



Investment management online funds' performance for the quarter ended 31 December 2025

IM online funds 4Q25: Performance and positioning

The JSE outperformed global equity markets last year, with precious metal miners significantly driving returns by accounting for approximately 60% of its 2025 performance. Gold and platinum miners, which rose 208% and 222% respectively, benefitted from commodity price increases (gold +65% and platinum +127% year-on-year). Conversely, domestic economy-focused JSE-listed companies showed mixed results: banks and insurers rose, while retailers struggled after disappointing annual results. The South African government's 10-year borrowing rate fell to 8.20%, contributing to a 9% quarter-on-quarter and 24.20% annual return for SA bonds. The consistent above-inflation performance across periods validates the defensive appeal of local fixed income.

On the global front, global bonds have delivered negative rand returns across all periods up to three years, with the one-year return at -5%. Currency translation effects have been the primary detractor. The rand's significant appreciation, strengthening 12.20% against the US dollar over the past year, has materially impacted global asset returns when measured in rand terms. Global equity returns appear muted in rand terms, with a modest 6.30% one-year return and a -1% three-month return. Underlying dollar returns remain robust, as evidenced by strong longer-term annualised returns of 20.10% over three years and 17.10% over seven years. Overall, developed market equities concluded 2025 positively in US dollar terms. European stocks significantly outperformed US equities. US benchmarks underperformed due to investor anxiety about artificial intelligence (AI) infrastructure spending, highlighted by major declines in Oracle and Broadcom shares after disappointing results. Emerging market stocks outperformed developed markets, largely driven by the performance of Asian semiconductor companies and strong returns from Chinese tech giants like Tencent and Alibaba.

The local multi-asset solutions added absolute returns over 4Q25 and alpha over the calendar year. The solutions have continued to deliver top quartile performance since inception.

PSG IM MA Income FoF maintained outperformance of the ASISA MA Income category over the minimum recommended holding period.

Table 1: Asset class returns in rand terms (%)

Asset class (in rand)	3-months	6-months	1-year	3-years	5-years	7-years
SA equity	8.9	22.8	42.6	20.4	18.3	13.9
SA property	16.3	24.0	30.6	22.9	20.6	7.9
SA bonds	9.0	16.5	24.2	16.9	12.5	11.7
SA cash	1.8	3.6	7.5	8.0	6.6	6.5
Global equity	-1.0	3.1	6.3	20.1	14.9	17.1
Global bonds	-3.7	-6.0	-5.0	3.1	0.2	2.7
USD/ZAR	-4.0	-6.8	-12.2	-0.9	2.4	2.0

Source: PSG Wealth research team





Domestic funds performance and positioning

Table 2: Fund performance versus sector average

Fund	1-month		3-months		6-months		12-months		2-years		3-years	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
PSG IM Multi-Ast Inc FoF D	0.9	81	3.1	84	5.7	92	11.2	79	10.7	79	10.0	84
South African MA Income Sector Average	1.1	128	3.5	128	6.7	128	11.0	128	10.6	117	10.2	107
PSG IM Cautious FoF D	2.5	2	5.3	29	9.6	70	18.8	17	15.5	27	13.5	48
South African MA Low Equity Sector Average	1.3	147	4.3	147	9.3	147	15.5	147	13.9	141	12.9	137
PSG IM Growth FoF D	4.2	3	7.8	7	14.1	23	27.6	5	21.4	4	17.6	10
South African MA High Equity Sector Average	1.9	219	4.7	219	10.9	219	18.8	219	16.1	205	14.8	198
PSG IM Opp Eq FoF D	4.7	23	9.3	12	23.9	6	41.4	11	26.5	15		
South African EQ General Sector Average	3.8	103	6.9	103	16.8	103	28.9	103	20.9	101		

Source: PSG Wealth research team

The multi-asset solutions added absolute returns over the quarter. All building blocks added returns on an absolute basis, with equities driving returns in our portfolios with exposure to them. In the equity building block, security selection in resources continued to drive performance. Quarter on quarter, our underlying managers in that building block trimmed exposure to industrials in favour of upweighting resources, reflecting their positive medium-term outlook on the sector. The income building block also added returns on an absolute basis, as the government bonds held provided stability. Our underlying managers in the income building block trimmed their allocation to the belly of the curve, adding duration selectively and maintaining the rest in dry powder.

At a fund of funds level, the above led to reduced exposure to industrials, and an increase in exposure to resources in the Cautious and Growth FoFs on the equities side. In the fixed income space, allocations to the seven+ year bonds bucket and cash increased in the Income, Cautious and Growth FoFs, funded by reductions in allocations to the three to seven year space. On the global front, allocations to global equities within the Cautious and Growth FoFs have stayed level following our decision to upweight them in the previous quarter.

The PSG IM Opportunity Equity FoF added 9.30% over the quarter, beating its benchmark by 2.40%. This helped the fund end the year up 41.20%, ahead of its benchmark by 12.50%. Driving this performance was our underlying managers' continued preference for miners, as well as selected exposure to banks and allocations to Naspers and Prosus. The FoF remains fully invested in domestic growth assets. Over the quarter, our underlying managers trimmed allocations to financials and industrials, rotating into resources. At a fund of funds level, no changes were made to the composition over the quarter.

