

Market Myths & Snake Oil

Quarterly Insights

October 2026

PORTFOLIOMETRIX

Key take aways

“60/40 is Dead”
Bonds continue to diversify, and are **paying you to wait again**

"Markets have never been this concentrated."
It describes the index but doesn't predict risk. **Stepping away is a riskier bet.**

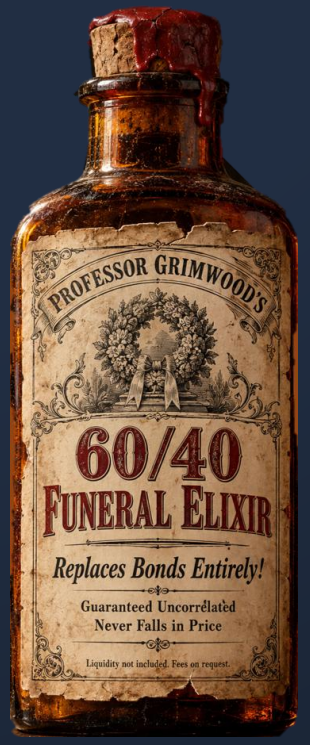
"Diversification doesn't work anymore."
Recently unrewarded. Not broken. **We are in a season.**

PMX Global Range (formerly “GPS”)
Risk-profiled multi-asset solution for global investing.
A chassis built **for markets nobody can forecast.**
A **single process**, but two implementation options.

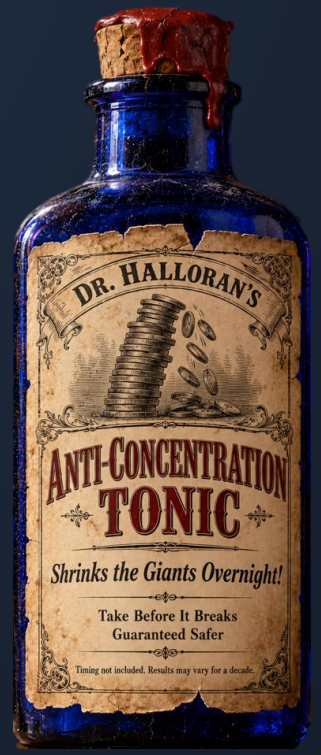
PMX **We manage the risk with a repeatable process**

Market Myths and Snake Oil

"The 60/40 is dead."



"Markets have never been this concentrated."



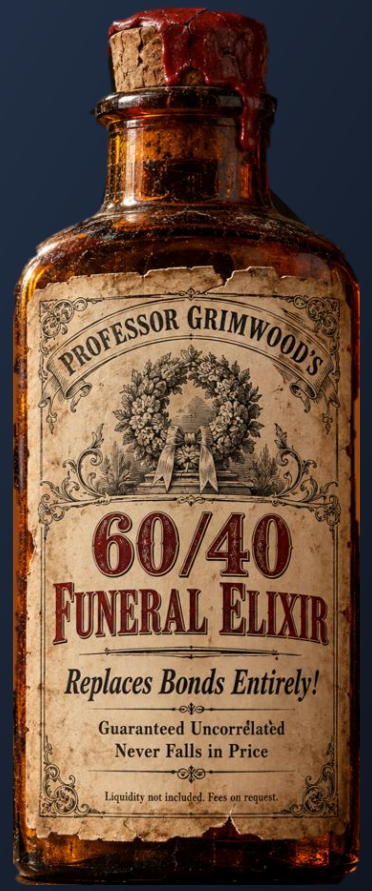
"Diversification doesn't work anymore."



PMX

Every myth starts with a true observation, but <u>the snake oil is in the conclusion.</u>

Myth 1
Steelman Argument



"The 60/40 is dead."

Bonds no longer diversify, because shares and bonds now fall together.

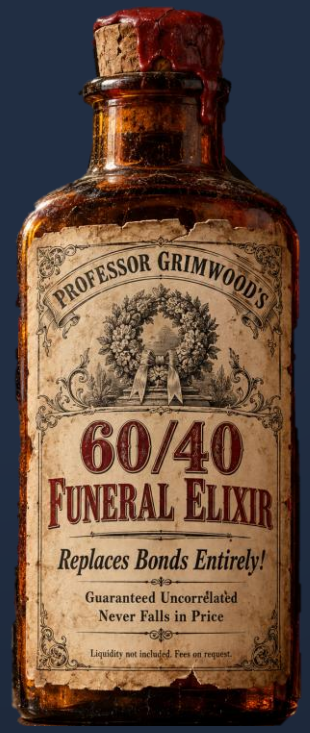
They fell together in 2022 and again in 2026. Rising government debt, policy volatility and inflation are keeping long-term yields high.

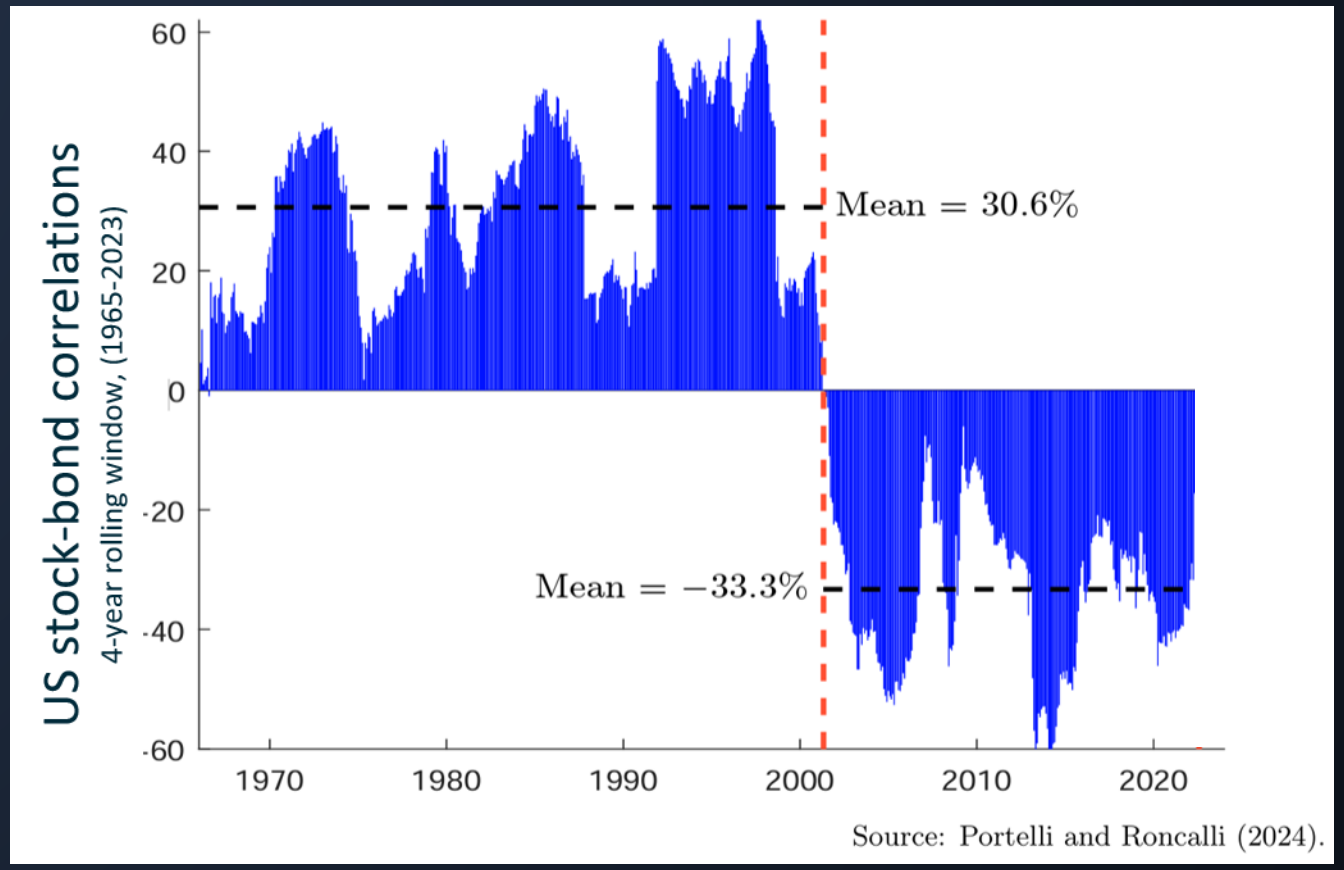
That diversification ever needed them to move in opposite directions.

Private credit, alternatives, structured products.

Since when were correlations always negative?

Bonds no longer diversify, because shares and bonds now fall together.



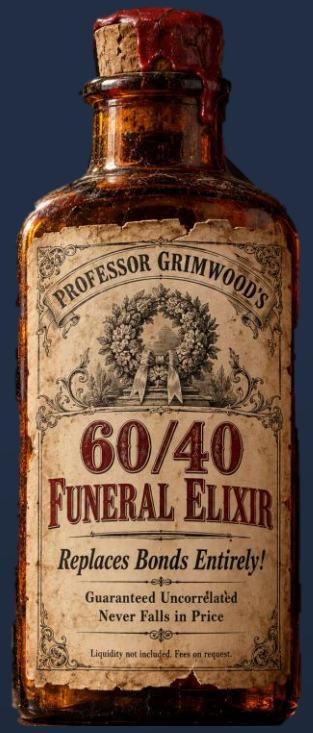


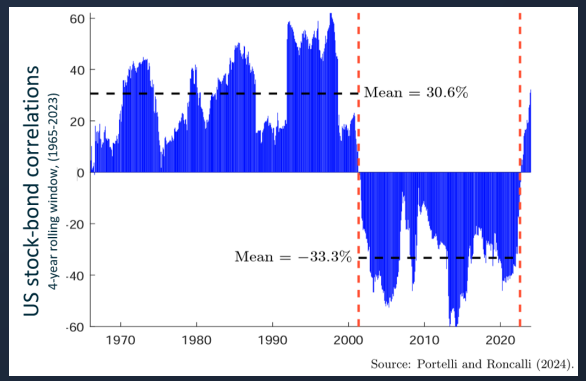
Any correlation below 1 diversifies. Diversification never required negative correlations.

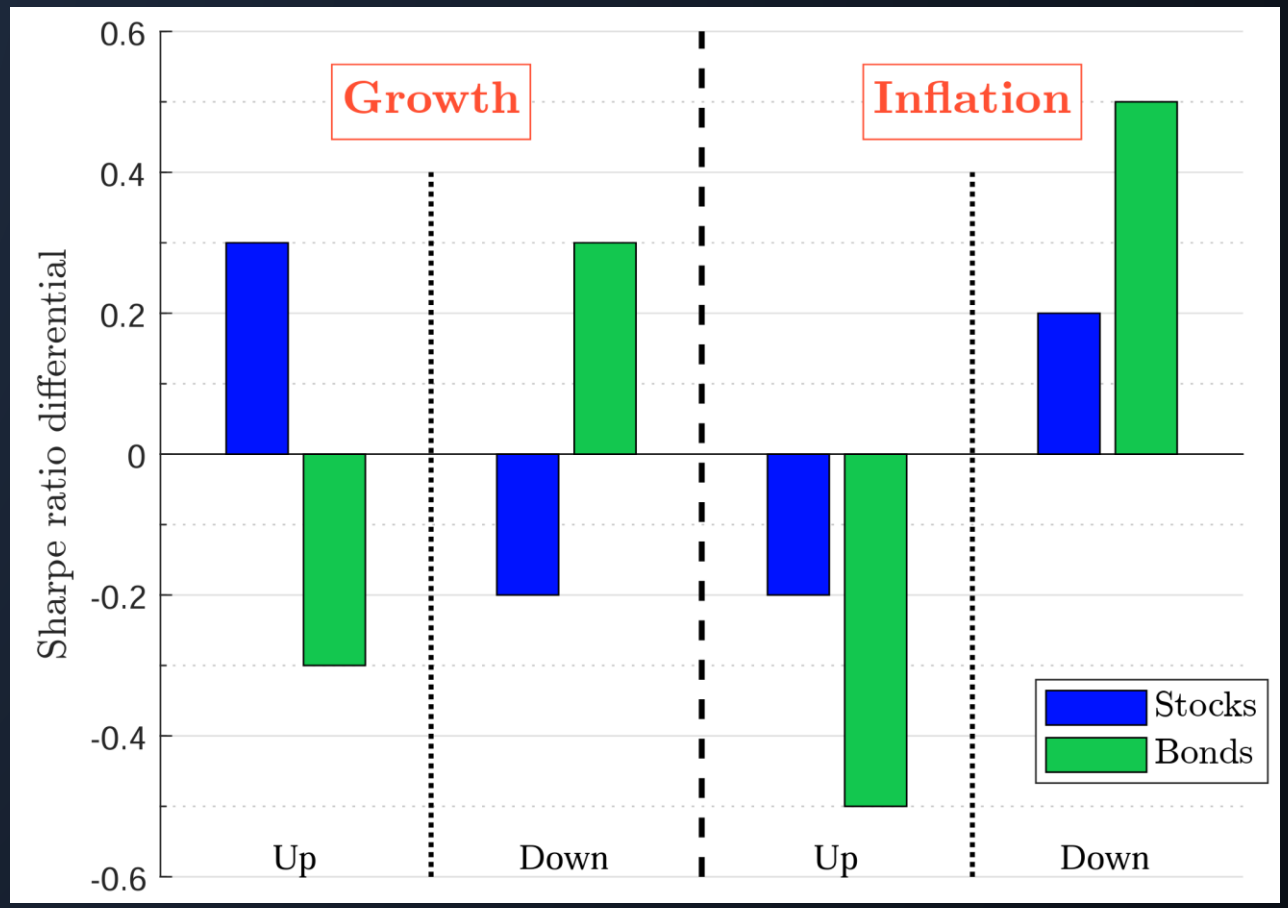
Amundi Investment Institute "Rethinking the Stock-Bond Correlation", March 2025

The shock decides the correlation, not the era

Bonds no longer diversify, because shares and bonds now fall together.



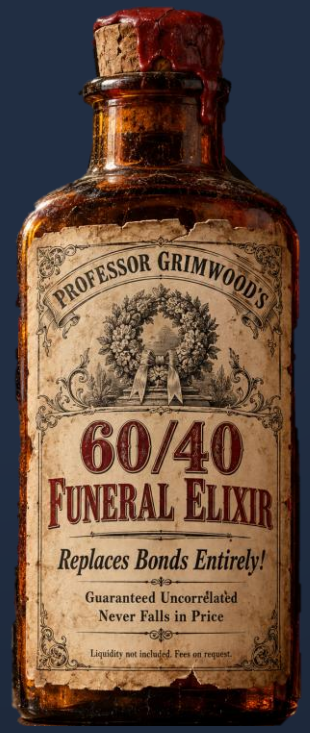


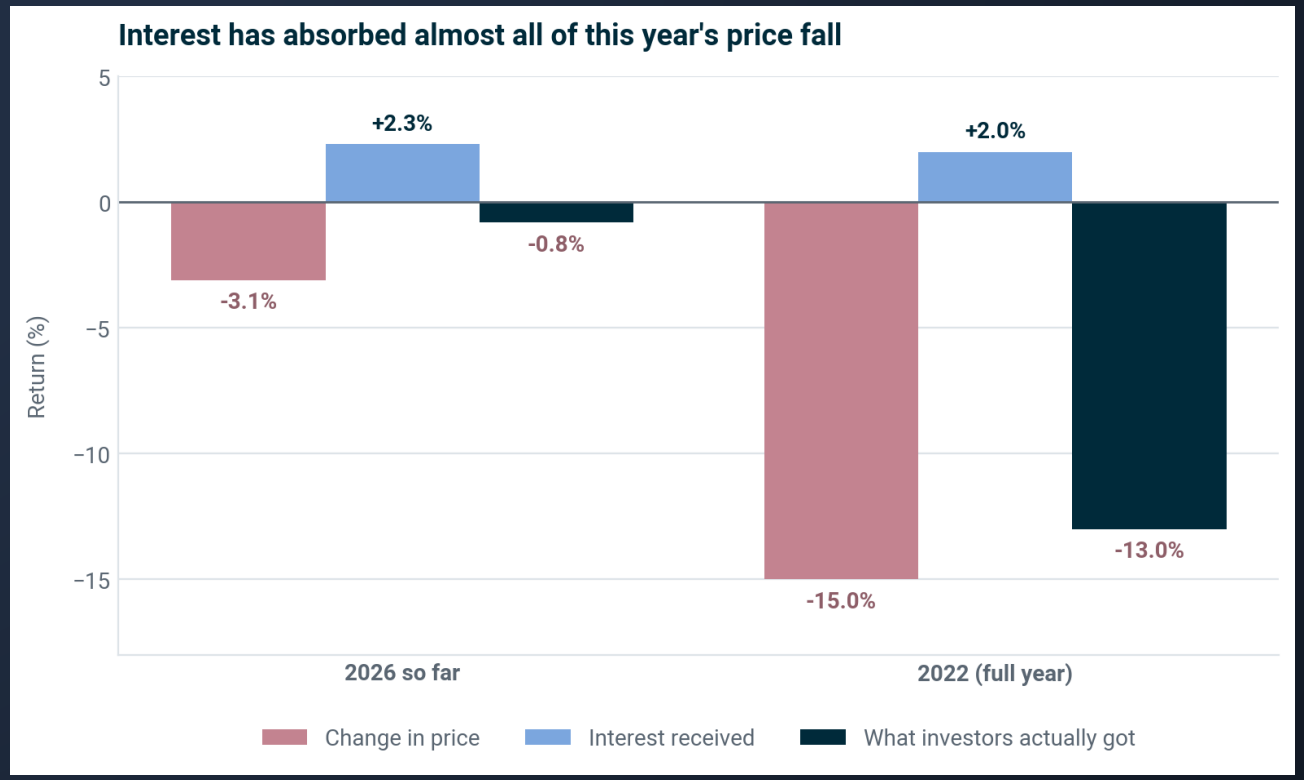


Any correlation below 1 diversifies. Diversification never required negative corr.

Source: Brixton et al. (2023, Exhibit 3, page 5), Amundi Investment Institute "Rethinking the Stock-Bond Correlation", March 2025.
Historical relationships shown for illustrative purposes.

