

## Quarterly portfolio fund commentaries

December 2025

### Contents

PSG Equity Fund

PSG SA Equity Fund

PSG Flexible Fund

PSG Balanced Fund

PSG Stable Fund

PSG Bond Fund

PSG Diversified Income Fund

PSG Income Fund

PSG Money Market Fund

PSG Global Equity Feeder Fund

PSG Global Flexible Feeder Fund

## 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.

South African markets benefited from improved political stability and incremental progress on key structural reforms. Strong precious metal prices provided a substantial boost to the performance of resource shares, while also contributing to a significant improvement in the terms of trade, supporting the rand. In addition, monetary policy cuts and a move to a lower inflation target provided significant tailwinds for local nominal bonds and select local shares.

The MSCI World Index rose nearly 22% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 80%. 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%). Locally, South Africa's bond market delivered extremely strong returns, exceeding the return generated in 2024, and bringing the 3-year cumulative return to nearly 60%. While SA equities delivered very strong returns, dispersion across shares and sectors was high, with precious metal miners dominating and certain telecom share prices increasing substantially. The local currency appreciated 12% against the US dollar (2024: -1%), while the FTSE/JSE Capped All Share Index and All Bond Index (ALBI) delivered positive returns of 43% (2024: +14%) and 24% (2024: +17%), respectively, in local currency terms.

## 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. 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 the platinum price. We see similar scenarios potentially unfolding in due course across other selected commodities.

Locally, sentiment in South Africa has improved incrementally, with the SACCI Business Confidence Index in November 2025 reaching the highest level since July 2011. The country appears positioned for stronger growth following a decade of subdued gross domestic product (GDP) expansion. Despite increasing confidence, low inflation and declining interest rates, many SA Inc. shares are trading at bear market valuations. Retail shares in particular had a challenging 2025, with growth and margins disappointing investors, and the share prices coming under substantial pressure as a result. Banking shares delivered solid returns in 2025, but many counters are still at relatively muted valuations.

We remain confident in the future potential of our funds and we continue to leverage our disciplined [3M process](#) and global capabilities. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate more favourable conditions for value investing. Despite a challenging global environment and a tough past decade for South Africa, our track record positions us well for the future. As a mid-sized asset manager, we continue to provide access to a broad investment universe.

## Portfolio performance

Over the quarter, the PSG Equity Fund returned 8.5% versus the benchmark return of 7.0%. The largest contributors over this period were resources (3.7%), financials (3.6%), foreign equities (0.9%) and industrials (0.9%). The fund is suitable for investors with an investment term of 7 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. This fund has delivered good returns over its investment horizon of 7 years and longer, and since inception. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	68.0%	Domestic equity	70.1%
Domestic cash and money market instruments	0.0%	Domestic cash and money market instruments	0.1%
Offshore equity	31.9%	Offshore equity	29.7%
Offshore cash and money market instruments	0.1%	Offshore cash and money market instruments	0.1%

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

Number of units as at 31 December 2025 (Class A):	24 377 083
Price (net asset value per unit) as at 31 December 2025 (Class A):	R23.00
Number of units as at 31 December 2025 (Class E):	91 363 622
Price (net asset value per unit) as at 31 December 2025 (Class E):	R23.12

All data as per Bloomberg as at 31 December 2025

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.76</b>	<b>1.88</b>
Annual management fee % (incl. VAT)	1.73	0.86
Other costs excluding transaction costs % (incl. VAT)	0.03	0.04
Performance fee % (incl. VAT)	0.00	0.98*
Transaction costs % (incl. VAT)	0.25	0.25
<b>Total investment charge % (incl. VAT)</b>	<b>2.01</b>	<b>2.13</b>

\*The Performance Fee of 20% (excl. VAT) of the outperformance of Benchmark.

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.76</b>	<b>0.90</b>
Annual management fee % (incl. VAT)	1.73	0.86
Other costs excluding transaction costs % (incl. VAT)	0.03	0.04
Transaction costs % (incl. VAT)	0.28	0.28
<b>Total investment charge % (incl. VAT)</b>	<b>2.04</b>	<b>1.18</b>

\*The Performance Fee of 20% (excl. VAT) of the outperformance of Benchmark.

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21)799 8000; (toll free)0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 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.

South African markets benefited from improved political stability and incremental progress on key structural reforms. Strong precious metal prices provided a substantial boost to the performance of resource shares, while also contributing to a significant improvement in the terms of trade, supporting the rand. In addition, monetary policy cuts and a move to a lower inflation target provided significant tailwinds for local nominal bonds and select local shares.

The MSCI World Index rose nearly 22% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 80%. 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%). Locally, South Africa's bond market delivered extremely strong returns, exceeding the return generated in 2024, and bringing the 3-year cumulative return to nearly 60%. While SA equities delivered very strong returns, dispersion across shares and sectors was high, with precious metal miners dominating and certain telecom share prices increasing substantially. The local currency appreciated 12% against the US dollar (2024: -1%), while the FTSE/JSE Capped All Share Index and All Bond Index (ALBI) delivered positive returns of 43% (2024: +14%) and 24% (2024: +17%), respectively, in local currency terms.

## 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.

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 the platinum price. We see similar scenarios potentially unfolding in due course across other selected commodities.

Locally, sentiment in South Africa has improved incrementally, with the SACCI Business Confidence Index in November 2025 reaching the highest level since July 2011. The country appears positioned for stronger growth following a decade of subdued gross domestic product (GDP) expansion. Despite increasing confidence, low inflation and declining interest rates, many SA Inc. shares are trading at bear market valuations. Retail shares in particular had a challenging 2025, with growth and margins disappointing investors, and the share prices coming under substantial pressure as a result. Banking shares delivered solid returns in 2025, but many counters are still at relatively muted valuations.

