NEDGROUP INVESTMENTS

UNIT TRUSTS | INTERNATIONAL | RETIREMENT FUNDS

see money differently

NEDGROUP INVESTMENTS SA EQUITY FUND

Quarter Two, 2026

Nedgroup Investments SA Equity Fund (Class A2)

Performance to 30 June 2026	Nedgroup Investments SA Equity[1]	FTSE/JSE Capped All Share
Three months	-2.7%	-2.4%
12 months	16.3%	19.4%

Market Overview

The quarter ending 30 June 2026 was defined by a sharp escalation in geopolitical risk, post the breakout of war in Iran and the subsequent closure of the Strait of Hormuz. Finally, following numerous false starts, a peace deal, albeit a very fragile one, was signed on the 17th of June 2026 and for now appears to be holding. Maritime activity in the Strait of Hormuz is beginning to pick up as much needed shipments of crude oil and other energy products have started to increase, and Brent oil is back to $72.95, approaching pre-war levels, after climbing to ~$118/bl at the end of March. If energy prices remain near current levels, the risk of higher global inflation should ease. The gold price declined by 14.1% in the 2Q 2026 on expectations of higher global interest rates primarily due to persistently higher post-war inflation expectations and a particular hawkish address from the Federal Governor, Kevin Warsh, in addition to lower retail flows into gold.

Post the March 2026 sell-off, global equity markets recovered into the second quarter with strong gains in the months of April and May. The S&P 500 ended the quarter up 15.2% erasing its first-quarter losses and bringing its first-half return to 10.2%. Similarly, the MSCI World Index returned 13.9% in 2Q26 and 9.96% for the first half of the year, both in US dollars. Emerging markets had a particularly strong 2Q26 with the MSCI Emerging Markets Index returning 24.1%, taking the YTD return to 24.0%, also in US dollars. Taiwan overtook China to become the single largest country in the MSCI Emerging Markets Index accounting for roughly a quarter of the benchmark, with South Korea moving past India into third place. This rally in the MSCI (and Taiwan and Korean Indices) was underpinned by an AI-driven "memory supercycle" as high-bandwidth memory (HBM) chips used in AI accelerators remained in chronic short supply. Following this rally, three semi-conductor companies -SK Hynix, Samsung Electronics and TSMC- together account for almost 30.7% of the MSCI EM Index.

During the second quarter, the outlook for domestic inflation worsened, primarily a result of higher fuel prices. In May the SARB raised the repo rate by 25bps in response to the energy-induced inflation threat and the Rand strengthened by 3.2% ending the half at R16.38/$. The SA 10-year bond rallied from ~9.2% at the end of March to ~8.2% at the end of June. In contrast to global equities, South African equities declined by 2.4% in the quarter to June 2026 delivering a -2.8% YTD return. Resource counters, particularly gold and PGMs, after a strong 1Q26, were the primary drivers of this negative 2Q26 return. Banks and industrials performed strongly in 2Q26.

Fund Performance and Contributors/Detractors

The Nedgroup Investments SA Equity Fund returned -2.7% over the quarter, marginally behind the FTSE/JSE Capped All Share Total Return Index (-2.4%). The fund's strongest contributors were our underweights in Sibanye-Stillwater, Sasol, Northam Platinum, Gold Fields, Naspers and Pan African Resources, as well as our overweights in Mr Price Group, AB InBev, FirstRand and Bidcorp. Performance benefited from the market's preference for domestic consumer and financial shares, while weaker commodity prices and concerns around industrial demand weighed on resource stocks.