Same shock, different starting point

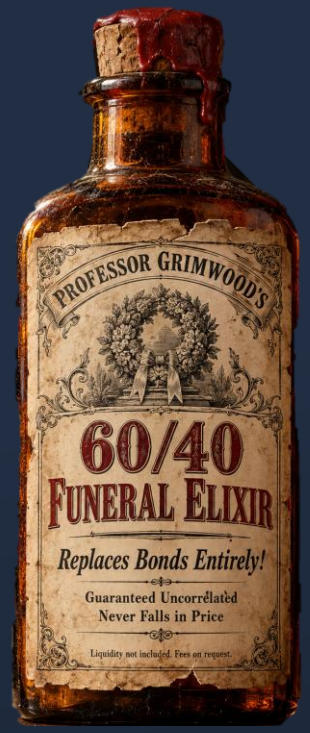


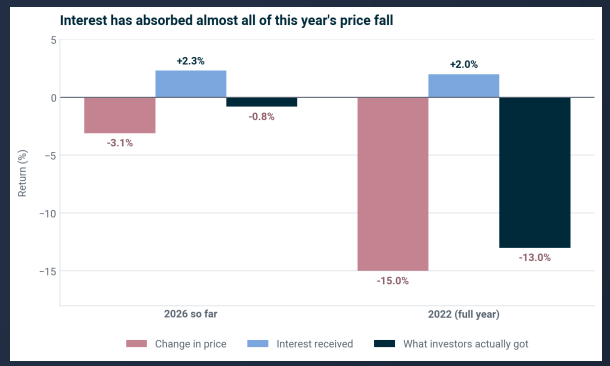


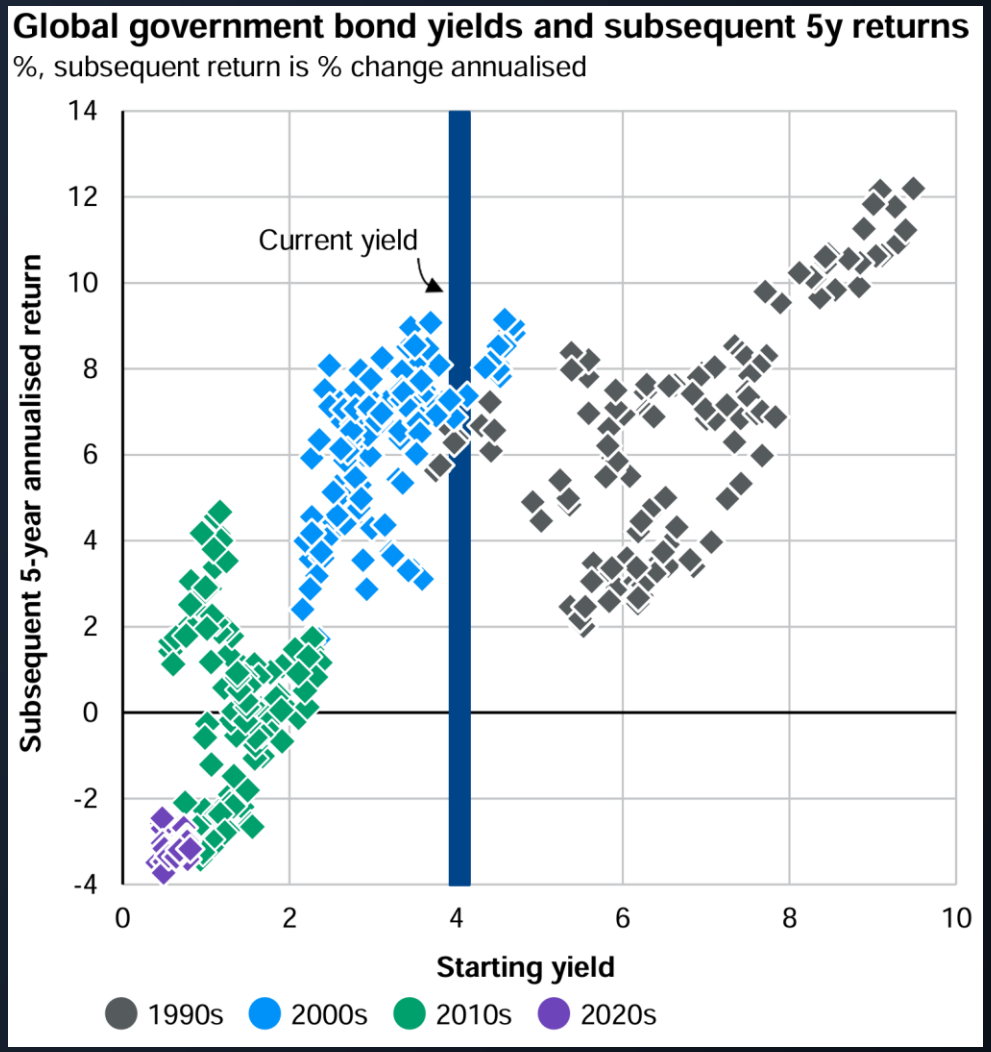
Entry yield serves as your buffer

US bond market (Bloomberg US Agg.), price change against what investors actually received. All figures in US dollars to the end of August 2026.
JP Morgan GTM 2026Q4, Bloomberg Global Aggregate Index in USD. Past performance is not a reliable indicator of future results.

Same shock, different starting point



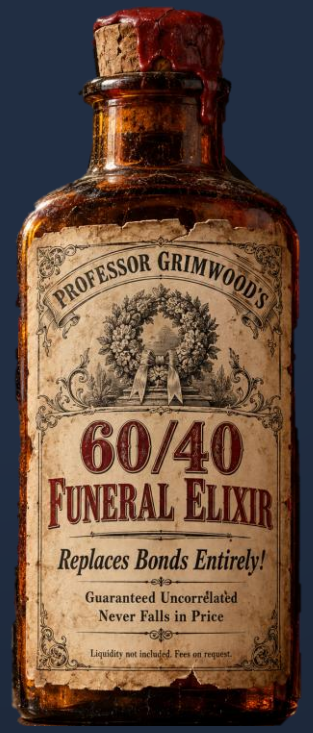


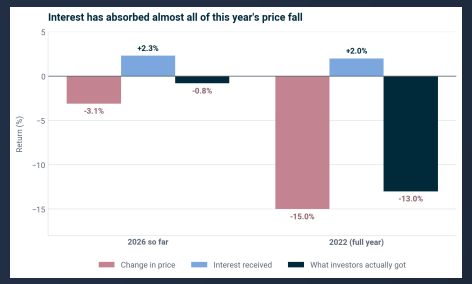


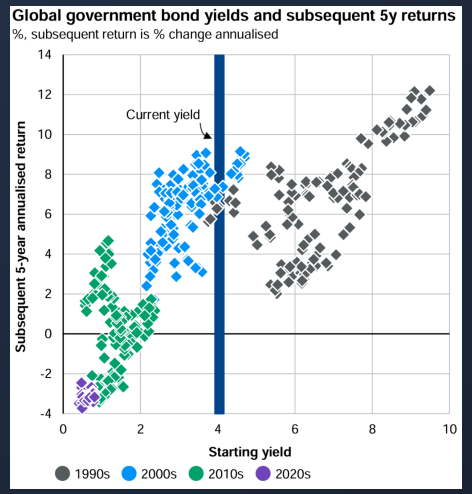
Bonds haven't stopped working.
They're paying you more to wait than at almost any point in twenty years

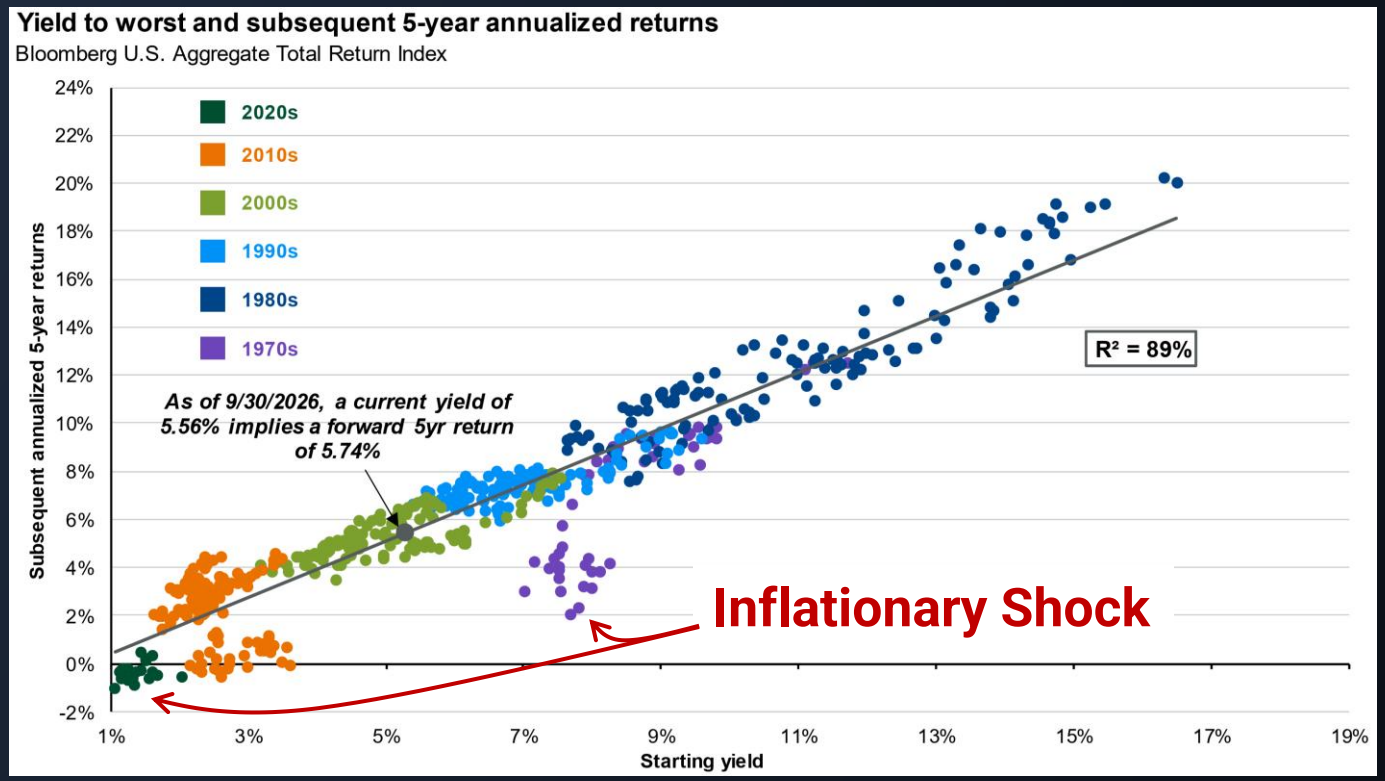
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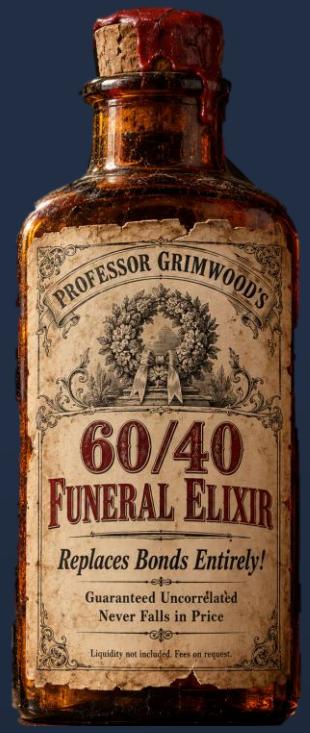




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"Bonds" is several markets, not one



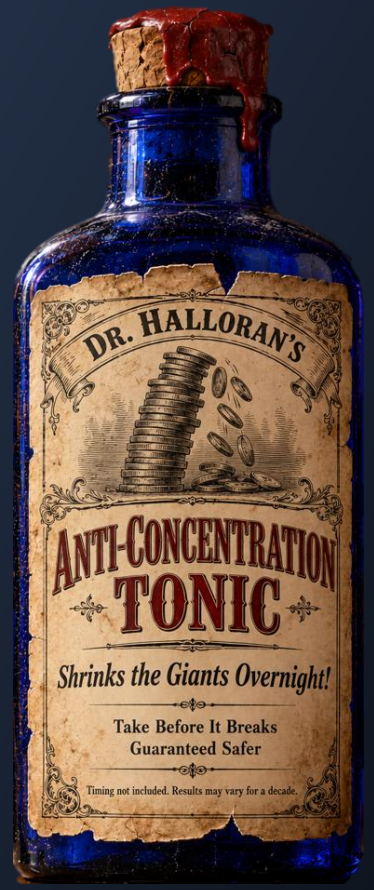
	2018	2019	2020	2021	2022	2023	2024	2025	3Q '26	YTD	10-year ann. return
EUR	5,9% US Treas. 0,9%	17,2% EM Debt 15,0%	5,0% Euro Gov 5,0%	6,5% USD IG -1,0%	-0,0% USD HY -11,2%	11,8% Euro HY 11,8%	13,7% EM Debt 6,5%	5,2% Euro HY 5,2%	-1,8% Euro HY -1,8%	3,1% EM Debt -0,7%	7,4% USD HY 6,4%
Local	3,8% USD HY -2,3%	16,6% USD IG 14,5%	3,1% Infl Linked 3,1%	6,4% Infl Linked 6,4%	-6,7% US Treas. -12,5%	8,2% Euro IG 8,2%	10,2% USD HY 8,2%	3,0% Euro IG 3,0%	-1,9% USD HY -1,8%	1,3% USD HY 0,0%	4,0% Euro HY 4,0%
	2,4% USD IG -2,5%	10,9% Euro HY 10,9%	2,8% USD HY 6,1%	6,3% USD HY 5,3%	-9,7% Infl Linked -9,7%	7,3% EM Debt 11,1%	8,9% USD IG 2,1%	1,0% USD HY 8,5%	-2,4% US Treas. -3,0%	0,5% US Treas. -2,8%	3,6% EM Debt 4,4%
	1,4% Portfolio -1,4%	10,6% Portfolio 10,1%	2,8% Euro IG 2,8%	5,7% EM Debt -1,8%	-10,2% USD IG -15,8%	7,1% Euro Gov 7,1%	7,8% Euro HY 7,8%	0,8% Infl Linked 0,8%	-2,5% Euro IG -2,5%	0,2% USD IG -3,1%	2,5% USD IG 3,3%
	1,0% Euro Gov 1,0%	10,0% USD HY 14,4%	2,2% Euro HY 2,2%	5,1% US Treas. -2,3%	-11,0% Portfolio -14,6%	7,1% USD HY 13,5%	7,3% US Treas. 0,6%	0,8% EM Debt 14,3%	-2,8% EM Debt -3,9%	0,0% Euro HY 0,0%	2,4% Portfolio 2,6%
	0,6% EM Debt -4,3%	8,8% US Treas. 6,9%	1,4% Portfolio 5,8%	3,4% Euro HY 3,4%	-11,3% Euro HY -11,3%	6,0% Portfolio 8,3%	6,7% Portfolio 3,5%	0,6% Euro Gov 0,6%	-3,1% Portfolio -3,4%	-0,1% Portfolio -1,8%	1,6% Infl Linked 1,6%
	-1,3% Euro IG -1,3%	6,8% Euro Gov 6,8%	0,8% USD IG 9,9%	3,2% Portfolio -0,2%	-12,4% EM Debt -17,8%	5,9% Infl Linked 5,9%	4,7% Euro IG 4,7%	-0,7% Portfolio 5,9%	-3,3% USD IG -3,9%	-0,5% Infl Linked -0,5%	1,4% Euro IG 1,4%
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	-4,0% Euro HY -4,0%	6,2% Euro IG 6,2%	-3,4% EM Debt 5,3%	-3,5% Euro Gov -3,5%	-18,5% Euro Gov -18,5%	0,5% US Treas. 4,1%	0,1% Infl Linked 0,1%	-6,3% US Treas. 6,3%	-4,4% Euro Gov -4,4%	-3,2% Euro Gov -3,2%	0,1% Euro Gov 0,1%

Bonds haven't stopped working.
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JP Morgan GTM 2026Q4, returns in EUR, and in LCL
Shown for illustrative purposes.

Myth 2
Steelman Argument



"Markets have never been this concentrated. Get out before it breaks."

Concentration is a risk in itself, and reducing the giants makes you safer.

S&P 500's top 10 is near 40% (the 1964 peak was 39%)

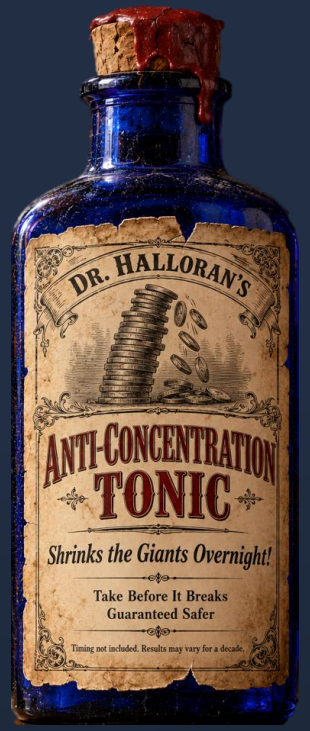
That concentration predicts risk, or that stepping away is free.