We remain confident in the future potential of our funds and we continue to leverage our disciplined [3M process](#) and global capabilities. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate more favourable conditions for value investing. Despite a challenging global environment and a tough past decade for South Africa, our track record positions us well for the future. As a mid-sized asset manager, we continue to provide access to a broad investment universe.

## Portfolio performance\*

Over the quarter, the PSG SA Equity Fund returned 11.3% versus the benchmark return of 8.9%. The largest contributors over this period were resources (4.8%), financials (4.6%) and industrials (2.9%). The fund is suitable for investors with an investment term of 7 years and longer. Over the short-term, returns can be volatile and for this reason it is important to measure fund returns against the relevant investment term. Over the 7-year time horizon, the fund returned 14.0% p.a. versus the benchmark return of 14.1% p.a. Since inception, the fund has produced an annual return of 10.6% versus the benchmark return of 10.7%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG SA Equity Fund Class F

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	99.9%	Domestic equity	100%
Domestic cash	0.1%	Domestic cash and money market instruments	0.0%

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

Number of units as at 31 December 2025 (Class D):	381 055 082
Price (net asset value per unit) as at 31 December 2025 (Class D):	R2.36
Number of units as at 31 December 2025 (Class F):	38 882 023
Price (net asset value per unit) as at 31 December 2025 (Class F):	R2.39

All data as per Bloomberg as at 31 December 2025

## Total investment charge

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

	Class D	Class F
<b>Total expense ratio % (incl. VAT)</b>	<b>1.02</b>	<b>1.30</b>
Annual management fee % (incl. VAT)	0.98	1.27
Other costs excluding transaction costs % (incl. VAT)	0.04	0.03
Transaction costs % (incl. VAT)	0.33	0.33
<b>Total investment charge % (incl. VAT)</b>	<b>1.35</b>	<b>1.63</b>

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

	Class D	Class F
<b>Total expense ratio % (incl. VAT)</b>	<b>1.01</b>	<b>1.30</b>
Annual management fee % (incl. VAT)	0.98	1.27
Other costs excluding transaction costs % (incl. VAT)	0.03	0.03
Transaction costs % (incl. VAT)	0.18	0.18
<b>Total investment charge % (incl. VAT)</b>	<b>1.19</b>	<b>1.48</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments (RF) Limited to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments (RF) Limited will keep all investors informed should a situation arise where such suspension is required.

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 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.

South African markets benefited from improved political stability and incremental progress on key structural reforms. Strong precious metal prices provided a substantial boost to the performance of resource shares, while also contributing to a significant improvement in the terms of trade, supporting the rand. In addition, monetary policy cuts and a move to a lower inflation target provided significant tailwinds for local nominal bonds and select local shares.

The MSCI World Index rose nearly 22% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 80%. 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%). Locally, South Africa's bond market delivered extremely strong returns, exceeding the return generated in 2024, and bringing the 3-year cumulative return to nearly 60%. While SA equities delivered very strong returns, dispersion across shares and sectors was high, with precious metal miners dominating and certain telecom share prices increasing substantially. The local currency appreciated 12% against the US dollar (2024: -1%), while the FTSE/JSE Capped All Share Index and All Bond Index (ALBI) delivered positive returns of 43% (2024: +14%) and 24% (2024: +17%), respectively, in local currency terms.

## 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. 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 the platinum price. We see similar scenarios potentially unfolding in due course across other selected commodities.

Locally, sentiment in South Africa has improved incrementally, with the SACCI Business Confidence Index in November 2025 reaching the highest level since July 2011. The country appears positioned for stronger growth following a decade of subdued gross domestic product (GDP) expansion. Despite increasing confidence, low inflation and declining interest rates, many SA Inc. shares are trading at bear market valuations. Retail shares in particular had a challenging 2025, with growth and margins disappointing investors, and the share prices coming under substantial pressure as a result. Banking shares delivered solid returns in 2025, but many counters are still at relatively muted valuations.

We remain confident in the future potential of our funds and we continue to leverage our disciplined [3M process](#) and global capabilities. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate more favourable conditions for value investing. Despite a challenging global environment and a tough past decade for South Africa, our track record positions us well for the future. As a mid-sized asset manager, we continue to provide access to a broad investment universe.

## Portfolio performance

Over the quarter, the PSG Flexible Fund returned 6.9% versus the benchmark return of 1.7%. The largest contributors over this period were financials (3.3%), resources (3.1%) and industrials (1.2%). Foreign cash (-0.2%) and local options (-0.2%) detracted from performance. The fund is suitable for investors with an investment term of 5 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. This fund has delivered good returns over its investment horizon of 5 years and longer, and since inception. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	60.4%	Domestic equity*	60.5%
Domestic cash and money market instruments	4.8%	Domestic cash and money market instruments	6.6%
Domestic property	0.0%	Domestic property	0.1%
Offshore equity*	29.0%	Offshore equity**	26.0%
Offshore property	1.3%	Offshore property	1.3%
Offshore bonds	1.6%	Offshore bonds	2.8%
Offshore cash and money market instruments	2.8%	Offshore cash and money market instruments	2.7%
*Includes -0.4% effective derivative exposure		*Includes -0.3% effective derivative exposure	
		**Includes -0.48% effective derivative exposure	