The PSG IM Cautious FoF added alpha over the quarter and continues to reward investors over its recommended holding period.

A positive 4Q25 for risk assets helped the PSG IM Growth FoF add alpha over the quarter and improve its longer-term track record.



Table 3: Local FoF composition (%)

Fund		PSG IM Multi-Asset Income FoF		PSG IM Cautious FoF		PSG IM Growth FoF		PSG IM Opportunity Equity FoF	
		Previous quarter	Current quarter	Previous quarter	Current quarter	Previous quarter	Current quarter	Previous quarter	Current quarter
South Africa	Resources	0.1	0.1	7.0	9.7	14.0	19.4	24.0	31.7
	Financials (excl. real estate)	0.1	0.2	6.8	7.3	13.6	14.6	27.3	25.0
	Industrials	0.2	0.2	16.3	13.4	32.7	27.0	42.4	37.1
	Other equities	0.1	0.1	-	-	-	-	-	-
	Equity hedges (+ long/- short)	-	-	-	-	-	-	-	-
	Total equities (excl. real estate)	0.3	0.5	30.1	30.4	60.3	61.1	93.7	93.8
	Real estate	0.1	0.2	-	-	-	-	4.2	3.9
	Preference shares	0.5	0.5	-	-	-	-	-	-
	Inflation linked bonds	3.6	4.9	2.1	3.0	0.9	1.4	-	-
	Bonds 7+ yrs	4.1	7.4	1.8	3.7	0.8	1.7	-	-
	Bonds 3-7 yrs	49.8	38.3	32.0	24.8	14.4	11.2	-	-
	Bonds 1-3 yrs	11.5	8.2	8.4	6.1	3.8	2.8	-	-
	Cash, derivatives and money market	29.3	39.3	23.8	30.2	16.4	18.7	2.1	2.3
	Total non-equities (incl. real estate)	98.8	98.7	68.1	67.8	36.3	35.7	6.3	6.2
Global	Equities	0.3	0.2	1.8	1.8	3.4	3.2	-	-
	Real estate	-	-	-	-	-	-	-	-
	Bonds	0.4	0.4	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Cash, derivatives and money market	0.1	0.2	0.0	0.0	0.0	0.0	-	-
	Total foreign	0.8	0.8	1.8	1.8	3.4	3.2	-	-
Total	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Total equities	0.6	0.7	31.9	32.2	63.7	64.2	93.7	93.8
	Domestic	0.3	0.5	30.1	30.4	60.3	61.1	93.7	93.8
	Foreign	0.3	0.2	1.8	1.8	3.4	3.2	-	-
	Total non-equities	99.4	99.3	68.1	67.8	36.3	35.8	6.3	6.2
	Domestic	98.8	98.7	68.1	67.8	36.3	35.7	6.3	6.2
	Foreign	0.5	0.5	0.0	0.0	0.0	0.0	-	-
	Total domestic	99.2	99.2	98.2	98.2	96.6	96.8	100.0	100.0
Total foreign	0.8	0.8	1.8	1.8	3.4	3.2	-	-	

Source: PSG Wealth research team



PSG IM Global Flexible Fund of Funds

The PSG IM Global Flexible FoF added 1.50% in US dollar terms over the quarter, with returns driven by strong returns from Baillie Gifford Managed, HSBC Global Strategy Dynamic and PSG Global Flexible. Dragging returns over the quarter were MFS Meridian, Sarasin Multi-Asset Dynamic and Veritas Global Real Return. The two latter's relative underperformance prompted their addition to the quantitative risk radar screen. Despite a challenging fourth quarter, the FoF ended the calendar year ahead of its benchmark by 1.10% in dollar terms. This return was driven by our underlying managers with significant ex-US equity exposure, where security selection drove their alpha generation. Overall, the composition of the Global Flexible FoF remained consistent, with no changes made over the quarter.

A positive Q4 in absolute terms saw the PSG IM Global Flexible Dollar FOF's since inception performance remain above average.

Table 4: Relative ranking

Name	3-months to 2025/12/31	Rank	6-months to 2025/12/31	Rank	1-year to 2025/12/31	Rank	3-years to 2025/12/31	Rank	5-years to 2025/12/31	Rank	7-years to 2025/12/31	Rank
PSG IM GIB Flex FoF (USD)	0.6	135	1.5	152	4.8	166	8.8	120	2.2	122	5.9	66
BM: Morningstar USD Flexible Allocation	0.8	210	2.3	208	7.1	207	9.9	163	4.4	140	6.0	105
Excess (vs BM) - Morningstar USD Flexible Allocation	-0.3		-0.8		-2.3		-1.1		-2.1		-0.1	

Source: Morningstar Direct



Disclaimer

The quarterly performance report must be read in conjunction with the Minimum Disclosure Document available on our website, <https://www.psg.co.za/psg-multi-managed-funds>.

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