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Private Wealth Equity Fund
Quarter Three, 2026

Nedgroup Investments Private Wealth Equity Fund

Performance to 30 September 2026	Fund	Benchmark
3 months	-0.6%	0.2%
12 months	6.1%	5.7%

Market Overview

Developments in the Middle East continued to influence global markets throughout the quarter, with periods of ceasefire followed by renewed escalations contributing to market volatility. Oil markets remained sensitive to developments in the region, including disruptions to key energy infrastructure and ongoing tensions involving Iran. Brent crude oil ended the quarter at US$103.5 per barrel, up 42.0% over the period.

Developed markets rose 2.0% over the quarter, outperforming emerging markets, which declined by 0.2%. The technology-heavy Nasdaq gained 0.6% during the quarter, supported by continued interest in AI-related companies, while the S&P 500 advanced 2.3% and the Dow Jones Industrial Average declined 2.3%. Chinese equities weakened, with the Hang Seng Index falling 6.2% amid weaker economic data and geopolitical developments. Brazilian equities benefited from a combination of political developments and stronger commodity prices, rising 8.4% over the quarter.

On the company front, Nike was removed from the S&P 100 after 18 years in the index. Its share price declined 13.8% during the quarter and is down 80% over the past five years. Meta gained 28.4% over the quarter after reporting rapid adoption of its Muse AI personal agent.

The rand appreciated by 0.2% against the US dollar and 0.6% against the euro during the quarter, while weakening by 0.2% against the pound to close at R16.40 per US dollar.

Domestically, cash was the best-performing major asset class during the quarter, returning 1.7%. Equities, as measured by the FTSE/JSE All Share Index, declined 0.3%, with financial and industrial shares weighing on performance. Resource shares also weakened as commodity prices declined, resulting in the Resource 10 Index falling 9.8% in September, although it remained up 16.6% for the quarter. Gold Fields was the worst-performing share during the month, declining 19.0% following the announcement of a proposed cash acquisition of Australian miner Northern Star Resources. The subsequent rejection of the offer, together with lower gold prices, contributed to weakness in the share price.

Portfolio Commentary and Activity

The Equity Fund returned -0.60% in 3Q26, compared with +0.25% for the benchmark, resulting in relative underperformance. The principal headwind was the fund's lack of precious metals exposure, which staged a recovery in the third quarter. This more than offset the positive contribution from underweights in Naspers, MTN and Capitec. Overweight holdings in Thermo Fisher, Microsoft and Bytes Technology also contributed positively to performance during the period with the shares rising by 32%, 33% and 11% respectively over the quarter.

Thermo Fisher's Q2 2026 results beat expectations with management also raising full year revenue and EPS guidance, supported by improving demand across end markets - particularly pharma/biotech - and contributions from recent acquisitions. Microsoft's late-July results reinforced the cloud and AI growth case. Quarterly revenue rose 18% to $90.0bn, Microsoft Cloud revenue increased 27% to $59.3bn and Azure and other cloud services grew 43%. Azure exceeded $100bn of annual revenue for the first time, while Microsoft 365 Copilot surpassed 30 million paid seats, demonstrating continued enterprise adoption of AI products.

In September Bytes Technology released a trading update showing performance ahead of expectations and upgraded FY27 guidance. First half gross Invoiced Income was estimated to rise c.19%, gross profit c.18% and operating profit c.6%. Management cited strong private and public sector demand for software, cloud and security solutions, with AI becoming a more meaningful growth driver.

Fund activity during the quarter included the exit of UnitedHealth Group – the outperformance of which was referenced in 2Q26 commentary – and Spar and the initiation of new positions in Clicks and Uber.

The fund, consistent with the house view, exited Spar following a reassessment of the turnaround thesis. Spar's 1H26 results showed weaker operating momentum, with subdued revenue growth, a sharp decline in the SA operating margin and a significant fall in headline earnings, while renewed distribution centre and stock-availability challenges reduced confidence in execution. The unexpected departures of the CEO, board chair and deputy chair further weakened our conviction that the required leadership capability remained in place to deliver the recovery. Although there have been some strategic improvements and a cost base reset could still support a recovery, our view is that the turnaround timeline and range of outcomes has widened materially amid intense competition and growing pressure on Spar's convenience proposition. We therefore chose to redeploy the capital into higher-quality opportunities offering more attractive risk-adjusted return prospects.

Following the material de-rating in the Clicks share price the fund started building a position during the quarter. Our view is that the weaker FY26 outlook and once-off warehouse management system disruption have reduced the valuation premium materially, without impairing the quality of the underlying franchise. Clicks retains a defensive growth profile, supported by its national store and pharmacy footprint, ClubCard loyalty ecosystem, strong cash generation and a solid runway to gain pharmacy market share as the independent channel continues to consolidate. While competitive intensity, promotional activity and pressure on UPD margins remain key risks, stock availability has normalised and the business continues to deliver earnings growth and attractive returns on capital. We believe the current Clicks valuation offers a compelling long-term risk-adjusted return opportunity.

The fund also initiated a small position in Uber, providing exposure to a scaled global mobility platform with attractive long-term growth potential.

Detailed fund attribution: Q3 2026

Top 5 contributors and detractors for Q3 2026: Overweight positions

Top contributors	Average relative weight	Performance contribution	Top detractors	Average relative weight	Performance contribution
Thermo Fisher	1.8%	0.5%	**Prosus**	6.9%	-0.5%
Microsoft	1.7%	0.5%	**Foschini**	1.6%	-0.4%
Bytes Technology	3.2%	0.5%	**LVMH**	1.4%	-0.3%
Nedbank	2.8%	0.3%	**Spar**	0.9%	-0.2%
Mondi	1.5%	0.2%	**Alphabet**	4.0%	-0.2%

Top 5 contributors and detractors for Q3 2026: Underweight positions

Top contributors	Average relative weight	Performance contribution	Top detractors	Average relative weight	Performance contribution
Naspers	-8.2%	1.3%	**AngloGold**	-6.9%	-1.0%
MTN	-2.7%	0.7%	**Valterra Platinum**	-4.3%	-0.8%
Capitec	-5.8%	0.5%	**Gold Fields**	-7.9%	-0.8%
Pepkor	-1.0%	0.2%	**Sasol**	-1.6%	-0.5%
AB InBev	-1.7%	0.2%	**Impala Platinum**	-2.2%	-0.4%

Current positioning and outlook

The fund's positioning continues to be guided by our long-term, valuation-driven investment philosophy and is constructed to balance company specific upside with resilience across a range of economic outcomes. During the quarter we continued to sharpen the quality of the portfolio, trimming or exiting positions where the risk reward was no longer in our favour and adding to opportunities with attractive long-term return potential.

Domestically, the opportunity set continues to be shaped by companies exposed to local conditions, rand hedges and resources, where our exposure is via the diversified miners. The offshore allocation remains around 26%, providing access to sectors, business models and growth opportunities that are not readily available in the domestic market. We expect the offshore component to increase incrementally when valuation and portfolio-construction considerations justify it.

Global markets remain supported by resilient developed market earnings and continued investment in cloud, data infrastructure and artificial intelligence, but valuations in parts of the market leave little room for disappointment. Geopolitical tensions, elevated oil prices, the path of inflation and interest rates, and uneven growth in China remain important sources of volatility. We continue to find selective opportunities where near-term uncertainty has created attractive long-term expected returns.

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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