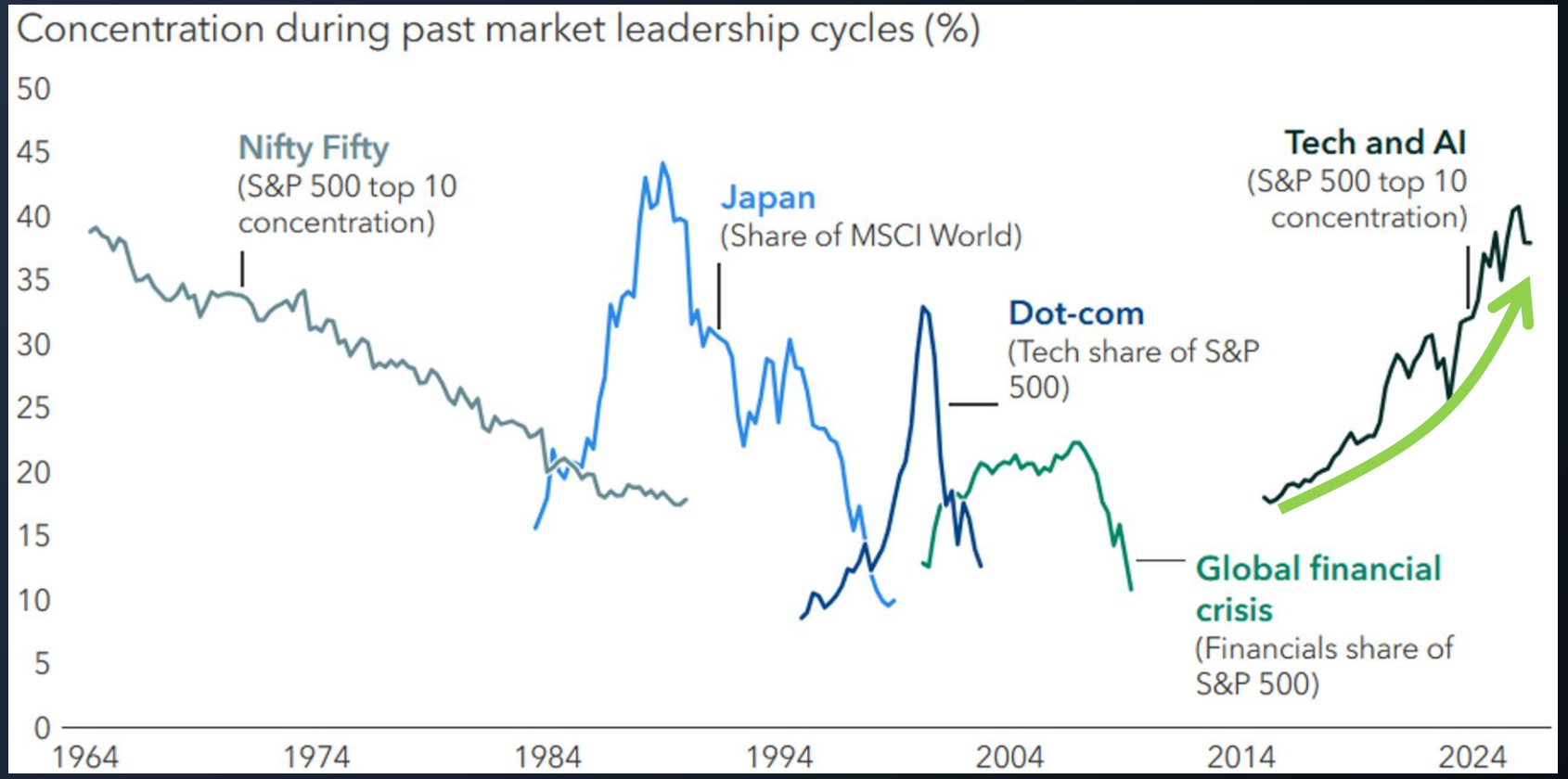
Higher-fee active funds, equal-weight, and ex-mega-cap funds, "next leaders" themes.

Source: Capital Group, *Four Charts That Expose Market Concentration Risk* (July 2026). For illustrative purposes only.

We've been here before, and the index kept compounding

Concentration is a risk in itself, and reducing the giants makes you safer.





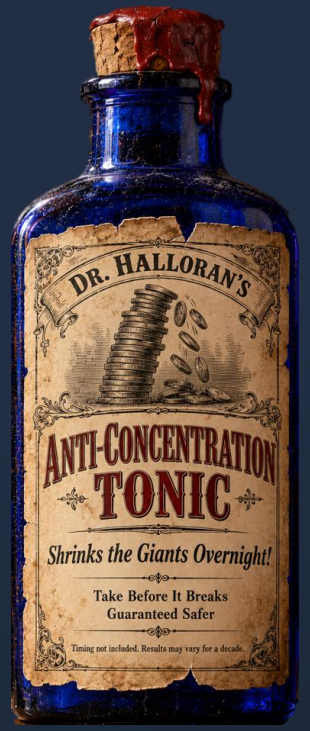
A cap-weighted index doesn't forecast the next winner. It absorbs it.

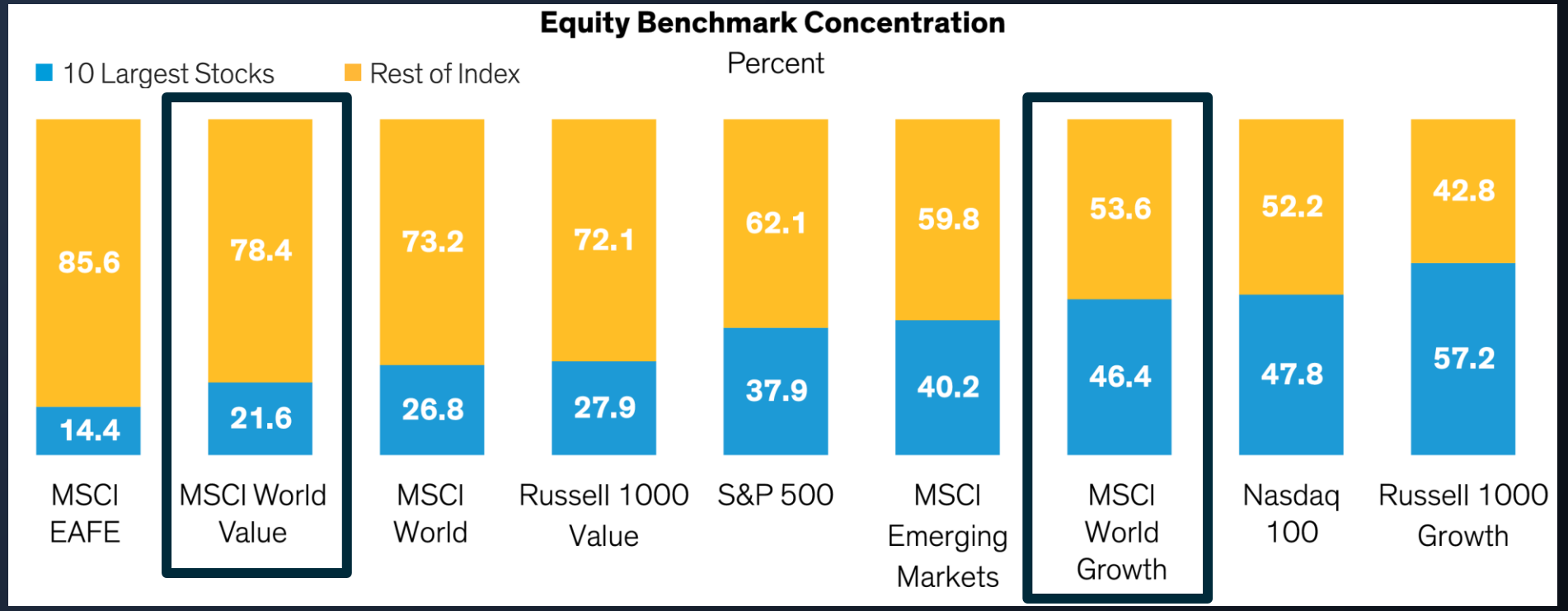
Sources: Capital Group, FactSet, MSCI, RIMES, S&P Global. Data is quarterly from March 31, 1964, to June 30, 2026. *Note: The Nifty Fifty (50 large-cap U.S. stocks) drove concentration in the late 1960s/early 1970s; data prior to 1964 is unavailable, so the full cycle is not shown. Japan is represented by the MSCI Japan Index. Definitions: Top 10 concentration = share of index market cap from the 10 largest constituents.*

PMX

We've been here before, and the index kept compounding

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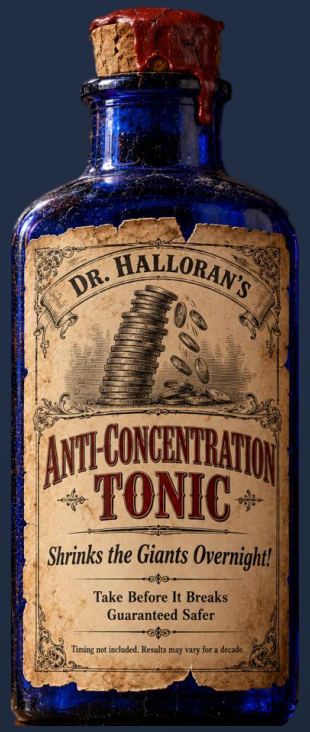


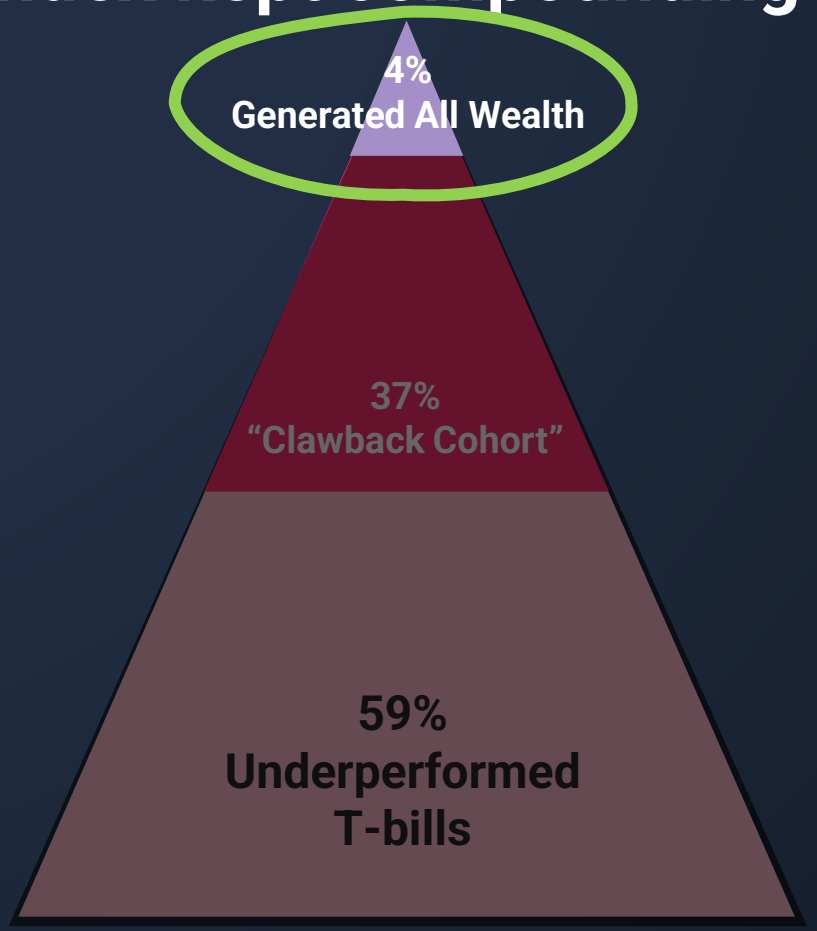
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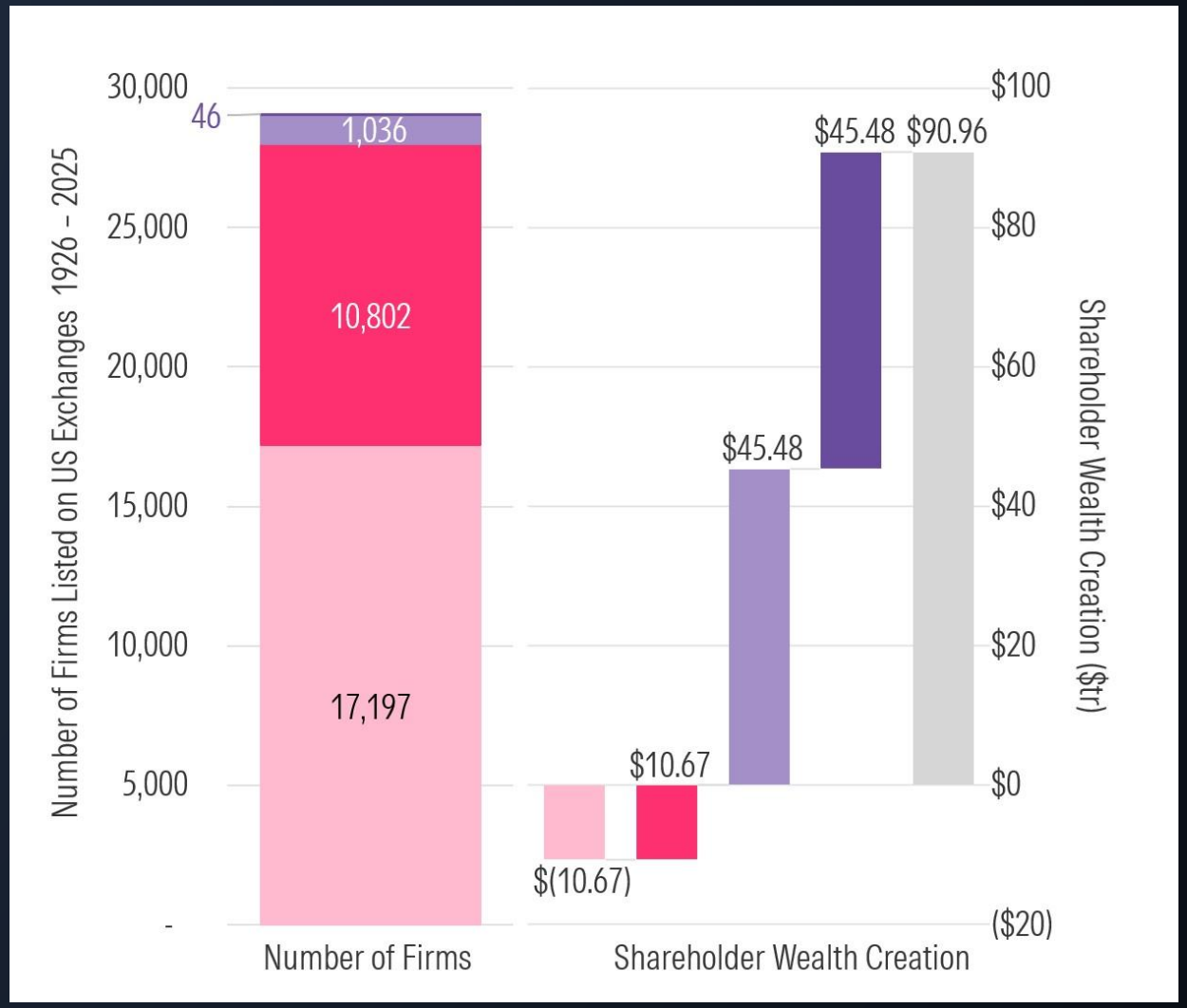
PMX

As of June 30, 2026
Source: FTSE Russell, MSCI, Nasdaq, S&P and AB

We've been here before, and the index kept compounding



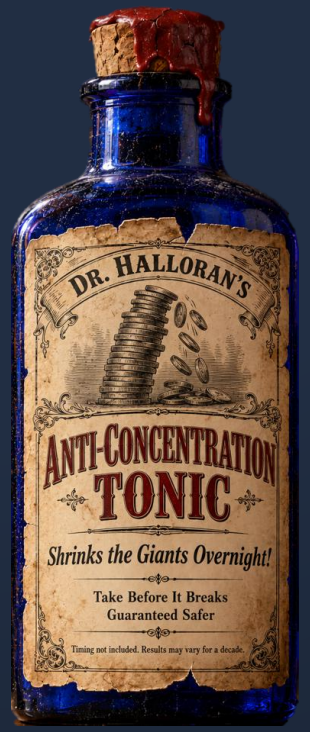


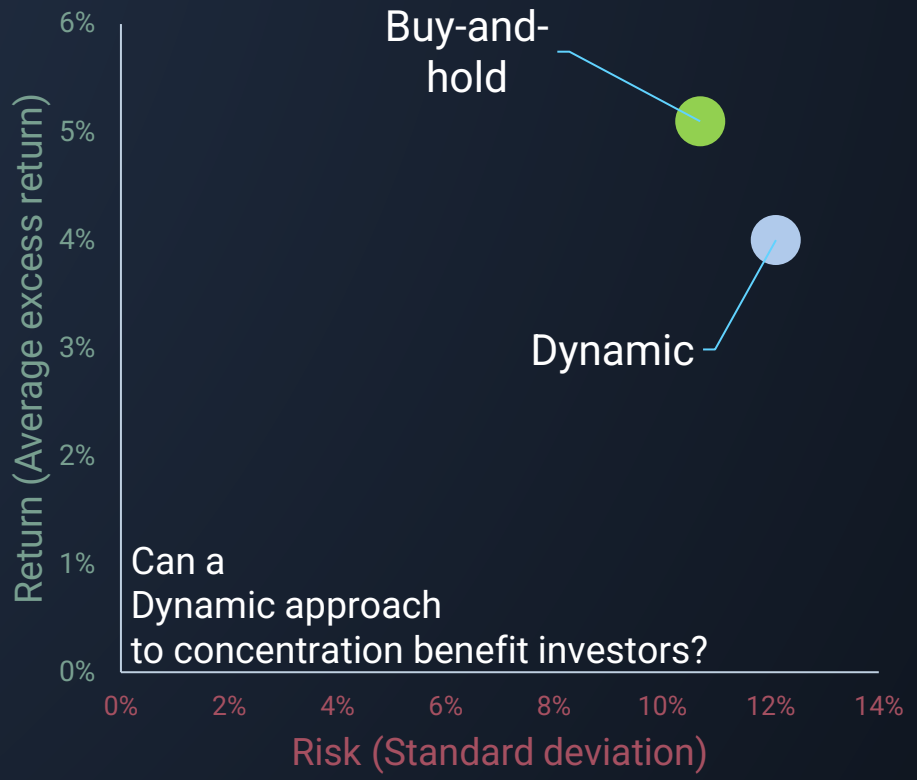


A handful of giants are responsible for all US stock wealth creation

Time Period: 1926-2025. Source: Analysis by Hendrik Bessembinder, Francis J. and Mary B. Labriola Endowed Chair in Competitive Business and Professor, Arizona State University, Department of Finance.