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

Number of units as at 31 December 2025 (Class A):	290 960 824
Price (net asset value per unit) as at 31 December 2025 (Class A):	R10.47
Number of units as at 31 December 2025 (Class E):	772 735 617
Price (net asset value per unit) as at 31 December 2025 (Class E):	R10.48

All data as per Bloomberg as at 31 December 2025

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>2.48</b>	<b>2.25</b>
Annual management fee % (incl. VAT)	1.15	0.86
Other costs excluding transaction costs % (incl. VAT)	0.05	0.05
Performance fee % (incl. VAT)	1.28*	1.34*
Transaction costs % (incl. VAT)	0.21	0.21
<b>Total investment charge % (incl. VAT)</b>	<b>2.69</b>	<b>2.46</b>

\*Performance fee of 7% (excl. VAT) 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 E
<b>Total expense ratio % (incl. VAT)</b>	<b>3.15</b>	<b>2.91</b>
Annual management fee % (incl. VAT)	1.15	0.86
Other costs excluding transaction costs % (incl. VAT)	0.05	0.06
Performance fee % (incl. VAT)	1.95*	1.99*
Transaction costs % (incl. VAT)	0.21	0.21
<b>Total investment charge % (incl. VAT)</b>	<b>3.36</b>	<b>3.12</b>

\*Performance fee of 7% (excl. VAT) of the outperformance of the high water mark.

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/psg-asset-management](http://www.psg.co.za/psg-asset-management) and may include publications, brochures, forms and annual reports.

## 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.

South African markets benefited from improved political stability and incremental progress on key structural reforms. Strong precious metal prices provided a substantial boost to the performance of resource shares, while also contributing to a significant improvement in the terms of trade, supporting the rand. In addition, monetary policy cuts and a move to a lower inflation target provided significant tailwinds for local nominal bonds and select local shares.

The MSCI World Index rose nearly 22% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 80%. 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%). Locally, South Africa's bond market delivered extremely strong returns, exceeding the return generated in 2024, and bringing the 3-year cumulative return to nearly 60%. While SA equities delivered very strong returns, dispersion across shares and sectors was high, with precious metal miners dominating and certain telecom share prices increasing substantially. The local currency appreciated 12% against the US dollar (2024: -1%), while the FTSE/JSE Capped All Share Index and All Bond Index (ALBI) delivered positive returns of 43% (2024: +14%) and 24% (2024: +17%), respectively, in local currency terms.

## 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. 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 the platinum price. We see similar scenarios potentially unfolding in due course across other selected commodities.

Locally, sentiment in South Africa has improved incrementally, with the SACCI Business Confidence Index in November 2025 reaching the highest level since July 2011. The country appears positioned for stronger growth following a decade of subdued gross domestic product (GDP) expansion. Despite increasing confidence, low inflation and declining interest rates, many SA Inc. shares are trading at bear market valuations. Retail shares in particular had a challenging 2025, with growth and margins disappointing investors, and the share prices coming under substantial pressure as a result. Banking shares delivered solid returns in 2025, but many counters are still at relatively muted valuations.

We remain confident in the future potential of our funds and we continue to leverage our disciplined [3M process](#) and global capabilities. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate more favourable conditions for value investing. Despite a challenging global environment and a tough past decade for South Africa, our track record positions us well for the future. As a mid-sized asset manager, we continue to provide access to a broad investment universe.

## Portfolio performance\*

Over the quarter, the PSG Balanced Fund returned 7.1% versus the benchmark (CPI+5%) return of 1.4%. This brought the Fund's return for the 2025 calendar year to 23.7%, well ahead of the CPI+5% benchmark of 8.5% and also ahead of the peer group average. Unusually all major asset classes the fund was exposed to performed well this year with broadly strong returns across local and global equities, property and bonds. Top equity contributors to performance were Northam Platinum Holdings Ltd, Prudential Plc and Telkom SA SOC Ltd, while the fund's holdings in The Foschini Group, Afrimat and Viper Energy Inc were the largest detractors. The fund's fixed income holdings contributed very strongly indeed, with longer duration SA government bonds and Brazilian government bonds both standing out with healthy contributions. The fund's put option holdings were a minor drag on performance over the year given the strong upward move in equity indices.

The fund is suitable for investors with an investment term of 5 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 5-year time horizon, the fund returned 19.0% p.a. versus the benchmark return of 10.0% p.a. Since inception, the fund has produced an annual return of 11.1% compared to the benchmark return of 9.8%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Balanced Fund Class E

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	41.5%	Domestic equity*	43.8%
Domestic property	3.3%	Domestic property	3.9%
Domestic commodity	1.0%	Domestic commodity	0.0%
Domestic cash and money market instruments	0.9%	Domestic cash and money market instruments	1.7%
Domestic bonds	15.3%	Domestic bonds	15.6%
Offshore equity*	31.0%	Offshore equity**	29.1%
Offshore cash and money market instruments	1.4%	Offshore cash and money market instruments	0.7%
Offshore bonds	5.6%	Offshore bonds	5.2%
*Includes -0.4% effective derivative exposure		*Includes -0.3% effective derivative exposure	
		**Includes -0.47% effective derivative exposure	

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

Number of units as at 31 December 2025 (Class A):	60 278 029
Price (net asset value per unit) as at 31 December 2025 (Class A):	R122.74
Number of units as at 31 December 2025 (Class E):	81 350 231
Price (net asset value per unit) as at 31 December 2025 (Class E):	R123.01

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.79</b>	<b>1.21</b>
Annual management fee % (incl. VAT)	1.73	1.15
Other costs excluding transaction costs % (incl. VAT)	0.06	0.06
Transaction costs % (incl. VAT)	0.17	0.17
<b>Total investment charge % (incl. VAT)</b>	<b>1.96</b>	<b>1.38</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.79</b>	<b>1.21</b>
Annual management fee % (incl. VAT)	1.73	1.15
Other costs excluding transaction costs % (incl. VAT)	0.06	0.06
Transaction costs % (incl. VAT)	0.20	0.20
<b>Total investment charge % (incl. VAT)</b>	<b>1.99</b>	<b>1.41</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Regulation 28**

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21)799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustee**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerenracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 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.

