

INVESTMENT GROUP

LONG-TERM PERSPECTIVES

2026

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EXECUTIVE SUMMARY

This publication touches on powerful, yet relatively simple investment lessons to help guide investors to achieving their long term savings goals.

INFLATION IS YOUR ENEMY

Inflation of 6% will see R10 000 today become R5 584 over 10 years.

TIME IS YOUR FRIEND

Staying invested for the long run helps manage the risk of losing money.

YOU NEED EQUITIES

Investors require real returns, equities deliver these over the long term.

CASH PROTECTS, BUT AT WHAT COST

Cash offers safety in the short term, but gives you the greatest risk of losing your buying power over the long term.

COMPOUNDING IS A POWERFUL WEALTH

Left to grow at 13.8% a year, R1 000 will more than triple in 10 years and grow to over R13 000 in 20 years.

THE HIGH PRICE OF MISSING OUT

The best days in the market usually follow the worst, missing the 10 best days could almost halve your savings.

DON'T PUT ALL YOUR EGGS IN ONE BASKET

Diversification is the one free lunch in investments; use it.

ACTIVE ALLOCATION ADDS VALUE

Equities have been the best performing asset class since 1930, but bonds were the best performer for 12 of those 96 years. You wouldn't want to miss out.





01

INVESTMENT DISCIPLINE IN 2026

WHY A LONG-TERM MINDSET REMAINS THE ONLY ANCHOR IN A FRAGMENTED GLOBAL ECONOMY

Siboniso Nxumalo, Chief Investment Officer

There are periods in markets where everything feels urgent, where the world seems to move faster than one can process. Where every headline carries weight and every decision feels like it must be made now. Considering current conditions globally, it is safe to say we are living through one of these periods. From wars, tariffs, shifting alliances, rising inflation, and political realignment, it feels as though the ground beneath is constantly moving. And in many ways, it is.

When faced with these tough periods, the real challenge in investing is not navigating change. It is maintaining clarity while everything is changing, stepping back to assess the environment before reacting. And it is in assessing that we find one of the most important anchors, history. Not as a playbook but as a lens, because to understand today, we must consider the past.

To understand how oil shocks transmit through economies, how they feed into inflation, disrupt growth, and shift leadership from financial assets to real assets, one can study the 1970s. Look at periods where inflation was not theoretical, but experienced and where the cost of getting it wrong was severe. The late-1800s and early-1900s also help us to understand a world shaped by tariffs, protectionism, and industrial competition. A world where globalisation was not inevitable, and where national interest dictated economic outcomes. Wars, recessions, and regime shifts, when studied not as isolated events, highlight patterns that reveal how capital behaves under stress and how commodities, currencies, and equities rotate depending on the underlying macro regime.

However, it is important to also remember that history does not give us all the answers, but context**.** And in uncertain environments, context is often more valuable than prediction. Context to understand the world that we are entering and its characteristics, to then be able to make informed decisions.

What we are witnessing today is the shift from a unipolar to a multipolar global system, which is reshaping the investment landscape in real time. Globalisation is no longer a one-way path. Supply chains are being redrawn. Governments are playing a more active role in economies. Strategic resources and national security are becoming central to economic policy.

This has consequences. Inflation is likely to be structurally higher and more volatile. Growth will be less synchronised. Outcomes will be more dispersed across countries, sectors, and companies. And importantly, the range of possible outcomes widens. Naturally, in environments like this, the instinct is to do more. To trade more. To respond faster. To try and stay ahead of the next move. But I would argue that this is precisely when discipline matters most. Because the biggest risk in investing is not volatility. It is losing your anchor.

As Old Mutual Investment Group, for us, that anchor remains long-term thinking. A discipline - a deliberate choice to focus on what ultimately drives returns, rather than what dominates the narrative in the moment.

Over time, returns are shaped by a small number of enduring forces:

- The ability of businesses to generate and grow cash flows
- The price you pay for those cash flows
- And the power of compounding over time

Everything else, the noise, the positioning, the short-term reactions, fades in importance. Long-term investing rarely feels comfortable in the short term. It requires holding positions through uncertainty. It requires conviction when visibility is low. And often, it requires doing nothing when the world is telling you to act. Another lesson that has become clearer over time is the asymmetry of outcomes. A small number of decisions drive the majority of long-term performance, the companies you choose to own, the risks you choose to avoid and the moments where you lean in or step back.

THE BIGGEST RISK IN INVESTING IS NOT VOLATILITY, IT IS LOSING YOUR ANCHOR.

This is why our focus has increasingly been on identifying what we believe to be *underappreciated quality* businesses that are fundamentally strong, cash generative, resilient, and capable of compounding through cycles. Not because they are immune to volatility, but because they can endure it.

At the same time, discipline requires us to recognise fragility to avoid situations where the downside is structural rather than cyclical. When investing, avoiding permanent loss is just as important as capturing upside. If the past decade rewarded exposure, the next decade will likely reward construction. The opportunity set is broader, but also more complex, making diversification essential. When diversification is done right, it is not about owning more assets but about owning the right combination of assets, aligned to a clear understanding of risk, return drivers, and client objectives.

In our own journey, this has meant integrating different capabilities, fundamental, quantitative, and asset allocation into a single, coherent framework because in a fragmented world, integration becomes a source of strength.

Ultimately, discipline is not built in frameworks. It is built through behaviour. It is revealed in the moments where uncertainty is highest – when markets move sharply, when narratives become dominant, when the pressure to act is greatest. Those are the moments that define outcomes.

When I reflect on where we are today, I am reminded that while the world changes, the principles of investing do not.

Inflation remains the silent destroyer of wealth. Time remains the investor's greatest ally. Compounding remains the most powerful force in markets. And discipline remains the foundation that holds it all together. So perhaps the most important message for 2026 is a simple one.

In a world that is fragmenting, accelerating, and becoming more uncertain, the long term is not just a horizon. It is a discipline. It is the anchor that allows us to navigate complexity without being consumed by it. And in the end, it remains the most reliable way we know to turn uncertainty into opportunity.



02

GOLD - A SAFE HAVEN

THE ENDURING CASE FOR GOLD

Meryl Pick, Portfolio Manager

One Sunday evening, 15 August 1971, United States President Richard Nixon stepped in front of a television camera and announced that the US would no longer exchange dollars for gold. By Monday morning, the world's monetary order had shifted on its axis. Gold, which had been fixed below $40 per ounce for decades, was suddenly free to find its own price. What followed was the most dramatic decade in metal's modern history: by January 1980, gold had risen twenty-two-fold. The driver was not scarcity or industrial demand, it was fear, and a collapsing confidence in paper money.

More than 50 years on, the conditions that made gold compelling then have not disappeared. They have simply taken new forms.

Understanding why gold endures as the preferred safe haven requires understanding what it is and what it is not. Gold is not a productive asset. It pays no dividend, generates no earnings, and builds nothing. What it offers instead is something rarer in financial markets than it might appear: the absence of counterparty risk. When you own gold, you do not own a claim on someone else's promise. You own the object itself. In a world built on promises like government bonds, bank deposits, and derivatives, that distinction carries real weight. Gold is virtually indestructible, has been recognised as a store of value across every major civilisation for 5 000 years, and exists in finite supply. Roughly 220 000 tonnes have been extracted from the earth in all human history, and the industry mines approximately 3 500 tonnes per year. Unlike oil or copper, the abundant supply has never broken the gold price over the long run and this is because supply is not what drives it.

What drives the gold price is investment demand, and investment demand is driven by something more psychological than physical: the collective judgment of investors about the reliability of the financial system and the real return available from holding cash or bonds. The single most powerful correlator to the gold price since the dollar was unpegged from gold has been the real yield on US 10-year Treasury Bonds – that is, the interest rate adjusted for inflation. When real yields are high and rising, the opportunity cost of holding gold is steep, and the metal tends to struggle. When real yields are low, negative, or falling – when holding cash or government bonds effectively costs you money in real terms – gold becomes attractive by comparison. This relationship has held with remarkable consistency since 2003, when the introduction of gold exchange traded funds (ETFs) democratised access to the metal and brought a new wave of investment demand into the market. Before ETFs, exposure to gold required either physical ownership or investment in mining shares, both of which carried friction and complexity that discouraged smaller investors. However, ETFs changed that, and in doing so, cemented investment demand as the true price-setter

There is a second, newer structural tailwind that deserves attention. Central banks, once consistent sellers of gold through the 1990s and early 2000s, have become significant buyers. They have been net purchasers every year since 2010, but the pace of buying accelerated sharply after 2022, when Western governments froze Russia's foreign exchange reserves in response to the invasion of Ukraine. For central banks in the developing world watching that episode, the lesson was unmistakable: dollar-denominated reserves held in the Western financial system are not unconditionally safe. Gold, held in your own vaults, is. The de-dollarisation impulse this sparked among emerging market central banks represents a durable, multi-year source of demand that did not exist a decade ago.

GOLD IS VIRTUALLY INDESTRUCTIBLE, HAS BEEN RECOGNISED AS A STORE OF VALUE FOR 5 000 YEARS, AND EXISTS IN FINITE SUPPLY.



For the individual investor, the question is less about whether gold is compelling and more about how to hold it and how much. The role gold plays in a portfolio is primarily defensive. It has a low and often negative correlation to equities during periods of genuine market stress, which is precisely when diversification matters most. A portfolio that held no gold through the Global Financial Crisis, the pandemic shock, or the 2022 simultaneous drawdown in both equities and bonds, felt the full force of each of those events. A modest gold allocation absorbed some of that pain. Most portfolio construction frameworks suggest that an allocation of between 5% and 15%, depending on the investor's risk profile and investment horizon, is sufficient to capture the diversification benefit without meaningfully sacrificing long-term return potential.

How one accesses gold matters too. A gold ETF tracks the metal price directly and is the most straightforward option for most investors, offering liquidity and transparency. Gold mining shares offer leveraged exposure to the metal – when gold rises, well run miners tend to rise further – but they also carry operational risk, management risk, and the volatility of the equity market. They are not a substitute for gold itself in a defensive portfolio context. Physical gold ownership, whether through coins or bars, remains an option but introduces storage and insurance costs that erode returns over time. For most retail investors, a reputable gold ETF is the most practical and cost-effective vehicle.

The broader case for holding gold through the decade ahead rests on the same foundations Nixon inadvertently reinforced in 1971: elevated and hard-to-reduce government debt across the developed world, the political constraints that make raising interest rates genuinely painful, a fracturing post-war multilateral order, and a growing number of sovereign actors actively reducing their reliance on the dollar. None of these conditions resolves quickly. They are the kind of slow moving structural forces that tend to reward patient investors, who have positioned for them in advance rather than after the fact. Gold will not protect against every risk in a portfolio, and it will have years where it lags other assets. But for investors who understand what it is and what it is designed to do, the question is rarely whether to own it. It is how much, and in what form.

03

PROPERTY'S TURNAROUND STORY

PROPERTY'S REBOUND FROM HIGH INTEREST RATES, THE PANDEMIC AND STRUCTURAL HEADWINDS

Evan Robins, Portfolio Manager

When one talks about long term asset classes, property often makes it into the conversation. In fact, it is the epitome of a long-term asset. It is bricks and mortar stuck immovably in the ground. Nonetheless, in the medium term, this asset can be highly cyclical due to the mismatch between slow-to-produce supply and unexpected demand changes, as well as fluctuations in the cost of capital. For this reason, property needs to be evaluated through the cycle. This cyclicality is particularly pronounced in listed property, where dynamic willing-buyer, willing-seller pricing is apparent in real time and is not a once-a-year, smoothed backward-looking paper opinion of an individual valuer.

From the formation of a substantive listed property index in 2004 until 2018, listed property was a market darling, providing both strong absolute returns and a relative return almost double that of the JSE All Share Index. It gave a higher total return for lower risk. However, this was not sustainable over time. Over this golden period, the listed property sector was maturing, inflows were prevalent, and fundamentals were strong enough to support sector earnings growth that was frequently in the high single digits. Towards the end of this era, market exuberance entered the mix with some property companies trading at excessively low yields.

Thereafter, until the onset of Covid, listed property corrected by a quarter while the All Share Index was flat. Covid did, however, exacerbate the pre-existing weakness. Property was a clear loser during the pandemic, as property shareholders effectively gave a complimentary lifeline to retailers (and indirectly banks, who were not as magnanimous to property companies themselves) by being forgiving on contractual rental demands. Landlords took the long view, prioritising the survival of their tenants over short-term earnings. This saw listed property total return falling a further 40% over the first year or so of Covid, while the All Share Total Return Index rose to record highs.

What has happened since then is the focus of this piece. From the end of the Covid period until around 2023/4, listed property returns were basically flat, even as the All Share Index continued to rise (albeit at a slower rate). Things changed during June 2024, and you could have almost rung a bell. This inflection point is apparent in a price graph.

TOTAL RETURN OVER TIME



Source: Factset

THE LISTED PROPERTY SECTOR IS IN A VERY DIFFERENT PLACE THAN IT WAS FIVE YEARS AGO.



