



sasfin

Wealth

Innovation Portfolio

Quarterly Commentary
Q3 2025

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USD RETURNS

	3 months	1 year	3 years	5 years	Inception
Innovation Portfolio	12.8	35.8	26.4	12.4	20.3
Russell Small Cap Growth Index	10.3	25.6	24.4	10.1	14.0
FTSE/JSE All Share Index	16.2	28.0	24.4	18.8	9.2

As of 30 September 2025

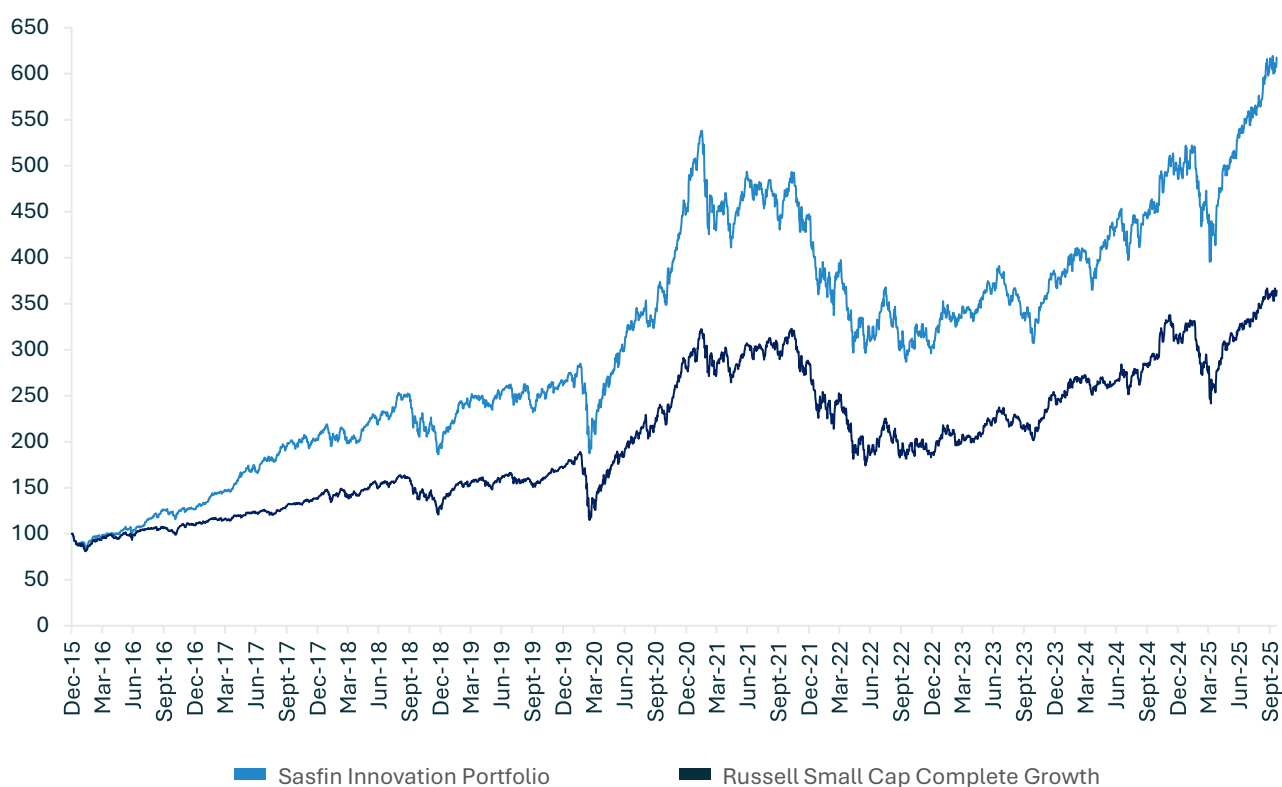
Returns greater than one year are annualised returns

ZAR RETURNS

	3 months	1 year	3 years	5 years	Inception
Innovation Portfolio	9.5	36.0	24.6	13.1	21.7
Russell Small Cap Growth Index	7.1	25.8	22.8	10.8	18.5
FTSE/JSE All Share Index	12.8	28.1	22.7	19.7	15.8

As of 30 September 2025

Returns greater than one year are annualised returns



PORTFOLIO COMMENTARY

The Sasfin Innovation Portfolio had a strong finish to the third quarter of 2025, increasing 12.84% in US dollars (9.5% in Rands) to achieve a year-to-date ("YTD") return of 25.4%. Since its inception, the portfolio has achieved an annualised return of 20.3% (21.7% in Rands), comfortably outperforming the benchmark's return of 14.0%.

Most of the third quarter's gain occurred in August, following positive earnings performances in some of our bigger holdings as well as AI and data centre tailwinds that proved to be pervasive, specifically for two of the portfolio's larger holdings, **Nvidia**, and **Arista Networks**. Both of these companies reported better-than-expected top line growth in the second quarter. **Nvidia** benefitted from strong growth in demand for high- end AI infrastructure chips as well as increased demand for data centre GPUs, supporting the broader narrative of **Nvidia** being central to the AI boom. **Arista Networks**, reported similarly strong numbers for the quarter, reinforcing the company's position in AI- driven networking, a theme that has found massive favour in both 2024 and 2025.