South African markets benefited from improved political stability and incremental progress on key structural reforms. Strong precious metal prices provided a substantial boost to the performance of resource shares, while also contributing to a significant improvement in the terms of trade, supporting the rand. In addition, monetary policy cuts and a move to a lower inflation target provided significant tailwinds for local nominal bonds and select local shares.

The MSCI World Index rose nearly 22% in US dollars in 2025, taking the cumulative 3-year return to a remarkable 80%. 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%). Locally, South Africa's bond market delivered extremely strong returns, exceeding the return generated in 2024, and bringing the 3-year cumulative return to nearly 60%. While SA equities delivered very strong returns, dispersion across shares and sectors was high, with precious metal miners dominating and select telecom share prices increasing substantially. The local currency appreciated 12% against the US dollar (2024: -1%), while the FTSE/JSE Capped All Share Index and All Bond Index (ALBI) delivered positive returns of 43% (2024: +14%) and 24% (2024: +17%), respectively, in local currency terms.

## 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 in survey's 25-year history. 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 expected to persist, 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. 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 the platinum price. We see similar scenarios potentially unfolding in due course across other selected commodities.

Locally, sentiment in South Africa has improved incrementally, with the SACCI Business Confidence Index in November 2025 reaching the highest level since July 2011. The country appears positioned for stronger growth following a decade of subdued gross domestic product (GDP) expansion. Despite increasing confidence, low inflation and declining interest rates, many SA Inc. shares are trading at bear market valuations. Retail shares in particular had a challenging 2025, with growth and margins disappointing investors, and the share prices coming under substantial pressure as a result. Banking shares delivered solid returns in 2025, but many counters are still at relatively muted valuations.

We remain confident in the future potential of our funds and we continue to leverage our disciplined [3M process](#) and global capabilities. As investors increasingly look beyond the crowded areas of the market and refocus on fundamentals, we anticipate more favourable conditions for value investing. Despite a challenging global environment and a tough past decade for South Africa, our track record positions us well for the future. As a mid-sized asset manager, we continue to provide access to a broad investment universe.

## Portfolio performance\*

Over the quarter, the PSG Stable Fund returned 2.6% versus the benchmark return of 2.0%. The contributors over this period were local government bonds (2.8%), financials (1.2%), industrials (0.9%) and resources (0.4%). Foreign cash (-0.2%) and local options (-0.1%) detracted from performance. The fund is suitable for investors with an investment term of 3 years and longer. Over the 3-year time horizon, the fund returned 13.8% p.a. versus the benchmark return of 7.0% p.a. Since inception, the fund has produced annualised returns of 9.2% versus benchmark return of 7.8%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Stable Fund Class E

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	22.0%	Domestic equity*	21.9%
Domestic property	2.0%	Domestic property	2.1%
Domestic cash and money market instruments	10.8%	Domestic cash and money market instruments	8.9%
Domestic bonds	39.6%	Domestic bonds	43.6%
Domestic commodity	0.5%	Domestic commodity	0.6%
Offshore equity*	14.3%	Offshore equity**	13.2%
Offshore cash and money market instruments	4.3%	Offshore cash and money market instruments	3.2%
Offshore bonds	5.8%	Offshore bonds	5.9%
Offshore commodity	0.7%	Offshore commodity	0.6%
*Includes -0.2% effective derivative exposure		*Includes -0.2% effective derivative exposure	
		**Includes -0.3% effective derivative exposure	

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

Number of units as at 31 December 2025 (Class A):	17 150 195
Price (net asset value per unit) as at 31 December 2025 (Class A):	R2.00
Number of units as at 31 December 2025 (Class E):	374 602 509
Price (net asset value per unit) as at 31 December 2025 (Class E):	R2.01

All data as per Bloomberg as at 31 December 2025

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.78</b>	<b>1.20</b>
Annual management fee % (incl. VAT)	1.73	1.15
Other costs excluding transaction costs % (incl. VAT)	0.05	0.05
Transaction costs % (incl. VAT)	0.07	0.07
<b>Total investment charge % (incl. VAT)</b>	<b>1.85</b>	<b>1.27</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.77</b>	<b>1.20</b>
Annual management fee % (incl. VAT)	1.73	1.15
Other costs excluding transaction costs % (incl. VAT)	0.04	0.05
Transaction costs % (incl. VAT)	0.08	0.08
<b>Total investment charge % (incl. VAT)</b>	<b>1.85</b>	<b>1.28</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Regulation 28**

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustee**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 2025 in review

Global markets in 2025 were marked by heightened geopolitical tensions and increased uncertainty. While global economic growth moderated, it remained resilient, supporting risk assets overall. Inflation continued to moderate globally, allowing central banks to cautiously lower policy rates during the year. In the US, the Trump administration's actions 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. It's important to note that, contrary to historic precedent, the risk-off periods experienced during the year were not followed by the habitually expected USD strengthening, supporting emerging markets such as South Africa.

