PSG Asset Management

# Global quarterly portfolio fund commentaries

December 2025

## Contents

# PSG Global Equity Sub-Fund

Quarterly portfolio commentary as at 31 December 2025
by Greg Hopkins, Philipp Wörz and Justin Floor

## 2025 in review

Global equity markets extended their multi-year advance in 2025, led by various emerging and European markets, with international markets benefiting from US dollar weakness. Despite delivering solid positive returns, US markets lagged, with many other exchanges offering substantially more attractive valuations and improved earnings outlooks. Inflation continued to moderate globally, allowing central banks to cautiously lower policy rates during the year. However, monetary policy easing was slower and more measured than initially anticipated, reflecting persistent services inflation and rising fiscal pressures in several developed economies. Economic growth moderated but remained resilient, supporting risk assets. Political and geopolitical developments remained an important driver of market sentiment. In the US, the actions of the new administration influenced expectations around trade, regulation and fiscal policy. This, combined with conflict in the Middle East and elevated trade tensions between the US and China, contributed to episodes of risk aversion and volatility during the year.

The MSCI World Index (net total return) rose 21% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 78%. With inflation moderating, and despite fiscal concerns in developed markets, global bonds delivered solid returns, with the Bloomberg Aggregate Global Bond Index delivering 8% in US dollars (2024: -2%).

## Looking ahead

Despite strong returns from global equity markets over the last three years, and stretched valuations in certain developed markets, global investors remain optimistic and fully invested in risk assets, with the Bank of America Global Fund Manager survey in December 2025 reflecting the lowest cash levels since the inception of the survey over 25 years ago. This level of confidence is generally a red flag, as it can negatively skew the potential range of outcomes going forward, with the optimism often already reflected in elevated share prices. Partially mitigating this is the fact that most global investors remain over-exposed to the more expensive areas of the markets, despite the numerous attractive opportunities in neglected and out-of-favour sectors and countries.

With significant fiscal support expected through 2026 across a number of developed markets, we anticipate reasonable global economic growth, and upward pressure on inflation. This combination could put pressure on the US Federal Reserve's Federal Open Market Committee (FOMC), particularly in light of the scheduled change in the Federal Reserve chair, and ongoing political pressure to reduce interest rates.

Geopolitical tensions are likely, as the US administration continues to reverse the post Second World War (WWII) Pax Americana, appearing to favour a sphere-of-influence approach similar to that outlined in the Monroe Doctrine of 1823. Bouts of risk aversion and volatility are to be expected as markets absorb the implications of this change.

We have previously highlighted positive commodity price views on the back of material underinvestment in capacity, and the potential impact of this demand-supply imbalance was well illustrated in 2025 by the dramatic increase in several key commodities such as copper and PGMs. We see similar scenarios potentially unfolding in due course across other selected commodities.

We remain confident in the future potential of the fund as we continue to leverage our disciplined 3M process in identifying opportunities globally. We see a significant opportunity today in areas that have been out of favour and to construct a portfolio that should outperform at lower levels of risk, while large parts of the market are extremely crowded. Opportunities in the fund range across sectors and geographies, with the portfolio's holdings trading at large discounts to the overall market, with strong prospects for attractive earnings growth. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate favourable conditions for valuation focused investors.

## Portfolio performance*

Over the quarter the PSG Global Equity Sub-Fund returned 5.1% versus the benchmark return of 3.1%. The largest contributors over this period were materials (2.5%), healthcare (1.4%), energy (1.0%) and financials (0.8%). Consumer staples (-0.6%), and communications (-0.2%) detracted from performance. The fund is suitable for investors with an investment term of 4 years and longer. Over the short-term, returns can be volatile and for this reason it is important to measure fund returns over the relevant investment term. Over the 4-year time horizon, the fund returned 13.3% p.a. versus the benchmark return of 9.8% p.a. Since inception, the fund has delivered an annual return of 9.6% versus the benchmark 12.3% (USD denominated returns). Click here to view the Minimum Disclosure Document for full details of the fund.

*Return numbers as per the PSG Global Equity Sub-Fund Class B

## Changes in portfolio positioning

| Q3 2025 | | Q4 2025 | |
|---|---|---|---|
| Equities | 96.2% | Equities | 95.4% |
| Cash | 3.8% | Cash | 4.6% |

| Q3 2025 | | Q4 2025 | |
|---|---|---|---|
| US | 29.9% | US | 28.2% |
| Europe | 21.1% | Europe | 21.9% |
| UK | 23.2% | UK | 25.1% |
| Japan | 4.5% | Japan | 4.3% |
| Africa | 6.8% | Africa | 5.1% |
| Brazil | 1.9% | Brazil | 2.9% |
| Hong Kong | 6.8% | Hong Kong | 5.9% |
| Cash | 3.8% | Cash | 4.6% |
| Other | 2.0% | Other | 2.0% |

