PortfolioMetrix Portfolio Update

South African Solution Rebalance

Based on our regular review of the strategic asset allocation for our rand-based multi-asset portfolios, we have decided to implement a set of small, incremental adjustments. They apply across **both our Regulation 28 and our Discretionary portfolio ranges**, and every portfolio maintains its existing risk profile.

Why strategic asset allocation matters

"He who lives by the crystal ball will eat shattered glass." Ray Dalio

We do not believe anyone can predict markets consistently. So, we don't try. We manage risk in uncertain markets with a sound strategic asset allocation: the long-term mix of asset classes that drives most of how a portfolio behaves over time. Reviewing and maintaining that mix, carefully and regularly, is a core part of the value we add for you and your clients.

What is changing

SA bonds have re-rated strongly over the past two and a half years, with 2025 delivering their strongest calendar-year return since 2001[1]. We are gently easing back the small increase we made in 2025 and moving that into SA cash and income, where current yields are rewarding for the level of risk taken.

Global bonds are a good example of how we manage risk. In sharp market selloffs, South African assets tend to fall further than global markets. Global bonds have historically helped soften that impact and smooth the journey for investors. With global yields currently higher, this is a sensible time to add a little more.

Asset class	Change	Why
SA bonds	▼ Small reduction	Locking in part of a strong run, not a negative view
SA cash and income	▲ Small increase	Attractive yields relative to risk
SA equity	▼ Small reduction	Funds move to global equity
Global equity	▲ Small increase	Broader diversification
Global bonds	▲ Small increase	A cushion when markets are stressed

Regulation 28 and Discretionary portfolios

The changes move in the same direction in both ranges. Regulation 28 portfolios implement them within their regulatory limits. Discretionary portfolios have more flexibility, so the size of individual adjustments may differ slightly.

[1] Source: FTSE/JSE All Bond Index (ALBI), calendar-year total returns in ZAR, 2001 to 2025. Bloomberg, PortfolioMetrix, as at 31 December 2025. The ALBI returned 24.2% in 2025, the highest calendar-year return over the period (previous high: 18.1% in 2003), and 17.2% in 2024. The combined two-year return for 2024 and 2025 of 45.6% is the highest for any consecutive two-year period in the series. Past performance is not indicative of future returns.

Timing and Platform Processing

The rebalance is expected to be processed across platforms between 09 November 2026 and 13 November 2026. Please note that while the rebalance is being processed (which typically takes 1 to 2 days for each platform):

- Withdrawal requests will not be processed; and
- Change mandates can be instructed in WealthExplorer™ but, depending on the timing of the instruction, may only be processed by the platform on completion of the rebalance.

For clients invested via our Multi-Asset CIS portfolios, these asset allocation changes have already been implemented within the underlying portfolios.

This is business as usual: steady maintenance that keeps portfolios diversified for the volatility we expect markets will continue to present. It reflects our focus on compounding consistency for investors and **helping you and your clients focus on the conversations that matter**.

Talking points for your clients

1. **Nothing dramatic has changed.** These are small, routine adjustments. Your portfolio's risk profile is the same.
2. **No crystal ball.** Your portfolio is not built on predictions. It is built on a long-term mix of assets designed to handle uncertainty.
3. **Risk is actively managed.** Adding a little more to global bonds and local cash helps cushion the portfolio when markets become volatile.

Thank you for your continued partnership and trust. A reminder to join our I**nvestment Insights webinar on the 22nd of October** for more on our approach to risk and asset allocation. Click here to register.

Should you require any further information, please contact the Partner Relations team at **support@portfoliometrix.co.za.**

The information given here is for information purposes only and is not intended to constitute financial, legal, tax, investment or other professional advice. It should not be relied upon as such and PortfolioMetrix cannot accept any liability for loss for doing so.

If you are a retail investor, your financial adviser can help explain the information provided. Any forecasts expected future returns or expected future volatilities are not guaranteed and should not be relied upon.

The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance is not a reliable indicator of future performance.

Portfolio holdings and asset allocation can change at any time without notice.

PortfolioMetrix Asset Management SA (Pty) Ltd is an authorised Financial Services Provider in South Africa, regulated under the Financial Advisory and Intermediary Services Act 37 of 2002 (FSP No: 42383). It is a limited liability company registered in South Africa under company number 2006/026054/07.