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# **NEDGROUP INVESTMENTS SA EQUITY FUND**

Quarter One, 2025





## Nedgroup Investments SA Equity Fund

Performance to 31 March 2025	Nedgroup Investments SA Equity <sup>1</sup>	FTSE/JSE Capped SWIX
Three months	5.8%	5.8%
12 months	21.9%	22.9%

### Market Overview

The quarter was marked by elevated global volatility and geopolitical tensions. The resultant heightened uncertainty poses risks to economic growth.

Post the Trump election win, it appears that the market front-loaded expectations into the fourth quarter last year. We have subsequently seen some of this trade unwinding. The rotation out of the US has seen the German DAX Index up 15.8%, the CAC up 11.1%, MSCI Emerging Markets Index up 2.7%, whilst US markets have retreated, with the S&P 500 down -4.7%, the Nasdaq down -11%. (all in US dollars)

The announcement of China's AI breakthrough with Deepseek caused a rally in Chinese tech shares as it appears that the Chinese are catching up with AI, despite restrictions on access to the latest chips. This has led to a convergence between Chinese and US tech valuations. Tencent, which we indirectly own in our funds via Naspers and Prosus, is well positioned to leverage the benefits of AI within their ecosystem.

Global geopolitical tensions have also impacted South Africa, whilst we have also seen local political tensions within our Government of National Unity (GNU), manifesting in our February budget impasse. Despite the hiccups within our GNU, we continue to remain constructive over the medium term on structural growth improvements. We continue to see improved engagement between government and the private sector to improve logistics and infrastructure investments.

Although domestic-focussed companies have retreated, local markets have performed well, with the FTSE-JSE Capped SWIX up 5.9% in ZAR (8.7% in USD). Domestic performance was driven by gold stocks, Naspers & Prosus, MTN, Standard Bank, Richemont and platinum group metal stocks.

### Fund Performance and Contributors/Detractors

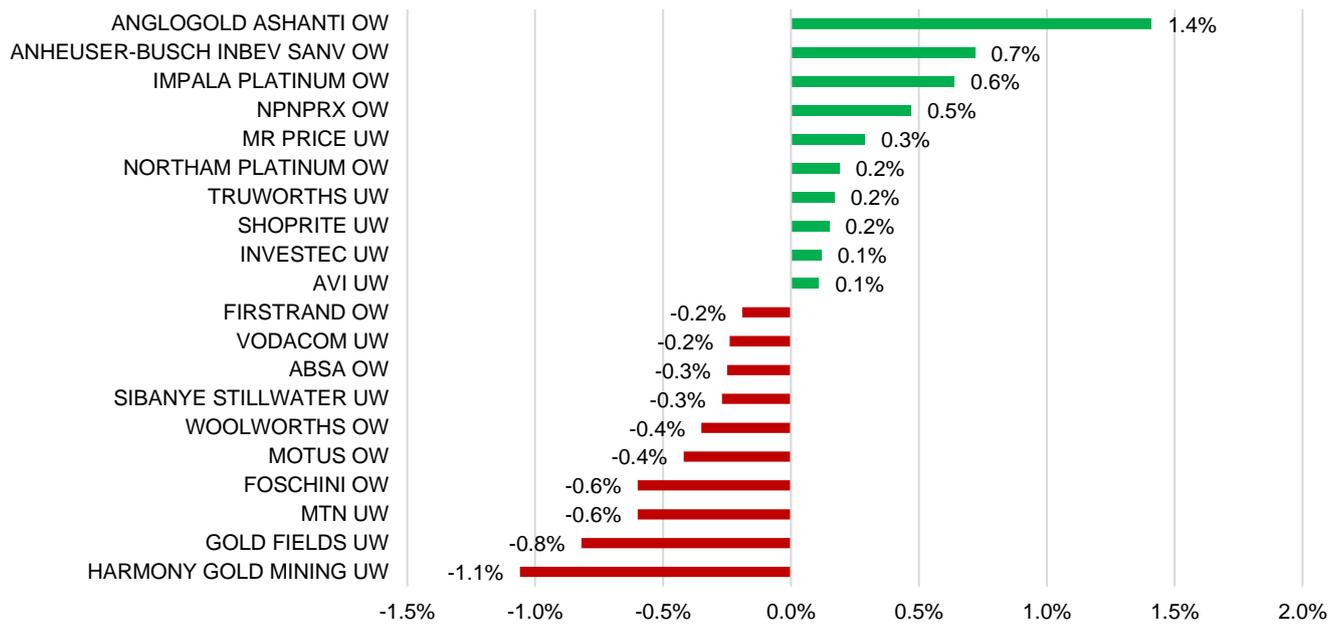
The Nedgroup SA Equity Fund was up 5.8% YTD in line with the market's 5.8% return. The fund's performance was driven by positions in AngloGold, Prosus, AB InBev, Impala Platinum, Northam Platinum, Remgro and Momentum. Positions in retail shares such as The Foschini Group, Woolworths and Motus detracted from performance as retail shares retreated.