Concentration describes the index
It doesn't predict the risk



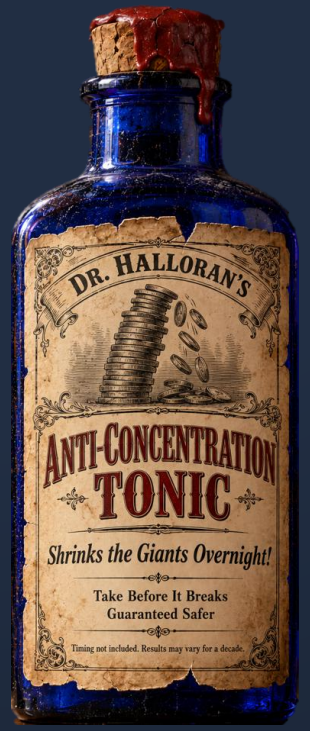


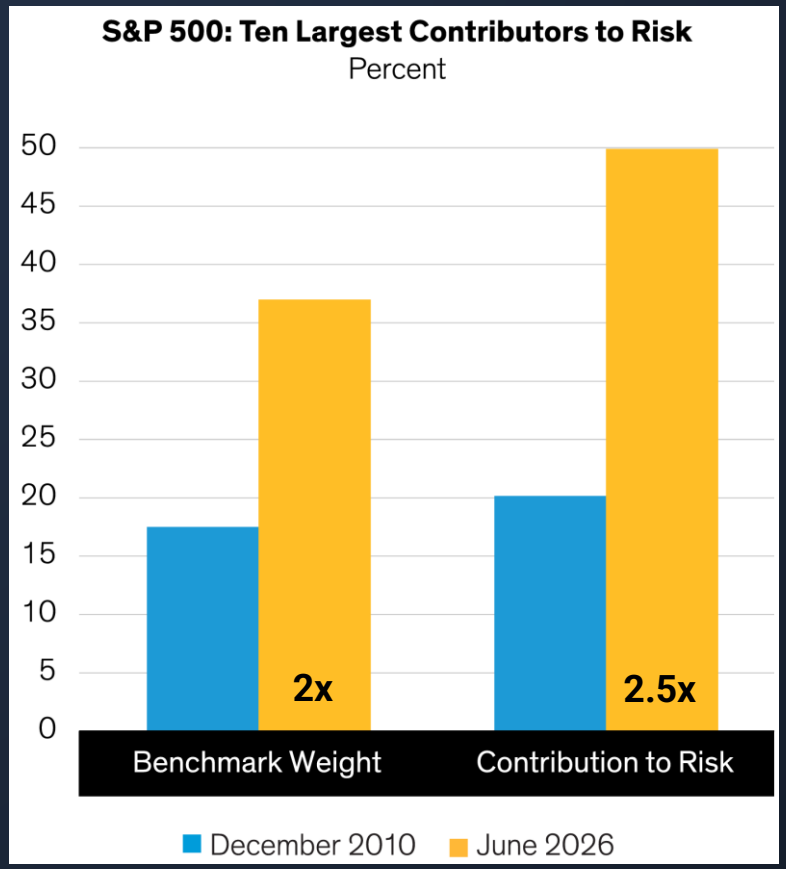
Reducing equity when the market was concentrated lowered returns and raised risk.

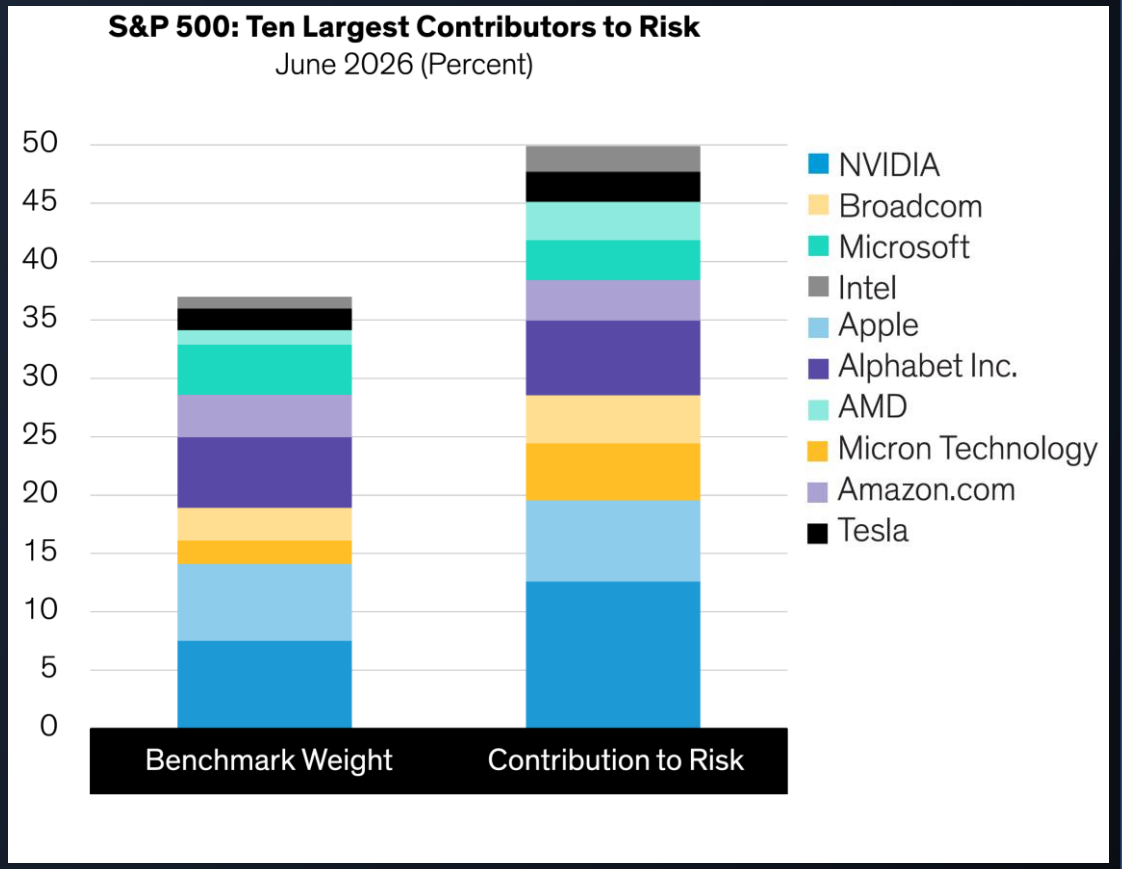
PMX

Kritzman, M., & Turkington, D. (2026). The Fallacy of Concentration. *Financial Analysts Journal*, *82*(2), 8–18. https://doi.org/10.1080/0015198X.2026.2640988
Risk-return represents two different strategies employed in the US stock market between 1936 to June 2025, per the above FAJ research paper

Concentration changes where risk comes from, not reliably how much





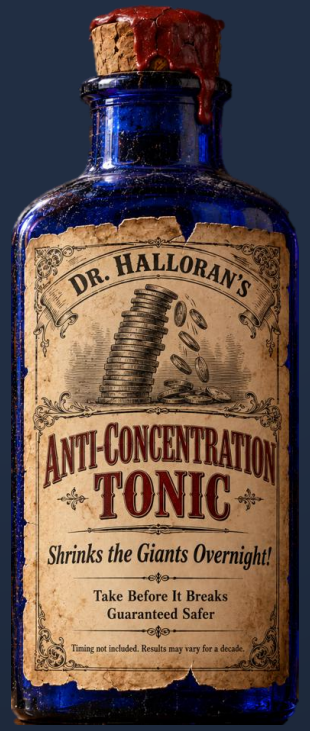


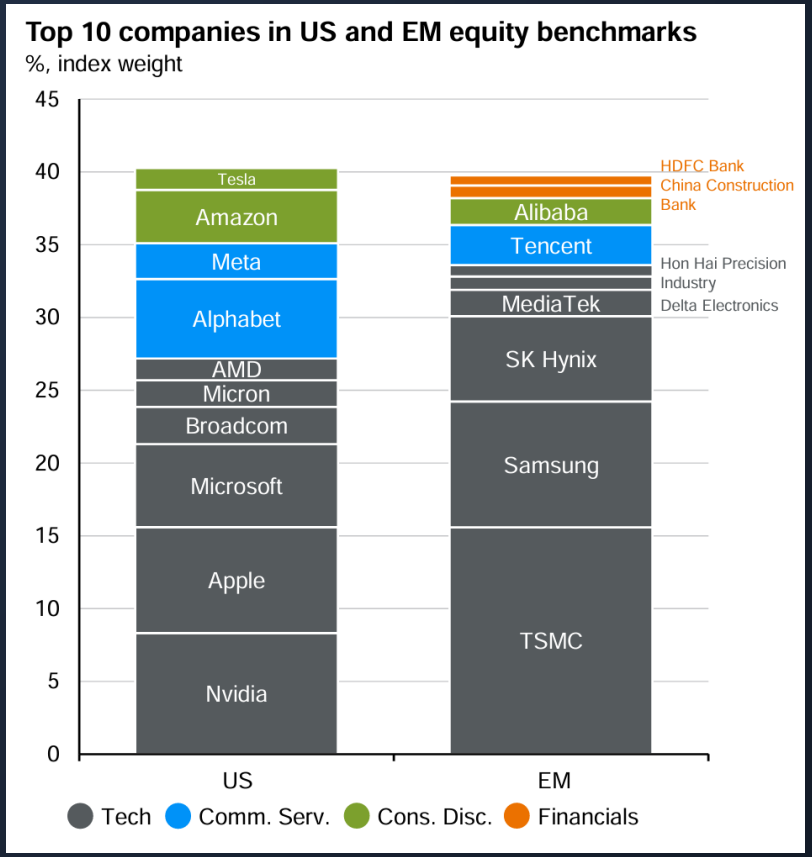
Manage the source of risk at the portfolio level. Don't dismantle your market exposure.

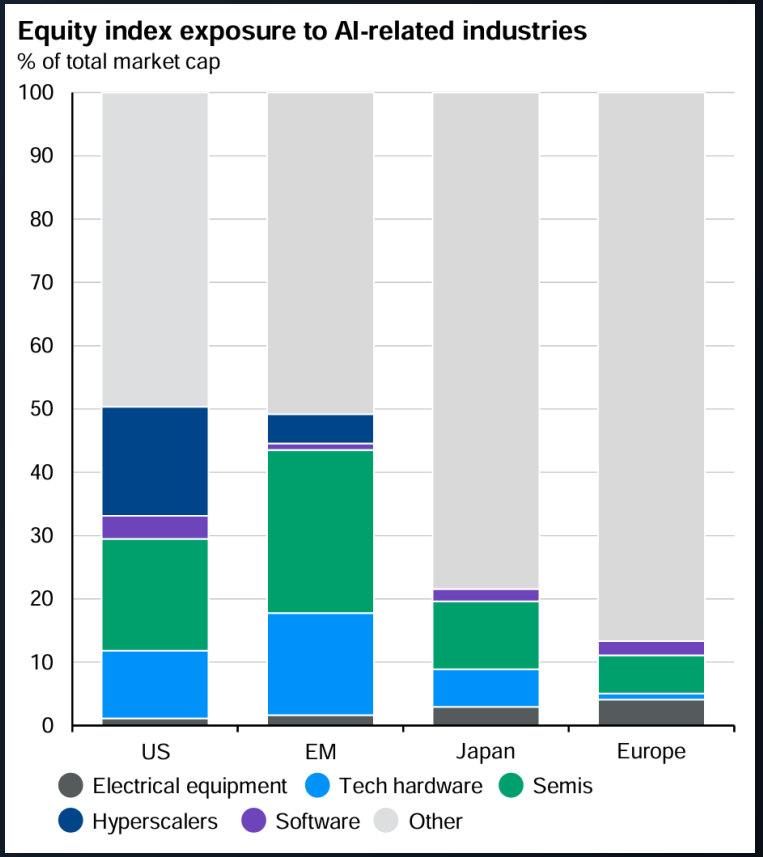
PMX

The 10 riskiest securities are the stocks that contribute the most to the S&P 500's overall active risk.
As of June 30, 2026 Source: Bloomberg, S&P and AllianceBernstein (AB)

Stepping away isn't a risk reduction
It’s taking a different bet







Concentration isn't a timing signal. Even the people selling the “cure” admit that.

JP Morgan GTM 2026Q4. S&P500 versus MSCI EM, as oof 2026/09/30

Myth 3
Steelman Argument



"Diversification doesn't work anymore"

If diversification hasn't been rewarded, it has failed

67% of actively managed large-cap U.S. equity funds underperformed. Small cap, value, non-US equity, EM and property all lagged US large cap for a decade

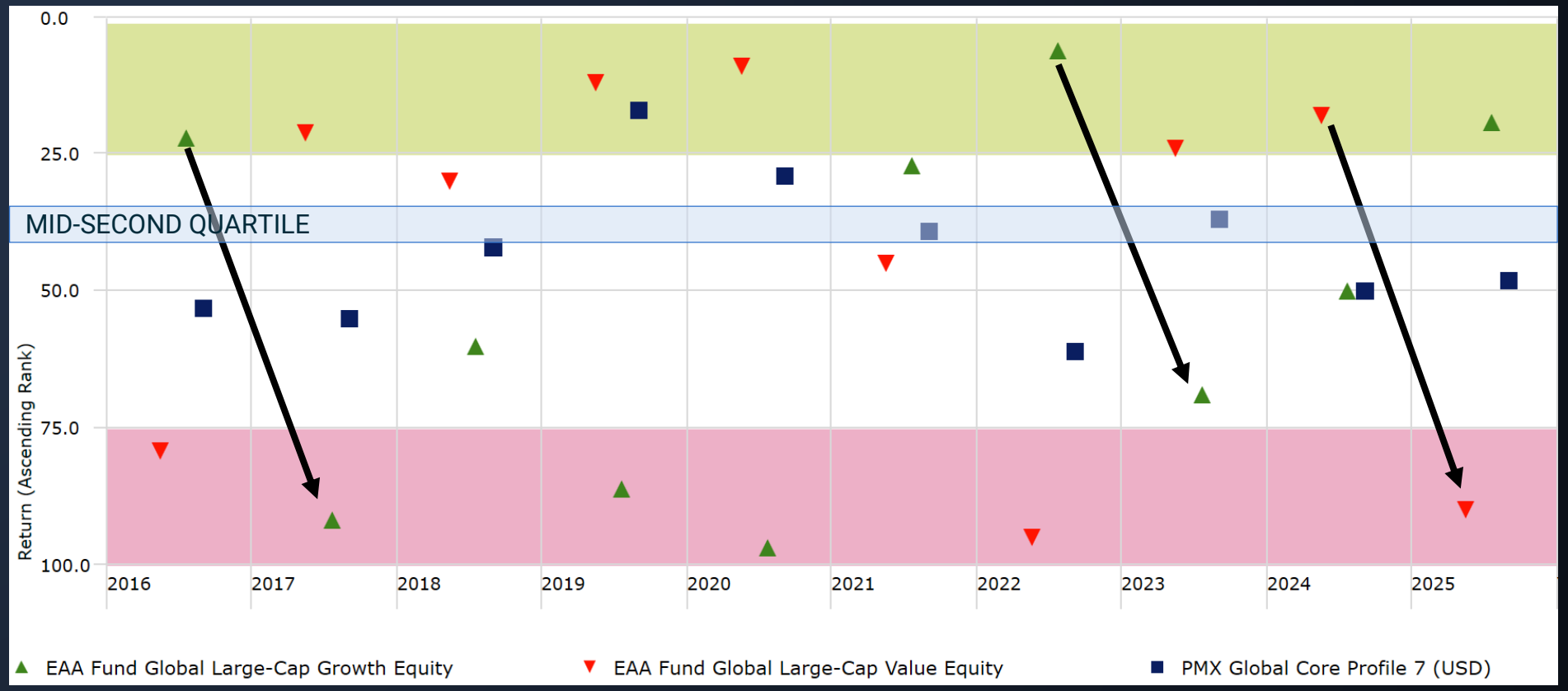
Diversification was never designed to win the race

Thematic funds, single-stock and leveraged ETFs, unconstrained high-conviction funds.

Source: S&P Dow Jones Indices LLCReport: SPIVA® U.S. Scorecard (Semi-Annual Performance Review), 2026/06/30.

Unrewarded is not broken



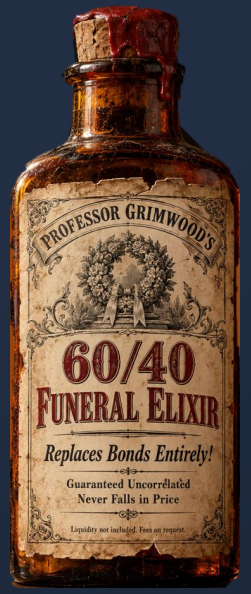


Diversification isn't a bet on the next winner. It's how you avoid needing to know who it is.

As of 2026/09/30. Source: PortfolioMetrix, Morningstar. Past performance is not an indicator of future performance.
Returns in USD, annualised over the past 5 years, for all funds included in the Morningstar EAA Fund Global Equity Large-Cap Blend Equity category (~1700 funds)

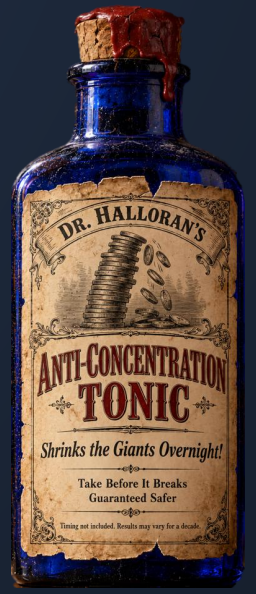
Narrative sells | Portfolio engineering protects

"The 60/40 is dead."



Correlation depends on the shock, and bonds are paying you to wait again.

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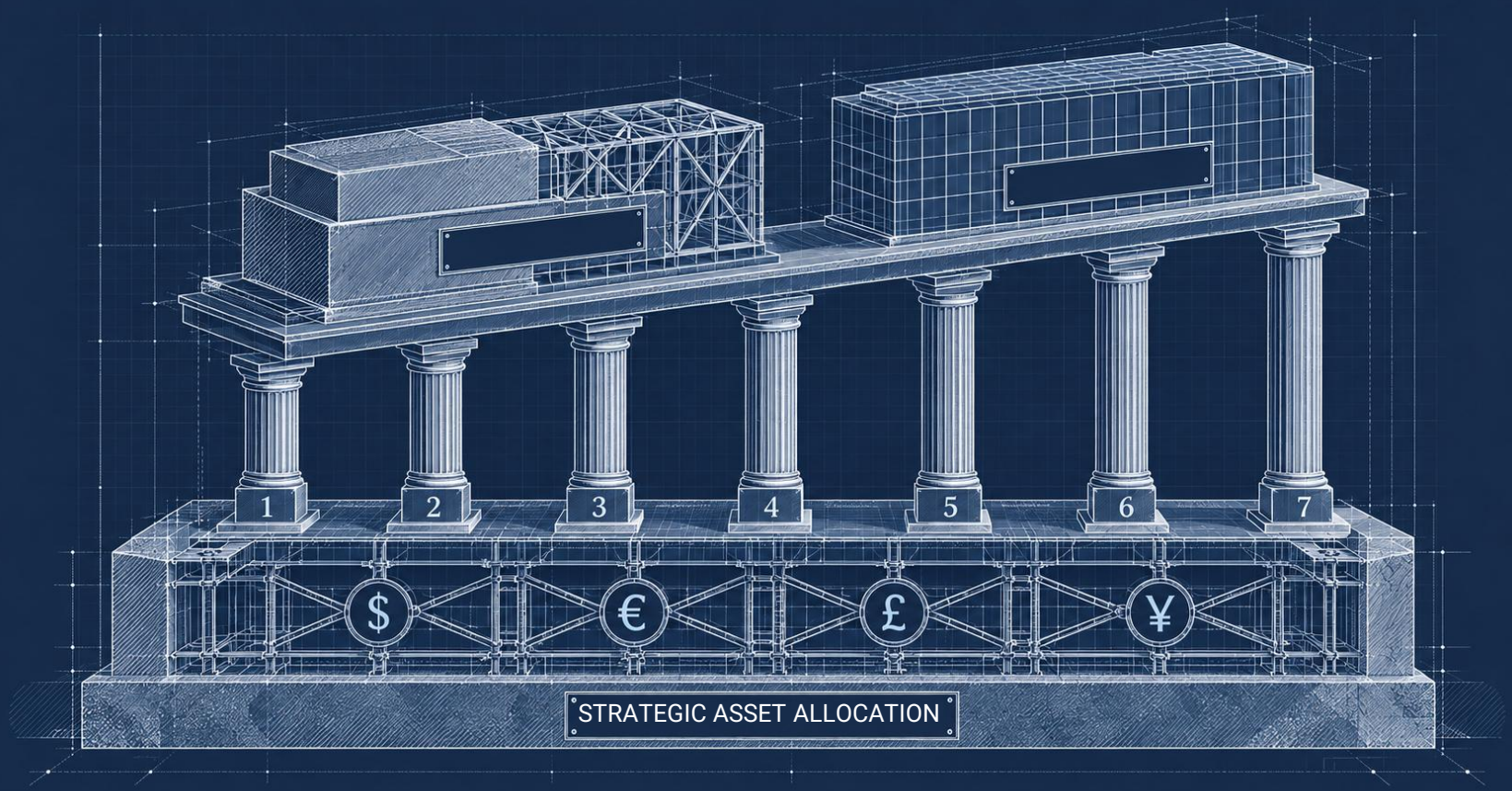
"Diversification doesn't work anymore."