The inflection point was the formation of the Government of National Unity (GNU). Had you bought the SAPY Property Index (just pre GNU), you would have made a 60% total return by the end of 2025, just over 18 months later. The domestic property companies within that index did even better. Over this period, the JSE All Share Index has been stronger (led by resource stocks), but within the universe of domestic non-resource stocks, listed property has been meaningfully stronger than many sectors.

Why did property rebound so strongly after the formation of the GNU? There were both macro and micro property-specific reasons.

The main macro reason, and this is the primary driver of the whole story, was the strength in bond yields. Government bond yields since GNU contracted in yield by close to 350 basis points until the end of 2025 – a major shift. This was because of the greater investor certainty and the perception of a potential improvement in governance, fiscal and policy direction.

When bond yields fall, the required return on property also reduces as property and bonds are in some way substitutes. Consequently, you will pay more for a property rental stream (the same thing as getting a lower return), which is the same as saying property prices increase. It is math. Falling bond yields were one side of the see-saw, and rising listed property prices the other.

A related macro factor was the reduction in short-term interest rates due to a reduction in inflation and inflation expectations (led by a lower inflation target). The South African Reserve Bank (SARB) reduced interest rates substantially over this period. This had an impact on the earnings of listed property, as lower interest costs fed through to higher company earnings (in the preceding years, the increase in interest rates had contracted earnings).

An additional factor was the end of load shedding. Load shedding was a headwind for property, as landlords often could not pass on the full cost of generated electricity to tenants, and more importantly, the trading knock tenants took due to load shedding had a negative impact on tenant performance, property demand and the rental levels that the market could afford. The negative impact of load shedding was on the earnings base, so when these additional costs no longer recurred, earnings were lifted.

Another driver was improving property fundamentals. Property entered Covid in a weak fundamental position, with excess supply of property and weak demand. In recent years, this has improved with very little new supply hitting the market, vacancies reducing and the market becoming more balanced. Consequently, the property operating key performance indicator (KPI) improved markedly, and funds were able to generate like-on-like net property income growth ahead of inflation. Even with some negative rental reversion still in the system, fundamentals were strong enough to deliver this growth. This saw a return to positive real earnings growth (from large declines in the period after Covid), which by itself could justify a rerating.

Another tailwind over the past few years warrants highlighting that property companies have been solar after installing photovoltaic (PV) systems. These solar investments are highly profitable, as the property company profits from the difference between the cost of solar energy (with a marginal cost close to zero) and the Eskom tariff, which it can charge to tenants. These financial gains have been material (offsetting to some extent the downside from chronic above-inflation increases in rates, taxes and utility charges). The funds are continuing to roll out solar, so there is still an active avenue to additional earnings growth. It is a "gift that keeps on giving", as with the Eskom tariff chronically increasing sharply, so does the profit the companies make off their existing PV investments, as they can charge correspondingly more.

The listed property sector is in a very different place than it was five years ago. Bond yields and interest rates are substantially lower, demand/supply conditions are no longer as unfavourable, electricity has gone from a profit detractor to a profit centre, and sentiment has improved. Despite this, sector earnings per share and book value are still below pre-Covid levels.



04

THE SEARCH FOR RESILIENT ALPHA

NAVIGATING BEYOND THE 60/40 SPLIT

Jason Swartz, Portfolio Manager



THE SEARCH FOR RESILIENT ALPHA IN THIS ENVIRONMENT DEMANDS MORE THAN TWEAKING EQUITY-BOND RATIOS AT THE MARGIN.

For decades, the 60/40 portfolio (60% equities, 40% bonds) was the bedrock of institutional asset allocation. Elegant in its simplicity and robust in its logic: equities provided growth, bonds provided ballast. When one zigged, the other zagged. For the better part of four decades, this negative correlation was empirically reliable. But the world has changed. And for institutional investors, who are still anchored to this framework, the cost of inertia is rising.

CORRELATION HAS BROKEN DOWN

The 60/40 model's durability rested on a specific macroeconomic regime – one that is characterised by falling inflation, declining interest rates and credible, independent central banks. In that environment, sovereign bonds earned their place as a defensive anchor, and during equity drawdowns, investors rotated into government debt. This would push yields lower and prices up, cushioning portfolio losses precisely when protection was most needed.

In our view, that regime is over. The 2022 bear market was instructive: global equities and bonds fell simultaneously, delivering one of the worst years for the classic balanced portfolio in modern history. It was not an anomaly... it was merely a preview.

THE TERM PREMIUM HAS ALREADY MOVED, AND MAY HAVE FURTHER TO GO

The bear case for developed market bonds is multidimensional. At its core is a straightforward risk-return judgment: the compensation on offer is insufficient for the risks being assumed. The term premium – the additional compensation investors demand for holding long-duration bonds rather than rolling short-term instruments – spent much of the post-Global Financial Crisis era compressed into negative territory, suppressed by central bank quantitative easing and a prolonged period of low inflation. That era is now over, and estimates of the term premium have now reached the highest level since 2011, surpassing 0.8%.

The drivers are well understood. Developed market governments are running persistently loose fiscal policy against a backdrop of anaemic economic growth, pushing debt-to-GDP ratios to levels that are compelling investors to demand higher risk premia. The International Monetary Fund (IMF) has estimated that a one percentage point increase in the US primary deficit is associated with an 11-basis point rise in the term premium. And given that US deficits show little sign of narrowing, it is likely that the term premium will continue to rise.

Inflation uncertainty has not been extinguished – particularly in the United States, where erratic trade policy has reintroduced structural price pressures. And perhaps most consequentially, questions around the institutional credibility of the US Federal Reserve have emerged, leading us to believe that governance concerns will necessitate a sustainably higher term premium in long-dated global bonds.

WHAT REPLACES THE BALLAST?

If the 40% bond sleeve can no longer be trusted to do its historical job, institutional investors face a genuine construction challenge. The capital freed from reducing global fixed income exposure needs to earn its place – providing either return enhancement, genuine diversification, or both. Several asset classes merit serious consideration.

Gold and broader commodity exposure have reasserted their relevance as stores of value in an era of fiscal excess and currency debasement risk. Gold specifically, will continue to benefit from the long-term diversification away from the US dollar, as seen by strong demand from central banks recently.

Other real assets such as infrastructure, real estate and inflation-linked instruments offer direct hedging against the inflationary pressures that now threaten both equities and nominal bonds simultaneously.

None of these are perfect substitutes. They carry their own risks, liquidity constraints and implementation complexities. But the 60/40 framework has never been perfect either. Its simplicity has always been a trade-off against nuance.

REBUILDING THE 60/40 PORTFOLIO: IS THERE AN ALTERNATIVE APPROACH?

A complementary framework for thinking about this reallocation is risk parity. Rather than distributing capital in fixed proportions (60% to equities, 40% to bonds) risk parity allocates capital such that each asset class contributes equally to the portfolio's overall risk. In practice, because equities are substantially more volatile than bonds, a traditional 60/40 portfolio is, from a risk perspective, overwhelmingly an equity portfolio.

Risk parity corrects for this by sizing positions according to their volatility and correlation characteristics, rather than their nominal rand weight. The result is a portfolio that is more genuinely balanced across different economic regimes: equities tend to perform well in periods of strong growth, inflation-linked assets provide protection during inflationary episodes, nominal bonds offer some buffer during deflationary slowdowns, and alternatives contribute uncorrelated return streams across cycles. In a world where the correlation between equities and bonds can no longer be relied upon to be negative, risk parity's explicit focus on cross-asset diversification – rather than assuming it – becomes especially valuable.

THE NEW MANDATE

The search for resilient alpha in this environment demands more than tweaking equity-bond ratios at the margin. It requires a fundamental rethink of what diversification means when two of the most liquid asset classes in the world are increasingly correlated. Our decision to structurally reduce global fixed income in our balanced portfolio reflects the kind of conviction-led, long-term thinking that the moment calls for.

The message is clear: the 60/40 split was a product of its time. The portfolio that navigates the next decade successfully will be one built for the world as it is, not the world as it was. At Old Mutual Investment Group, we have implemented this bearish secular view in our balanced portfolio via reviewing our strategic allocation and, subsequently, reduced our allocation to global fixed income, balancing this mix with higher allocations to asset classes such as gold and emerging markets.



05

INFLATION - THE SILENT THIEF

WHY INFLATION IS THE ENEMY OF WEALTH PRESERVATION

Sehrish Khan, Portfolio Manager

Imagine you invest R10 000 today. A decade from now, you check your statement and see R15 000, a respectable 50% return, and you feel wealthier. But here is the uncomfortable truth: if inflation averaged 5% per year over that same period, your R15 000 now buys you less than your original R10 000 did a decade ago. In other words, your purchasing power has decreased. In real terms, you are poorer.

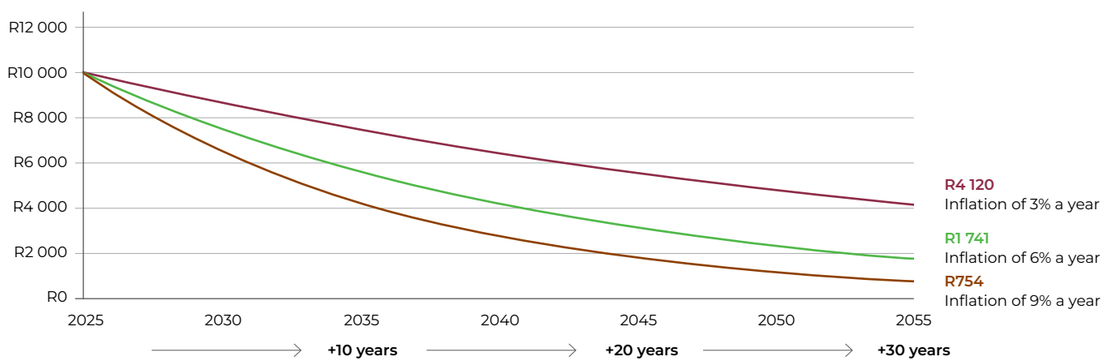
What really matters is your *real return* – that is, after stripping out inflation. For long-term investors, thinking about real returns is vital.

WHAT INFLATION ACTUALLY DOES

Inflation is the rate at which the prices of goods increase. As prices go up, the purchasing power of your money goes down. When prices rise 5% in a year, you need 5% more money to buy the same basket of goods. Your money is worth 5% less. If your income and wealth don't rise with the rate of inflation or more, then your spending power diminishes. Inflation is the biggest threat to an investor's future income.

The chart below shows the impact of inflation on spending power over time. At inflation of 3% a year, a fixed monthly retirement income of R10 000 today will decline in real terms to about R4 100 a month over 30 years. This means that in 30 years from now, you will be able to buy less than half of what you can buy today. That's an uncomfortable amount of downsizing. At higher rates of inflation of say 6% or 9% a year, the chart shows that the real decline in your spending power is even greater. Inflation will tax your wealth invisibly and relentlessly, compounding over time.

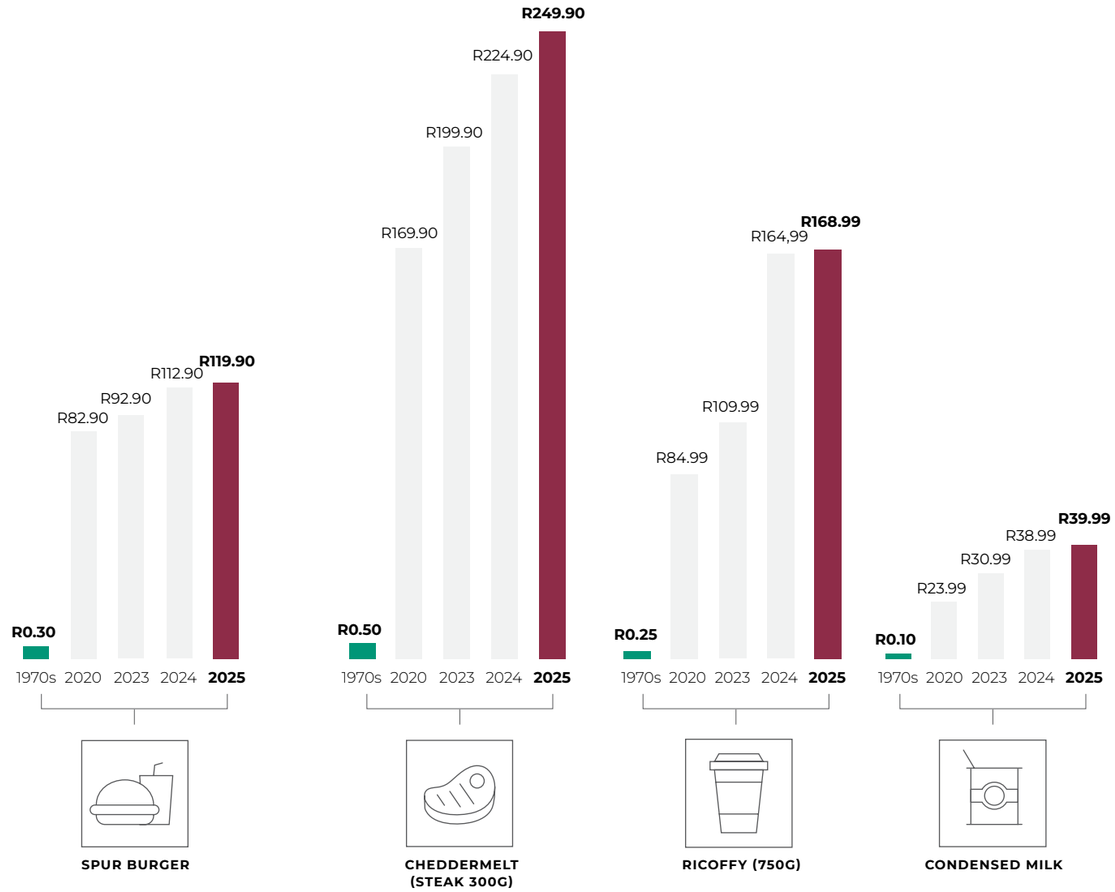
Illustrative impact of inflation on R10 000



Source: Old Mutual Investment Group

THE IMPACT OF INFLATION ON OUR EVERYDAY LIVES

As mentioned, inflation causes the prices of goods to go up. A look back in time shows how much some South African favourites cost compared with today's prices.



