



NEDBANK
INSURANCE

June 2025

Guaranteed Dreammaker Fund

see money differently

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The returns below are after investment manager fees only.

The annualised returns below are for a R100 recurring premium, payable monthly.

Return period	5 years	4 years	3 years	2 years	1 years
	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25
Gross return – R100 recurring premium	7.95%	8.40%	9.56%	10.53%	11.36%
Consumer price index (CPI) inflation	5.14%	5.21%	4.49%	4.06%	3.02%
Real return – R100 recurring premium	2.81%	3.19%	5.07%	6.47%	8.34%

The annualised returns below are for a R100 recurring premium, escalating at 5% a year.

Return period	5 years	4 years	3 years	2 years	1 years
	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25
Gross return – R100 recurring premium, escalating at 5% a year	8.02%	8.47%	9.59%	10.54%	11.36%
CPI inflation	5.14%	5.21%	4.49%	4.06%	3.02%
Real return – R100 recurring premium, escalating at 5% a year	2.87%	3.25%	5.10%	6.48%	8.34%

The annualised returns below are for a R5 000 single premium, payable at the outset.

Return period	5 years	4 years	3 years	2 years	1 years
	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25
Gross return – R5 000 single premium	7.34%	7.13%	9.00%	8.68%	11.32%
CPI inflation	5.14%	5.21%	4.49%	4.06%	3.02%
Real return – R5 000 single premium	2.20%	1.92%	4.51%	4.62%	8.30%

Guaranteed Dreammaker Fund

The returns below are after all fees, ie net of the investment manager, administration and capital guarantee fees.

Return period	5 years	4 years	3 years	2 years	1 years
	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25
Net return – R100 recurring premium	5.64%	6.08%	7.20%	8.13%	8.94%
Net return – R100 recurring premium, escalating at 5% a year	5.70%	6.14%	7.23%	8.14%	8.94%
Net return – R5 000 single premium	5.01%	4.81%	6.63%	6.32%	8.90%

The tables below illustrate the fund breakdown for 5 policies with different start dates, at 30 June 2025.

The fund build-up below is for a R100 recurring premium, payable monthly.

Fund build-up – recurring premium		5 years	4 years	3 years	2 years	1 years
		1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25	1 Jul 20 30 Jun 25
Income	Premiums paid	R6 000	R4 800	R3 600	R2 400	R1 200
	Investment return	R1 279	R855	R544	R264	R72
Outgo	Administration	-R286	-R182	-R103	-R46	-R12
	Capital guarantee fee	-R74	-R47	-R27	-R12	-R3
Closing fund balance at end of period		R6 919	R5 427	R4 014	R2 606	R1 257

Guaranteed Dreammaker Fund

The fund build-up below is for a R5 000 single premium, payable at the outset.

Fund build-up – single premium		5 years 1 Jul 20 30 Jun 25	4 years 1 Jul 20 30 Jun 25	3 years 1 Jul 20 30 Jun 25	2 years 1 Jul 20 30 Jun 25	1 years 1 Jul 20 30 Jun 25
Income	Premiums paid	R5 000	R5 000	R5 000	R5 000	R5 000
	Investment return	R1 997	R1 504	R1 423	R881	R558
Outgo	Administration	-R487	-R375	-R287	-R183	-R91
	Capital guarantee fee	-R126	-R97	-R74	-R47	-R24
Closing fund balance at end of year		R6 384	R6 032	R6 062	R5 651	R5 443

The fund build-up below is for a R100 recurring premium, escalating at 5% a year.

Fund build-up – recurring premium		5 years 1 Jul 20 30 Jun 25	4 years 1 Jul 20 30 Jun 25	3 years 1 Jul 20 30 Jun 25	2 years 1 Jul 20 30 Jun 25	1 years 1 Jul 20 30 Jun 25
Income	Premiums paid	R6 631	R5 172	R3 783	R2 460	R1 200
	Investment return	R1 369	R900	R561	R267	R72
Outgo	Administration	-R304	-R190	-R106	-R46	-R12
	Capital guarantee fee	-R78	-R49	-R27	-R12	-R3
Closing fund balance at end of year		R7 618	R5 834	R4 211	R2 669	R1 257

Please note the following important assumptions:

- The above calculations assume that each premium is received on the first of the month and invested immediately.
- The client may pay the premium on any date.
- The above calculations do not account for any call interest earned on each premium.