Recently unrewarded.
Not broken.

Every theme has its day, but every snake oil has its price

Strategic Asset Allocation
What you get with a PMX Solution



One strategic asset allocation, calibrated to each risk profile.

Diversified across currencies, regions, sectors, asset classes and managers.

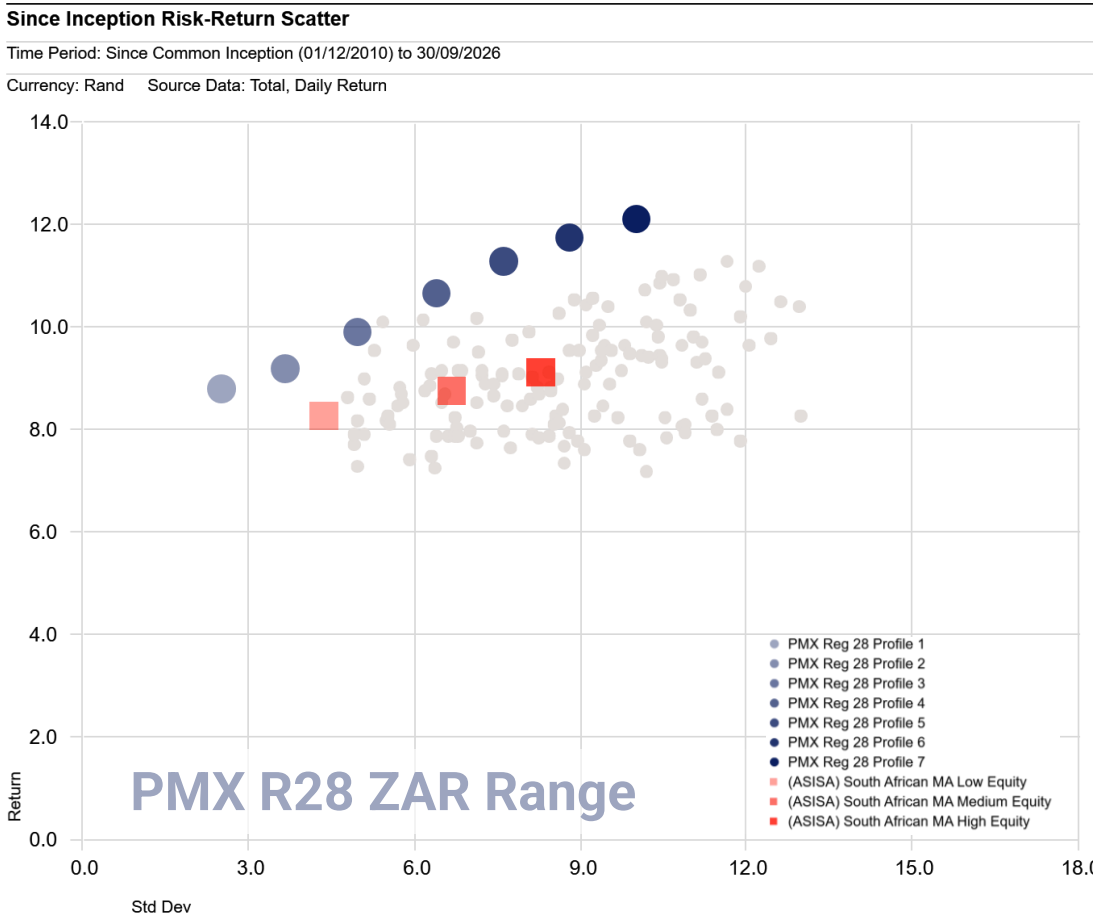
Core or Passive is an implementation choice. The asset allocation is the same.

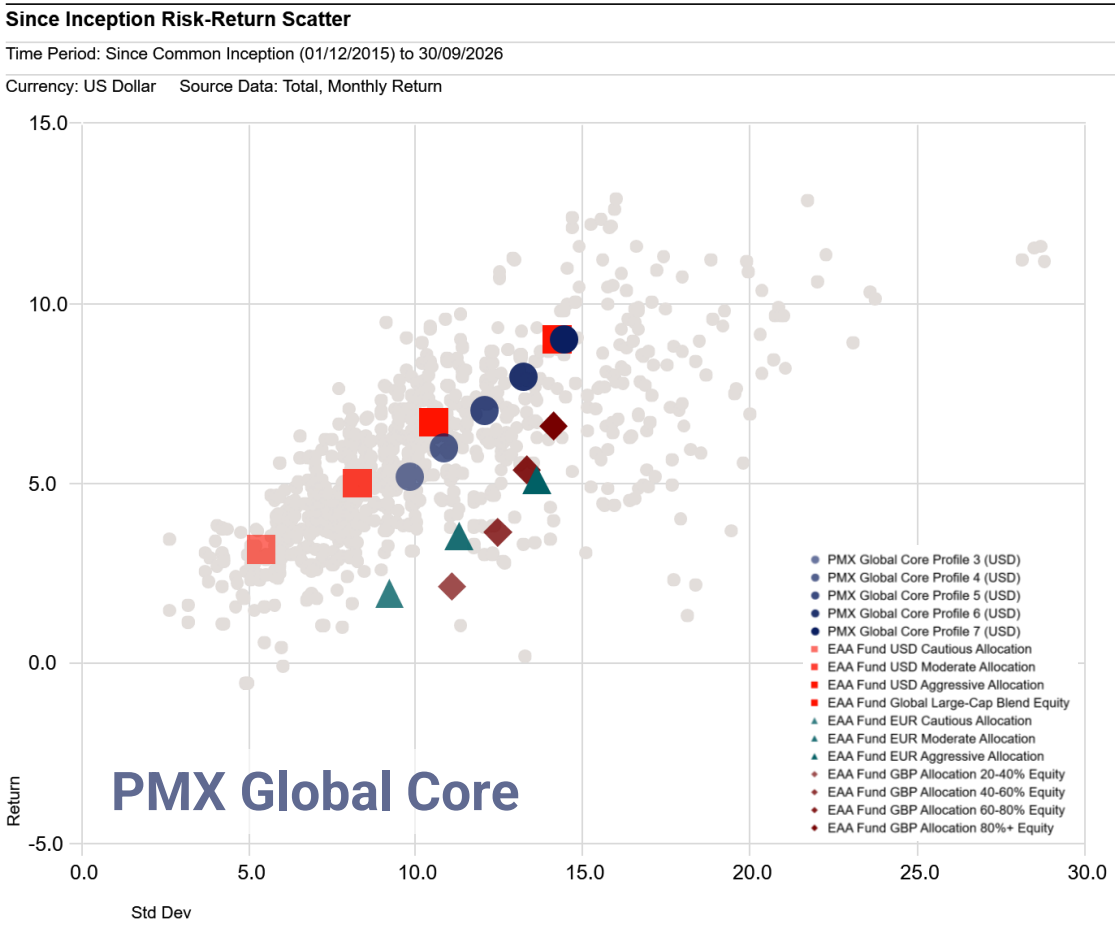
One process. One philosophy. Applied in rand and in hard currency.

The headlines our investors have safely navigated

2015 Federal Reserve begins policy normalisation. The first US interest-rate increase since 2006 formally ended the post-financial-crisis zero-rate era, with implications for bonds, the dollar, and emerging markets **2016** United Kingdom votes to leave the European Union. Sterling fell sharply, equity markets initially sold off, and investors moved into government bonds and other perceived safe havens **2017** US Tax Cuts and Jobs Act becomes law. Lower corporate taxation was generally supportive of US earnings expectations and equities, although deficit and Treasury-supply concerns complicated the effect on bonds **2018** "Volmageddon". The S&P 500 fell 4%, the VIX jumped by 20 points, and leveraged inverse-volatility products suffered severe losses or were terminated. US–China trade war begins to escalate. US Section 301 measures introduced a prolonged period of tariff uncertainty, weakening global trade expectations and pressuring emerging-market and cyclical assets **2019** Federal Reserve delivers its first rate cut since the global financial crisis. This marked the beginning of an easing cycle intended to cushion the economy against weaker global growth and trade uncertainty **2020** COVID-19 is characterised as a pandemic. Global equities, credit, commodities, and liquidity-sensitive assets experienced one of the fastest and most severe risk-off episodes in modern market history. Federal Reserve introduces open-ended asset purchases and expanded emergency facilities. The measures helped restore Treasury and credit-market functioning and formed part of the policy response that stabilised global markets. US oil futures trade below zero. The May WTI contract became negative as collapsing demand, limited storage capacity, and contract-expiry dynamics produced an unprecedented oil-market dislocation. Pfizer and BioNTech announce strong vaccine trial results. Markets rapidly priced a reopening, driving a rally in cyclical, value, travel, leisure, and smaller-company shares **2021** US inflation reaches 6.2%. The highest reading in roughly three decades accelerated the reassessment of "transitory" inflation and increased expectations of monetary tightening. China Evergrande is placed in restricted default. The event intensified concerns about China's property sector, developer leverage, household confidence, and potential credit contagion **2022** Russia invades Ukraine. Energy, food, fertiliser, and metals prices rose sharply, European growth expectations weakened, and inflationary pressures broadened globally. Federal Reserve begins its post-pandemic hiking cycle. The move started an unusually rapid global tightening phase, producing significant losses in government bonds, growth equities, property assets, and other long-duration investments. UK "mini-budget" and liability-driven investment crisis. Sterling and gilts sold off sharply, leveraged pension strategies faced collateral calls, and the Bank of England intervened temporarily in the gilt market. A cooler US inflation report triggers a major risk rally. Equities and government bonds rose, while the dollar weakened, as investors anticipated a slower pace of Federal Reserve tightening. **2023** Silicon Valley Bank fails. Rapid deposit withdrawals and losses on long-duration securities sparked concerns about unrealised bond losses and deposit stability across regional banks. UBS agrees to acquire Credit Suisse. The transaction prevented a potentially disorderly failure of a globally systemically important bank, although it exposed significant banking-sector and AT1-market vulnerabilities. Nvidia's results accelerate the generative-AI investment boom. Strong demand and guidance shifted market attention towards AI infrastructure, semiconductors, data centres, and hyperscaler capital expenditure. **2024** ECB begins cutting interest rates. The move confirmed that the global monetary cycle was starting to turn, supporting bonds and rate-sensitive assets, while reflecting softer underlying European growth. Yen carry-trade unwind and global volatility shock. Japanese equities fell 12%, leveraged positions were unwound across global assets, and the VIX recorded an exceptional intraday spike. Federal Reserve cuts rates by 50 basis points. The larger initial reduction marked the beginning of US monetary easing and reinforced expectations that inflation could decline without a severe recession. China announces a broad stimulus package. Measures targeting liquidity, property markets, and equity-market support produced a sharp rally in Chinese shares and related global cyclical assets. **2025** DeepSeek shocks global AI markets. The emergence of a lower-cost Chinese AI model raised questions about expected semiconductor demand; the Nasdaq fell 3.1%, and Nvidia declined nearly 17%. Lower AI costs, however, represented a potentially positive longer-term productivity development. United States announces broad reciprocal tariffs. The measures pro duced a global equity sell-off, higher volatility, falling growth expectations, and concerns about renewed inflation and supply-chain disruption. Tariff pause and US–China trade truce. A 90-day pause for many trading partners, followed by a temporary US–China tariff reduction agreement, prompted a sharp recovery in global risk assets. **2026** US and Israeli military action against Iran begins a wider regional war. Oil and inflation expectations rose, global equities initially weakened, and the Strait of Hormuz became the central risk to global energy supply and trade. Global equities stage a strong second-quarter rebound. AI-related capital expenditure, stronger corporate earnings, and periods of lower oil prices supported a 13.8% US-dollar return from the MSCI World Index. Temporary pause in US–Iran strikes and renewed diplomatic talks. Oil prices fell sharply and equity futures rose, although the unresolved conflict and continued disruption around the Strait of Hormuz left markets highly sensitive to headlines.

Strategic Asset Allocation
What you get with a PMX Solution



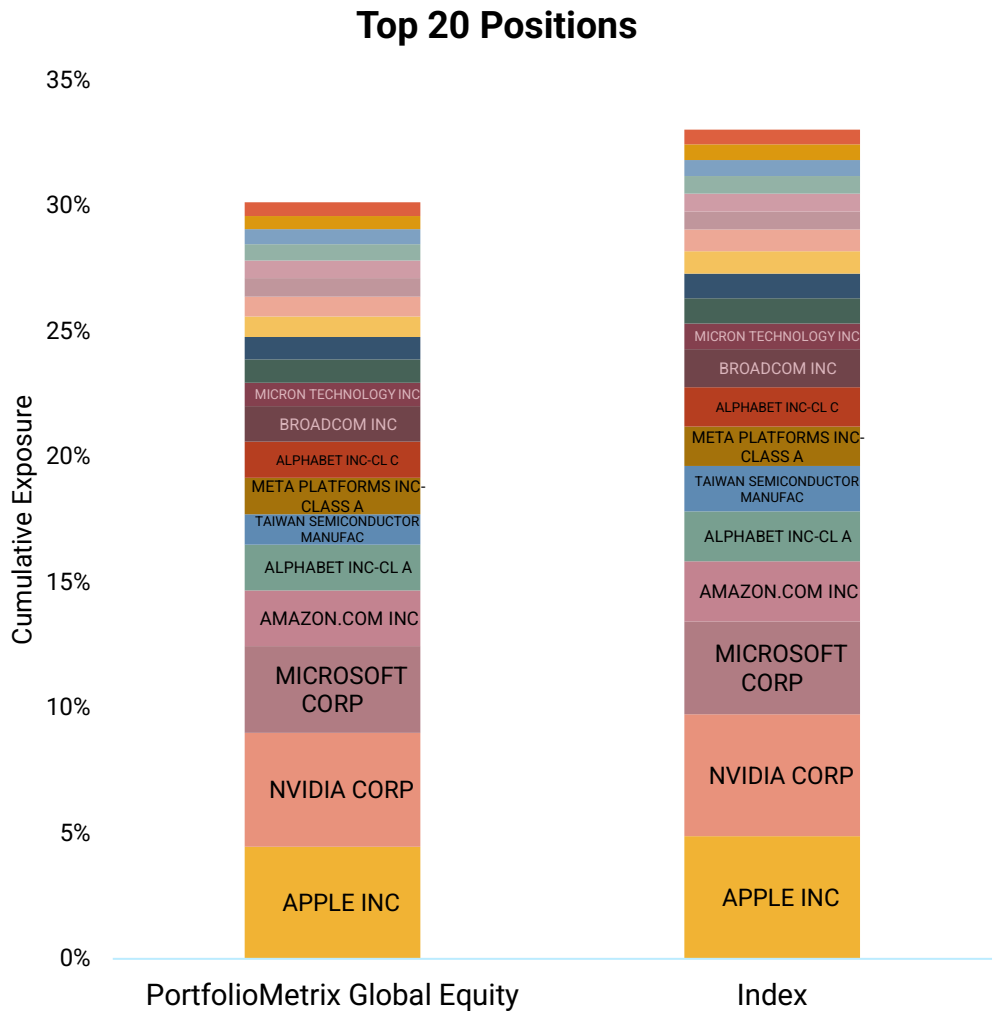


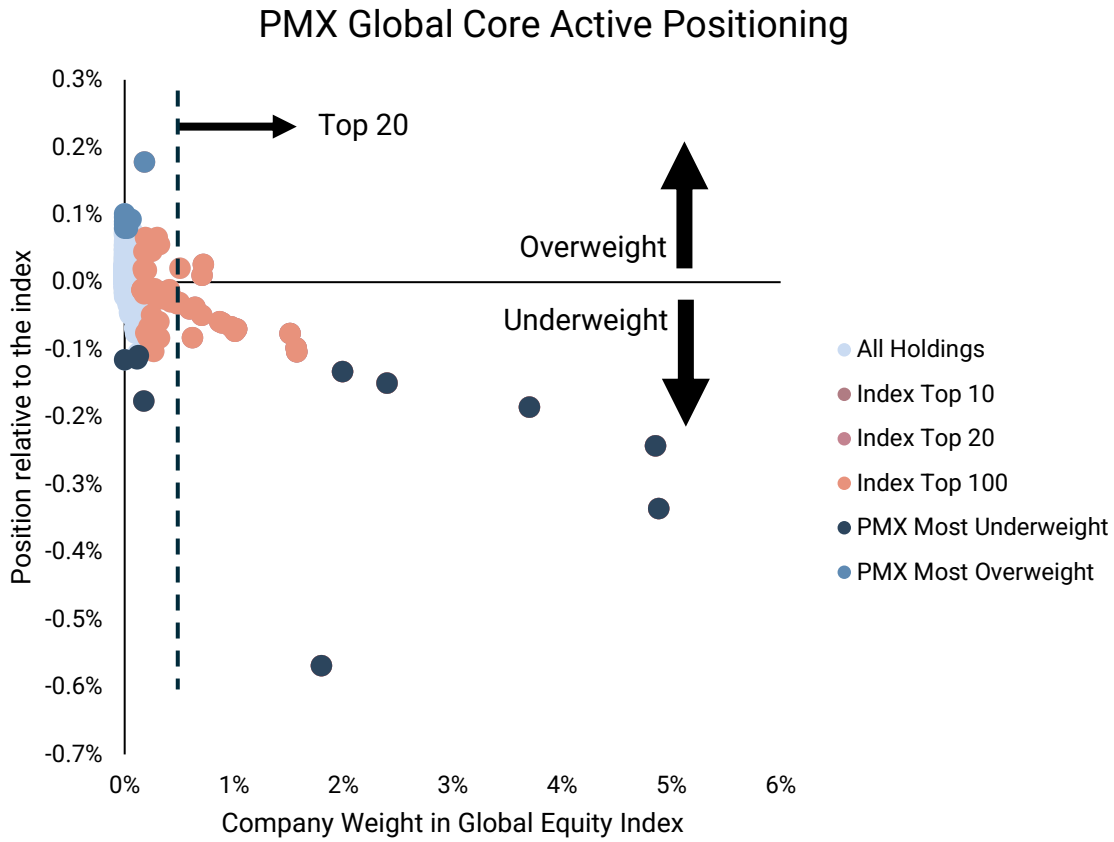
One process. One philosophy. Applied in rand and in hard currency.