Ten years ago, you would have paid 60% of what it costs today for a basket of consumer goods. Twenty years ago, it would have cost around one-third of what you would pay today to fill your trolley.

The key lesson for investors is that unless you can grow your investments at least in line with inflation, you will face a declining standard of living in retirement. This highlights how important it is to plan carefully and ensure that you invest in assets that can deliver inflation-beating returns in the long run.

WHY REAL RETURNS ARE THE ONLY METRIC THAT MATTERS

Typically, investment returns are quoted in nominal terms – telling you how many more rands you will have, but not how much more you can buy with those rands. That is the real return, which is the only number that truly matters for long-term wealth preservation.

The relationship is expressed through the Fisher Equation, named after economist Irving Fisher:
Real Return ≈ Nominal Return − Inflation Rate

More precisely: Real Return = [(1 + Nominal return) ÷ (1 + Inflation rate)] − 1. But for most practical purposes, simple subtraction gives you the insight you need. Consider the following hypothetical investment scenarios, all taking place in a 5% inflation environment:

Investment Type	Nominal Return	Inflation Rate	Real Return
Cash under mattress	0.0%	5.0%	**-5.0%**
Savings account	4.5%	5.0%	**-0.5%**
Government bond	8.0%	5.0%	**+3.0%**
Equity portfolio	12.0%	5.0%	**+7.0%**

Depending on your investment needs and time horizon, cash may be king or trash. If you have a short-term requirement, such as paying off debt or paying for a holiday, keeping this portion of your assets in cash may prove safest. Cash protects against short-term volatility and the risk of seeing the "face value" decline is low – you would be able to sleep soundly knowing that your capital is safe. However, over the longer term, there is a price to pay for this good night's sleep.

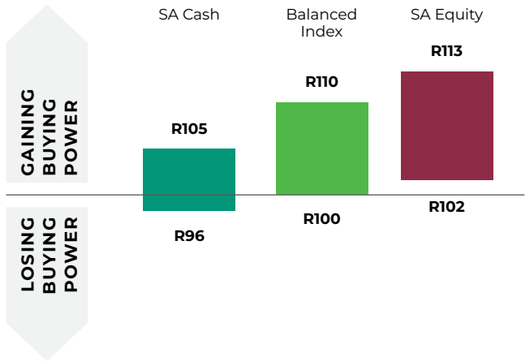
A savings account might feel safer than hard cash, because you're earning an income. But if that income is not keeping pace with inflation, your real wealth is systematically declining every single year, even as the nominal balance grows larger. This is the illusion of wealth accumulation and is especially dangerous for retirees and conservative investors who park capital in cash or low-yielding fixed income instruments. Holding too much cash also means missing out on higher returns that help meet long-term financial goals – one of the great traps of conservative investing. The chart below shows the range of results for different investment strategies if invested over various 20-year historical periods. History shows that investing in cash gives you the greatest risk of losing your buying power.

"INFLATION SWINDLES ALMOST EVERYBODY, ESPECIALLY THE PERSON WHO KEEPS CASH UNDER THE MATTRESS."

Warren Buffett



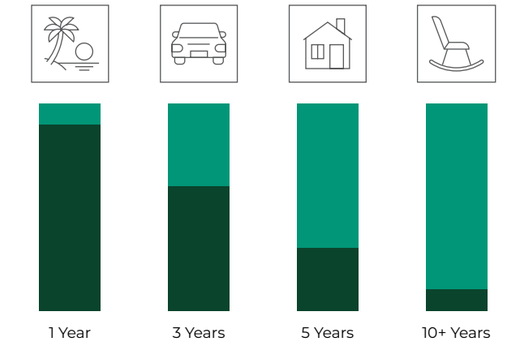
RANGE OF BUYING POWER OF R100 AFTER INVESTING FOR 20 YEARS
Using returns from all 20-year periods from January 1925 to December 2025



It is important to align your investment strategy with your return objectives. When saving for longer-term goals like retirement, cash is a terrible investment. The reality is that, over time, cash provides a relatively low return in exchange for the security and peace of mind it offers. The minimum acceptable return for a wealth-preserving investor is not zero, it is the inflation rate. Any return below inflation is a loss, regardless of what your statement says. Achieving an investment return in excess of inflation meaningfully and consistently is the true standard of successful wealth management.

The bar chart is a simplistic and stylised guide as to what percentage of your portfolio should be invested in cash and equities relative to your investment goals and timeframes. This chart only looks at two asset classes and, as such, we encourage you to speak to your financial planner as to how best to structure your entire portfolio of assets.

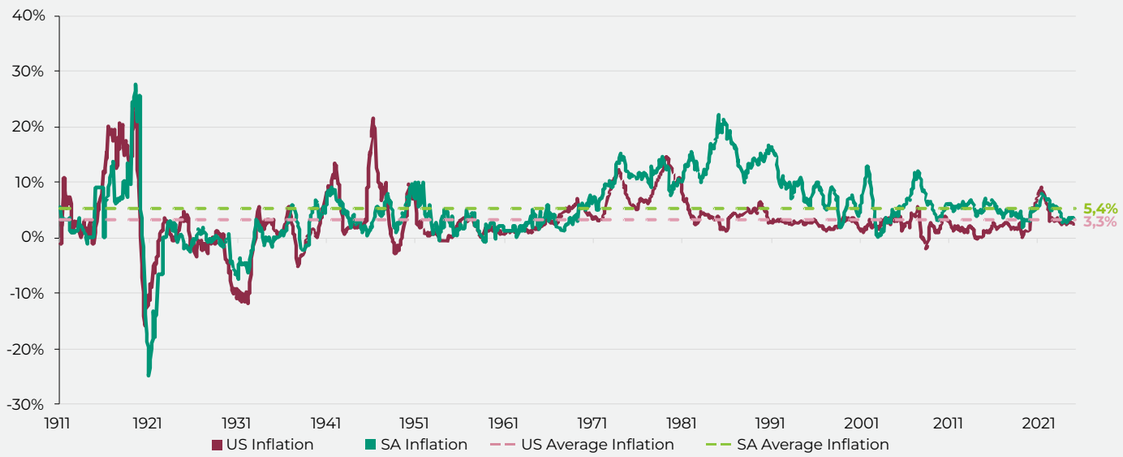
YOUR INVESTMENT TERM AND GOALS DETERMINE YOUR EXPOSURE TO CASH (ILLUSTRATIVE)



THE HISTORY OF INFLATION IN SOUTH AFRICA

Inflation in South Africa has averaged 5.4% a year since 1911, which is significantly higher than the 3.3% average in the US. Prior to 1980, inflation in South Africa was coupled to inflation in the US, with the average in South Africa at 3.6% a year only marginally higher than the 3.4% annual average in the US between 1911 and 1980.

ANNUAL AVERAGE INFLATION IN SOUTH AFRICA AND THE UNITED STATES
(1911 - 2025)



Source: Old Mutual Investment Group

The 1970s marked the turning point for inflation with the combination of global oil shocks and escalating domestic political instability driving prices relentlessly higher. The 1980s were South Africa's most inflationary decade by any measure. Burdened by international sanctions, a collapsing currency and expansionary domestic policies, the country saw inflation reach extraordinary levels. Only high real interest rates and a recession saw inflation begin to moderate from the early 1990s. The adoption of inflation targeting in 2000 entrenched lower inflation and inflation averaged 5.4% from 2000 onwards.

As of late 2025, South Africa officially shifted to a lower inflation target of 3%, narrowing from the previous 3-6% range to a 2-4% range (3% with a percentage point tolerance). This policy change aims to better anchor inflation expectations, reduce the inflation risk premium demanded by investors leading to lower bond yields, and strengthen the rand.

Currently, South Africa is experiencing its lowest inflation in over two decades – a 2025 annual average of 3.2%, and the latest print at 3.5%. While the battle against inflation appears to have been won, keeping inflation close to the 3% target will be subject to the perennial risks of rand volatility, food price spikes and energy costs.

The ongoing conflict in the Middle East poses a serious threat to global inflation. Fears of supply disruptions and shipping delays have sent oil prices surging through the US$100 a barrel barrier. The duration of the energy price shock is a critical determinant of its overall economic impact, as persistent shocks tend to trigger second-round effects and structural adjustments, while temporary shocks may have limited, more manageable consequences.
If this violent spike in energy costs persists, prices will adjust sharply and the resultant destruction in demand will permeate both consumer spending and business investment. This has the potential to cause an economic downturn, which ultimately counteracts the inflationary pressures that were the catalyst.

Despite geopolitical tensions which directly impact energy costs, several other factors – including ageing populations, the retreat from globalisation and the high cost of the green transition – mean that inflation is likely to remain higher, on average, over the next decade than it did in the period since the 2008 Global Financial Crisis. President Donald Trump's ascent to power in the US has also increased the risk of higher-for-longer inflation, through fiscal stimulus, tariffs and the clampdown on immigration.

An important lesson is that while the rate of inflation is unknowable in advance, investors who are trying to preserve and grow their wealth would be best positioned in asset classes that have historically managed to deliver positive real returns over most periods.

WHERE DO REAL RETURNS COME FROM?

If real returns are the only measure that matters, which asset classes have historically delivered positive real returns, and which have failed?

Equities: Historically the most reliable generator of positive real returns over the long run. Companies can raise prices, adapt to inflation and grow earnings in real terms.

Real estate: Property tends to be a decent inflation hedge, particularly in supply-constrained markets. Rental income often keeps pace with or exceeds inflation, and property values have historically tracked or beaten inflation over long periods.

Inflation-linked bonds (ILBs): Instruments such as US Treasury Inflation-Protected Securities (TIPS) or South African ILBs are explicitly designed to preserve real value by adjusting principal and/or coupon payments in line with inflation. Assuming the real yields on these instruments don't rise materially, it is the only investment that guarantees a positive real return. Of course, this comes at a cost in that the real yields on offer are typically modest.

Commodities and precious metals: Gold is widely considered a long-term store of value, while commodities such as oil, energy and agricultural products tend to rise directly with inflationary pressures but are highly cyclical in nature and therefore are less reliable as a consistent hedge. Over the long term, they tend to preserve, more than they grow, real wealth.

Cash and short-term deposits: While cash offers the perception of safety, and may have a place in certain portfolios and over specific time periods, over the long term, it is most likely to deliver negative real returns.

MEASURING REAL WEALTH

Wealth preservation is achieved by growing purchasing power – by ensuring that your capital buys at least as much tomorrow as it does today, and ideally considerably more. Inflation is the silent thief in this endeavour, patiently laying claim to savings accounts and pension funds that fail to keep pace. Key points to remember when thinking about your investments:

- The minimum acceptable investment return is the rate of inflation, not zero.
- Cash is not a safe asset in inflationary environments. It is reserved for short-term needs.
- Nominal return figures are an illusion. Real returns are the economic truth.



THE ONGOING CONFLICT IN THE MIDDLE EAST POSES A SERIOUS THREAT TO GLOBAL INFLATION.

06

THE ULTIMATE RECIPE FOR WEALTH CREATION

WHY INVESTING IN EQUITIES, WITH A LONG-TERM LENS, IS A POWERFUL WEALTH GENERATOR

Siya Mbatha, Investment Analyst

Some investors believe wealth is created by timing markets or picking the next winning stock. In reality, wealth creation requires a long-term strategy and follows a far simpler formula: owning growing businesses (that generate returns above the cost of capital), staying invested, and reinvesting the returns along the way.

