

Performance Period	Fund Return	Sector Average	Asset & Sector Allocation	
1 Year	-2.2%	6.1%	Cash	3%
3 Years (annualised)	14.9%	16.4%	Equity	97%
5 Years (annualised)	10.7%	11.2%	Consumer Discretionary	23%
10 Years (annualised)	11.3%	10.0%	Financials	12%
Since Inception (annualised)	14.0%	11.6%	Health Care	11%
			Industrials	10%
			Technology	38%
			Telecommunications	3%

Inception date: September 2014, Performance is reported for the A Class net of fees in ZAR, Sector Average: Global Equity General

Top 5 Global Holdings		
Alphabet Inc Cl- A	USA	89%
KLA Corp	Europe	7%
AbbVie	ASIA	4%
Ulta Beauty		
Qualcomm		

Portfolio Manager: Richard Pitt / Walter Jacobs Commentary for the Quarter ended December 2025

Performance

While the year began with a steep decline in asset prices following tariff shocks and trade concerns, markets subsequently evolved into a “risk on rally” focusing on the positives of both fiscal and monetary policy. As a result, 2025 is the first year since the pandemic where all major asset classes delivered positive returns. Surprisingly, this proved to be a challenging environment for the fund which is invested in quality companies and is overweight US markets.

For the year the Global Fund delivered a return of 11.6% in USD, but lagged the MSCI World Index, which gained 21% in USD. A large portion of this is explained by the excellent regional performance of Europe, UK and Japan versus the US in constant currency terms. In addition, we also pivoted exposure to being more conservative and started buying into quality companies that had significantly derated – only to see them derate even further. For quality-oriented investors, this has been a tough period as the style has significantly underperformed over the last year. A strong Rand meant that returns in ZAR were negative 2% for the year. Since its inception in September 2014, the fund has delivered 14% compound annual returns in ZAR and has substantially outperformed the peer group over that period.

Global Macro

Global markets saw steady gains in Q4 2025, with many equity indices ending the year near record highs. Non-US equities notably outperformed US stocks, driven by a weaker dollar, appealing valuations abroad, and a shift away from US tech stocks. Strong earnings growth, easing inflation, and expectations of continued rate cuts by central banks, especially the Fed, supported equities globally. The MSCI World Index returned 21% in USD for the year, and market performance was broad-based, though technology and communication services led gains.

Value-oriented and international markets gained traction as investors sought lower valuations and solid fundamentals. Cyclical and defensive sectors like industrials, financials, healthcare, and utilities also posted solid returns. While Alphabet and Nvidia delivered strong performances, other major tech names lagged, suggesting that AI enthusiasm alone may not sustain tech sector gains. Despite a 17.9% overall return, US equities lagged globally, with the S&P 500 posting its worst relative performance in two decades. Consumer sectors underperformed due to weak job growth and concerns about passing on tariffs, limiting inflation but also returns. Additional Fed rate cuts and a flexible approach to tariffs by the Trump Administration were met positively. Commodities performed strongly over the quarter (+5.9%) with precious metals the clear standout. Gold rose by more than 60% for the year - this “safe-haven” asset benefited from investors’ concerns around ongoing geopolitical uncertainty and a weaker US dollar. Emerging markets led developed markets (helped by US\$ weakness) and value stocks outperformed growth over the quarter.

While much is being spoken about the end of US exceptionalism and the US\$ decline - more interesting to us is the extent to which quality companies have significantly derated over the last 2 years. We believe this provides fertile ground for attractive investment opportunities going forward, notwithstanding the ongoing concerns that linger both about high valuations and the sustainability of AI-driven market gains.

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Portfolio

The top contributors over the quarter were Alphabet (+29%), KLA Corp (+13%), Ulta Beauty (+11%) and ASML (+12%). Alphabet's Q4 performance was driven by strong Search and YouTube ad growth, accelerating cloud demand, and AI-powered product enhancements that boosted engagement and profitability. The company is a strong cash generator and repurchased \$15bn in shares and paid \$2,4bn in dividends over the quarter. KLA Corp delivered a strong last quarter, driven by robust semiconductor demand, while Ulta Beauty performed well reflecting solid consumer engagement and resilience in the beauty retail segment.

The underperformers include Autozone (-21%), Alibaba (-18%) and United Rentals (-15%). AutoZone fell in Q4 2025 mainly because margins were hit by a large accounting LIFO charge, costs rose due to heavy expansion and higher SG&A, and earnings missed expectations, all of which weakened investor sentiment. Despite beating revenue estimates, United Rentals fell in Q4 2025 mainly because it missed earnings expectations, with profitability pressured by inflationary costs and margin compression. We remain positive on US construction activity which will be driven by large projects in life sciences, infrastructure and data centers.

Our approach

Our investment approach remains anchored in the belief that long-term returns are driven by companies capable of compounding real cash earnings over sustained periods. We seek businesses with high returns on invested capital and clear opportunities for reinvestment. As global markets adapt to shifting policy landscapes and technological innovation, we continue to focus on identifying quality growth opportunities at reasonable prices. We remain vigilant to risks, including policy uncertainty and geopolitical developments, but are optimistic about the prospects for long-term compounding in the current environment.