-18.3%**
All Bond Index	7.9%	-19.3%

Consistency relative to peers over different rolling periods



Duration and Yield

	Core Bond Fund	ALBI
Modified Duration	6.5	6.4
Yield	8.7%	8.8%

Source: Morningstar

*Inception 01 November 2012

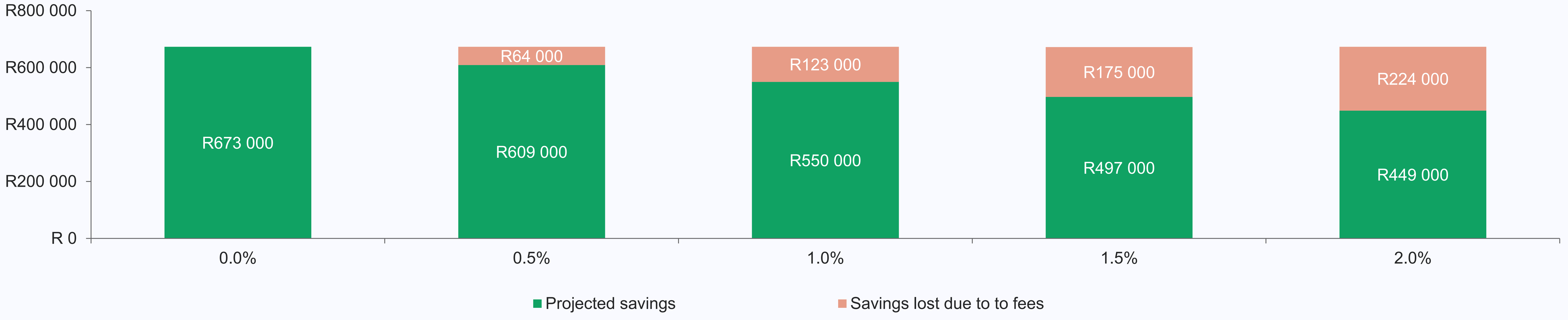
Impact of lower overall costs

As at 30 June 2026

Costs across classes

	Management fee (excl. Vat)	Total expense ratio	Transaction Charges	Total investment charges
A class (direct)	0.35%	0.42%	0.00%	0.42%
C class (lisp)	0.25%	0.31%	0.00%	0.31%

Impact of fees over 20 years on a R100 000 invested*



Source: Morningstar

*Illustration uses a 10% return pa before fees and values are rounded to nearest R1 000

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