Equities + Time + Reinvestment = Compounding

Individually, these components may appear ordinary. But when combined over time, they create something powerful. They produce what Einstein described as the "Eighth Wonder of the World".

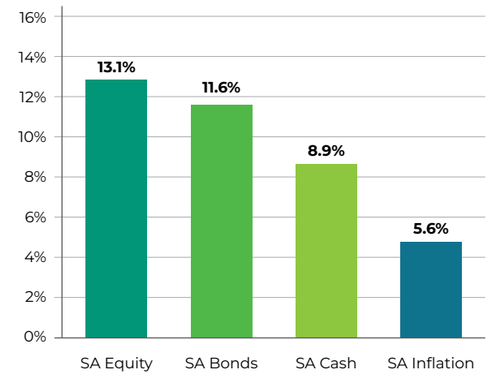
INGREDIENT 1: EQUITIES

Every successful recipe begins with a base ingredient. This recipe calls for equities.

Equities are claims on the earnings power of businesses. As these businesses grow, by expanding their customer base, increasing revenues and improving profitability and company returns, equity shareholders participate in that growth through rising earnings and share prices.

Over the long term, this link between business performance and total shareholder returns makes equities one of the most effective ways for investors to participate in economic progress.

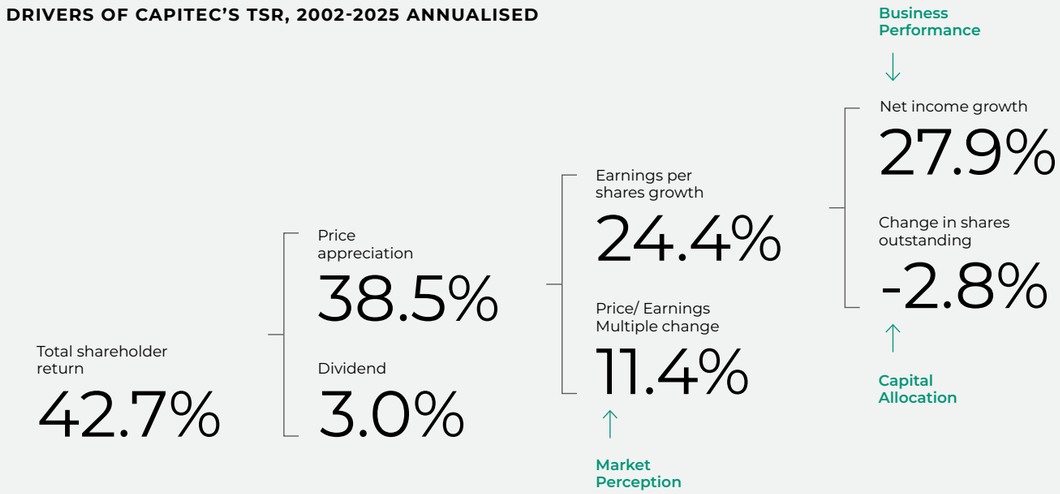
30-YEAR ANNUALISED RETURNS BY ASSET CLASS



Source: Old Mutual Investment Group

Consider the example of one of the most successful South African businesses on the JSE, Capitec. Over the past two decades, the bank has grown from a relatively small challenger into one of the country's largest retail banks with the largest market capitalisation. As its customer base expanded and its earnings and company returns increased, the value it created for shareholders grew alongside. The single largest driver of Capitec's total shareholder return (TSR) has been earnings growth (~57% of TSR).

DRIVERS OF CAPITEC'S TSR, 2002-2025 ANNUALISED



Sources: FactSet, company financials

At its core, long-term equity investing is simply a reflection of this relationship: as businesses grow (while earning a return above the cost of capital), shareholder value grows with them.

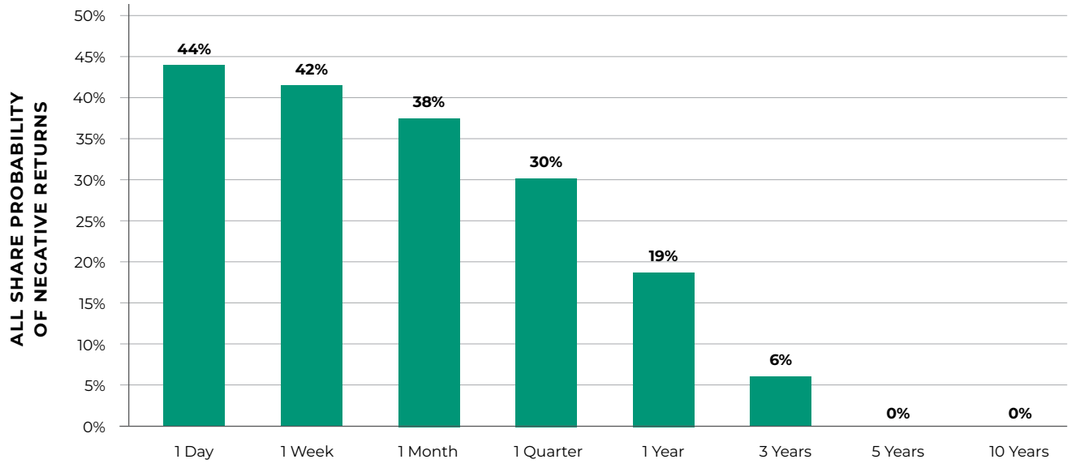
Therefore, equities provide the essential ingredient in the wealth creation recipe: exposure to the growth of real businesses that can create value over time.

INGREDIENT 2: TIME

Some ingredients only reveal their full flavour as they undergo change over time. Investing works in much the same way. In the short term, equity markets can be influenced by a wide range of factors, including economic news, interest rate movements, political developments and investor sentiment. These factors can cause significant volatility in share prices in the short term, often unrelated to the underlying performance of a business. Time has shown, over longer periods, that total shareholder returns are driven by the fundamental earnings power of businesses. In other words, time allows business performance to dominate market noise.

ALL SHARE PROBABILITY OF NEGATIVE RETURNS

Why long term investing works

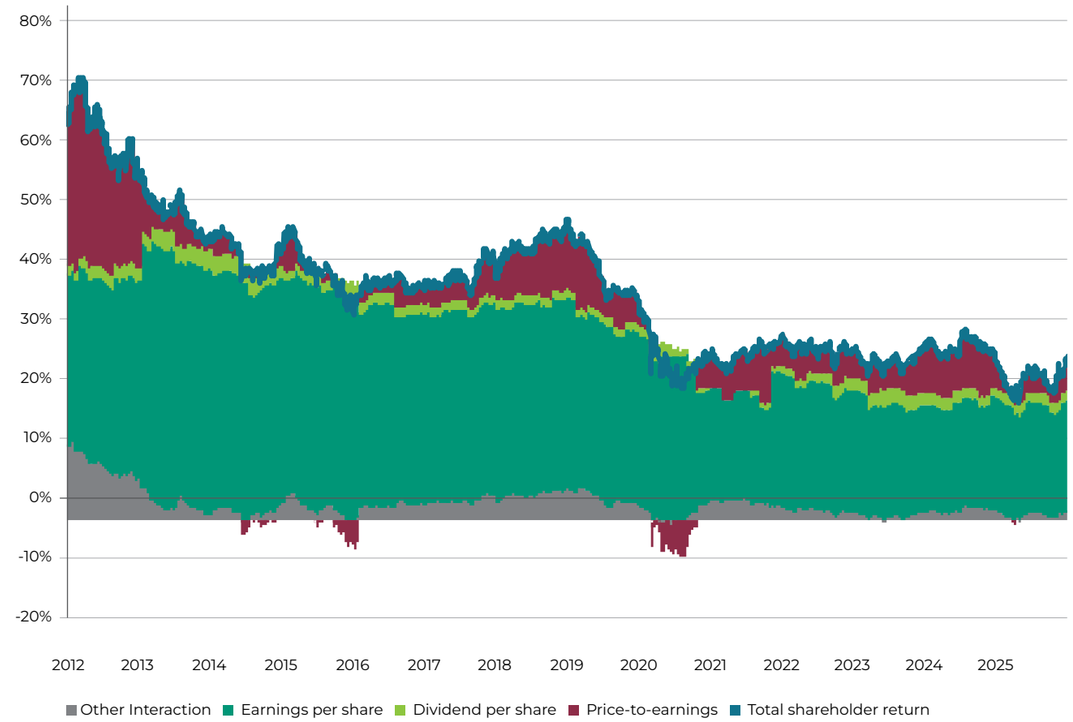


Source: Old Mutual Investment Group, FactSet
1 day and 1 week: Rolling total returns since July 1995
1 month to 10 years: Rolling returns since January 1960

"EQUITIES PROVIDE THE ESSENTIAL INGREDIENT IN THE WEALTH CREATION RECIPE: EXPOSURE TO THE GROWTH OF REAL BUSINESSES THAT CAN CREATE VALUE OVER TIME."

Capitec's journey illustrates this dynamic clearly. While its share price experienced periods of volatility along the way, investors who remained invested over longer horizons ultimately benefited from the bank's consistent growth in its customers, loan book, profits and returns.

EARNINGS GROWTH IS THE DOMINANT LONG TERM DRIVER OF TOTAL SHAREHOLDER RETURNS



Source: Old Mutual Investment Group, FactSet

INGREDIENT 3: REINVESTMENT

The final ingredient in the recipe is reinvestment. Companies often distribute a part of their profits to shareholders through dividends. Investors can choose to spend this income, but when dividends are reinvested into the investment, something very powerful happens. Each reinvested dividend increases a shareholder's economic ownership (shares) in a business. These shares then generate their own dividends and capital appreciation, which in turn can be reinvested again. Over time, this process creates a self-reinforcing cycle where returns generate additional returns.

Investors who reinvested Capitec's dividends over time effectively increased the number of shares they owned in the business. As the business continued to grow, those additional shares participated in the same growth, resulting in higher total shareholder returns than those earned by investors who simply collected and spent the dividends.

Therefore, reinvestment acts as the multiplier within the recipe, allowing returns to build upon themselves.

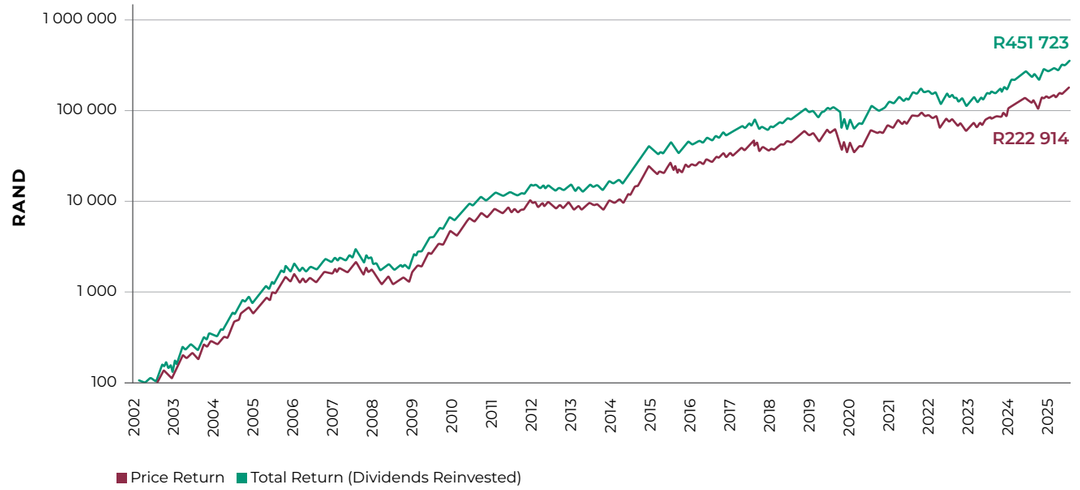
THE RESULT: COMPOUNDING

When these three ingredients work together, the result is compounding wealth. Equities provide exposure to growing businesses that create value. Time allows that growth to unfold. Reinvestment ensures that returns continue to generate additional returns. Together, they create a powerful flywheel of wealth creation.

What makes compounding particularly remarkable is that its effects accelerate over time. In many cases, most wealth is created in the later years of investment, as earlier returns begin generating returns of their own.

Markets fluctuate, there are economic cycles and sentiment shifts. But over long periods, the mathematics of compounding remains true: growing businesses, given enough time, create extraordinary wealth for patient and disciplined shareholders.