Guaranteed Dreammaker Fund



Charges



Commission charge

There are no commissions or start-up costs – 100% of the contributions are invested for growth.



Plan charge

There is a plan charge of 1,75% a year, deducted monthly from the investment.



Capital guarantee charge

There is a charge of 0,45% a year of gross total value, deducted monthly.



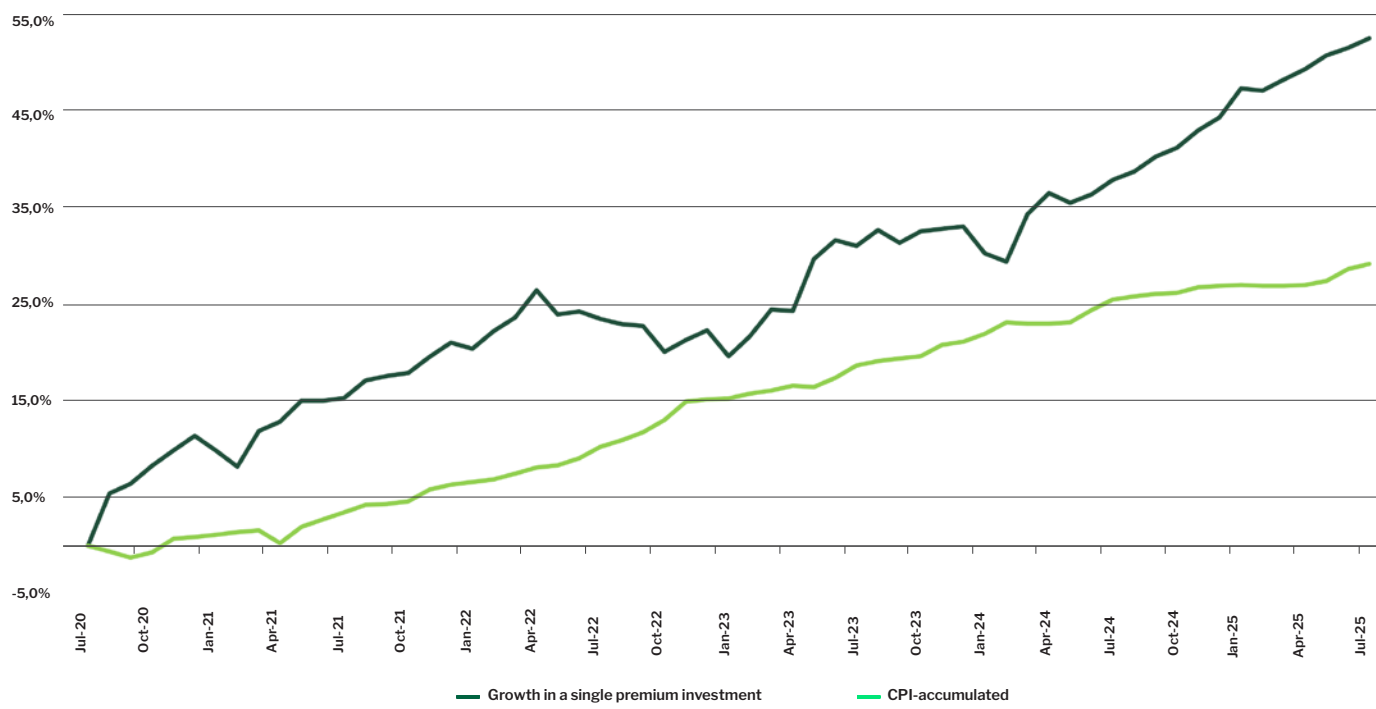
Asset management charge

The Nedgroup Investments Core Guarded Fund charges 0.45% of the gross total value a year and the Nedgroup Investments Stable Fund charges 0.95%, excluding value-added tax.

The graph below shows the growth in the Guaranteed DreamMaker Fund relative to CPI over the past 5 years. The returns shown are after investment manager fees only.

As can be seen from the graph below, the Guaranteed DreamMaker Fund five-year returns are above inflation.