Against this global backdrop, South African bonds delivered strong performance during the year, benefitting from a meaningful improvement in domestic macroeconomic fundamentals and enhanced policy credibility. Key developments include the removal of South Africa from the Financial Action Task Force (FATF) greylist, an upgrade of the sovereign credit rating by S&P, continued progress on fiscal consolidation, and the formal adoption of the 3% inflation target. These factors collectively strengthened investor confidence and drove increased demand for domestic bonds. A more stable political environment within the Government of National Unity (GNU) further reinforced demand for domestic bonds.

Bond supply dynamics were also supportive during the year. Weekly nominal bond issuance was reduced at the Medium-Term Budget Policy Statement (MTBPS), reflecting the stronger than expected funding progress. In addition, South Africa's long-term domestic borrowing was further supported by the introduction of infrastructure bonds which helps diversify funding sources.

The South African Reserve Bank (SARB) continued its rate cutting cycle, delivering a cumulative interest rate cuts of 100 basis points during 2025. This was underpinned by a benign domestic inflation profile, with headline inflation ranging between 2.7% and 3.6% over the year. In addition, inflation expectations moderated, remaining consistent with the lower inflation target.

As a result, yields compressed meaningfully across the curve. While both nominal and inflation-linked bonds benefitted, performance was stronger in nominal bonds, particularly at the longer end of the curve where yields compressed by just over 200 basis points. These dynamics translated into a 12-month total return of 24.24% for the local bond market (All Bond Index, ALBI). The rand appreciated 12% against the US dollar, supported by higher commodity export earnings and improved investor sentiment toward emerging markets.

From a portfolio perspective, the PSG Bond Fund benefitted from active duration positioning, with an overweight position at the longer end of the bond curve (20 years+). This positioning allowed the fund to capture the yield compression and contributed meaningfully to overall performance, in addition to the selected credit exposure.

## Looking ahead

Looking ahead, while volatility may persist amid ongoing geopolitical uncertainty and shifting global policy dynamics, the domestic macroeconomic environment remains supportive of local bonds. South Africa's GDP growth is projected to be closer to 1.5%. Should key policy initiatives championed by Operation Vulindela see an acceleration, there is a reasonable chance that these growth expectations may prove to be too conservative. In which case local bonds may likely see further attractive returns. Headline inflation is expected to remain contained, and the SARB is likely to continue with its rate cutting cycle, albeit at a slower pace, driving cash rates lower. The PSG Bond Fund remains well positioned to navigate this environment, prioritising the preservation of clients' capital and providing index beating returns.

## Portfolio performance

Over the quarter, the PSG Bond Fund returned 9.6% versus the benchmark return of 9.0%. Over a 1-year period, the fund delivered a return of 25.7% versus the benchmark return of 24.2%. Since inception, the fund returned 23.3% versus the benchmark return of 21.8%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Bond Fund Class E

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic bonds	95.3%	Domestic bonds	94.1%
Domestic cash and money market instruments	4.7%	Domestic cash and money market instruments	5.9%

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

<b>Number of units as at 31 December 2025 (Class A):</b>	17 746 196
<b>Price (net asset value per unit) as at 31 December 2025 (Class A):</b>	R1.17
<b>Number of units as at 31 December 2025 (Class E):</b>	124 456 838
<b>Price (net asset value per unit) as at 31 December 2025 (Class E):</b>	R1.17

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>0.49</b>	<b>0.39</b>
Annual management fee % (incl. VAT)	0.46	0.35
Other costs excluding transaction costs % (incl. VAT)	0.03	0.04
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.50</b>	<b>0.40</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>0.49</b>	<b>0.39</b>
Annual management fee % (incl. VAT)	0.46	0.35
Other costs excluding transaction costs % (incl. VAT)	0.03	0.04
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.50</b>	<b>0.40</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Regulation 28**

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Yield**

Yield will be calculated as the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. Actual returns may differ, based on changes in market values, interest rates and market factors during the investment period.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustee**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 2025 in review

Global markets in 2025 were marked by heightened geopolitical tensions and increased uncertainty. While global economic growth moderated, it remained resilient, supporting risk assets overall. Inflation continued to moderate globally, allowing central banks to cautiously reduce policy rates. In the US, the Trump administration's actions influenced expectations around trade, regulation, and fiscal policy. This, combined with conflict in the Middle East and elevated US-China trade tensions, contributed to episodes of risk aversion and market volatility during the year. It's important to note that contrary to historic precedent, the risk-off periods experienced during the year were not followed by the habitually expected USD strengthening, supporting emerging markets such as South Africa.

The domestic macroeconomic and policy environment was supportive of local assets. Key developments include South Africa's removal from the Financial Action Task Force (FATF) greylist, an upgrade to the sovereign credit rating by S&P, continued progress on fiscal consolidation, the formal adoption of the 3% inflation target, and a more stable political environment under the Government of National Unity (GNU).

Bond supply dynamics were also supportive, with the weekly issuance reduced at the Medium-Term Budget Policy Statement (MTBPS), reflecting the stronger than expected funding progress. The South African Reserve Bank (SARB) delivered cumulative interest rate cuts of 100 basis points during 2025, underpinned by a benign inflation profile.

As a result, South Africa's bond market delivered extremely strong returns, exceeding 2024's performance and bringing the three-year cumulative return to nearly 60%. Equity returns were also robust, though dispersed, with precious metal miners dominating and certain telecom shares performing strongly. The rand appreciated 12% against the US dollar, supported by higher commodity export earnings and improved investor sentiment toward emerging markets. The FTSE/JSE SWIX All Share Index and the All Bond Index (ALBI) returned 42.4% and 24.2%, respectively, in local currency terms.