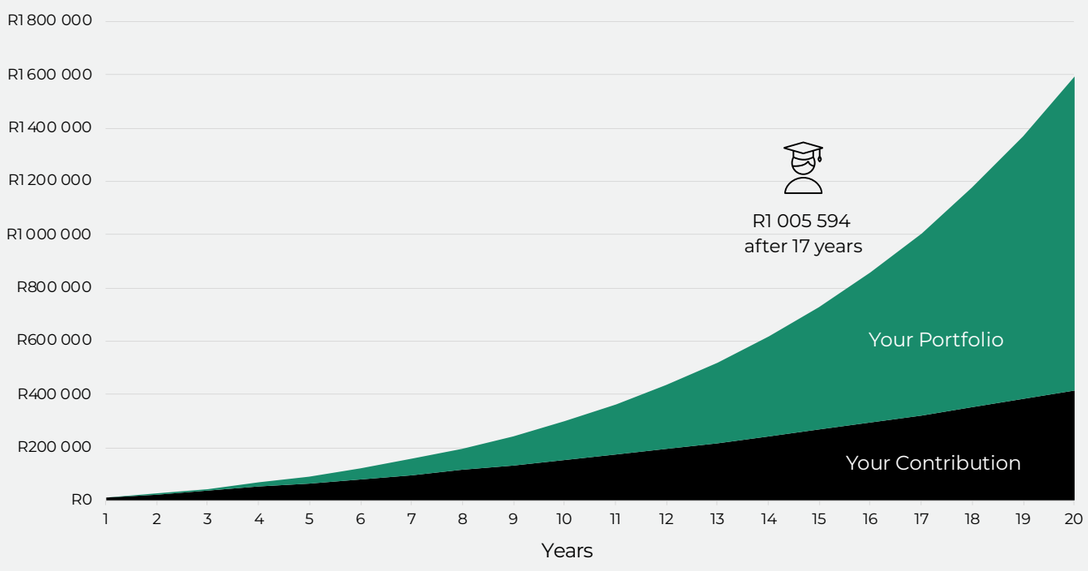
THE GROWTH OF R100 INVESTED IN CAPITEC SINCE ITS LISTING IN 2002



Source: Old Mutual Investment Group, FactSet

COMPOUNDING IN PRACTICE

Time and compounding growth can turn an ordinary saver into a millionaire. Assuming you start saving R1 000 a month, increase this contribution by the average inflation rate of 5.4% each year, and that the investment grows at the long-term nominal average return from SA equity of 13.8%. This portfolio will grow to one million rand within 17 years, just enough time to send today's newborn baby to college or university.



Source: Old Mutual Investment Group



07

TRUE DIVERSIFICATION

TACTICAL RESILIENCE IN A VOLATILE WORLD

Jason Swartz, Portfolio Manager

Our brains are not wired for investing. Decades of behavioural research have shown that human beings are cognitively predisposed to feel the pain of a loss far more acutely than the pleasure of an equivalent gain. And while this instinct may have served our ancestors well in a world of genuine physical threat, in the context of investing it becomes a liability to a well-planned investment strategy. The very impulse designed to protect us is often the one that does us the most financial harm.

Understanding this bias is not enough on its own. What matters is building a strategy resilient enough to keep it in check – one that holds firm when emotion says run, and stays the course when every headline suggests otherwise.

THE NOISE PROBLEM

Every week brings a new headline designed to provoke a reaction. This may be inflation data, central bank commentary, geopolitical flare-ups, company earnings misses, etc. Each one carries an implicit message to act, and that impulse to act, whether the purpose is to protect or to escape, is one of the most reliable destroyers of long-term wealth. More specifically, the desire to safeguard your investments during periods of high market volatility can easily lead to one of the most damaging decisions an investor can make: selling at the worst possible time. After experiencing losses as markets fall, it feels natural to exit – to stop the bleeding, wait for calm, and re-enter when things look safer. The overwhelming evidence, however, says this is completely the wrong strategy. Here is why.

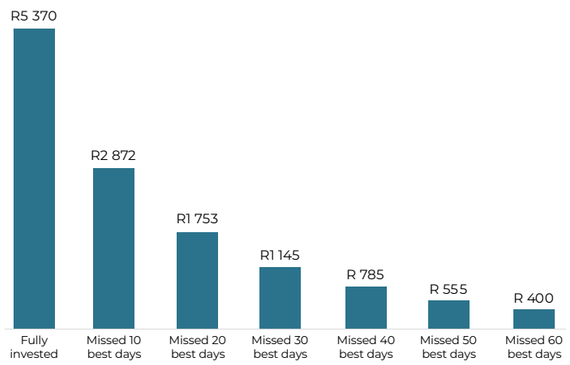
While equity markets do experience down days when bad news hits, this is almost always followed by up days. And particularly during uncertain times, the worst days on the market are typically followed by the best days. When you look at the data, it becomes clear that the market's strongest up days rarely occur during a bull market. The best days, the ones you genuinely cannot afford to miss (see graph below), tend to present themselves during periods of high volatility or in the depths of a bear market.

This is why we believe it is critical for investors to avoid knee-jerk reactions, resist the urge to sell out, and maintain a long holding period to take advantage of compounding returns. Staying invested through the noise is not passive indifference. It is an active discipline – and it is, in fact, the most effective way to manage the real risk of losing money.

Practically, this means automating contributions where possible, setting rebalancing triggers rather than reacting to daily movements, and establishing a clear threshold for when a portfolio review is genuinely warranted versus when it is simply anxiety in disguise.

THE HIGH PRICE OF MISSING OUT

The performance of R100 invested in SA equity (January 1999 to December 2025)



DIVERSIFICATION AS A STRUCTURAL DEFENCE

Diversification is often described as the only free lunch in investing, and yet it remains one of the most misapplied concepts in portfolio construction. Owning 20 stocks in the same sector is not diversification. Neither is holding multiple funds that are exposed to the same investment style or philosophy.

True diversification works across multiple dimensions: asset class, geography, sector, duration and liquidity. It acknowledges that different parts of the global economy respond to the same conditions in very different ways. When equities fall under pressure from rising rates, certain fixed income instruments may hold their value. When domestic markets face structural headwinds, international allocations can provide stability.

In a volatile world, diversification serves two purposes simultaneously. First, it reduces the severity of drawdowns, protecting capital when conditions deteriorate. Second, it ensures participation in recoveries across multiple fronts, rather than concentrating exposure in a single outcome.

As a result, diversification should be a deliberate architectural decision, not an accident of accumulation. Review your portfolio periodically and ask a pointed question: if one major market segment fell 30% tomorrow, how would the rest of my portfolio respond? The answer tells you more about your true diversification than any fund fact sheet.

ACTIVE ALLOCATION: STAYING NIMBLE WITHOUT CHASING PERFORMANCE

There is a meaningful distinction between reactive trading and active allocation. Reactive trading is driven by emotion and short-term data, for example, selling into fear or buying into momentum. Active allocation is driven by a structured process that adjusts positioning as the investment landscape evolves, without abandoning the long-term framework.

In practice, this means periodically reassessing where you sit on the risk spectrum relative to where conditions suggest you should be. It means being willing to increase exposure to defensive assets when valuations become stretched, or to lean into undervalued sectors when sentiment has driven prices below fundamentals. It means holding cash not as an afterthought, but as a tactical tool, available to deploy when genuine opportunity arises.

Active allocation also means revisiting your time horizon and income needs regularly. A strategy appropriate for a period of low rates and steady growth may need meaningful adjustment in a higher-rate, lower-growth environment. Importantly, it does not mean constant movement. The goal is considered, evidence-based adjustment, making fewer, better decisions rather than more frequent, reactive ones.

THE COST OF GETTING IT WRONG

To summarise: while the urge to sell when markets are volatile may feel like you are mitigating risk, the reality is that you are far more likely to make a poor timing decision. One that sets your portfolio years behind in its objective of reaching your financial goals. Selling after bad days and sitting on the sidelines for the good days that follow is not a strategy. It is a wealth destroyer.

The only thing you can control is having a well-considered plan and sticking to it. That is the best way to ensure a secure financial future, and to avoid the very real and very high price of missing out.

In a world that will continue to generate uncertainty, because that is what the world does, the investors who endure and grow are not necessarily the ones with the best predictions. They are the ones with the most durable process: staying the course and adjusting with purpose.

TRUE DIVERSIFICATION WORKS ACROSS MULTIPLE DIMENSIONS: ASSET CLASS, GEOGRAPHY, SECTOR, DURATION AND LIQUIDITY.



08

THE INDEX UNIVERSE

BUILDING RESILIENT PORTFOLIOS FOR INVESTORS WITH A LOW RISK APPETITE

Bernisha Lala, Head of Indexation

Indexation has undergone quite a revolution. Once synonymous with a single cap-weighted equity benchmark, the rules-based investment universe now spans asset classes, risk factors, geographies, sectors, and themes – offering transparent, cost-effective, and systematically managed strategies across the entire risk-return spectrum. For decades, the conversation around passive investing centred on a narrow proposition: buy the market, keep costs low, and accept average returns. That proposition was compelling in its simplicity, but it left a large segment of investors, particularly those with conservative objectives, underserved.

Today, that picture has changed fundamentally. The explosion of rules-based strategies means that low risk and index investing are not in tension but are natural partners. Whether an investor's priority is capital preservation, inflation protection, reduced equity volatility, or tighter benchmark management, there is now a systematic, low-cost index solution that can be precisely calibrated to meet it.

UNDERSTANDING RISK: TWO DIMENSIONS THAT MATTER

The starting point for any investment decision is not product selection, it is a clear-eyed understanding of what risk actually means for the investor in question. In practice, risk manifests in two fundamentally different ways (absolute and relative risk), and conflating them leads directly to poor portfolio construction.

Absolute risk is the concern of investors who have a specific capital goal to meet at a defined future date, regardless of what markets are doing. For these investors, the primary fears are market risk, interest rate risk, and inflation risk. In this case, an investor saving to fund a child's university fees in three years cannot afford to think in benchmark-relative terms - what matters is whether the money is there when it is needed.

THE INVESTMENT STRATEGY CONTINUUM

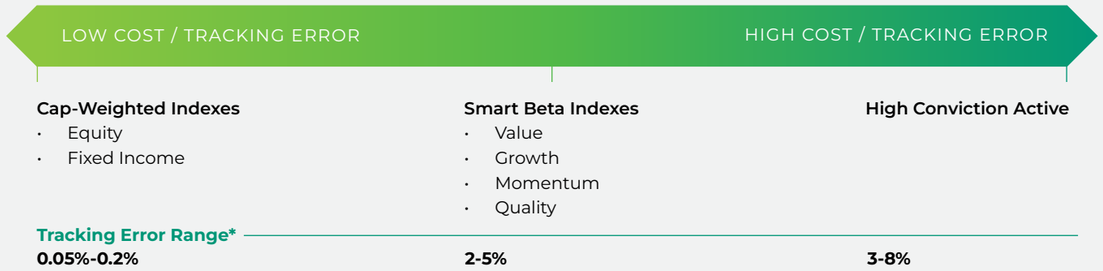


Figure 1: The investment strategy continuum - from low-cost index funds to high-conviction active management
*Tracking error is measured against the Market-Cap Weighted Index

Relative risk is the domain of institutional investors - pension funds, endowments, multi-manager portfolios - who are accountable to a defined performance benchmark. Here, the central metric is tracking error. Style drift, where an active manager gradually migrates away from their stated investment mandate under performance pressure, is one of the most common and insidious sources of unintended tracking error. For example, a consultant who appointed a value manager for genuine value exposure may find, years later, that the manager has quietly evolved toward a blended or growth profile, eroding the portfolio's intended factor structure without any formal mandate change.

The critical insight is that the modern indexation toolkit addresses both dimensions of risk with equal sophistication.

Figure 1 illustrates a point that is often missed in the active versus passive debate: the choice is not binary.

The investment strategy continuum runs from pure cap-weighted index funds at one end, offering maximum cost efficiency and near-zero tracking error, through a rich middle ground of factor-based smart beta strategies, to high-conviction active management at the other. Each point on this spectrum serves a purpose, and the most effective portfolios deliberately draw from multiple points rather than committing entirely to one.

THE INDEX UNIVERSE: BROADER THAN YOU THINK

One of the most significant barriers to wider adoption of index strategies among conservative investors has been a misconception about what 'indexation' actually means. For many, the term still conjures images of an equity benchmark dominated by the largest companies in a given market, but it describes only one corner of a much larger universe.

THE RULES BASED INDEX UNIVERSE



Figure 2: The rules-based index universe - asset classes, risk factors, themes, and weighting approaches

Figure 2 maps the full scope of the rules-based index universe as it exists today. Four broad dimensions define the available toolkit:

- **Asset classes:** For example, government bonds, inflation-linked bonds (ILBs), and global equities, to name a few, are available as a transparent, low-cost index fund with daily pricing and full holdings disclosure.
- **Risk factors:** Systematic portfolios tilted toward well-documented return premia – low volatility, quality, value, momentum, etc. – that have been shown to deliver differentiated risk-return profiles over full market cycles.
- **Themes and sectors:** Concentrated exposure to specific structural investment themes - clean energy, technology, healthcare, infrastructure - or sector classifications, enabling precise portfolio tilts without active stock selection.
- **Weighting methods:** Alternatives to market-cap weighting - equal weight, fundamental weighting (such as RAFI), minimum variance, and risk parity.

For the conservative investor, a well-constructed low-risk index portfolio might combine short-duration government bond index funds for capital stability, ILB index funds for inflation protection, and low-volatility or quality equity index funds for measured growth participation - all at a combined total expense ratio that a traditional active multi-asset manager would struggle to match on a single fund basis.