<sup>1</sup> Net return for the Nedgroup Investments SA Equity Fund, A2 class. Source: Morningstar (monthly data series).



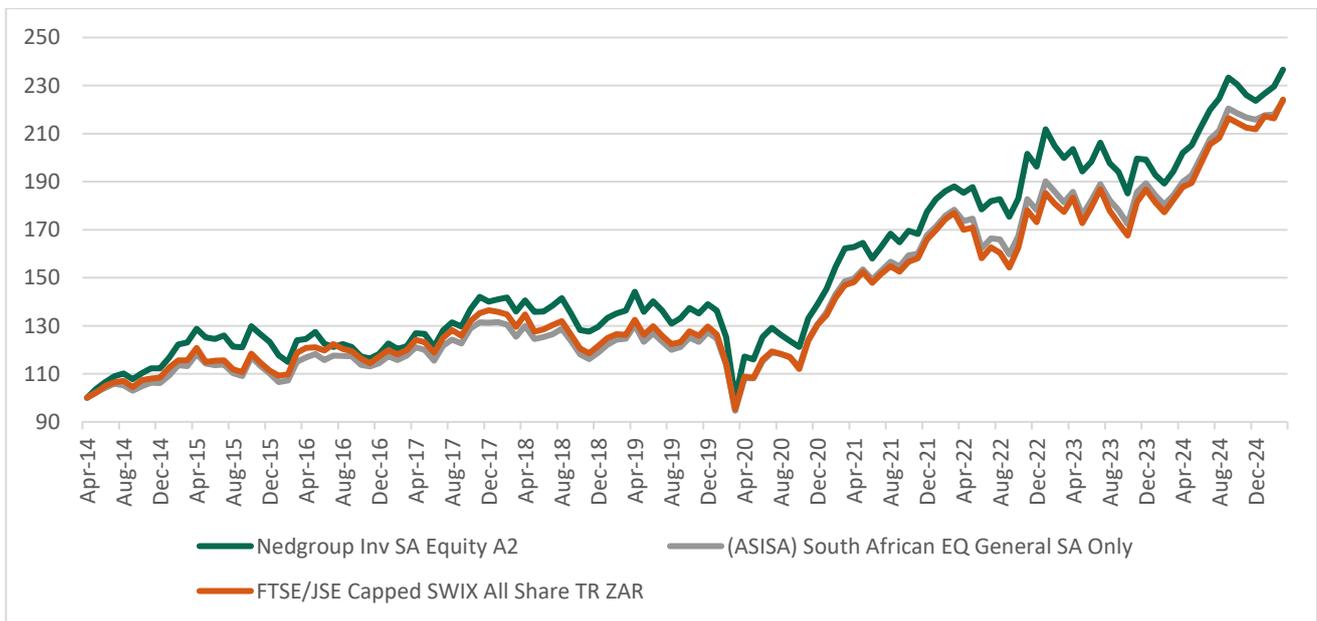


**Graph 1: Nedgroup SA Equity Fund Attribution vs. Capped SWIX: Top 10 Winners and Losers QTD 31 March 2025**



Source: Laurium Capital

**Graph 2: Cumulative Returns Since Inception 27 March 2014 to 31 March 2025 vs Fund Benchmark (Capped SWIX)**



Source: Morningstar Direct





## **Fund Positioning**

The fund has exposure to SA via banks, particularly FirstRand and ABSA, which are well placed to benefit from an expected increase in corporate lending and infrastructure funding. In addition to banks, the fund holds insurers such as Momentum and Sanlam, as well as Remgro, The Foschini Group and Woolworths.

## **Conclusion**

Against the above backdrop, we find valuations are attractive and believe our SA Equity portfolio is well positioned to benefit from upside based on the above factors. Given the relatively muted nature of expectations, incremental positive changes are expected to be well received and generate returns for our clients.





## 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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