Source: Morningstar, PortfolioMetrix | As of 30 September 2026 | SA S.I. 2010/11/30, Global S.I. 2015/11/30

Annualised performance from 1 December 2010 to 30 September 2026, in ZAR. PMX model portfolios are compared against ASISA South African Multi Asset Low, Medium and High Equity peer categories for illustrative purposes. Peer Groups include EAA Fund USD Cautious/Moderate/Aggressive/Global Flex-Cap Equity . Differences in. investment objectives, asset allocation and risk exposure may affect comparability. Past performance is not a reliable indicator of future results.

Why PMX Global Core and Passive *look* alike today

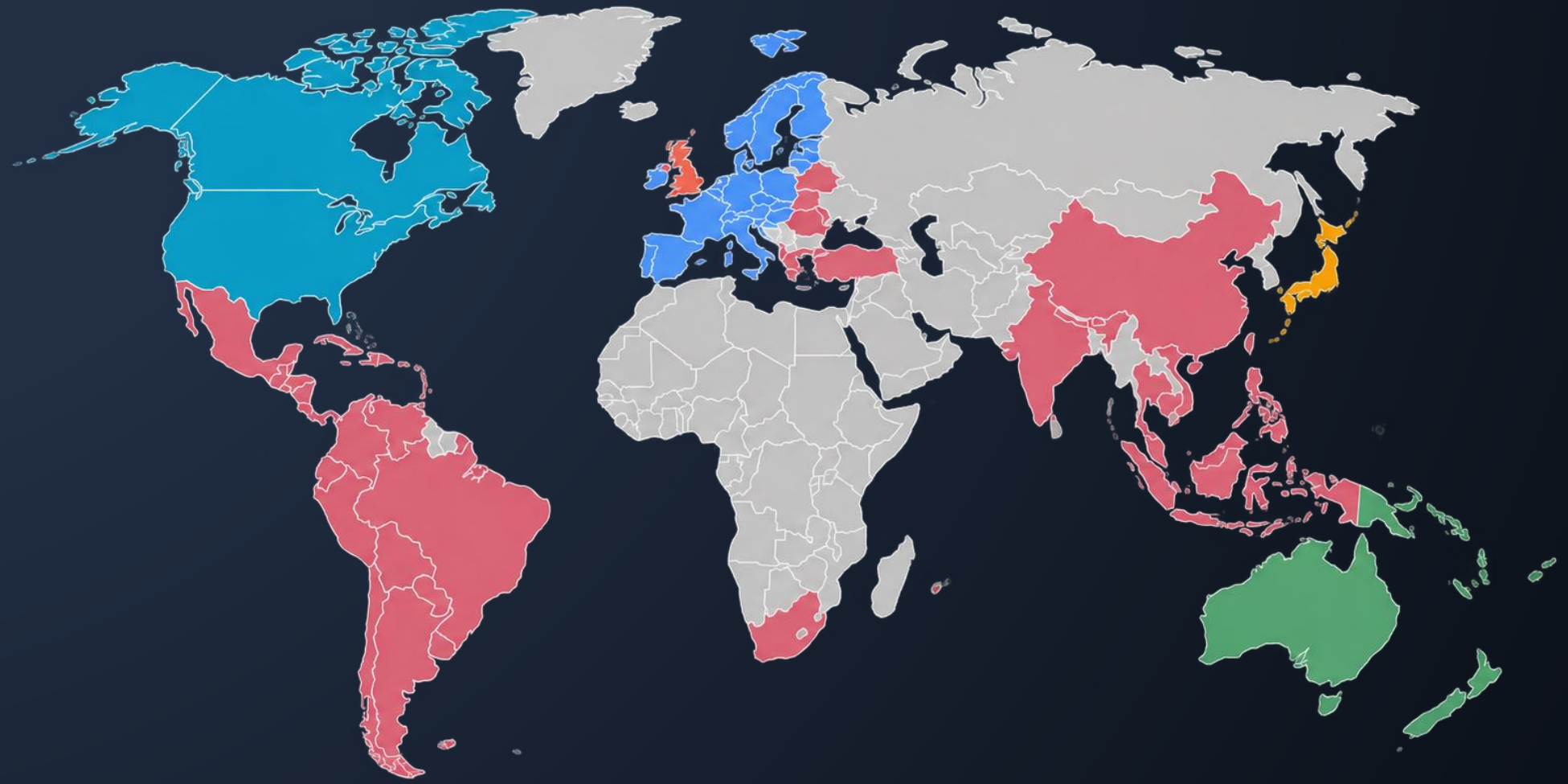




The overlap is the process working, rather than the absence of one.

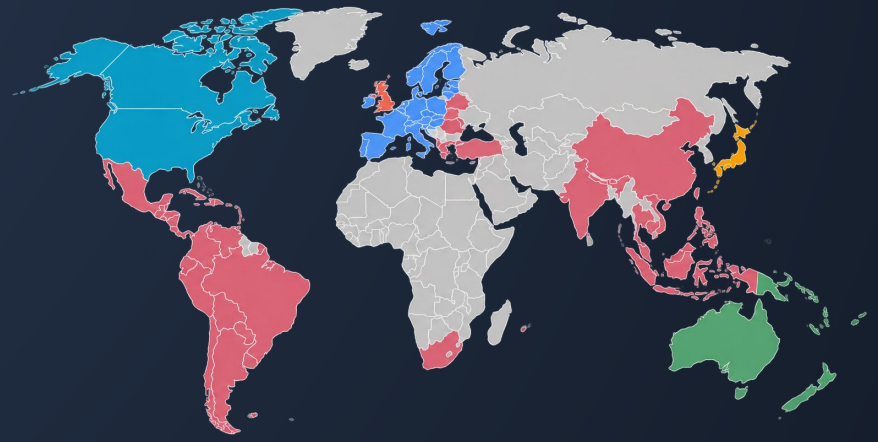
Source: Bloomberg, PortfolioMetrix | As of 30 September 2026

PMX Global Core and PMX Passive: The Difference



Source: PortfolioMetrix. As of 2026/09/30

PMX Global Core: Active vs Passive



North America

COLUMBIA THREADNEEDLE INVESTMENTS · SPDR · Goldman Sachs · Invesco · T.RowePrice · Xtrackers by DWS

Passive 40% Active

Japan

M&G Investments · Vanguard

Passive 50% Active

Pacific ex-Japan

Vanguard

Passive 100%

Emerging Markets

T.RowePrice · LAZARD ASSET MANAGEMENT · Vanguard

Passive 75% Active

Europe ex-UK

Janus Henderson INVESTORS · BlackRock · iShares by BLACKROCK

Passive 85% Active

UK

J.P.Morgan ASSET MANAGEMENT · Vanguard

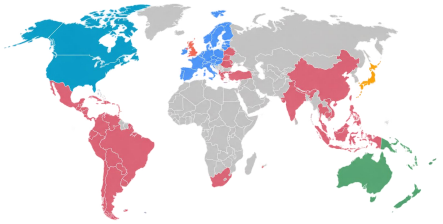
Passive 50% Active

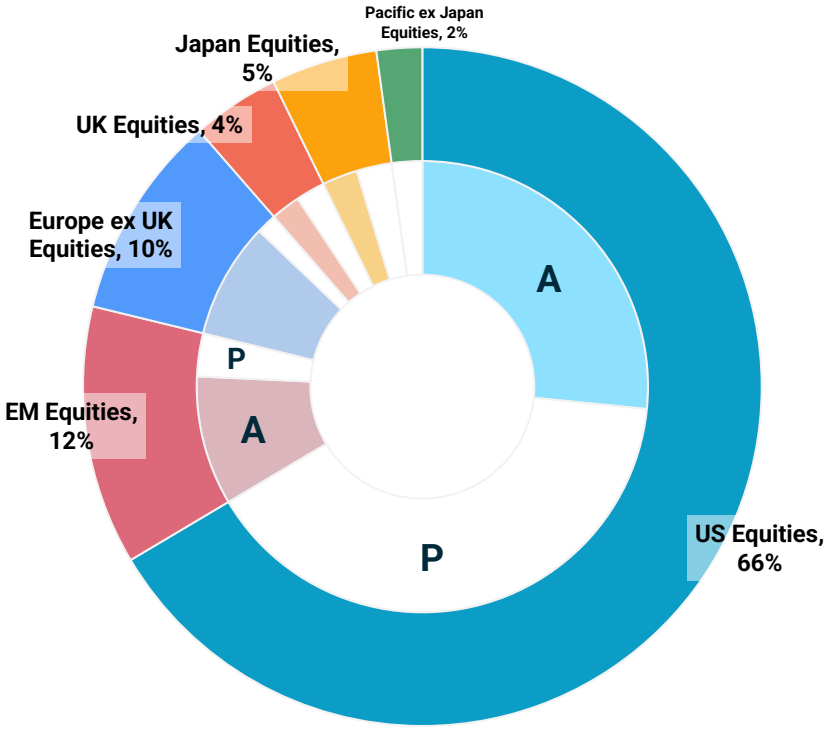
PMX

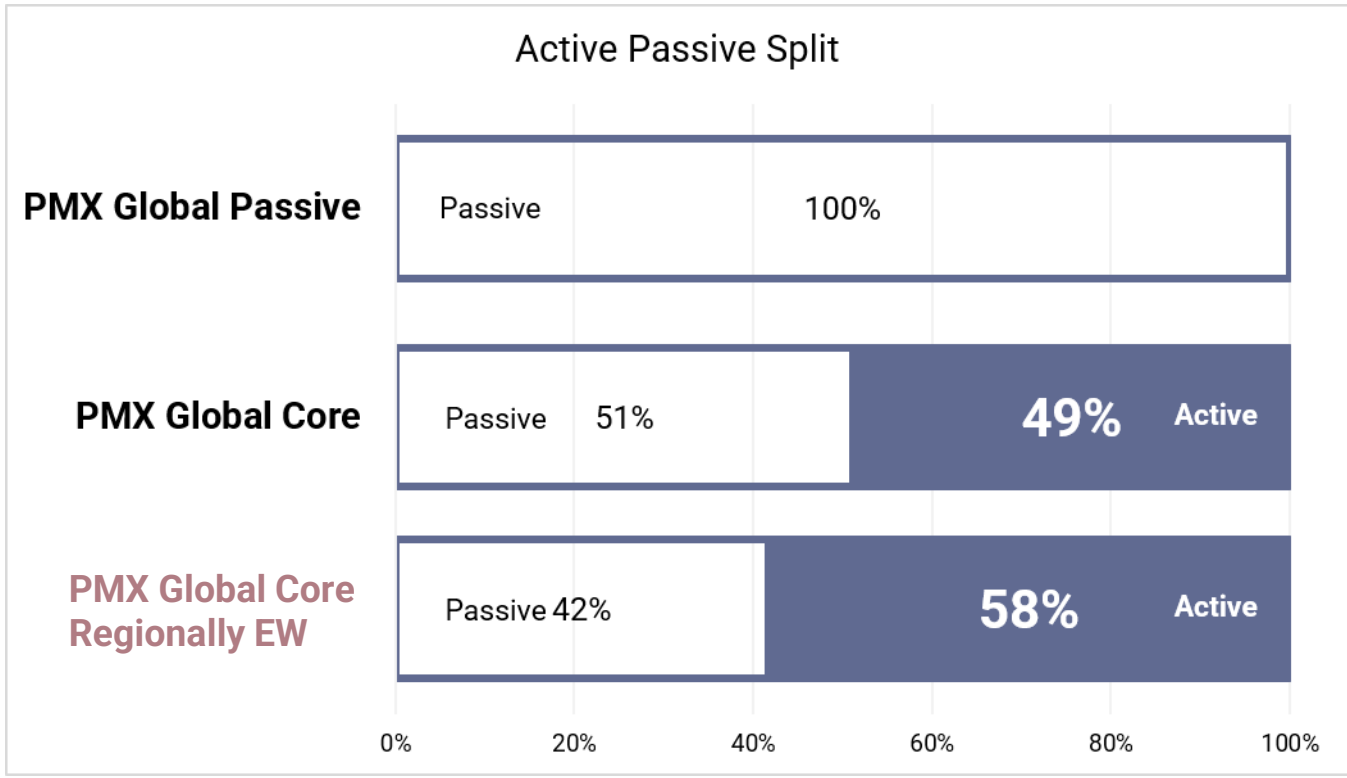
Source: PortfolioMetrix. As of 2026/09/30

Why PMX Global Core and PMX Passive *look* alike today

Actual SAA and Implementation







The overlap is the process working, rather than the absence of one.

Source: PortfolioMetrix. As of 2026/09/30

“Diversification doesn't work anymore”

Three choices = three risks

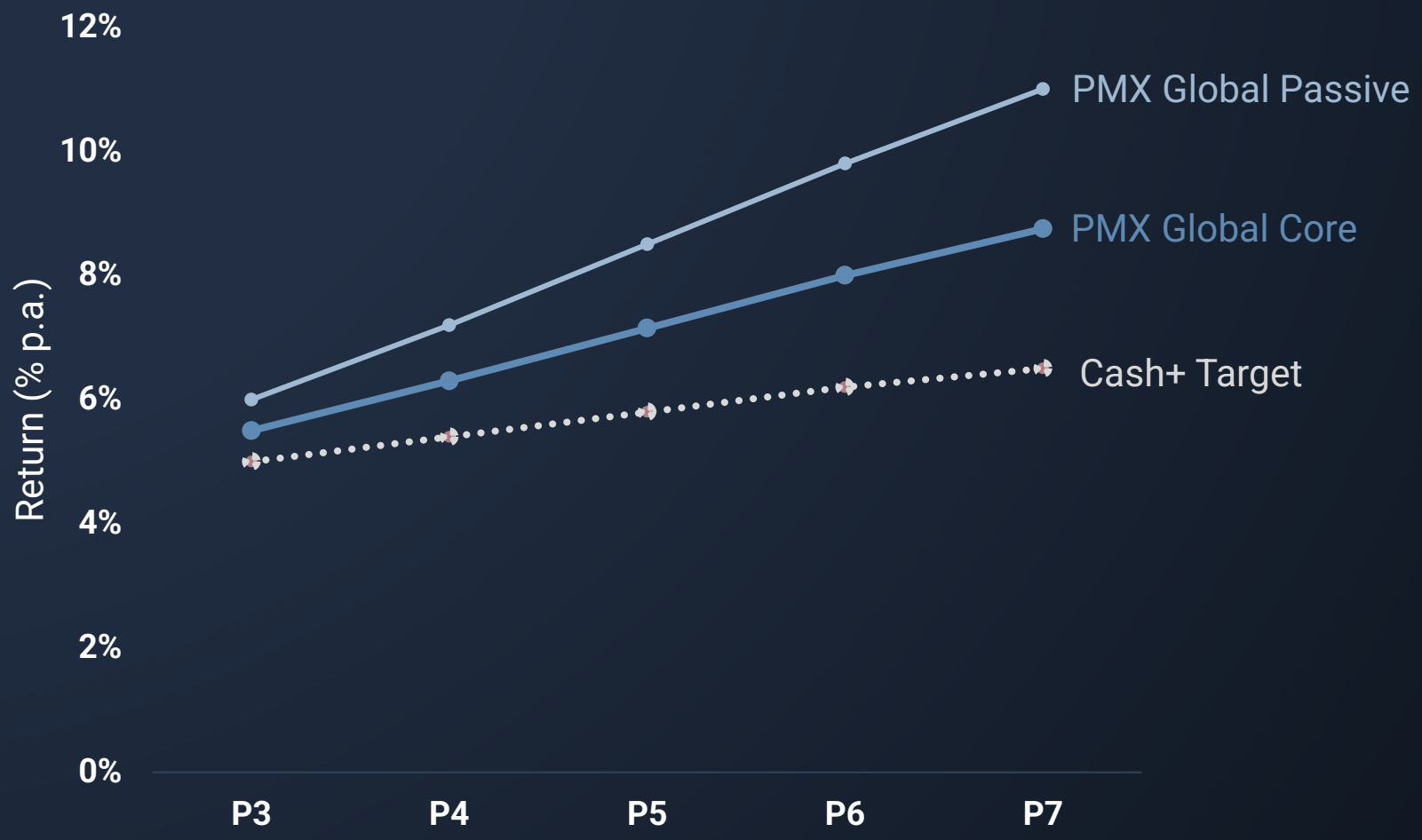




Risk is never destroyed. It is only transformed.