THREE INVESTORS, THREE INDEX SOLUTIONS

Abstract arguments about cost and transparency matter less than concrete answers to real investor problems. The three profiles below illustrate how the indexation toolkit translates into practical portfolio solutions across different risk objectives and investor types.

INVESTOR A Capital preservation	**INVESTOR B** Equity downside protection	**INVESTOR C** Core-satellite / Tracking error control
Invests in fixed income index funds - govt bonds, ILBs, short duration for a low-volatility ride toward a defined liability.	Concerned by mega-cap concentration in the MSCI World Index. Switches to a Low Volatility or Quality index fund for resilience in drawdowns.	Pension consultant using a cap-weighted core + RAFI smart beta satellite to reduce cost, style drift, and tracking error.

Investor A is three years away from needing a specific sum of capital to fund a child's university education. For this investor, volatility is not merely uncomfortable; it is a genuine threat to the plan. The solution is a structured ladder of fixed income index funds: short-duration government bond funds provide liquidity and capital stability; inflation-linked bond (ILB) index funds protect the real value of the savings against rising education costs. The critical advantages of using index funds here are transparency – the investor knows exactly what they own – and cost, since every basis point saved in fees compounds directly into the capital sum available at the target date.

Investor B has benefited from strong equity market returns but is increasingly uneasy about the concentration that comes with a standard cap-weighted MSCI World Index fund. The top ten holdings, predominantly large-cap technology companies, now account for a disproportionate share of the index, meaning that a correction in highly valued growth stocks would have an outsized impact on the portfolio. Rather than exiting equities entirely, this investor can use smart beta to achieve more resilient equity exposure. A low volatility index fund constructs its portfolio by selecting and weighting stocks to minimise overall portfolio volatility, naturally underweighting high-beta technology names in favour of defensive sectors such as utilities, consumer staples, and healthcare. A quality factor index fund selects companies with strong balance sheets, stable earnings, and high return on equity - businesses that are structurally better equipped to weather economic downturns. Both strategies have demonstrated meaningful downside protection relative to cap-weighted benchmarks across multiple market stress events, delivered through a transparent rules-based process at a fraction of the cost of traditional active defensive equity management.

Investor C is an investment consultant managing the equity allocation of a pension fund, who has identified two structural problems in the active manager portfolio: aggregate tracking error has drifted above the investment policy statement limit, and a previously well-defined value manager has migrated toward a blended growth-value profile under performance pressure. Indexation provides targeted solutions to both. By using a core-satellite approach (refer to Figure 3 below), allocating a meaningful portion of the portfolio to a low-cost cap-weighted index fund as a core holding immediately reduces total portfolio tracking error, since the index by definition contributes zero active risk against the benchmark. For the style drift problem, substituting the drifting active manager with a RAFI (Old Mutual RAFI® Select Global Index Fund) fund delivers systematic, rules-based value exposure through fundamental weighting

CORE-SATELLITE PORTFOLIO CONSTRUCTION



Figure 3: Core-satellite portfolio construction - index core for cost and tracking error control; selective smart beta and active satellites

- sales, cash flow, book value, and dividends - rather than market price. The mandate executes consistently and mechanically, eliminating both the subjectivity of active stock selection and the behavioural temptation to drift toward less challenging territory when value underperforms.

The three investor profiles above each employ a version of a broader organising principle in portfolio construction: the core-satellite framework. This architecture acknowledges that different parts of a portfolio serve different functions, and that the optimal approach is rarely to commit exclusively to any single strategy.

As illustrated in Figure 3, the core of the portfolio - typically representing 30-50% of the total allocation - is anchored by a low-cost, cap-weighted index fund. This provides broad market exposure at minimal cost, near-zero tracking error against the relevant benchmark, and high liquidity. The core does not need to generate alpha; its job is to be efficient, transparent, and cheap.

The satellite allocations surrounding the core are where deliberate tilts are introduced. These might include low-volatility or quality factor index funds to reduce downside risk; a RAFI fundamental-weight index for systematic value exposure; or, selectively, a high-conviction active manager where genuine alpha generation is expected and the fee is justified by the potential return. Crucially, the size and composition of the satellite ring can be adjusted dynamically - increasing defensiveness in uncertain environments - without disturbing the cost-efficient core.

The result is a portfolio that is greater than the sum of its parts: systematically managed, cost-effective across the whole, transparent at every layer, and precisely tuned to the investor's specific risk-return objective.

CONCLUSION

The indexation revolution has permanently expanded the investment opportunity set available to conservative investors. What began as a narrow proposition — buy the market, pay less — has evolved into a sophisticated, multi-dimensional toolkit capable of addressing almost any risk-return objective with transparency, discipline, and cost efficiency.

For the cautious saver protecting capital against a near-term liability, there are fixed income index solutions. For the equity investor seeking growth without undue concentration risk, there are low-volatility and quality smart beta strategies. For the institutional consultant managing tracking error and style drift, there are cap-weighted cores and fundamentally-weighted satellites. The common thread across all of these is a shift away from relying solely on individual manager skill toward systematic, rules-based processes that deliver consistent, predictable exposure at the lowest possible cost.

The question facing investors today is not 'active or passive?' It is: how do I deploy the right combination of rules-based strategies – across asset classes, factors, and weighting approaches – to build a portfolio that is genuinely resilient, structurally sound, and well-positioned to meet my long-term objectives, regardless of the market environment ahead?



THE INDEXATION REVOLUTION HAS PERMANENTLY EXPANDED THE INVESTMENT OPPORTUNITY SET AVAILABLE TO CONSERVATIVE INVESTORS.



09

SHARI'AH AND ESG RELATIONSHIP

SHARI'AH IS NOT ESG ADJACENT – IT OVERLAPS BY DESIGN

Maahir Jakoet, Portfolio Manager

Shari'ah and environmental, social and governance factors (ESG) are frequently discussed as parallel concepts. In reality, they are partially overlapping systems that approach risk from different starting points. Both exclude activities associated with clear social harm, such as alcohol, gambling, adult entertainment, tobacco, and weapons. ESG frameworks often extend further into fossil fuels, controversy monitoring, and composite scoring. In contrast Shari'ah investing adds two decisive constraints: the exclusion of conventional financial services and explicit limits on leverage through financial ratio screening. For investors, the distinction that matters is structural not philosophical. Shari'ah does not merely signal values, it hardcodes balance sheet discipline at the universe level. Before a single stock is analysed, the investable universe has already been delevered and tilted away from business models most exposed to funding stress. This is why adding a broad, generic ESG overlay on top of a Shari'ah universe often achieves little beyond duplication. The work has already been done. In fact, Shari'ah investing often resembles the end state of well constructed ESG portfolios, except they arrive there through rules rather than ratings.

The process of Shari'ah investing involves stripping away noise to focus on what survives cycles: durable economics, conservative financial structures, and valuation support. From that perspective, Islamic equity investing is often misunderstood. It is not a niche ethical overlay, nor is it a softer version of ESG. Correctly implemented, Shari'ah defines a universe that already internalises many of the outcomes ESG frameworks aim to engineer – without relying on scores, labels, or retrospective exclusions.

The difference in approaches is also seen when assessing risk, and risk in Shari'ah portfolios behaves differently. Shari'ah compliance operates through two mechanisms. First, business activity screens remove sectors with elevated controversy and social risk, including conventional banks. Second, financial ratio screens constrain leverage and interest-based income, imposing a discipline that many portfolios only reach indirectly through factor optimisation. The result is not "ethical alpha." It is left-tail risk reduction. When leverage is capped, fewer companies depend on refinancing conditions to survive. When conventional banks are excluded, exposure to a sector, tightly coupled with credit cycles and liquidity stress, is structurally reduced.

This is particularly important now as in a post-zero-rate environment, capital structure is no longer background noise. Even after policy easing, rates remain meaningfully positive and volatile. Markets have repeatedly demonstrated that narratives – whether AI disruption, geopolitics, or policy uncertainty – can reprice entire sectors with little warning. These episodes highlight that markets are often highly volatile in the short term, making it crucial for investors to maintain a long-term view and not overreact to temporary noise.

This is why it is important to stay grounded in your operating philosophy as an investor. Across wars, depressions, regime shifts, and market crises, our edge has been discipline: stewardship over speculation, balance sheet prudence over leverage, and downside control as a prerequisite for compounding. Our philosophy for Shari'ah investments – which is predominantly focused on quality, followed by value, and growth – is not designed to shine in every quarter. It is designed to protect capital in drawdowns and compound it through recoveries, systematically rather than episodically. This long-term perspective means staying the course even during periods of short-term market volatility – remaining invested and focussed on fundamentals, so that disciplined strategies have time to pay off when markets recover.

Over full cycles, the Old Mutual Global Islamic Equity Fund has delivered long-term returns broadly comparable to global equity benchmarks such as the MSCI World Index, despite operating within a more constrained universe.

This outcome underscores that even within a constrained universe, careful stock selection and global diversification across resilient industries can yield competitive long-term results.

OLD MUTUAL GLOBAL ISLAMIC FUND RETURNS IN DOLLARS

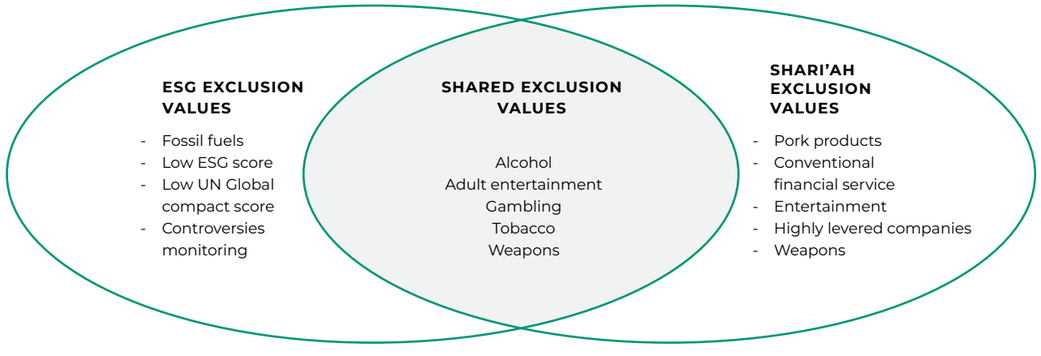


Source: Old Mutual Investment Group, FactSet
Total returns from May 2016 - February 2026

Shari'ah portfolios still span multiple sectors and regions (excluding only prohibited industries), ensuring that investors are not "putting all their eggs in one basket" while adhering to Islamic principles. The difference is not in chasing rallies, but in how capital behaves during stress: shallower drawdowns, less exposure to financial system shocks, and a smoother path to compounding. That arithmetic matters. Smaller drawdowns require less recovery. Less recovery leaves more capital to compound. For long-term investors, these features make it easier to remain invested during market downturns, knowing that shallower losses mean a faster recovery, leaving more capital intact to fuel future gains when markets rebound.

Shari'ah screening is a powerful starting filter precisely because it concentrates on operating businesses with cleaner balance sheets. In volatile regimes, those are often the companies that continue to compound, while others are forced to repair. That is the underappreciated edge. Not ethics at the cost of returns, but risk economics that allow returns to survive long enough to matter.

The bottom line is that Shari'ah investing does not equate to ESG. It is sustainably and ethically aligned by construction. By embedding harm reduction and balance sheet discipline at the universe level, Islamic equity portfolios start from a position of financial resilience. Layered with active research and selective ESG insight, they offer something increasingly scarce in modern markets: a system designed not to blow up, and therefore able to compound through cycles. This is our investable edge.



10

A SYSTEMATIC APPROACH TO GLOBAL INVESTING

IT IS A FACTOR-DRIVEN WORLD, AND WE ARE JUST INVESTING IN IT

Reza Fakie, Portfolio Manager

BY INVESTING ACROSS STYLES SIMULTANEOUSLY, A PORTFOLIO CAN CAPTURE THE RETURN PREMIUM OF MULTIPLE FACTORS WHILE SMOOTHING THE DRAWDOWNS.