*There may be slight differences in the totals due to rounding.*

| | |
|---|---|
| **Number of units as at 31 December 2025 (Class A):** | 10 487 069 |
| **Price (net asset value per unit) as at 31 December 2025 (Class A):** | $2.91 |
| **Number of units as at 31 December 2025 (Class B):** | 1 270 444 |
| **Price (net asset value per unit) as at 31 December 2025 (Class B):** | $3.03 |

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

### PSG Global Equity Sub-Fund Class A

Total Investment Charge annualised for the period 01/01/2023 to 31/12/2025.
The annual management fee changed to 1.35% from 02/10/2023.

| | |
|---|---|
| **Total expense ratio %** | **1.89** |
| Annual management fee % | 1.35 |
| Other costs excluding transaction costs % | 0.39 |
| Administrative fee % | 0.15 |
| Transaction costs % | 0.21 |
| **Total investment charge %** | **2.10** |

Total Investment Charge annualised for the period 01/01/2025 to 31/12/2025.
The annual management fee changed to 1.35% from 02/10/2023.

| | |
|---|---|
| **Total expense ratio %** | **1.87** |
| Annual management fee % | 1.35 |
| Other costs excluding transaction costs % | 0.37 |
| Administrative fee % | 0.15 |
| Transaction costs % | 0.27 |
| **Total investment charge %** | **2.14** |

### PSG Global Equity Sub-Fund Class B

Total Investment Charge annualised for the period 01/01/2023 to 31/12/2025.

| | |
|---|---|
| **Total expense ratio % (incl. VAT)** | **1.34** |
| Annual management fee % (incl. VAT) | 0.85 |
| Other costs excluding transaction costs % (incl. VAT) | 0.34 |
| Administrative fee % | 0.15 |
| Transaction costs % (incl. VAT) | 0.21 |
| **Total investment charge % (incl. VAT)** | **1.55** |

Total Investment Charge annualised for the period 01/01/2025 to 31/12/2025.

| | |
|---|---|
| **Total expense ratio % (incl. VAT)** | **1.36** |
| Annual management fee % (incl. VAT) | 0.85 |
| Other costs excluding transaction costs % (incl. VAT) | 0.36 |
| Administrative fee % | 0.15 |
| Transaction costs % (incl. VAT) | 0.27 |
| **Total investment charge % (incl. VAT)** | **1.63** |

**General information and risks**
Collective Investment Schemes (CIS) in securities are generally medium- to long- term investments. The value of participatory interests (units) or the investment may go down as well as up and past performance is not a guide to future performance. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Where foreign securities are included in a portfolio, the portfolio is exposed to risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax, settlement and potential limitations on the availability of market information. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed payouts over time may be followed. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity.

Past performance is not a reliable indicator of future results and you may get back less than you originally invested. This publication is for private circulation and information purposes only and does not constitute a personal recommendation or investment advice or an offer to buy/sell or an invitation to buy/sell securities in the fund. The information and any opinions have been obtained from or are based on sources believed to be reliable, but accuracy cannot be guaranteed. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

No responsibility can be accepted for any consequential loss arising from the use of this information. The information is expressed at its date and is issued only to and directed only at those individuals who are permitted to receive such information in accordance with Malta laws and regulations. In some countries the distribution of this publication may be restricted. It is your responsibility to find out what those restrictions are and observe them. Please always refer to the fund's prospectus.

The Fund's risk and reward category may not capture all material risks to which the Fund may be subject, such as:

Geopolitical Risk - investments in equities issued or listed in different countries may imply the application of different standards and regulations, exposure to changes in laws or restrictions applicable to such investments, changes in exchange control regulations or price volatility.

Liquidity Risk - in extreme market conditions some equities may become hard to value or sell at a desired price.

Exchange Rate Risk - The Fund may invest in equities denominated in currencies other than US Dollars, this exposes the Fund to fluctuations in exchange rates. Further information on risks may be found in the "Risk Factors" section in the Fund's Prospectus.

**Performance**
All performance data for a lump sum, net of fees, includes income and assumes reinvestment of income on a NAV to NAV basis. Annualised performances show longer term performance rescaled over a 12 month period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Performance is calculated for the portfolio and individual investor performance may differ as a result thereof. The Portfolio is valued at 23:59 (CET) on each dealing day. Actual annual figures are available to the investor on request. Figures and benchmark quoted are from Morningstar, Inc. Prices are published daily and available on the website https://psgkglobal.com and in the daily newspapers. PSG Fund Management (Malta) Ltd does not provide any guarantee with the respect of the capital or the return of the portfolio.