As of 2026/09/30. Source: PortfolioMetrix, Morningstar.
Returns in USD, monthly, and based on EAA peer group average, PMX Global Equity represents the PMX Global Core Equity portfolio.
OW/UW US represents a hypothetical tactical tilt towards/away from the US equity region. Implementation remains the same

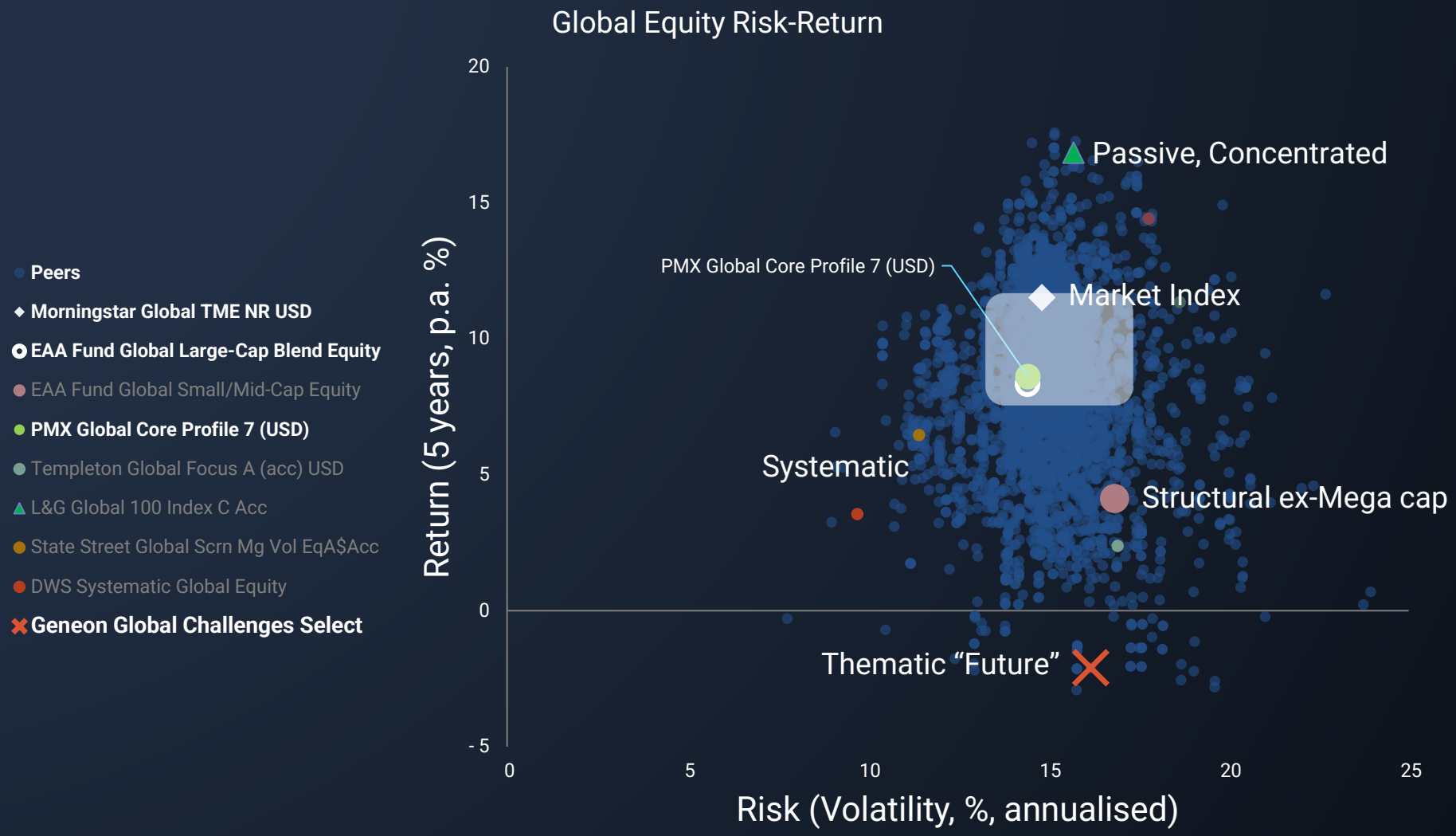
Why PMX Core has trailed PMX Passive?



It’s a “Season”: the market-cap regime

Source: PortfolioMetrix, Morningstar
As of 2026/09/30 in USD, Monthly data, since PMX Global Passive Models inception date of 2017/03/31. Cash targets are based on the respective model Cach-plus framework in Wealth Explorer.

The adviser's real problem: dispersion



As of 2026/09/30. Source: PortfolioMetrix, Morningstar. Past performance is not an indicator of future performance.
Returns in USD, annualised over the past 5 years, for all funds included in the Morningstar EAA Fund Global Equity Large-Cap Blend Equity category (~1700 funds)

PMX Core or PMX Passive?
How to choose with your client

	PMX Global Core Range	PMX Global Passive Range
Asset Allocation	**Same PMX Strategic Asset Allocation**	
Implementation	Passive where efficient, Active where rewarded	Index-based funds*
Narrow Concentrated Markets	Likely to trail	Tracks the market
Broadening Markets	More diversified engine	Tracks the market
Best For	**Clients who want diversified sources of return**	**Clients with a preference for passive implementation**

Both portfolios carry the same asset allocation. Choose on the client's preference, then hold.

* PMX Global Passive range uses index-based implementation wherever possible but in some exceptional cases an active implementation will be used where a suitable passive option is not available

Portfolio Performance

2026 Q3

PORTFOLIOMETRIX

Global Asset Class Performance

Equities carried the year. In Q3, anything sensitive to interest rates fell.

Periodic Table

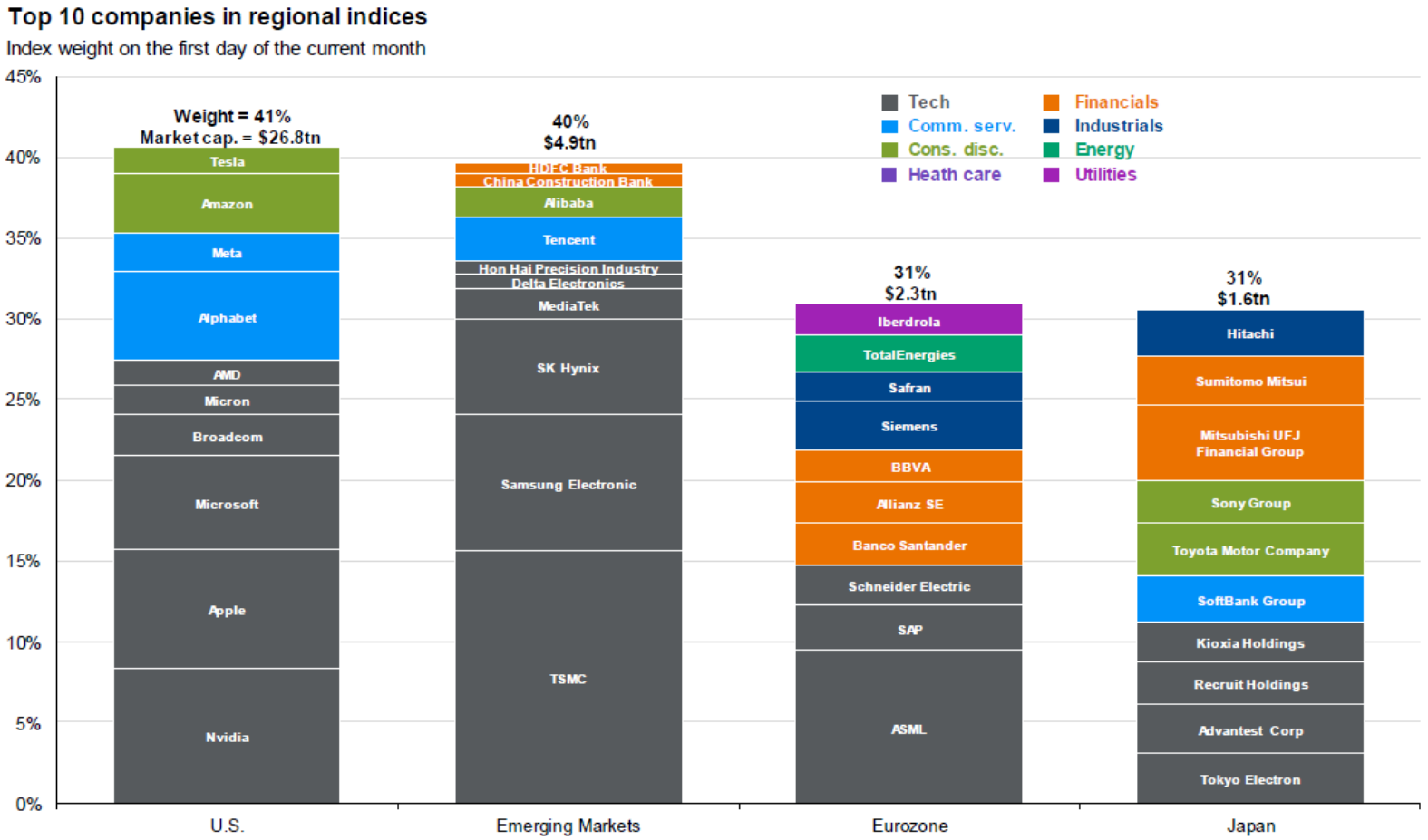
Data Point: Return As of Date: 30/09/2026 Currency: US Dollar Source Data: Total, Daily Return

	2020	2021	2022	2023	2024	2025	YTD	QTD
Best	North American Equity 19.4	Global Property 31.9	Dollar Cash 1.7	North American Equity 26.0	North American Equity 23.9	Europe Ex UK Equity 36.2	Emerging Market Equity 22.2	Japan Equity 5.7
	Emerging Market Equity 17.5	North American Equity 26.5	Pacific Ex Japan -4.2	Europe Ex UK Equity 21.9	Japan Equity 8.3	UK Equities 33.9	Japan Equity 20.3	Pacific Ex Japan 5.1
	Japan Equity 13.9	Global Infrastructure 17.7	Global Infrastructure -8.5	Japan Equity 20.1	UK Equities 7.9	Emerging Market Equity 31.6	Pacific Ex Japan 13.3	North American Equity 2.3
	Europe Ex UK Equity 11.3	UK Equities 17.5	UK Equities -10.3	Global HY Bonds 14.3	Emerging Market Equity 7.1	Japan Equity 24.9	North American Equity 12.1	UK Equities 2.3
	Global Corp Bonds 10.5	Europe Ex UK Equity 16.2	Global HY Bonds -12.6	UK Equities 14.1	Global HY Bonds 6.8	Pacific Ex Japan 20.8	UK Equities 8.0	Dollar Cash 0.9
	Global Gov Bonds 9.6	Pacific Ex Japan 5.2	Japan Equity -16.4	Emerging Market Equity 10.2	Global Infrastructure 6.6	North American Equity 18.0	Europe Ex UK Equity 5.2	Emerging Market Equity -0.7
	Pacific Ex Japan 8.3	Global HY Bonds 3.1	Global Corp Bonds -17.3	Global Corp Bonds 9.5	Dollar Cash 5.4	Global Infrastructure 17.7	Global Infrastructure 5.0	Global HY Bonds -1.9
	Global HY Bonds 8.0	Japan Equity 1.4	Europe Ex UK Equity -17.8	Global Property 8.7	Pacific Ex Japan 1.9	Global HY Bonds 11.0	Global Property 3.2	Global Gov Bonds -2.3
	Global Infrastructure 5.4	Dollar Cash 0.0	Emerging Market Equity -18.2	Global Infrastructure 6.7	Global Corp Bonds 0.5	Global Corp Bonds 10.2	Dollar Cash 2.8	Europe Ex UK Equity -2.6
	Dollar Cash 0.4	Emerging Market Equity -1.8	Global Gov Bonds -18.6	Pacific Ex Japan 5.8	Europe Ex UK Equity 0.2	Global Gov Bonds 6.7	Global HY Bonds -0.6	Global Corp Bonds -3.6
	Global Property -6.5	Global Corp Bonds -3.4	North American Equity -19.5	Dollar Cash 5.2	Global Property 0.1	Global Property 6.5	Global Gov Bonds -2.9	Global Infrastructure -5.6
Worst	UK Equities -8.8	Global Gov Bonds -7.4	Global Property -25.5	Global Gov Bonds 3.7	Global Gov Bonds -3.6	Dollar Cash 4.4	Global Corp Bonds -3.4	Global Property -6.0

Source: Morningstar, PortfolioMetrix, As at: 30 September 2026
Past asset-class performance is shown for illustrative purposes only and does not imply future results.

EM is now an AI Hardware Trade

Top 10 stocks are 40% of EM, level with the US, and about 85% of that weight is technology.



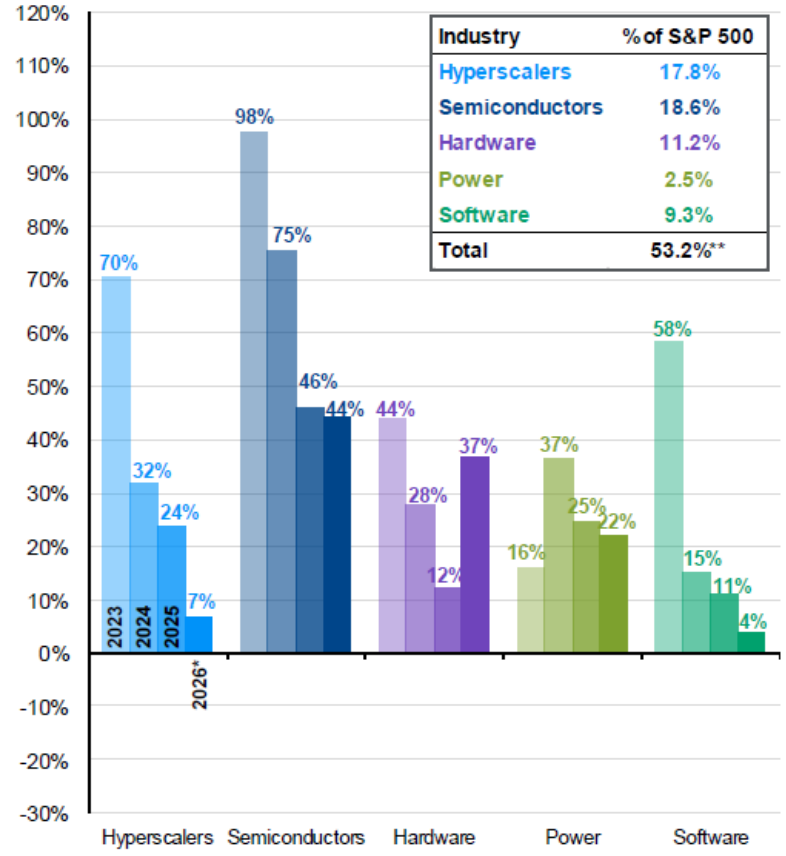
Source: JPM Guide to the Markets Q3 – US.
Past Performance is not a reliable indicator of future performance.

AI Earnings Are Doing the Heavy Lifting

Semiconductor earnings are set to grow 109% this year, against a 44% rise in share prices.

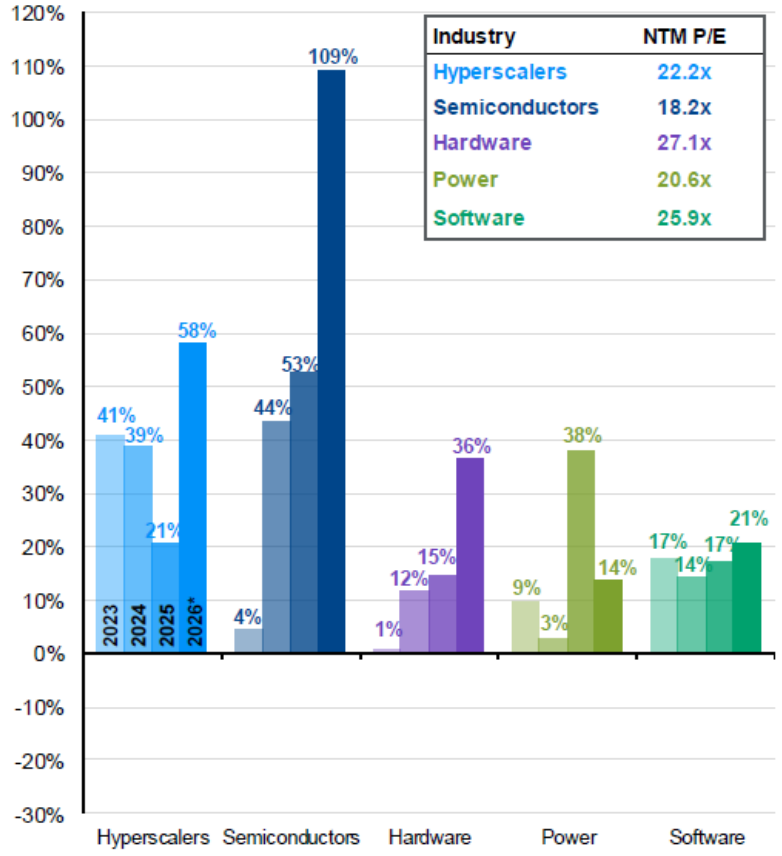
AI-related industry performance

Price return



AI-related industry earnings growth

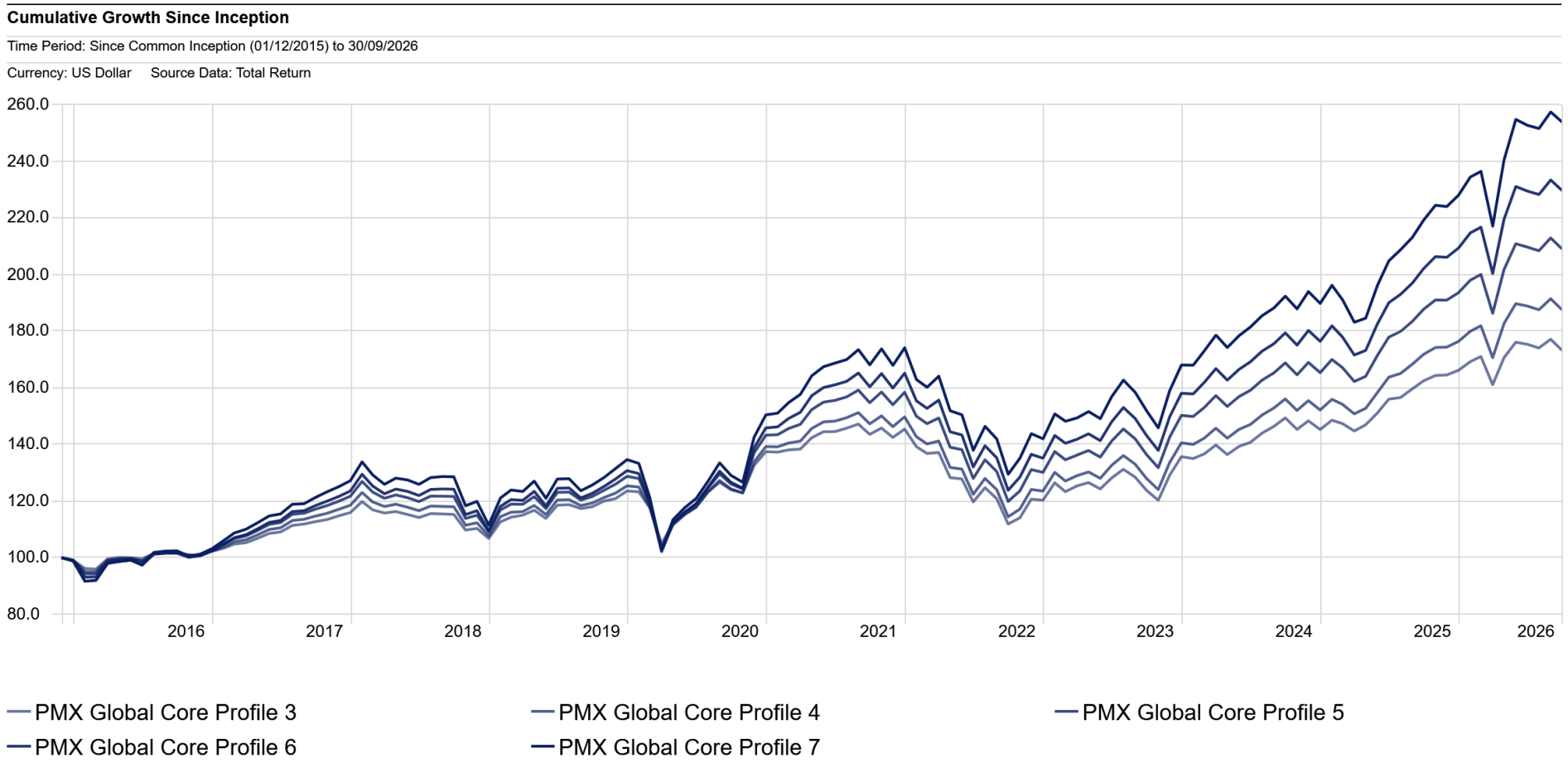
Year-over-year



Source: JPM Guide to the Markets Q3 – US.
Past Performance is not a reliable indicator of future performance.