THE ORIGIN OF INVESTMENT STYLES

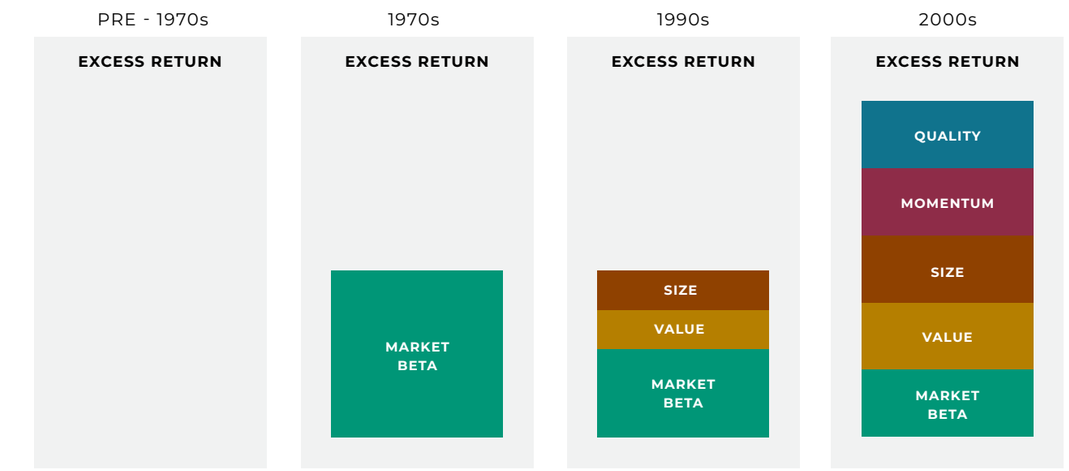
To understand what factors are, we go back to the 1960s, when the first factor, as we now know it, was discovered. William Sharpe identified that a company's share price sensitivity to market movements (Beta) was predictive of future stock returns, as part of his seminal work on the Capital Asset Pricing Model. It was the first time a measurable characteristic of a share was shown to be systematically exploitable. This sparked further research into other company characteristics with similar predictive power, and through the work of Jegadeesh and Titman, and separately Fama and French, what we now recognise as the Volatility, Size, Value, Quality and Momentum investment styles were established. The rise of computing and the widespread availability of financial data in the 1990s accelerated this process considerably, allowing researchers to identify and refine these relationships at scale.

The investment styles that have continued to show long-run outperformance fall broadly into two groups. The first group is the fundamental factors, grounded in a combination of financial and price data: Value, which identifies stocks that are cheap relative to their intrinsic worth; Growth, which targets companies with strong and sustained fundamental improvement; and Quality, which seeks out well-managed businesses with sound financial characteristics. The second group is the technical styles – market-observed anomalies that have persisted across time and regimes. These include Momentum, which identifies prior winners expected to continue outperforming; Size and Liquidity, which favours smaller and less liquid stocks; and Low Volatility, where lower-risk stocks have historically outperformed their higher-volatility counterparts.

These styles are represented by the MSCI All World Country Index (ACWI) vanilla and style indices shown below.

Over the past 25 years, all of these styles have outperformed the parent ACWI, though the long-term aggregate picture obscures much of the lived experience of being invested through these periods.

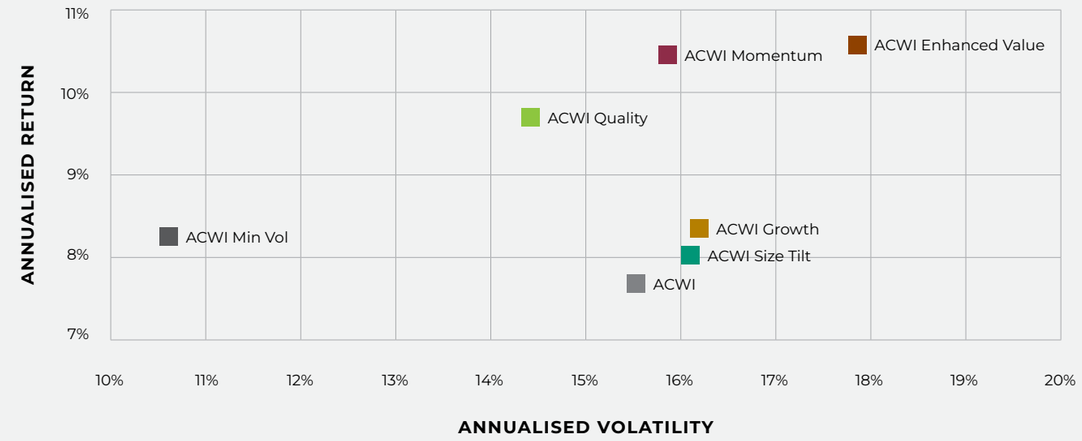
EVOLUTION OF EXPLAINING EXCESS RETURNS GENERATED



Sources: MSCI, Bloomberg

LONG TERM PERFORMANCE OF INVESTMENT STYLES

Return vs Risk (Jan-01 to Jan-26)



Sources: MSCI, Bloomberg

INVESTMENT STYLE BEHAVIOUR

The rolling one-year alpha of each style relative to the index reveals three important patterns.

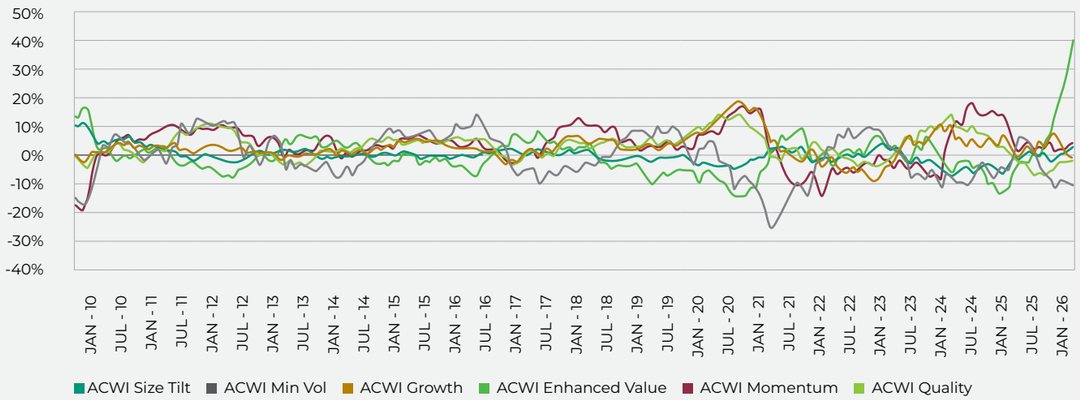
The first is that all investment styles are cyclical. No single style outperforms consistently across all periods, which means a static factor allocation will, at some point, underperform for an extended stretch. Crucially, prolonged underperformance is not evidence that a style has stopped working, it is the natural rhythm of the style.

The second observation is that styles are asynchronous: they do not move together. This creates a genuine diversification opportunity. By investing across styles simultaneously, a portfolio can capture the return premium of multiple factors while smoothing the drawdowns that any single style would experience in isolation.

The third pattern is short- to medium-term persistence. Once a style begins to outperform, it tends to continue doing so for some time, and the same holds in reverse. This persistence is what makes dynamic style positioning meaningful rather than speculative.

Together, these three properties – cyclicality, asynchronicity and short-term persistence – form the foundation of confident factor investing across all time horizons.

SHORT TERM PERFORMANCE OF INVESTMENT
Rolling 12-month excess return over ACWI



Sources: MSCI, Bloomberg

THE OLD MUTUAL GLOBAL MANAGED ALPHA FUND

The Old Mutual Global Managed Alpha Fund is built around these insights. It targets investment styles and factors with a demonstrated long-run relationship to share prices, constructs a diversified exposure across those factors to benefit from their asynchronous return patterns, and actively adjusts style positioning – both overweight and underweight relative to the ACWI – to reflect current factor trends. The model applies a consistent factor lens across both developed and emerging markets, evaluated across a universe of approximately 2 500 stocks to identify those that best express the current factor views.

This is paired with disciplined portfolio construction designed to align the portfolio with the model's style intent while keeping unrewarded risks – large active tilts to individual stocks, countries or sectors – firmly in check. The result has been a fund that has beaten its benchmark across every rolling three-year period since inception, and one that has consistently ranked near the top of its peer group in the Morningstar Global Large Cap category.



CYCLICALITY, ASYNCHRONICITY AND SHORT-TERM PERSISTENCE FORM THE FOUNDATION OF CONFIDENT FACTOR INVESTING ACROSS ALL TIME HORIZONS.



11

OUTLOOK

LONG-TERM REAL RETURNS (OUTLOOK)

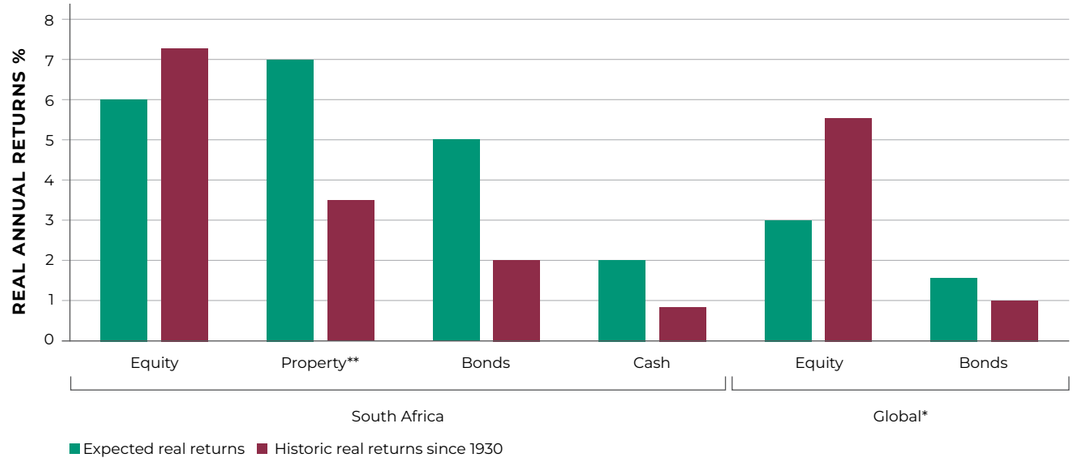
John Orford, Portfolio Manager

2025 was an exceptionally strong year for South African assets, with equities up 43%, property up 31% and bonds up 24%. Global equity returns in rand terms were modest at 6.8% while global bonds delivered a negative 6.4% return as the rand strengthened by 14% against the dollar, offsetting global asset US dollar returns. All of this in a year when US President Donald Trump launched his global tariff wars which for a time threatened to engulf the world in a stagflationary trade war.

The exceptionally strong returns from South African assets in the year were in part the result of soaring precious metal prices. Platinum prices were up 94% in rand terms while gold was up 47% in the year. This not only benefitted South African precious metal miners but also delivered a strong boost to South Africa's terms of trade. The rand appreciated strongly and South Africa's bonds rallied as investors baked in lower inflation and stronger government revenue from higher commodity miner taxes. South African assets also benefitted from increasing optimism about South Africa's reform trajectory. Tangible evidence that the coalition government was accelerating reforms has seen significant improvement in energy supply, with better operational performance at Eskom's coal-fired power stations and a surge in private investment in renewable energy, while Transnet's freight business appears to have turned a corner. The Treasury also remained true to the course of fiscal consolidation, delivering primary surpluses in the last three fiscal years and lowering the official inflation target from 3-6% to 2-4%. Much remains to be done, but tangible signs of progress have buoyed business and investor sentiment and could unlock higher investment and faster growth. Even before the oil shock delivered by the war between the US and Iran, returns in 2026 were unlikely to have matched the spectacular returns seen in 2025. Nevertheless, our real return expectations continue to see relative value in South African assets, where equities are likely to deliver real returns over the next five years only slightly below long-run real returns. Property and bonds are likely to deliver good returns relative to their long-run historical returns. By contrast, global equities look expensively valued relative to history, with much lower expected real returns compared to their historic real returns. In large part, this reflects the premium paid for US equities, which have weightings to tech stocks and growth stocks which have higher valuation than other parts of the equity market. Global bonds now offer relatively attractive real returns but face the headwind of higher inflation and high government debt levels.

OVER TIME, GROWTH ASSETS TEND TO WEATHER SHOCKS TO THE GLOBAL ECONOMY DELIVERING REAL RETURNS TO INVESTORS, WHICH IS THE KEY TO MAINTAINING OR GROWING YOUR REAL WEALTH.

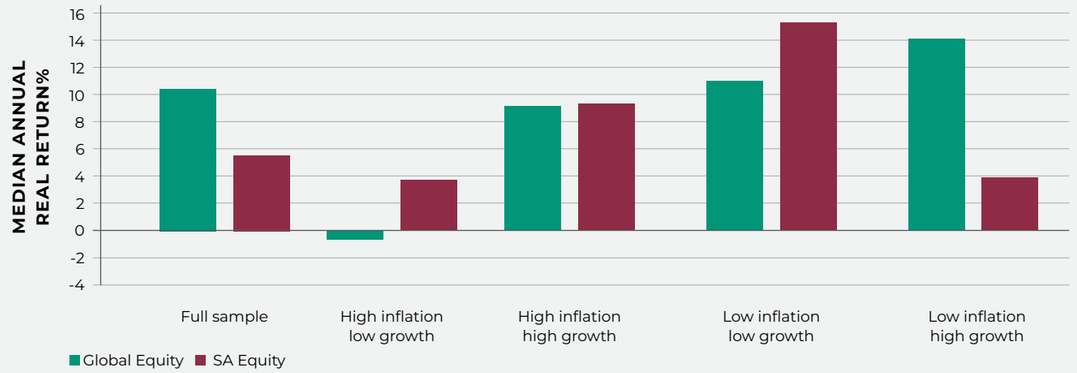
EXPECTED LONG-TERM REAL RETURNS



Source: Old Mutual Investment Group | Notes: These are annual long-term real returns expected over the next five years as of April 2026. * The global return expectations are in US dollar terms. Any rand appreciation/depreciation will detract from / add to returns from global assets in rand terms. ** Since 1980.