The PSG Diversified Income Fund was positioned to capture opportunities while managing downside risks amid global volatility. The fund maintained a strategic overweight in longer-duration bonds, alongside exposure to floating-rate notes issued by National Treasury and select credit instruments, such as Transnet government-guaranteed bonds. In addition, the fund held modest exposure to equities and property, enhancing the overall return.

## Looking ahead

Looking ahead, volatility is likely to persist due to ongoing geopolitical uncertainty and shifting global policy dynamics. Domestically, the macroeconomic environment remains supportive of local bonds, with high real yields and improving fundamentals. South Africa's GDP growth is projected to be closer to 1.5%. Should key policy initiative championed by Operation Vulindela see an acceleration, there is a reasonable chance that these growth expectations may prove to be too conservative, in which case local bonds may likely see further attractive returns. Headline inflation is expected to remain contained, and the SARB is likely to continue with its rate cutting cycle, albeit at a slower pace, driving cash rates lower. The PSG Diversified Income Fund remains well positioned to navigate this environment, with a continued focus on capital preservation, income generation, and delivering returns ahead of cash.

## Portfolio performance\*

Over the quarter the PSG Diversified Income Fund returned 4.4% versus the benchmark return of 0.4%. The largest contributors over this period were Local Government Bonds (2.2%), Corporate Bonds (1.0%) and Equity (0.8%). Over the 2-year investment horizon, the fund delivered an annualised return of 12.6% versus the benchmark return of 4.2%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Diversified Income Class E

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic equity	2.4%	Domestic equity	2.4%
Domestic preference shares	2.7%	Domestic preference shares	2.6%
Domestic property	0.9%	Domestic property	1.6%
Domestic commodity	0.5%	Domestic commodity	0.4%
Domestic cash and money market instruments	26.0%	Domestic cash and money market instruments	22.8%
Domestic bonds	63.3%	Domestic bonds	66.3%
Offshore equity	1.2%	Offshore equity	1.0%
Offshore bonds	2.1%	Offshore bonds	2.2%
Offshore cash and money market instruments	0.9%	Offshore cash and money market instruments	0.7%

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

<b>Number of units as at 31 December 2025 (Class A):</b>	2 339 206 648
<b>Price (net asset value per unit) as at 31 December 2025 (Class A):</b>	R1.42
<b>Number of units as at 31 December 2025 (Class E):</b>	2 557 438 817
<b>Price (net asset value per unit) as at 31 December 2025 (Class E):</b>	R1.42

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.17</b>	<b>0.54</b>
Annual management fee % (incl. VAT)	1.15	0.52
Other costs excluding transaction costs % (incl. VAT)	0.02	0.02
Transaction costs % (incl. VAT)	0.04	0.04
<b>Total investment charge % (incl. VAT)</b>	<b>1.21</b>	<b>0.58</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>1.17</b>	<b>0.54</b>
Annual management fee % (incl. VAT)	1.15	0.52
Other costs excluding transaction costs % (incl. VAT)	0.02	0.02
Transaction costs % (incl. VAT)	0.04	0.04
<b>Total investment charge % (incl. VAT)</b>	<b>1.21</b>	<b>0.58</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Regulation 28**

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Yield**

The yield for the portion attributable to fixed income instruments is calculated daily on an annualised basis and is based on the historic yield of the fixed income instruments. The fund returns include returns from property and equity instruments.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustee**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 2025 in review

Global markets in 2025 were marked by heightened geopolitical tensions and increased uncertainty. While global economic growth moderated, it remained resilient, supporting risk assets overall. Inflation continued to moderate globally, allowing central banks to cautiously reduce policy rates. In the US, the Trump administration's actions influenced expectations around trade, regulation, and fiscal policy. This, combined with conflict in the Middle East and elevated US-China trade tensions, contributed to episodes of risk aversion and market volatility during the year. It's important to note that, contrary to historic precedent, the risk-off periods experienced during the year were not followed by the habitually expected USD strengthening, supporting emerging markets such as South Africa.

The domestic macroeconomic and policy environment was supportive of local assets. Key developments include South Africa's removal from the Financial Action Task Force (FATF) greylist, an upgrade to the sovereign credit rating by S&P, continued progress on fiscal consolidation, the formal adoption of the 3% inflation target, and a more stable political environment under the Government of National Unity (GNU).

Bond supply dynamics were also supportive during the year. Weekly nominal bond issuance was reduced at the Medium-Term Budget Policy Statement (MTBPS), reflecting the stronger than expected funding progress. In addition, South Africa's long-term domestic borrowing was further supported by the introduction of infrastructure bonds which helps diversify funding sources.

The South African Reserve Bank (SARB) continued its rate cutting cycle, delivering cumulative interest rate cuts of 100 basis points during 2025. This was underpinned by a benign domestic inflation profile, with headline inflation ranging between 2.7% and 3.6% over the year. In addition, inflation expectations moderated, remaining consistent with the lower inflation target.

As a result, the bond market delivered extremely strong returns, exceeding 2024's performance and bringing the 3-year cumulative return to nearly 60%. Bond yields compressed quite significantly, resulting in a 12-month total return of 24.24% for the All Bond Index (ALBI). The rand appreciated 12% against the US dollar, supported by higher commodity export earnings and improved investor sentiment toward emerging markets.

The PSG Income Fund was positioned to capture opportunities in the local bond markets while managing downside risks amid global volatility. The fund maintained a healthy exposure to South African government bonds, alongside exposure to floating-rate notes issued by National Treasury and select credit instruments, such as the Transnet government-guaranteed bonds.