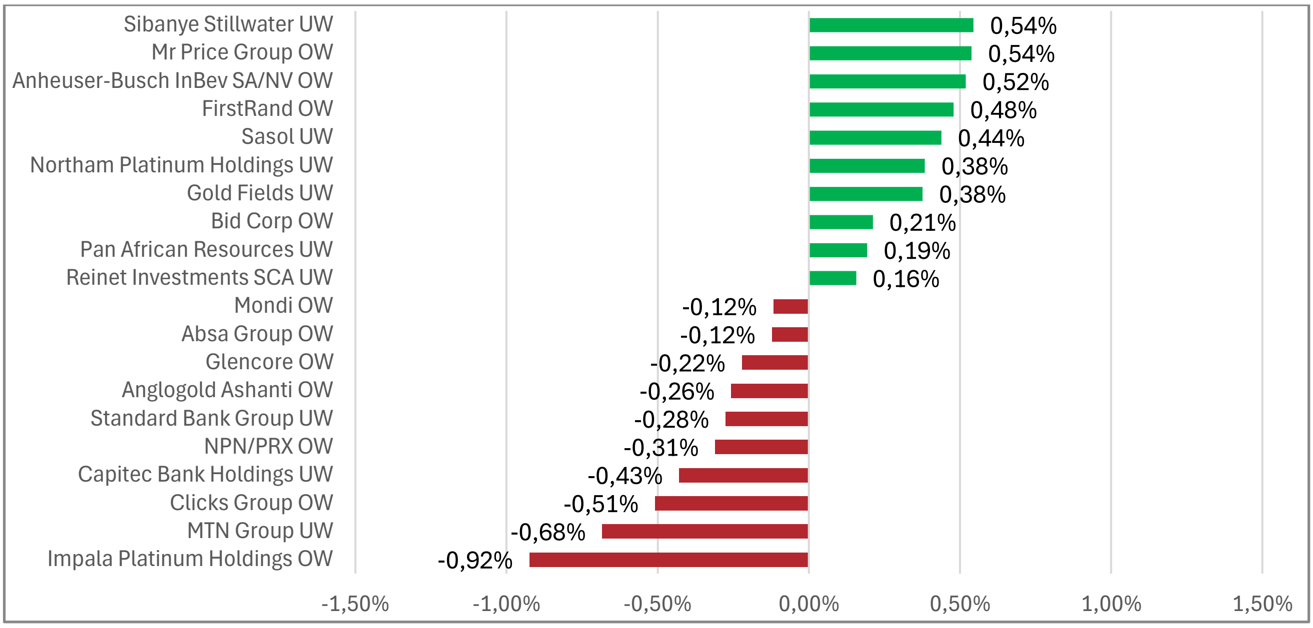
The primary detractor was our overweight in Impala Platinum, reflecting continued weakness in the PGM sector. Underweights in MTN, Capitec and Standard Bank also detracted, while overweights in Prosus, Clicks, AngloGold Ashanti, Glencore, Absa and Mondi weighed on returns. Despite these short-term headwinds, we retain conviction in the underlying investment cases and continue to position the portfolio based on risk-adjusted valuation opportunities.

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

During the quarter we added to Clicks as we believe the de-rating on competitor market share concerns was overdone. Concerns around AI disruption to the Tencent model persisted into 2Q26 and given our view that Tencent is a beneficiary of AI deployment within its ecosystem we continued to add to our Prosus position. The Standard Bank position in the fund was reduced on valuation grounds and switched into OUTsurance. We view OUTsurance as a quality compounder, with mid-teens earnings growth and is reasonably valued at 19X PE and dividend yield of 4%. The fund reduced its Discovery position in 2Q26 which was prompted by a period of strong share price outperformance and our view that the price had reached our assessment of fair value.

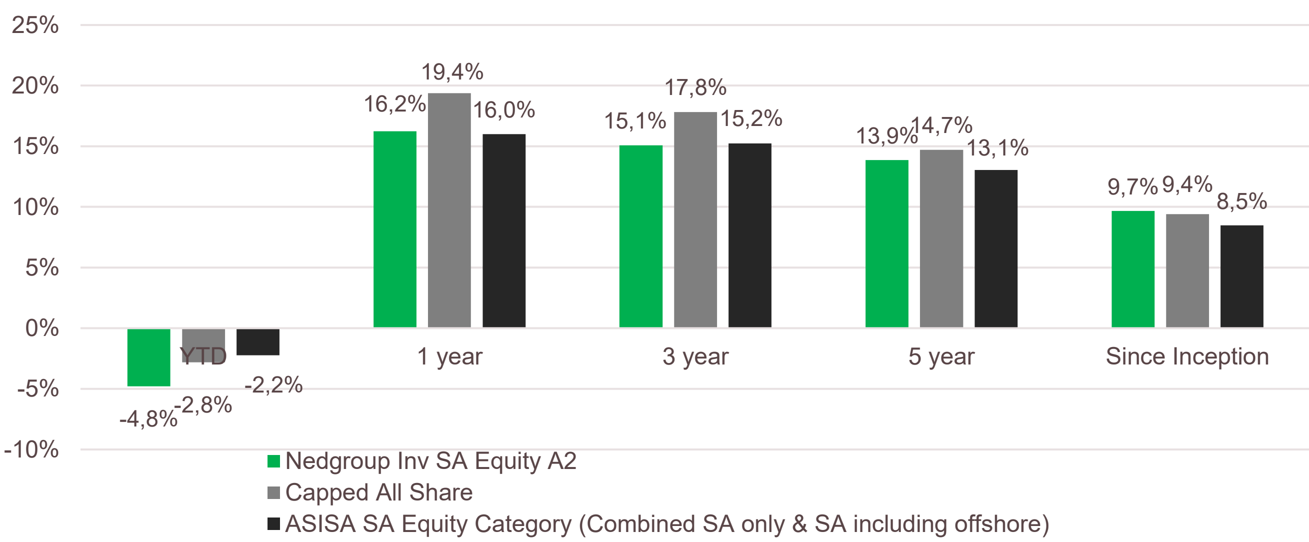
During the quarter we also switched a portion of our large overweight position in AngloGold into Gold Fields on the back of continued relative outperformance of AngloGold. The fund also increased its exposure to Glencore early in the quarter and funded this from selling down the BHP Group Ltd position.