Oil is a vital cog in the global economy, and there is a long history of oil shocks leading to stagflationary environments – periods of higher inflation and weaker growth. The IMF's rule of thumb is that a sustained 10% increase in the price of crude oil leads to a 0.4 percentage point increase in global inflation and about a 0.2 percentage point decrease in global growth. Looking back over time, we can examine the impact of stagflationary periods on asset price returns. Using the US as a proxy for global conditions, we classify stagflationary periods as years in which US inflation was above its seven-year average and US real GDP growth was below its seven-year average. The chart below shows the annual real US dollar return for asset classes given the growth and inflation regime. During periods of stagflation (high inflation and low growth), median annual returns from global equities just about keep pace with US inflation, failing to deliver the real returns experienced during non-stagflationary regimes. Median annual South African equity returns (USD real returns) are also lower during periods of stagflation but remain positive. South African equities have a higher weight to mining companies, which are often beneficiaries of the higher commodity prices driving higher global inflation and so can benefit during periods of stagflation. The lesson from the longer-term history of global real returns is that maintaining a reasonable allocation to growth assets is important but selection of equities likely to benefit from higher inflation is equally important. Over time, growth assets tend to weather shocks to the global economy delivering real returns to investors, which is the key to maintaining or growing your real wealth.

REAL RETURNS AND THE INFLATION AND GROWTH REGIME



Source: Old Mutual Investment Group | Note: Returns are median annual real US Dollar returns during different inflation and growth regimes. Nominal returns are converted to US Dollars and deflated by US CPI index.

LONG-TERM ANNUAL NOMINAL RETURNS IN RANDS

	50 Years	40 Years	30 Years	25 Years	20 Years	15 Years	10 Years	5 Years
HIGHER RETURN	Global Equity (ZAR) **17.5%**	Global Equity (ZAR) **15.0%**	Global Equity (ZAR) **14.2%**	Gold (ZAR) **15.3%**	Gold (ZAR) **16.8%**	Global Equity (ZAR) **18.2%**	Gold (ZAR) **16.0%**	Gold (ZAR) **21.2%**
	SA Equity **17.5%**	SA Equity **15.0%**	Gold (ZAR) **14.0%**	SA Property **14.5%**	Global Equity (ZAR) **14.5%**	Gold (ZAR) **14.7%**	Global Equity (ZAR) **13.5%**	SA Property **20.6%**
	Gold (ZAR) **13.6%**	SA Bonds **13.3%**	SA Equity **13.1%**	SA Equity **14.1%**	SA Equity **12.5%**	SA Equity **11.6%**	SA Bonds **11.5%**	SA Equity **18.3%**
	Global Bonds (ZAR) **12.4%**	Gold (ZAR) **11.8%**	SA Property **12.8%**	Global Equity (ZAR) **11.2%**	SA Property **11.1%**	SA Bonds **9.7%**	SA Equity **10.9%**	Global Equity (ZAR) **15.4%**
	SA Bonds **12.3%**	SA Property **11.6%**	SA Bonds **11.6%**	SA Bonds **10.5%**	SA Bonds **9.2%**	SA Property **8.9%**	SA Cash **6.8%**	SA Bonds **12.5%**
	SA Cash **10.9%**	SA Cash **10.3%**	SA Cash **8.9%**	SA Cash **7.6%**	Global Bonds (ZAR) **7.1%**	Global Bonds (ZAR) **6.7%**	SA Property **5.1%**	SA Cash **6.6%**
	SA CPI **8.3%**	Global Bonds (ZAR) **9.9%**	Global Bonds (ZAR) **8.4%**	Global Bonds (ZAR) **6.3%**	SA Cash **7.1%**	SA Cash **6.4%**	SA CPI **4.8%**	SA CPI **5.0%**
LOWEST RETURN			SA CPI **5.6%**	SA CPI **5.4%**	SA CPI **5.5%**	SA CPI **5.0%**	Global Bonds (ZAR) **1.0%**	Global Bonds (ZAR) **-1.4%**
RANGE BETWEEN HIGHEST AND LOWEST RETURN (INCL. CPI)	**9.2%**	**7.7%**	**8.6%**	**9.9%**	**11.3%**	**13.2%**	**15.0%**	**22.5%**

Investment Group, Factset

ANNUAL NOMINAL RETURNS OVER THE PAST 10 YEARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SA Bonds **15.4%**	SA Equity **21.0%**	Global Bonds (ZAR) **15.4%**	Global Equity (ZAR) **24.8%**	Gold (ZAR) **30.9%**	SA Property **36.9%**	SA CPI **7.2%**	Global Equity (ZAR) **33.7%**	Gold (ZAR) **29.5%**	Gold (ZAR) **47.0%**
SA Property **10.2%**	SA Property **17.2%**	Gold (ZAR) **15.1%**	Gold (ZAR) **15.1%**	Global Equity (ZAR) **22.4%**	Global Equity (ZAR) **32.9%**	Gold (ZAR) **7.1%**	Gold (ZAR) **23.2%**	SA Property **29.0%**	SA Equity **42.6%**
SA Cash **7.4%**	Global Equity (ZAR) **11.4%**	SA Bonds **7.7%**	SA Bonds **10.3%**	Global Bonds (ZAR) **15.2%**	SA Equity **27.1%**	SA Cash **5.2%**	Global Bonds (ZAR) **11.9%**	Global Equity (ZAR) **23.0%**	SA Property **30.5%**
SA CPI **6.8%**	SA Bonds **10.2%**	SA Cash **7.3%**	SA Cash **7.3%**	SA Bonds **8.7%**	SA Bonds **8.4%**	SA Equity **4.4%**	SA Property **10.1%**	SA Bonds **17.2%**	SA Bonds **24.2%**
SA Equity **2.6%**	SA Cash **7.5%**	Global Equity (ZAR) **6.7%**	SA Equity **6.8%**	SA Cash **5.4%**	SA CPI **5.9%**	SA Bonds **4.2%**	SA Bonds **9.7%**	SA Equity **13.4%**	SA Cash **7.5%**
Global Equity (ZAR) **-4.6%**	SA CPI **4.8%**	SA CPI **4.5%**	SA CPI **4.0%**	SA CPI **3.0%**	Gold (ZAR) **3.9%**	SA Property **0.5%**	SA Cash **8.0%**	SA Cash **8.5%**	Global Equity (ZAR) **6.8%**
Gold (ZAR) **-4.6%**	Gold (ZAR) **2.0%**	SA Equity **-8.5%**	Global Bonds (ZAR) **3.1%**	SA Equity **0.6%**	SA Cash **3.8%**	Global Bonds (ZAR) **-11.8%**	SA Equity **7.9%**	SA CPI **3.0%**	SA CPI **3.6%**
Global Bonds (ZAR) **-10.4%**	Global Bonds (ZAR) **-3.3%**	SA Property **-25.3%**	SA Property **1.9%**	SA Property **-34.5%**	Global Bonds (ZAR) **1.6%**	Global Equity (ZAR) **-12.3%**	SA CPI **5.2%**	Global Bonds (ZAR) **-0.6%**	Global Bonds (ZAR) **-6.4%**
25.8%	**24.2%**	**40.7%**	**22.9%**	**65.4%**	**35.3%**	**19.5%**	**28.5%**	**30.1%**	**53.4%**

ASSET CLASS RETURNS

	ANNUAL REAL RETURNS					LONG-TERM REAL RETURNS				
	2025	2024	2023	2022	2021	Last 5 yrs	Last 10 yrs	Last 20 yrs	Last 50 yrs	Last 90 yrs
SA Equity	37.7%	10.1%	2.5%	-2.6%	20.0%	12.7%	5.9%	6.7%	8.5%	6.8%
SA Property	26.0%	25.2%	4.7%	-6.3%	29.3%	14.9%	0.3%	5.4%	-	-
SA Bonds	19.9%	13.8%	4.2%	-2.8%	2.4%	7.2%	6.4%	3.6%	3.6%	1.5%
SA Cash	3.8%	5.4%	2.7%	-1.9%	-2.0%	1.6%	1.9%	1.5%	2.3%	0.7%
Global Equity (ZAR)	3.1%	19.4%	27.1%	-18.2%	25.5%	9.9%	8.3%	8.5%	8.5%	7.9%
Global Bonds (ZAR)	-9.7%	-3.5%	6.4%	-17.8%	-4.1%	-6.1%	-3.6%	1.5%	3.8%	2.6%

	ANNUAL NOMINAL RETURNS					LONG-TERM NOMINAL RETURNS				
	2025	2024	2023	2022	2021	Last 5 yrs	Last 10 yrs	Last 20 yrs	Last 50 yrs	Last 90 yrs
SA Equity	42.6%	13.4%	7.9%	4.4%	27.1%	18.3%	10.9%	12.5%	17.5%	13.8%
SA Property	30.5%	29.0%	10.1%	0.5%	36.9%	20.6%	5.1%	11.1%	-	-
SA Bonds	24.2%	17.2%	9.7%	4.2%	8.4%	12.5%	11.5%	9.2%	12.3%	8.0%
SA Cash	7.5%	8.5%	8.0%	5.2%	3.8%	6.6%	6.8%	7.1%	10.9%	7.2%
Global Equity (ZAR)	6.8%	23.0%	33.7%	-12.3%	32.9%	15.4%	13.5%	14.5%	17.5%	14.9%
Global Bonds (ZAR)	-6.4%	-0.6%	11.9%	-11.8%	1.6%	-1.4%	1.0%	7.1%	12.4%	9.2%

	REAL RETURNS BY DECADE								
	2010-2020	2000-2010	1990-2000	1980-1990	1970-1980	1960-1970	1950-1960	1940-1950	1930-1940
SA Equity	3.2%	11.3%	5.9%	5.0%	12.5%	9.3%	0.3%	7.9%	10.1%
SA Property	-1.5%	16.7%	-1.9%	-3.3%	-	-	-	-	-
SA Bonds	3.0%	5.5%	8.5%	-0.8%	-3.9%	0.3%	-1.0%	-1.4%	6.1%
SA Cash	1.2%	3.3%	6.0%	1.9%	-2.1%	1.8%	-0.7%	-4.5%	0.9%
Global Equity (ZAR)	13.9%	-4.2%	15.5%	13.8%	-0.3%	11.4%	13.1%	5.4%	3.6%
Global Bonds (ZAR)	5.6%	-0.1%	9.7%	11.8%	-3.9%	7.8%	-0.7%	-2.5%	4.3%
Gold (ZAR)	6.2%	9.8%	-0.8%	-5.1%	19.2%	4.9%	-3.0%	1.3%	5.2%

	NOMINAL RETURNS BY DECADE								
	2010-2020	2000-2010	1990-2000	1980-1990	1970-1980	1960-1970	1950-1960	1940-1950	1930-1940
SA Equity	8.4%	17.8%	14.9%	20.1%	24.5%	12.5%	3.6%	12.9%	10.0%
SA Property	3.5%	23.5%	6.5%	10.6%	-	-	-	-	-
SA Bonds	8.2%	11.7%	17.8%	13.4%	6.4%	3.3%	2.2%	3.2%	6.0%
SA Cash	6.4%	9.4%	15.1%	16.4%	8.4%	4.7%	2.5%	0.0%	0.7%
Global Equity (ZAR)	19.7%	1.4%	25.3%	30.0%	10.3%	14.7%	16.8%	10.4%	3.4%
Global Bonds (ZAR)	11.0%	5.7%	19.1%	27.8%	6.4%	11.0%	2.5%	2.1%	4.2%
Gold (ZAR)	11.5%	16.2%	7.7%	8.5%	31.9%	8.0%	0.2%	6.0%	5.1%

Source: Old Mutual Investment Group, Factset
All returns are annualised for periods longer than one year.

REGULATORY INFORMATION

Sources: Except where an alternative source is referenced on a specific graph, all graphs have been produced by Old Mutual Investment Group, acknowledging the following sources of external data: FactSet, I-Net Bridge, Colin Firer, Bloomberg, BNP Paribas Cadiz Securities, Bank of America Merrill Lynch, UBS, JP Morgan, Citigroup, Barclays and Deutsche Securities. Old Mutual Investment Group (Pty) Ltd (Reg No 1993/003023/07) (FSP 604) and Old Mutual Customised Solutions (Pty) Ltd (Reg No 2000/028675/07) (FSP721), jointly referred to as the Investment Manager, are licensed financial services providers, approved by the Financial Sector Conduct Authority (www.fsca.co.za) to provide advisory and/or intermediary services in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. The above entities are wholly owned subsidiaries of Old Mutual Investments (Pty) Ltd.

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