**Pricing**
Forward pricing is used. Unit trust prices are calculated on a net asset value (NAV) basis, which is the market value of all assets in the Fund including income accruals less permissible deductions divided by the number of units in issue.

**Cut-off times**
Subscription Notice Deadline: By 3.30pm (CET) on the relevant Subscription Day provided the funds are cleared and reflecting in our bank account by 3.30pm.
Redemption Notice Deadline: By 3.30 pm (CET) one (1) Business Day prior to the relevant Redemption Day. Redemption requests will be settled within seven Business Days from the relevant Redemption Day.

**Company details**
PSG Fund Management (Malta) Limited as General Manager is licensed by the Malta Financial Services Authority ("MFSA") and PSG Asset Management Group Services (Pty) Limited as Administrator is licensed by the South African Financial Sector Conduct Authority. The fund is a UCITS compliant fund regulated by the MFSA. The Management of the fund has been delegated to PSG Asset Management (Pty) Limited, which is registered with the South African Financial Sector Conduct Authority as a registered Financial Services Provider (FSP no. 29524) and is licensed to operate under the Financial Advisory and Intermediary Services Act, 2002.

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**Additional information**
Additional information is available free of charge on the website https://psgkglobal.com and may include publications, brochures, forms and annual reports.

# PSG Global Flexible Sub-Fund

PSG Asset Management

Quarterly portfolio commentary as at 31 December 2025
by Greg Hopkins, Philipp Wörz and Justin Floor

## 2025 in review

Global equity markets extended their multi-year advance in 2025, led by various emerging and European markets, with international markets benefiting from US dollar weakness. Despite delivering solid positive returns, US markets lagged, with many other exchanges offering substantially more attractive valuations and improved earnings outlooks. Inflation continued to moderate globally, allowing central banks to cautiously lower policy rates during the year. However, monetary policy easing was slower and more measured than initially anticipated, reflecting persistent services inflation and rising fiscal pressures in several developed economies. Economic growth moderated but remained resilient, supporting risk assets. Political and geopolitical developments remained an important driver of market sentiment. In the US, the actions of the new administration influenced expectations around trade, regulation and fiscal policy. This, combined with conflict in the Middle East and elevated trade tensions between the US and China, contributed to episodes of risk aversion and volatility during the year.

The MSCI World Index (net total return) rose 21% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 78%. With inflation moderating, and despite fiscal concerns in developed markets, global bonds delivered solid returns, with the Bloomberg Aggregate Global Bond Index delivering 8% in US dollars (2024: -2%).

## Looking ahead

Despite strong returns from global equity markets over the last three years, and stretched valuations in certain developed markets, global investors remain optimistic and fully invested in risk assets, with the Bank of America Global Fund Manager survey in December 2025 reflecting the lowest cash levels since the inception of the survey over 25 years ago. This level of confidence is generally a red flag, as it can negatively skew the potential range of outcomes going forward, with the optimism often already reflected in elevated share prices. Partially mitigating this is the fact that most global investors remain over-exposed to the more expensive areas of the markets, despite the numerous attractive opportunities in neglected and out-of-favour sectors and countries.

With significant fiscal support expected through 2026 across a number of developed markets, we anticipate reasonable global economic growth, and upward pressure on inflation. This combination could put pressure on the US Federal Reserve's Federal Open Market Committee (FOMC), particularly in light of the scheduled change in the Federal Reserve chair, and ongoing political pressure to reduce interest rates.

Geopolitical tensions are likely, as the US administration continues to reverse the post Second World War (WWII) Pax Americana, appearing to favour a sphere-of-influence approach similar to that outlined in the Monroe Doctrine of 1823. Bouts of risk aversion and volatility are to be expected as markets absorb the implications of this change.

We have previously highlighted positive commodity price views on the back of material underinvestment in capacity, and the potential impact of this demand-supply imbalance was well illustrated in 2025 by the dramatic increase in several key commodities such as copper and PGMs. We see similar scenarios potentially unfolding in due course across other selected commodities.

We remain confident in the future potential of the fund as we continue to leverage our disciplined 3M process in identifying opportunities globally. We see a significant opportunity today in areas that have been out of favour and to construct a portfolio that should outperform at lower levels of risk, while large parts of the market are extremely crowded. Opportunities in the fund range across sectors and geographies, with the portfolio's holdings trading at large discounts to the overall market, with strong prospects for attractive earnings growth. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate favourable conditions for valuation focused investors.