## Looking ahead

Looking ahead, volatility is likely to persist due to ongoing geopolitical uncertainty and shifting global policy dynamics. Domestically, the macroeconomic environment remains supportive of local bonds, with high real yields and improving fundamentals. South Africa's GDP growth is projected to be closer to 1.5%. Should key policy initiatives championed by Operation Vulindela see an acceleration, there is a reasonable chance that these growth expectations may prove to be too conservative. In which case local bonds may likely see further attractive returns. Headline inflation is expected to remain contained, and the SARB is likely to continue with its rate cutting cycle, albeit at a slower pace, driving cash rates lower. The PSG Income Fund remains well positioned to navigate this environment, with a continued focus on capital preservation, income generation, and delivering returns ahead of cash rates.

## Portfolio performance\*

Over the quarter, the PSG Income Fund returned 3.1% versus the benchmark return of 1.8%. The major contributors over this period were Corporate Bonds (1.1%), Local Government Bonds (1.1%), Local Money Market Instruments (0.5%). Over a 1-year period, the fund delivered a return of 10.6% versus the benchmark return of 7.5%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Income Fund Class E

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic bonds	74.1%	Domestic bonds	77.1%
Domestic cash and money market instruments	25.9%	Domestic cash and money market instruments	22.9%

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

Number of units as at 31 December 2025 (Class A):	4 452 725
Price (net asset value per unit) as at 31 December 2025 (Class A):	R1.13
Number of units as at 31 December 2025 (Class E):	2 044 396 352
Price (net asset value per unit) as at 31 December 2025 (Class E):	R1.11

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>0.77</b>	<b>0.48</b>
Annual management fee % (incl. VAT)	0.75	0.46
Other costs excluding transaction costs % (incl. VAT)	0.02	0.02
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.78</b>	<b>0.49</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>0.77</b>	<b>0.48</b>
Annual management fee % (incl. VAT)	0.75	0.46
Other costs excluding transaction costs % (incl. VAT)	0.02	0.02
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.78</b>	<b>0.49</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Yield**

The yield is calculated daily on an annualised basis. The calculation is based on the historic yield of fixed income instruments.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustee**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 2025 in review

Global markets in 2025 were marked by heightened geopolitical tensions and increased uncertainty. While global economic growth moderated, it remained resilient, supporting risk assets overall. Inflation continued to moderate globally, allowing central banks to cautiously lower policy rates during the year. In the US, the Trump administration's actions 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. It's important to note that, contrary to historic precedent, the risk-off periods experienced during the year were not followed by the habitually expected USD strengthening, supporting emerging markets such as South Africa.

Domestically, the South African macroenvironment improved meaningfully over the course of the year. The removal of South Africa from the Financial Action Task Force (FATF) greylist, an upgrade of South Africa's sovereign rating by S&P, continued progress on fiscal consolidation, and the formal adoption of the 3% inflation target collectively strengthened investor confidence. In addition, a more stable political environment under the Government of National Unity (GNU) further supported demand for domestic assets.

The South African Reserve Bank (SARB) continued its rate cutting cycle, delivering cumulative interest rate cuts of 100 basis points during 2025. This was underpinned by a benign domestic inflation profile, with headline inflation ranging between 2.7% and 3.6% over the year. In addition, inflation expectations moderated to level below 4%, remaining consistent with the newly formalised lower inflation target. In response to the declining interest rates, money market rates shifted lower over the course of the year, with cash rates closing the year between 6.35% and 6.50%.

From a portfolio perspective, the PSG Money Market Fund benefitted from proactively locking in attractive yields ahead of rate cuts. The fund maintained diversified exposure across negotiable certificates of deposit (NCDs), treasury bills and high-quality credit issuers that provide attractive short-term yields such as short-term paper issued by corporates like Discovery Ltd and Shoprite Holdings Ltd.

## Looking ahead

Looking ahead, headline inflation is expected to remain contained, and the SARB is likely to continue with its rate cutting cycle, albeit at a slower pace. This is expected to drive cash rates even lower. The PSG Money Market Fund remains well positioned to navigate this environment, prioritising the preservation of clients' capital, providing liquidity and delivery of cash-beating returns.

## Portfolio performance\*

Over the quarter, the PSG Money Market Fund returned 1.8% versus the benchmark return of 1.7%. The fund is suitable for investors who need an interim investment vehicle or 'parking bay' for surplus money and a short-term investment horizon. Since inception the fund produced an annualised return of 5.7% versus the benchmark return of 6.6% p.a. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Money Market Fund Class F

## Changes in portfolio positioning

Q3 2025		Q4 2025	
Domestic money market instruments	72.9%	Domestic money market instruments	66.6%
Domestic bonds	14.2%	Domestic bonds	8.9%
Unlisted bonds	0.4%	Unlisted bonds	5.3%
Domestic cash	12.5%	Domestic cash	19.2%

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

<b>Number of units as at 31 December 2025 (Class A):</b>	325 643 596
<b>Price (net asset value per unit) as at 31 December 2025 (Class A):</b>	R1.00
<b>Number of units as at 31 December 2025 (Class F):</b>	684 368 097
<b>Price (net asset value per unit) as at 31 December 2025 (Class F):</b>	R1.00

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class F
<b>Total expense ratio % (incl. VAT)</b>	<b>0.58</b>	<b>0.31</b>
Annual management fee % (incl. VAT)	0.58	0.29
Other costs excluding transaction costs % (incl. VAT)	0.00	0.02
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.59</b>	<b>0.32</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>0.61</b>	<b>0.32</b>
Annual management fee % (incl. VAT)	0.58	0.29
Other costs excluding transaction costs % (incl. VAT)	0.03	0.03
Transaction costs % (incl. VAT)	0.01	0.01
<b>Total investment charge % (incl. VAT)</b>	<b>0.62</b>	<b>0.33</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Money Market**

The PSG Money Market Fund maintains a constant price and is targeted at a constant value. The quoted yield is calculated by annualizing the average 7 day yield. A money market portfolio is not a bank deposit account. 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 total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio.