The quarter also saw some good performances from some of the portfolio's healthcare-related counters, with **Medpace Holdings, Inc.** being the pick of the bunch. The share price surged by approximately 50% on the day after their second quarter earnings report. This was one of the largest single day moves the company has ever seen and followed a strong uplift in forward guidance. The size of the share-price move signalled a reshaping of the market's narrative around **Medpace**: from a company facing cyclical pressure in the CRO (contract research organisation) industry to one demonstrating superior growth and improved outlook. This rebound underscored how quickly sentiment can shift once fundamentals reassert themselves — a rewarding outcome from a position that had, until recently, trailed broader market performance.

Tesla was also a massive contributor to performance, with the share ending the period around 48% higher as the company saw a surge in delivery and production expectations. In addition to this, positive sentiment around the share picked up substantially as Elon Musk disclosed a ~\$1 billion share purchase.

InterDigital continued their sharp rally in the year, following the release of the group's better-than-expected second quarter results at the end of July. The company raised its guidance for the third quarter of the year on the back of a new license deal with a Chinese smartphone vendor. The deal increases the company's recurring revenue segment and this was viewed very favourably by the market. For context, **InterDigital** is a leading technology research and development company specialising in wireless communications, video, and artificial intelligence solutions.

PORTFOLIO CHANGES

While the investment team continuously monitors the portfolio holdings and the broader market and analyses many new portfolio prospects, there was not a lot of friction within the portfolio over the quarter. One holding was exited and replaced with another exciting growth counter.

The Trade Desk was sold as the company entered a more challenging environment and as sentiment turning markedly negative. The once-dominant narrative of an unstoppable innovator has shifted toward scepticism, as the firm now faces the burden of proving that its elevated valuation remains justified. Its recent rollout of the AI-driven advertising exchange, Kokai, delivered underwhelming results amid slower-than-expected adoption from agencies, raising concerns about the platform's efficiency relative to its predecessor.

In addition, the emergence of Amazon as a formidable new competitor in the digital advertising space has amplified investor concerns about The Trade Desk's competitive moat. Taken together, these factors suggested a less favourable risk-reward profile, prompting the investment team to exit the position and

redeploy capital into an opportunity offering greater visibility and conviction. That opportunity was seen in ride-sharing giant **Uber**.

A position in **Uber** was initiated based on its consistent growth, resilience through market cycles, and improving profitability. Unlike many high-growth peers, Uber has evolved into a large, cash-generative platform business, offering strong long-term visibility. While some downside risk following its prior rally was noted, the investment team believe that the company remains well-positioned for structural growth.

Uber's strategic partnerships with leading car manufacturers such as Tesla, BYD, and Waymo position it as the central software platform for autonomous vehicles - an important future catalyst. Its trusted brand, global reach, and superior safety technology provide durable competitive advantages over peers like Bolt.

Uber's diversified business model across mobility, delivery, and freight, combined with its shift toward automation and monetization, is viewed as key to sustaining earnings growth and strengthening its long-term investment appeal.

Commentary by Muhammed Wagley



THE INVESTMENT TEAM



Craig Pheiffer | CFA

Craig began his career as an investment professional in 1990 in the fixed income division of Frankel Kruger stockbrokers. He was involved with bond trading, institutional bond sales, primary dealing and market-making and has held various investment strategy roles since being appointed Chief Investment Strategist at Sasfin Frankel Pollak Securities in 2000. Craig is the chair of the Sasfin Securities Investment Committee and a CFA Charterholder and holds a BSc Computer Science (Wits), and a BCom, BCom Hons and an MCom in Economics (Unisa).



Nicholas Dakin

Nicholas has been with Sasfin since 2016. He is a Portfolio Manager based at Sasfin's Cape Town branch, managing both local and offshore investments. Nicholas is a member of the Sasfin Securities Investment Committee and holds a Bachelor of Business Science in Economics and Mathematical Statistics Honours, as well as a Master of Commerce in Financial Markets from Rhodes University.



Nicholas Pittaway

Nicholas joined Sasfin Wealth at the start of 2021 as a Portfolio Manager with more than 12 years of industry experience having started his career at Investec. With an investment universe that is constantly changing, Nicholas views change and thematic investing as an opportunity to create alpha / additional performance for clients. Nicholas holds a Bachelor of Commerce and covers the following investment themes: Healthcare Innovation; Cloud computing & Cybersecurity.



Wouter van der Merwe | CFA

Wouter has worked for Sasfin Wealth since 2024. He is also a member of the Sasfin Securities Investment Committee and is particularly involved in looking at the technology sector. Wouter holds a Bachelor of Commerce in Financial Management, Honours in Financial Economics and Investment Management, and is a CFA Charterholder. Wouter covers the following investment themes: FinTech & E-Commerce; Automation, Robotics & Artificial Intelligence.



Samuel van Tonder | CFA

Sam has more than 10 years industry experience and worked as a Portfolio Manager in David Shapiro's investment team for over eight years. He is focused primarily on the management of offshore equity portfolios. Sam holds a Bachelor of Commerce in Investment Management, Honours in Economics and Financial Analysis, and is a CFA Charterholder. Sam covers the following investment themes: Healthcare Innovation; Clean Energy; Cloud Computing & Cybersecurity.



Muhammed Wagley

Muhammed Wagley has worked as a portfolio manager at Sasfin Wealth for the past 3 years and focuses primarily on the management of offshore equity portfolios. Prior to his employment as a portfolio manager, Muhammed worked as a Portfolio Assistant in David Shapiro's Investment team and before that was a graduate in Sasfin Wealth's Graduate Programme. He holds an honours in Corporate Finance and Investment and is currently a CFA level 2 candidate. His focus is mainly on the digital entertainment and education theme and maintains a strong interest in all things tech related.

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