



2025 MARKET REVIEW | QUARTER 3

SOUTH AFRICAN ASSET CLASS RETURNS

Quarter 3 | 2025

Currency: South African Rand

Best ↑ ↓ Worst	SA Equity 12,9	SA Equity 28,9	SA Property 90,3	SA Property 168,2	Global Equity 304,1
	SA Bonds 6,9	Global Equity 17,9	SA Equity 88,0	SA Equity 139,8	SA Equity 202,5
	SA Property 6,7	SA Bonds 14,5	Global Equity 81,7	Global Equity 99,7	SA Bonds 154,6
	Global Equity 4,6	SA Property 11,4	SA Bonds 54,9	SA Bonds 76,8	Global Property 95,4
	SA Cash 1,8	SA Cash 7,8	Global Property 28,4	SA Cash 36,6	SA Cash 92,5
	Global Property 1,4	Global Bonds 1,0	SA Cash 25,8	Global Property 36,6	SA Property 34,8
	Global Bonds -3,1	Global Property 1,0	Global Bonds 8,4	Global Bonds -11,3	Global Bonds 28,9
	Last Quarter	1 Year	3 Year	5 Year	10 Year

GLOBAL ASSET CLASS RETURNS

Quarter 3 | 2025

Currency: US Dollar

Best ↑ ↓ Worst	EM Equity 10,9	EM Equity 18,2	DM Equity 92,0	DM Equity 100,6	DM Equity 239,5
	DM Equity 7,4	DM Equity 17,7	EM Equity 67,7	EM Equity 43,6	EM Equity 124,7
	EM Property 6,0	EM Bonds 6,9	DM Property 34,7	DM Property 37,3	DM Property 59,0
	DM Property 4,3	EM Property 2,4	EM Bonds 34,5	EM Bonds 9,9	EM Bonds 48,3
	EM Bonds 3,4	DM Property 0,7	EM Property 23,5	EM Property -10,4	EM Property 32,0
	DM Bonds -0,4	DM Bonds -0,1	DM Bonds 9,2	DM Bonds -18,5	DM Bonds -2,2
	Last Quarter	1 Year	3 Year	5 Year	10 Year

GLOBAL EQUITY RETURNS | YEAR TO DATE

Quarter 3 | 2025

Returns quoted in US Dollars



THE GLOBAL SCENE SUMMARY

Quarter 3 | 2025

GLOBAL

Global equities advance as trade tensions ease



Mood
Moderately Optimistic

U.S

U.S. markets reach new highs on resilient Tech earnings



Mood
Moderately Optimistic

SOUTH AFRICA

Resource sector fuels JSE performance in Q3



Mood
Optimistic

CHINA

Chinese AI & tech stocks advance despite soft economic data & property sector



Mood
Moderately Optimistic

EUROPE & UK

UK outperformance contrasts with muted German market



Mood
Neutral/Moderately Optimistic

EMERGING MARKETS

Technology momentum drives EM outperformance



Mood
Moderately Optimistic

THE GLOBAL SCENE

Quarter 3 | 2025

U.S

U.S. equities reached new record highs as rate cuts, resilient growth, and strong **corporate earnings** from **Apple, Nvidia, Alphabet, and Tesla** lifted sentiment. Fiscal policy direction and government spending priorities remain watchpoints, but fundamentals and earnings momentum continue to support equity valuations.

MODERATELY OPTIMISTIC



South Africa

The JSE All Share Index hit record highs, driven by gold miners such as AngloGold Ashanti, Gold Fields, and BHP Group. Softer inflation (3.3%), firmer GDP (+0.8%), and foreign inflows into bonds supported a stronger rand and an improved macro outlook.

OPTIMISTIC



China

Chinese equities rebounded sharply on **AI and semiconductor strength**, with **Alibaba, Baidu, Tencent, and SMIC** driving returns despite weak domestic & property demand. Policy support and a 90-day **US-China tariff truce extension** further boosted confidence.

MODERATELY OPTIMISTIC



THE GLOBAL SCENE

Quarter 3 | 2025

Europe & UK

European markets advanced modestly, led by defence, aerospace, and healthcare, which offset weakness in autos and manufacturing. The UK outperformed, with AstraZeneca, GSK, Rolls-Royce, and BAE Systems helping the FTSE 100 reach a record high, while Germany's slowdown and French politics tempered enthusiasm.

NEUTRAL/MODERATELY OPTIMISTIC



Emerging Markets

Broad EM equities and bonds advanced on softer US rates, strong Asian tech and improving capital flows; India was the notable laggard.