Growth in single premium, invested five years ago





Economic and market review

In a move that stunned global markets, President Donald Trump declared a sweeping overhaul of United States (US) trade policy in what he dubbed 'Liberation Day'. Far from symbolic, the announcement introduced a broad set of tariffs that marked the most aggressive turn towards protectionism in nearly a century. The average US import tariff surged from 2.5 to 24%, with most nations facing a flat 10% levy and strategic rivals hit even harder.

Markets reacted swiftly: major indices tumbled on fears of a deepening trade war, slower global growth, and rising inflation. The scale and abruptness of the tariff regime sent shockwaves through supply chains and diplomatic circles alike. The global response remains a critical variable. China and the European Union, among others, hold significant leverage, ranging from retaliatory tariffs to control over rare earth minerals vital to high-tech industries. Currency dynamics will also play a role: A stronger dollar could cushion inflationary effects, while tit-for-tat measures risk amplifying economic disruption.

Despite the turbulence, equity markets staged a remarkable comeback. The S&P 500 notched a record high by the end of June, fully recovering from an 18.8% drawdown in April. Global equities followed suit, with the MSCI All Country World Index climbing 11.7% for the quarter. Emerging markets led the charge, outperforming developed peers with a 12.2% gain.

This rebound was fuelled in part by easing geopolitical tensions. A brief but intense 12-day conflict between Israel and Iran in mid-June sent oil prices soaring above \$80 per barrel. However, a US-brokered ceasefire helped stabilise the region, and crude prices eventually settled back to \$67. Adding to the optimism was a tentative trade agreement between Washington and Beijing. The proposed deal would grant the US access to critical rare earth elements while easing restrictions on certain Chinese imports – a potential thaw in an otherwise frosty relationship.

Monetary policy responses varied across regions. The European Central Bank continued its easing trajectory, cutting interest rates by 25 basis points in June – its eighth reduction in a year – for a total 2% decline since mid-2024. The move reflects easing inflation and a cautiously improving economic outlook. In contrast, the Bank of England held rates steady at 4.25%, signalling a wait-and-see approach. Meanwhile, the People's Bank of China paused after a May rate cut, part of a broader effort to support a slowing economy amid trade headwinds.

Bond markets remained volatile, buffeted by geopolitical developments and concerns over US fiscal health. A pending budget reconciliation bill raised alarms about long-term debt sustainability, keeping pressure on long-term yields. The Bloomberg Global Aggregate Bond Index still managed a 4.5% return for the quarter.

The US dollar weakened notably, falling 7% against a basket of major currencies. Investor sentiment has been rattled by the Trump administration's aggressive policy shifts, and currency markets are adjusting accordingly.

As the world enters the second half of 2025, the outlook remains uncertain. Much will depend on how global powers navigate the evolving trade landscape, whether diplomatic efforts can prevent further conflict, and how central banks balance growth and inflation risks. For now, markets have proven surprisingly resilient, but the road ahead is anything but smooth.

South African assets delivered solid returns in the second quarter of 2025, despite mounting global trade tensions and renewed political uncertainty at home. Nominal government bonds outperformed inflation-linked securities in June, widening the performance gap after a 1.7% monthly gain. In Q2, domestic bonds returned 5.9%, while the FTSE/JSE All Share gained 10.2%. Listed property also performed strongly, rising by 9.1%. The rand appreciated by 3.1% against the US dollar but weakened by 5.4% against the euro.

However, the outlook is clouded by both external and internal risks. A proposed 30% US tariff on South African exports – potentially ending AGOA trade benefits – could shave 0.2–0.5% off GDP, depending on how key commodities like gold are treated. While 75% of South Africa's US exports are commodities with limited substitutes, offering some demand resilience, the broader economic impact could still be significant. Domestically, the emergence of a government of national unity (GNU) initially boosted investor confidence, raising hopes for reform and policy coordination. However, recent developments have reignited concerns about the GNU's cohesion and long-term viability, weighing on sentiment.