Graph 1: Nedgroup SA Equity Fund Attribution vs. Capped All Share: Top 10 Winners and Losers Q2 2026



Source: Laurium Capital

Graph 2: Cumulative Returns Since Inception 27 March 2014 to 30 June 2026 vs Fund Benchmark (Capped All Share) and Peer Group



Source: Morningstar Direct

Fund Positioning and outlook

While lower oil prices should help ease global and domestic inflation expectations and support consumer confidence, inflation remains persistent, central banks are still cautious, and the geopolitical backdrop remains fragile. As a result, we remain mindful that risk appetite could be vulnerable to further shocks.
Despite the higher shorter term inflation expectations, we continue to see a reasonably supportive medium-term backdrop for South African equities. Whilst commodity prices have declined from their recent highs, the South African export basket of gold, PGM, coal, manganese and chrome ore prices remain higher than the average prices realised in 2025. This bodes well for our balance of payments, current account and fiscal receipts.

Within SA Inc, our preferred exposure is via banks and selected consumer names where valuations remain attractive relative to medium-term earnings potential. During the quarter we added to our FirstRand, Capitec and Absa positions. The fund also increased its exposure to Clicks and Mr Price during the quarter where we believed the market had become too pessimistic on low inflation and consumer spending trends.

Whilst AB InBev remains attractive from a valuation perspective, we did use the price strength to lighten our position during the quarter. At the end of the of March Richemont's share price had retraced significantly as the impact of heightened geopolitical risks impacted the luxury segment. We used this opportunity to buy Richemont during the quarter and sell after the "Iran settlement" rally. As mentioned above we also added to Prosus - Tencent remains well positioned to deploy AI within its ecosystem, centred around its 1.4 billion WeChat user base.

Despite the pull back in most commodity prices, copper held up reasonably well in the quarter. We continue to see copper as the preferred metal given the expected demand growth from both renewables and AI expansion. Hence, we retain exposure to Glencore and Anglo American where we added to our position in the quarter. Despite the sell-off in gold and PGM prices we have retained exposure to gold via AngloGold Ashanti and PGMs via Impala and Valterra.

The positioning of the portfolio remains balanced between selected SA Inc names, global Rand-hedge franchises and resource exposure. The portfolio is positioned to benefit from a combination of attractive domestic valuations, selective commodity exposure and stock-specific opportunities.

Responsible Investments

At Laurium Capital, we believe that high standards of corporate responsibility generally make good business sense and have the potential to protect and enhance investment returns. We incorporate Environmental, Social, Governance ("ESG") issues into our investment decision-making process in a way that is fully consistent with our long-term investment horizon.

For the quarter in review, we participated in 15 votable meetings, of which in 9 we chose to actively vote against one or more management proposals.[2]

As a business, we support and fund the Disa Trust which recognises the obligation and imperative to act in a way that enhances and empowers communities, and to make a positive impact within South Africa and its economy. For several years we have employed a significant number of first-time job seekers via the YES program, successfully meeting the absorption targets each year.

[2] Across all Laurium SA equity holdings.

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,
Trustee-compliance@standardbank.co.za, Tel 021 401 2002.

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
Tel: 0860 123 263 (RSA only)
Tel: +27 21 416 6011 (Outside RSA)
Email: info@nedgroupinvestments.co.za
For further information on the fund please visit: www.nedgroupinvestments.co.za

OUR OFFICES ARE LOCATED AT
Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001