

The Balanced Investor

Edition 7 - November 2025



A balanced approach that is paying off

View from the Discovery Balanced Fund team

Turning tailwinds into tactical wins...

With inflation under control and interest rates on a downward trend, this year's market backdrop has become far more supportive of growth. Taking advantage of favourable conditions, the Discovery Balanced Fund has been well-positioned to capture it.

The team has prioritised actionable opportunities over market noise, leveraging both global growth and local value. This disciplined, flexible approach has allowed the fund to lean into areas of conviction while avoiding unnecessary risk.

What's been working

- **Gold kept shining** – Our overweight position in gold counters worked well as the metal broke above US\$4,000/oz, our gold exchange-traded fund (ETF) also captured the upside.
- **SA bonds delivered real value** – Falling inflation and fiscal improvement boosted South African government bonds, an area where we were meaningfully invested.
- **Tech continued to roar** – Global technology and semiconductor names such as NVIDIA, Alphabet and Apple continued to benefit from strong earnings and AI-driven demand.
- **SA financials and 'SA Inc.' names pulled their weight** – Banks, insurers and Pepkor added solid gains as domestic sentiment improved.
- **Selective offshore winners** – Holdings benefitting from European re-industrialisation, like Rheinmetall and sports entertainment, like TKO Group, added strong performance during the year.



A strong performance come back

For the 12 months ended **31 October 2025**, the Discovery Balanced Fund delivered:

21.0% return

outperforming the ASISA High Equity peer average of 18.1%

Over 3, 6 and 12 months (to end-October), the fund ranked **in the first quartile**, showing a sustained recovery in relative performance.

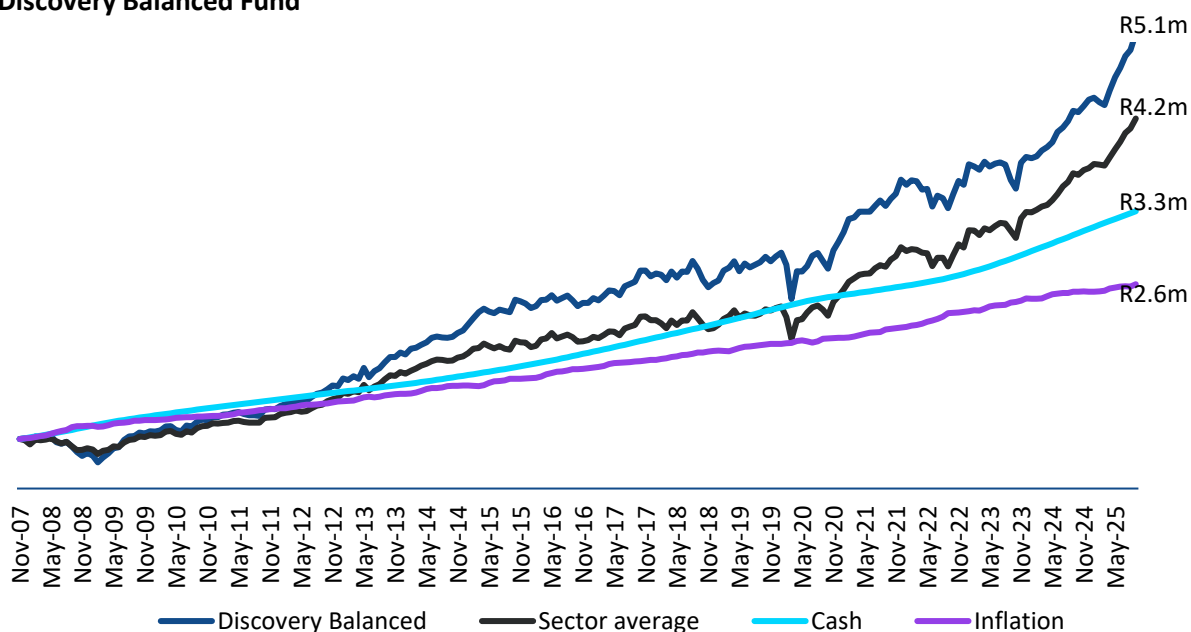
31-Oct-25	3-month return	Quartile ranking	6-month return	Quartile ranking	12-month return	Quartile ranking	3-year return	Quartile ranking	5-year return	Quartile ranking
Discovery Balanced	6.9	1	15.1	1	21	1	14.4	3	13.8	3

Source: Morningstar, 31 October 2025

Our goal is simple

We aim to beat inflation +5% over a market cycle and we believe that by doing this consistently, we will naturally outperform peers over time.

Cumulative return of R1 million investment at inception of Discovery Balanced Fund



Source: Morningstar as at 30 September 2025



Looking ahead

The team remains positive but selective.



Global growth is likely to stay resilient, supported by easing interest rates and ongoing investment in AI, infrastructure and energy.



Locally, attractive bond yields and pockets of earnings growth continue to create opportunities



Our balanced positioning, combining global growth areas, resilient SA companies, and income-producing assets, keeps the fund well-prepared for whatever comes next.

As we wrap up the year, we want to extend our sincere thanks to those who have entrusted us with their clients' investments. For advisers exploring new opportunities for the year ahead, now is an excellent time to consider the **Discovery Balanced Fund** as part of a well-diversified strategy, especially as we look toward a promising 2026.

Wishing you a restful festive season and a successful year to come.

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