MODERATELY OPTIMISTIC



3 STOCK PICKS

Quarter 3 | 2025

The Interactive investment process focuses on identifying companies with **wide economic moats** (enduring competitive advantages) that support sustainable growth in earnings over time.

We invest in quality businesses trading at a **discount to intrinsic value**, aiming to capture long-term compounding returns while minimising downside risk through disciplined valuation and quality selection.

Adobe Inc.
(NASDAQ:
ADBE)

Salesforce
Inc. (NYSE:
CRM)

Microsoft Corp.
(NASDAQ:
MSFT)

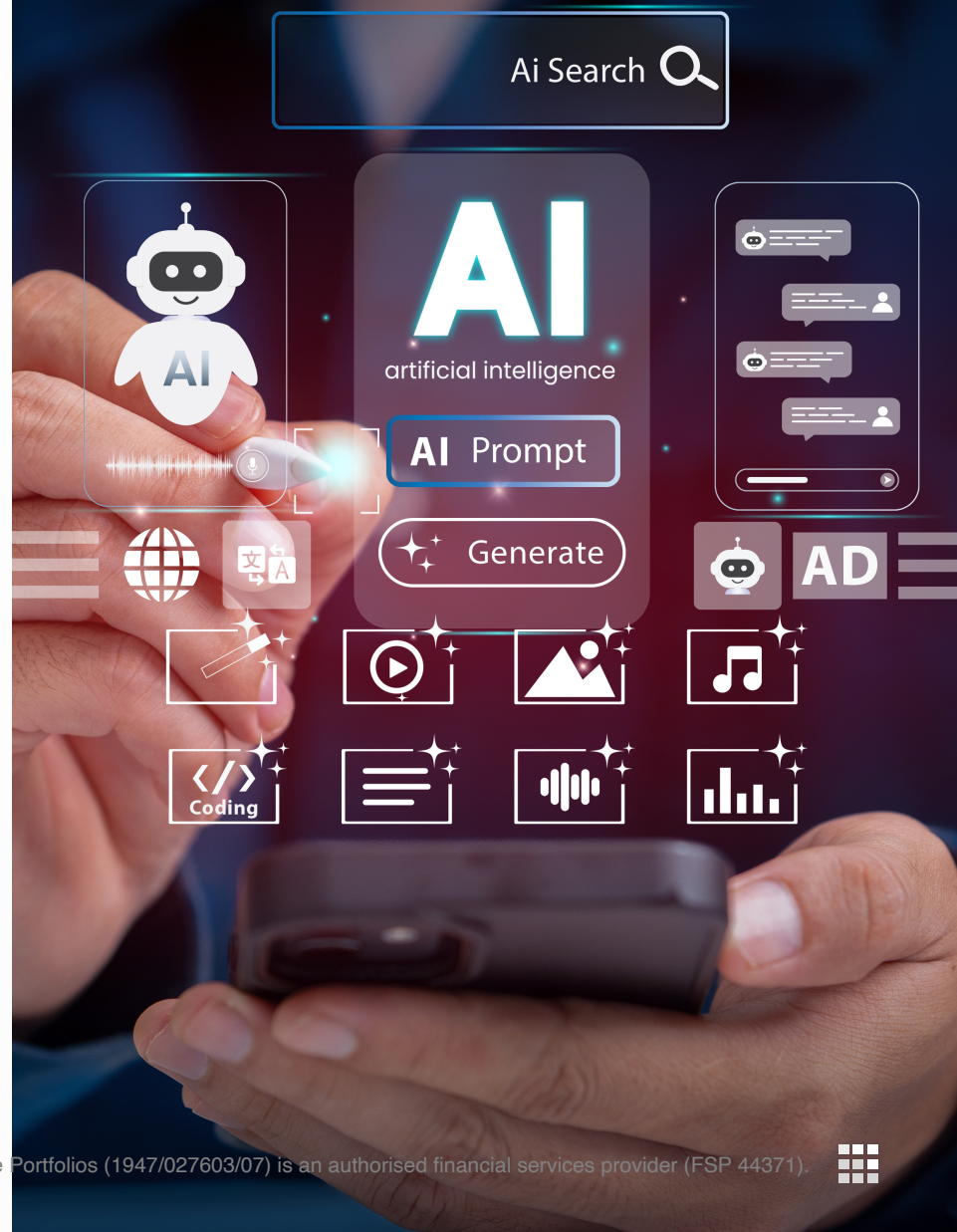
3 STOCK PICKS

Quarter 3 | 2025

Adobe Inc.
(NASDAQ:
ADBE)

Adobe embodies the essence of a **wide-moat compounder**—a business with enduring competitive advantages and pricing power. As the global leader in creative and digital media software, Adobe dominates with its **Creative Cloud and Acrobat platforms**, both essential tools across design, marketing, and enterprise workflows. Its rapid integration of **generative AI (Firefly)** and tiered subscription models have reignited growth, with five consecutive quarters of revenue beats and expanding margins.