**Regulation 28**

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorized Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of Interest Disclosure**

The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town,  
8001  
Tel: +27 (21) 401 2443.  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 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 Feeder Fund returned 1.4% versus the benchmark return of -1.0%. 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 contributors and detractors are that of the main fund (PSG Global Equity Sub-Fund). The fund is suitable for investors with an investment term of 7 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 7-year time horizon, the fund returned 14.1% p.a. versus the benchmark return of 17.1% p.a. Since inception, the fund produced an annual return of 12.1% versus the benchmark return of 15.5%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers as per the PSG Global Equity Feeder Fund Class E

## 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.

Please note that the above commentary and portfolio positioning is for the US dollar-denominated PSG Global Equity Sub-Fund. The PSG Global Equity Feeder Fund is 100% invested in the underlying US dollar fund. However, there may be small short-term valuation, trading and translation differences between the two funds.

Number of units as at 31 December 2025 (Class A):	4 197 964
Price (net asset value per unit) as at 31 December 2025 (Class A):	R5.65
Number of units as at 31 December 2025 (Class E):	64 837 525
Price (net asset value per unit) as at 31 December 2025 (Class E):	R5.89

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>2.17</b>	<b>1.59</b>
Annual management fee % (incl. VAT)	0.86	0.29
Other costs excluding transaction costs % (incl. VAT)	1.31	1.30
Transaction costs % (incl. VAT)	0.29	0.29
<b>Total investment charge % (incl. VAT)</b>	<b>2.46</b>	<b>1.88</b>

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

	Class A	Class E
<b>Total expense ratio % (incl. VAT)</b>	<b>2.18</b>	<b>1.61</b>
Annual management fee % (incl. VAT)	0.86	0.29
Other costs excluding transaction costs % (incl. VAT)	1.32	1.32
Transaction costs % (incl. VAT)	0.34	0.34
<b>Total investment charge % (incl. VAT)</b>	<b>2.52</b>	<b>1.95</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Feeder Funds**

A Feeder Fund is a portfolio which, apart from assets in liquid form, invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.

## 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 Feeder Fund returned 0.6% versus the benchmark return of -2.5%. 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 contributors and detractors are that of the main fund (PSG Global Flexible Sub-Fund). 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 against the relevant investment term. Over the 4-year time horizon, the fund returned 11.9% p.a. versus the benchmark return of 11.0% p.a. Since inception, the fund produced an annual return of 12.5% versus the benchmark return of 14.1%. [Click here](#) to view the Minimum Disclosure Document for full details of the fund.

\*Return numbers are for the PSG Global Flexible Feeder 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.

Please note that the above commentary and portfolio positioning is for the US dollar-denominated PSG Global Flexible Sub-Fund. The PSG Global Flexible Feeder Fund is 100% invested in the underlying US dollar fund. However, there may be small short-term valuation, trading and translation differences between the two funds.

Number of units as at 31 December 2025 (Class A):	7 748 128
Price (net asset value per unit) as at 31 December 2025 (Class A):	R4.23
Number of units as at 31 December 2025 (Class B):	101 447 787
Price (net asset value per unit) as at 31 December 2025 (Class B):	R4.49

All data as per Bloomberg as at 31 December 2025.

## Total investment charge

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

	Class A	Class B
<b>Total expense ratio % (incl. VAT)</b>	<b>2.65</b>	<b>2.08</b>
Annual management fee % (incl. VAT)	0.86	0.29
Other costs excluding transaction costs % (incl. VAT)	1.79	1.79
Transaction costs % (incl. VAT)	0.16	0.16
<b>Total investment charge % (incl. VAT)</b>	<b>2.81</b>	<b>2.24</b>

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

	Class A	Class B
<b>Total expense ratio % (incl. VAT)</b>	<b>2.54</b>	<b>1.97</b>
Annual management fee % (incl. VAT)	0.86	0.29
Other costs excluding transaction costs % (incl. VAT)	1.68	1.68
Transaction costs % (incl. VAT)	0.21	0.21
<b>Total investment charge % (incl. VAT)</b>	<b>2.75</b>	<b>2.18</b>

**Disclaimer**

Collective Investment Schemes in Securities (CIS) 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. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. 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. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

**Feeder Funds**

A Feeder Fund is a portfolio which, apart from assets in liquid form, invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

**Performance**

All performance data for a lump sum, net of fees, include 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 15h00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and in the daily newspapers. Figures quoted are from Morningstar Inc.

**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.

**Redemptions**

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should a situation arise where such suspension is required.

**Company details**

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Financial Services Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Financial Services Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Conflict of interest disclosure**

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

**Trustees**

The Standard Bank of South Africa Limited,  
The Towers, 2 Heerengracht Street,  
Cnr Hertzog Boulevard,  
Cape Town  
8001  
Tel: +27 21 401 2443  
Email: [Compliance-PSG@standardbank.co.za](mailto:Compliance-PSG@standardbank.co.za)

**Additional information**

Additional information is available free of charge on the website [www.psg.co.za/asset-management](http://www.psg.co.za/asset-management) and may include publications, brochures, forms and annual reports.