Guaranteed Dreammaker Fund



Economic growth remains tepid. Real GDP rose by just 0.1% in Q1 2025, down from 0.4% in the previous quarter. The current account deficit narrowed slightly to R35.6 billion, aided by improved terms of trade. Headline inflation held steady at 2.8% in May, slightly above expectations. The South African Reserve Bank (SARB) is reviewing its 3–6% inflation target range, with market participants divided on the feasibility of a lower target.

Navigating this complex environment requires a disciplined, diversified approach. With global trade dynamics in flux and local politics in transition, our focus stays on building resilience rather than making tactical bets.

Nedgroup Investments Stable Fund

International

- Global equities rallied to double-digit gains, with US bourses recouping Q1 losses on robust earnings and moderating inflation, shrugging off the 12-day Israel–Iran war and Liberation Day lows after the US offered a 90-day suspension on reciprocal tariffs.
- Global government bonds advanced as bond yields continued to moderate on expectations of lower real interest rates, despite fiscal headwinds – while credit spreads narrowed modestly.
- Major currencies strengthened against the US dollar, with the euro gaining over 8% against the greenback – and the dollar becoming the whipping boy to expansionary US fiscal policy and slumping to its worst start to a year since 1973.
- Precious metals prices were mostly higher amid US dollar weakness and safe-haven (gold) and jewellery (platinum) demand – but Brent crude oil fell nearly 10% on demand concerns despite an intra-quarter spike after Israel attacked Iran.
- Global developed market GDP growth remained modest even as inflation continued to ebb at low levels – with on-again-off-again reciprocal tariffs playing havoc with trade and investment.
- The US Federal Reserve has become a global outlier, holding rates steady this year even as other major banks, including the ECB and BoE, have cut interest rates – the Fed is wary of risks to prices, including from dollar weakness and tariffs.

South Africa

- Emerging markets rallied on buoyant commodity prices, with the FTSE/JSE All Share also powering ahead. Resource stocks advanced further, but the gains were broad-based, with industrial and financial counters outperforming.
- South African bonds rallied, boosted by resilient demand amid stable inflation and a dovish SARB outlook – the yield curve steepened slightly as long-dated yields fell less than short-term rates.
- The rand was volatile on acute political stress, as the GNU looked increasingly precarious and the US administration became increasingly hostile towards SA – but gained 3% over the quarter on broad-based US dollar weakness.
- Precious metals prices were mostly higher amid US dollar weakness as well as safe-haven (gold) and jewellery (platinum) demand – but Brent crude oil fell nearly 10% on demand fears despite an intra-quarter spike after Israel attacked Iran.

Guaranteed Dreammaker Fund



Nedgroup Investments Stable Fund

- The South African economy continues its structural low-growth trend – business confidence ticked higher, but low fixed-investment and constraints in power, ports, and rail kept growth sluggish.
- A hawkish SARB cut the repo rate for only the second time this year, with real rates high as inflation lingers below the 3–6% target range – while Finance Minister Godongwana needed 3 tries to pass a controversial budget framework.

Portfolio commentary

- Global equities contributed positively to rand returns despite rand strength — global equities rallied to double-digit gains, with US bourses recouping Q1 losses on robust earnings and moderating inflation.
- South African equities delivered a solid contribution to returns, with the local market posting strong gains — while resource stocks continued to advance, industrial and financial counters were also up strongly, resulting in a broad-based rally.
- SA bonds contributed positively to returns, with the All-bond Index delivering modest gains — South African bonds rallied, boosted by resilient demand amid stable inflation and a dovish SARB outlook.
- US government bonds contributed to returns — global government bond yields continued to moderate on expectations of lower real interest rates, despite fiscal headwinds.
- Selective holdings in listed property also added to returns — listed property stocks rallied, supported by falling interest rates and contributions from offshore assets, particularly in the UK.
- The fund's holding in pharmaceuticals group Aspen detracted from returns — Aspen's share price fell following a profit warning related to a contractual dispute with Moderna, despite reporting modest earnings growth.
- Cash continued to enhance absolute returns with yields remaining fairly elevated — the SARB maintained their cautious approach, cutting interest rates by only 25 basis points despite inflation moderating to cyclical lows.
- The fund continued to benefit from its allocation to gold — the gold price rose further, driven by ongoing US dollar weakness, heightened geopolitical tensions supporting safe-haven demand, and continued central bank buying.