Trading at roughly **62% of Morningstar's fair value estimate of USD 560**, the stock offers a compelling entry point into a company positioned to compound earnings at double-digit rates over the next five years. Adobe's scale, sticky ecosystem, and disciplined capital allocation make it a quintessential **Interactive-style holding**—a quality franchise bought at a discount with strong long-term cash generation.



3 STOCK PICKS

Quarter 3 | 2025

Salesforce
Inc. (NYSE:
CRM)

Salesforce remains the global leader in **customer relationship management (CRM) software**, operating at the heart of how businesses engage and retain customers. Its integrated ecosystem — spanning **Sales Cloud, Service Cloud, Marketing Cloud, and Data Cloud** — is deeply embedded in client operations, creating high switching costs and a **wide economic moat**. The firm's new **Agentforce and AI-driven Data Cloud** offerings are accelerating revenue growth, with **AI-related recurring revenue up 120% year on year**.



3 STOCK PICKS

Quarter 3 | 2025

Microsoft Corp.
(NASDAQ:
MSFT)

Microsoft remains the world's software backbone - a business with **an enduring competitive moat** built on switching costs, network effects, and scale. Its core cloud platform **Azure** continues to grow at around 30% a year, driving profitability alongside long-standing monopolies in **Office 365, Windows, and LinkedIn**. The integration of **AI through OpenAI and Copilot** further deepens its ecosystem advantage, creating a virtuous cycle across enterprise and consumer products.

Research provider, Morningstar, values Microsoft at **USD 600** per share, versus a current price of **USD 524**, suggesting it trades at roughly **87% of fair value**. With **exemplary capital allocation**, wide-moat resilience, and consistent double-digit earnings growth, Microsoft fits squarely within Interactive's investment process - a **dominant compounder purchased below intrinsic value**, positioned to benefit from long-term trends in **AI, cloud, and enterprise software**.



INTERACTIVE FUNDS OUTLOOK & BEYOND

Interactive Income Prescient Fund:

Interactive Income Prescient Fund has provided investors with stable income and consistent returns underpinned by an award-winning strategy.

Returned **+2.79%** in Q3, aided by lower bond yields and tighter credit spreads. The fund remains positioned for real income growth, offering an attractive **8.3% yield (CPI + 5%)** through prudent duration and credit selection.

The fund has delivered 9,62% over 1 year with minimal volatility.

Interactive Balanced Prescient Fund of Funds:

The **Interactive Balanced Prescient Fund** achieved a **22% return in six months** & top-tier performance relative to category peers. Reinforcing the strength of our diversified, conviction-driven approach

The fund delivered a strong **+6.16% in Q3, outperforming the category average by 1%**. Gains came from local equities, property, and selective global exposure. Strategic diversification and disciplined risk management continue to enhance growth while maintaining stability.

INTERACTIVE FUNDS OUTLOOK & BEYOND

Interactive Equity Prescient Fund:

The Interactive Equity Prescient Fund – is a **standout performer amongst category peers**, and offering investors a portfolio blend of passive and active management of companies listed on the JSE at a **competitive cost**.

The fund surged **+14.04%** in Q3, outperforming peers by nearly **5%**. Gains were led by resource stocks namely **Gold Fields, AngloGold, and Valterra Platinum**, while disciplined stock selection and valuation focus continued to drive strong relative performance.

Interactive Global Equity Prescient Fund of Funds:

1. Offers investors a multi-strategy ETF portfolio in a single fund
2. Designed to manage downside risk in a growth-oriented fund
3. Capture diverse global equity opportunities
4. Participates in growth & dividend-oriented stocks

The fund gained **+2.98%** in Q3 and **+13.21%** over six months, supported by leading **U.S. tech and AI-driven companies** such as **Microsoft, Nvidia, and Alphabet**. The fund's systematic, quality-based approach continues to capture long-term global growth opportunities.

DISCLAIMER

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