## Portfolio performance*

Over the quarter the PSG Global Flexible Sub-Fund returned 4.4% versus the benchmark return of 1.5%. The largest contributors over this period were materials (2.1%), healthcare (1.3%), energy (1.0%) and financials (1.0%). Consumer staples (-0.3%), technology (-0.2%), communications (-0.2%) and industrials (-0.1%) detracted from performance. The fund is suitable for investors with an investment term of 4 years and longer. Over the short-term, returns can be volatile and for this reason it is important to measure fund returns over the relevant investment term. Over the 4-year time horizon, the fund returned 11.0% p.a. versus the benchmark return of 9.9% p.a. Since inception, the fund produced an annual return of 7.4% versus the benchmark return of 8.7% (USD denominated returns). Click here to view the Minimum Disclosure Document for full details of the fund.

*Return numbers as per the PSG Global Flexible Sub-Fund Class B

## Changes in portfolio positioning

| Q3 2025 | | Q4 2025 | |
|---|---|---|---|
| Equities* | 86.6% | Equities* | 80.2% |
| Bonds | 1.0% | Bonds | 1.0% |
| Cash | 12.4% | Cash | 18.8% |

| Q3 2025 | | Q4 2025 | |
|---|---|---|---|
| US* | 26.0% | US* | 20.5% |
| Europe | 17.3% | Europe | 18.7% |
| UK | 23.1% | UK | 22.3% |
| Japan | 4.9% | Japan | 4.6% |
| Africa | 6.0% | Africa | 5.0% |
| Brazil | 1.1% | Brazil | 1.7% |
| Hong Kong | 6.4% | Hong Kong | 5.3% |
| Cash and Bonds | 13.4% | Cash and Bonds | 19.8% |
| Other | 1.8% | Other | 2.1% |
| *Includes -0.7% effective derivative exposure | | *Includes -1.7% effective derivative exposure | |

*There may be slight differences in the totals due to rounding.*

| | |
|---|---|
| **Number of units as at 31 December 2025 (Class A):** | 149 513 |
| **Price (net asset value per unit) as at 31 December 2025 (Class A):** | $24.38 |
| **Number of units as at 31 December 2025 (Class B):** | 6 837 529 |
| **Price (net asset value per unit) as at 31 December 2025 (Class B):** | $26.03 |

All data as per Bloomberg as at 31 December 2025.

Total Investment Charge annualised for the period 01/01/2023 to 31/12/2025

| | Class A | Class B |
|---|---|---|
| **Total expense ratio %** | **2.12** | **1.75** |
| Annual management fee % | 1.00 | 0.50 |
| Other costs excluding transaction costs % | 0.12 | 0.12 |
| Administrative fee % | 0.25 | 0.25 |
| Performance fee % | 0.75* | 0.88* |
| Transaction costs % | 0.12 | 0.12 |
| **Total investment charge %** | **2.24** | **1.87** |

*7% of the outperformance of the high water mark.

Total Investment Charge annualised for the period 01/01/2025 to 31/12/2025

| | Class A | Class B |
|---|---|---|
| **Total expense ratio %** | **2.83** | **2.44** |
| Annual management fee % | 1.00 | 0.50 |
| Other costs excluding transaction costs % | 0.12 | 0.12 |
| Administrative fee % | 0.25 | 0.25 |
| Performance fee % | 1.46* | 1.57* |
| Transaction costs % | 0.16 | 0.16 |
| **Total investment charge %** | **2.99** | **2.60** |

*7% of the outperformance of the high water mark.

**General information and risks**

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Exchange Rate Risk - The Fund may invest in equities denominated in currencies other than US Dollars, this exposes the Fund to fluctuations in exchange rates. Default Risk - One or more bond or other debt instrument issuers could become unwilling or unable to make their scheduled payments to the Fund.

Further information on risks may be found in the "Risk Factors" section in the Fund's Prospectus.

**Performance**

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**Performance Fee**

7% of the net trading gain calculated on the NAV at each valuation point. The performance fee is calculated on a "High Water Mark" basis. In the event of the portfolio outperforming the High Water Mark, a performance fee of 7% of the net trading gain above the High Water Mark calculated on the NAV at each Valuation Point will be levied.

| | |
|---|---|
| Base fee | 1% |
| Performance fee example at HWM | 0.62%<br>Assume gross performance of 8.92%. This results in a performance fee of 0.62% (8.92% x 7%) resulting in a net performance of 8.3% (US inflation + 6%) |
| Fee hurdle | High Water Mark |
| Sharing ratio | 7% |
| Minimum fee | 1% |
| Maximum fee | Uncapped, with a since inception High Water Mark. The fund's highest total TER since inception of TER was 2.11% per annum |
| Current Total Expense Ratio (TER) | 1.75% |

Frequently Asked Questions on Performance Fees are available on the website https://download.psg.co.za/files/asset-management/Performance-Fees-FAQs.pdf

**Pricing**

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**Custodian**

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**Additional information**

Additional information is available free of charge on the website https://psgkglobal.com and may include publications, brochures, forms and annual reports.