Global Core: Since Inception Performance

Precision-engineered portfolios, designed for your global investing needs

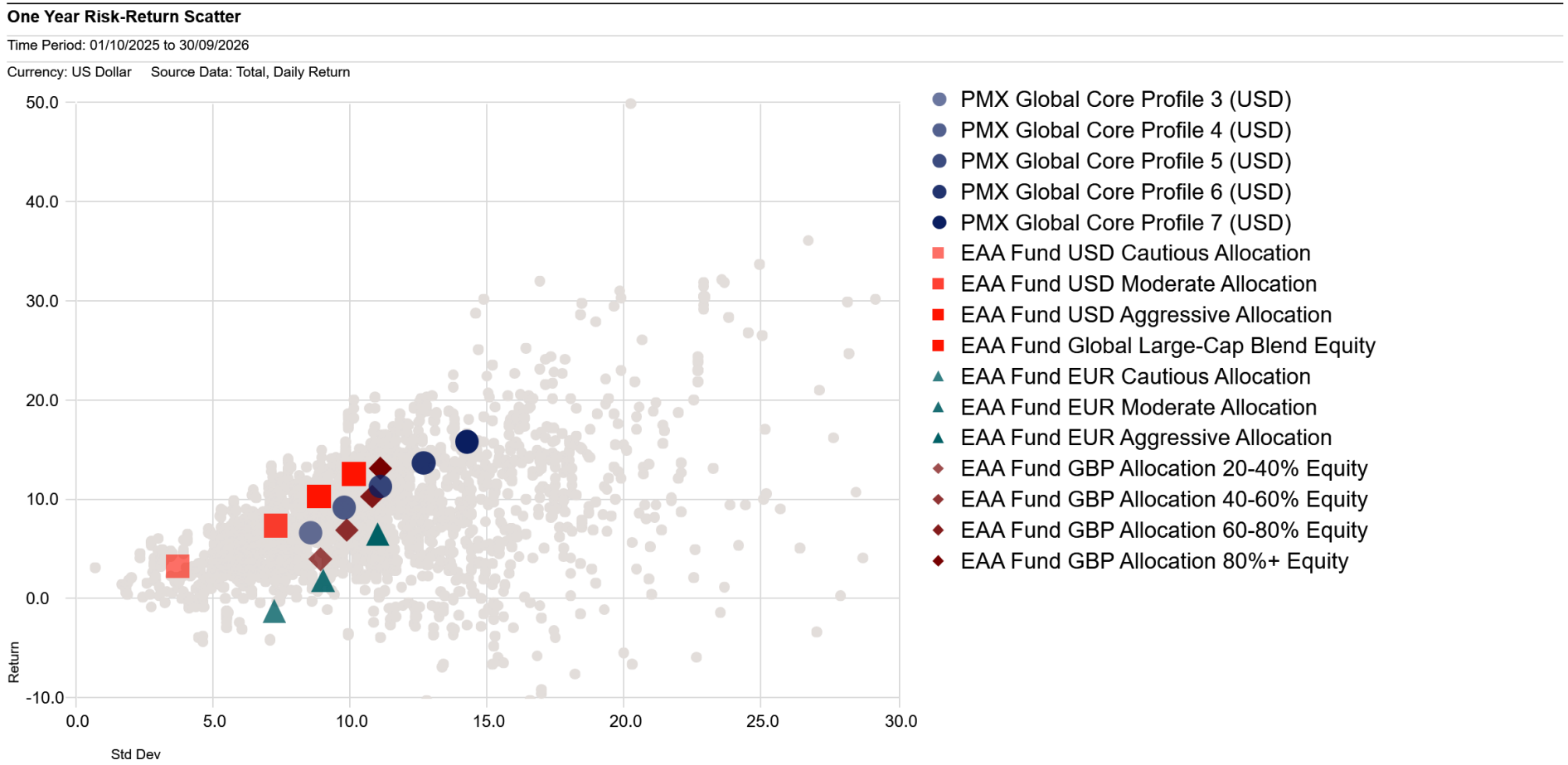


Source: Morningstar, PortfolioMetrix, As of: 30 September 2026

Performance figures are shown net of fees. PMX model portfolio performance is simulated and may not reflect actual investor outcomes. Cumulative growth is indexed to a starting value of 100. Past performance is not a reliable indicator of future results.

Global Core: 1 Year Performance

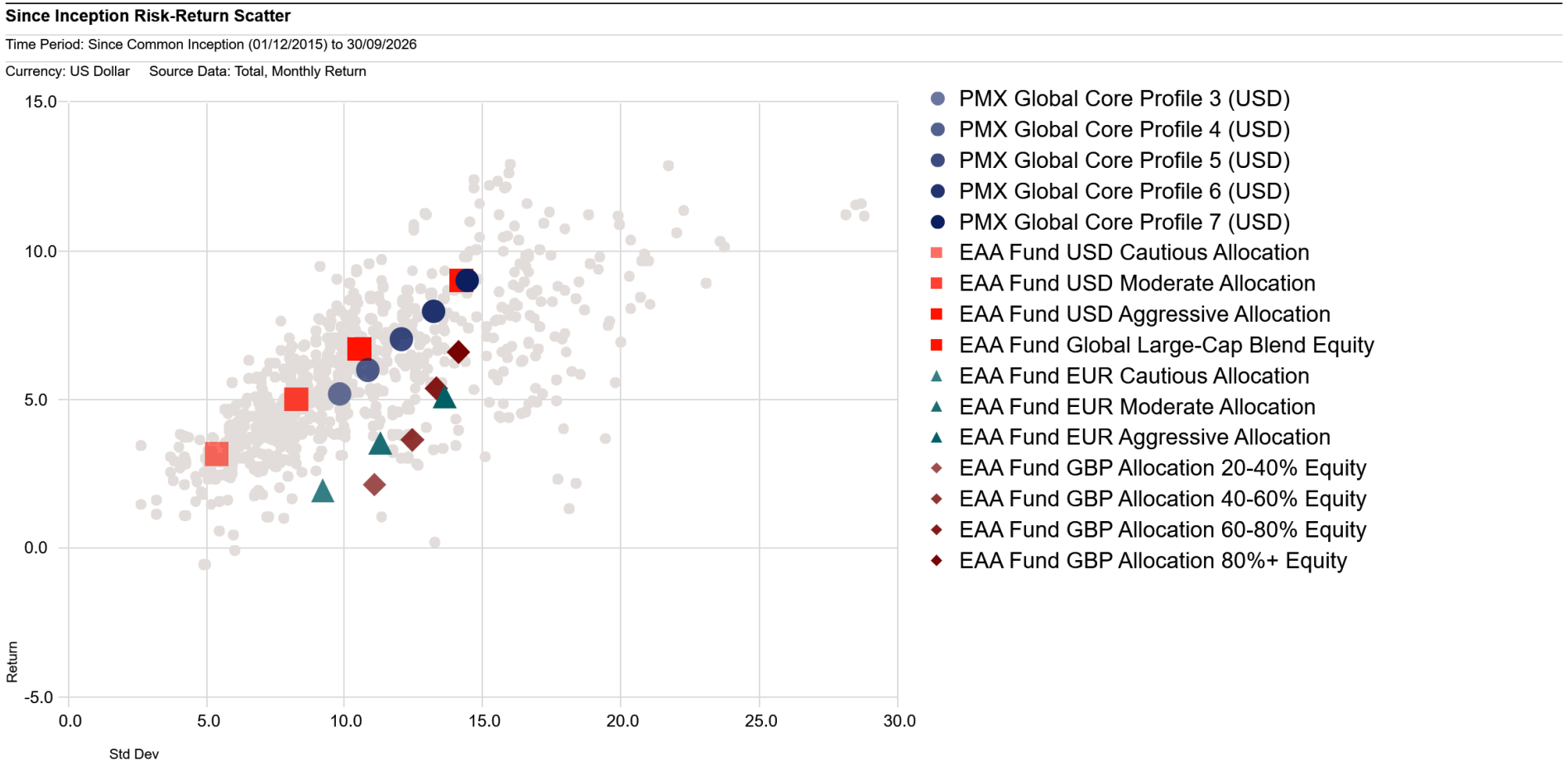
Precision-engineered portfolios, designed for your global investing needs



Source: Morningstar, PortfolioMetrix | As of 30 September 2026
Peer Groups include EAA Fund USD Cautious/Moderate/Aggressive/Global Flex-Cap Equity
Past performance and peer comparisons are shown for illustrative purposes only and do not imply future results.

Global Core: Since Inception Performance

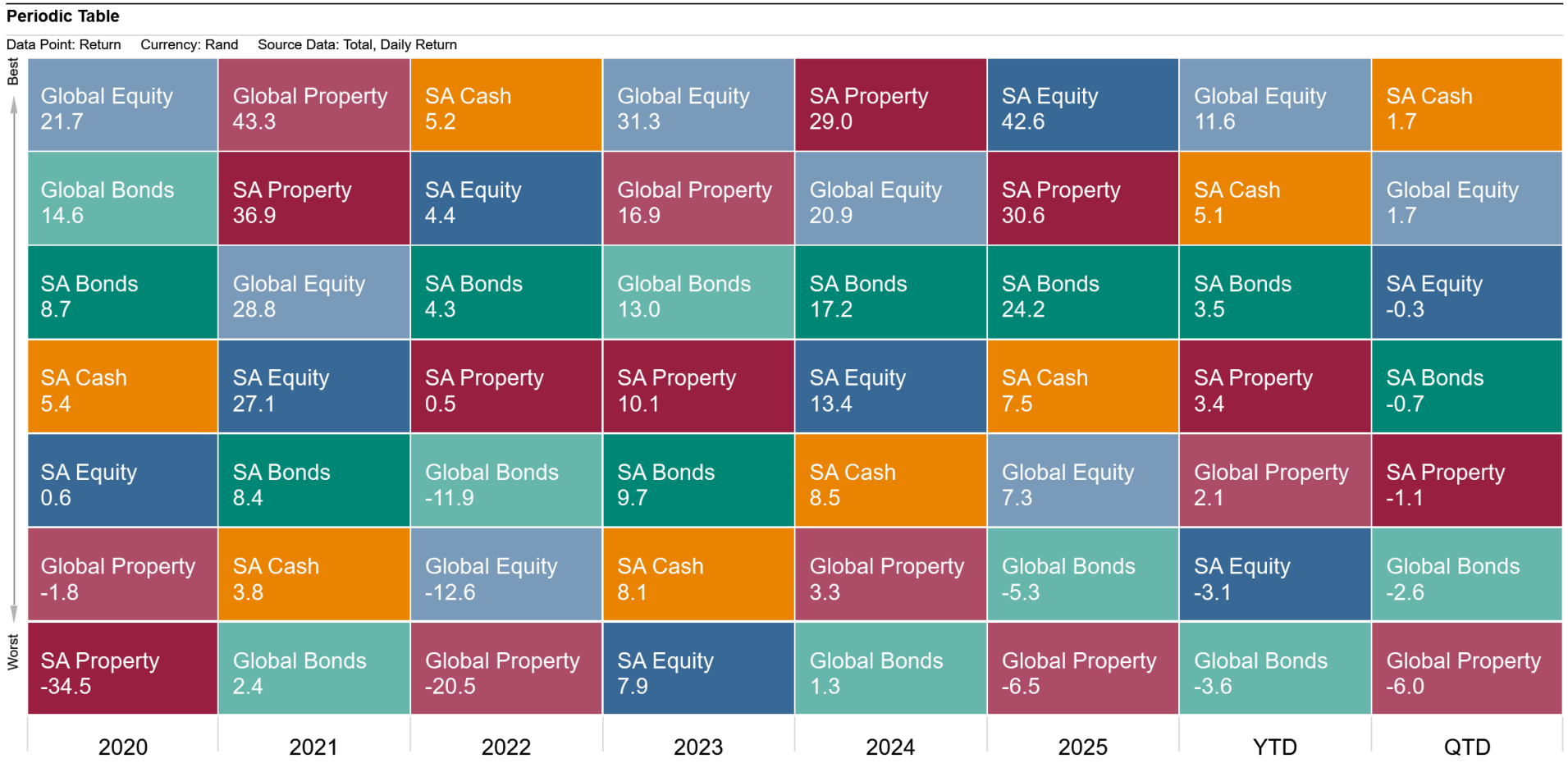
Precision-engineered portfolios, designed for your global investing needs



Source: Morningstar, PortfolioMetrix | As of 30 September 2026
Peer Groups include EAA Fund USD Cautious/Moderate/Aggressive/Global Flex-Cap Equity
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SA Asset Class Performance

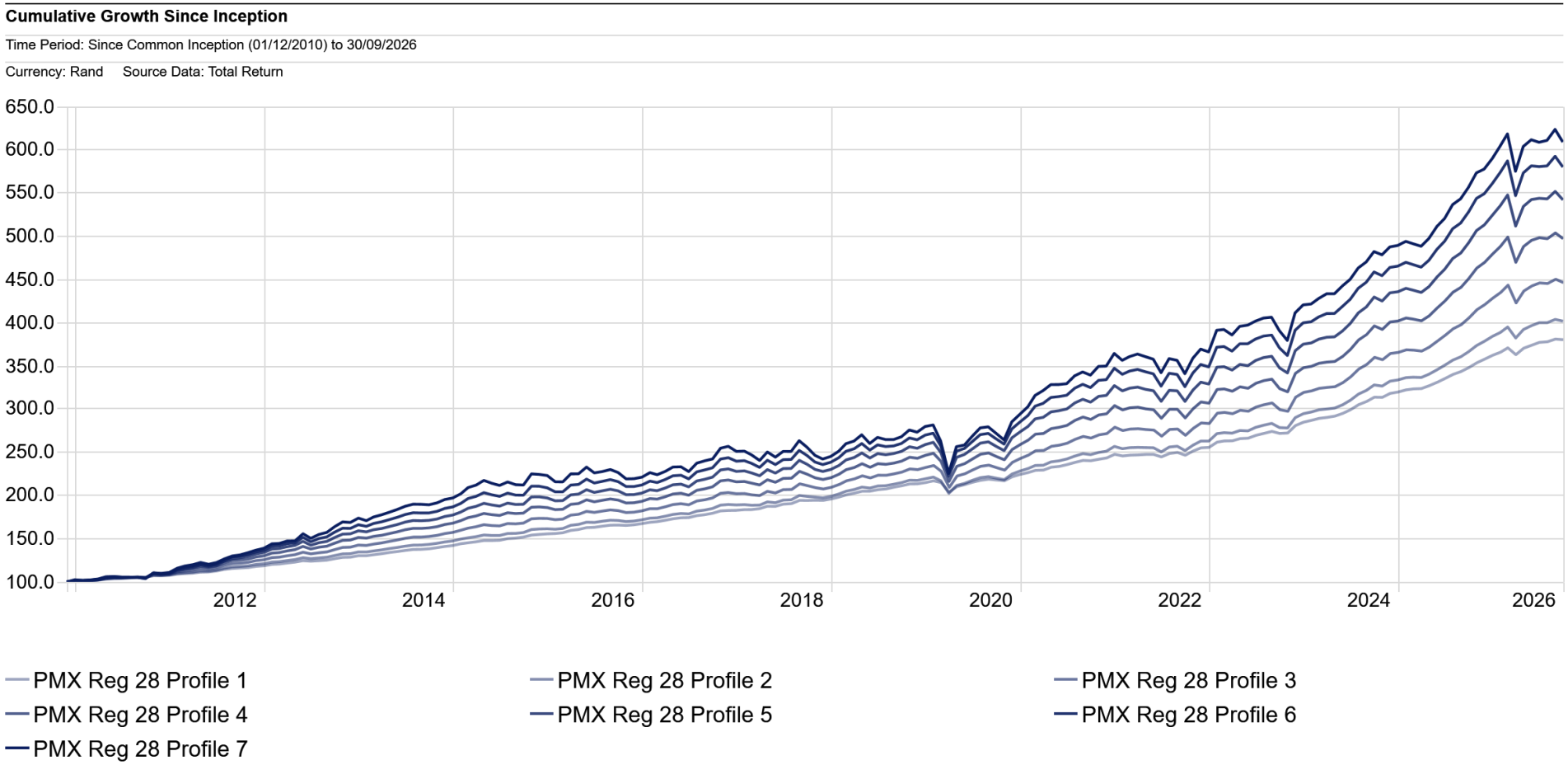
Last year's local winners are this year's laggards.



Source: Morningstar, PortfolioMetrix | As of 30 September 2026
Past performance and peer comparisons are shown for illustrative purposes only and do not imply future results.

Regulation 28 Portfolios

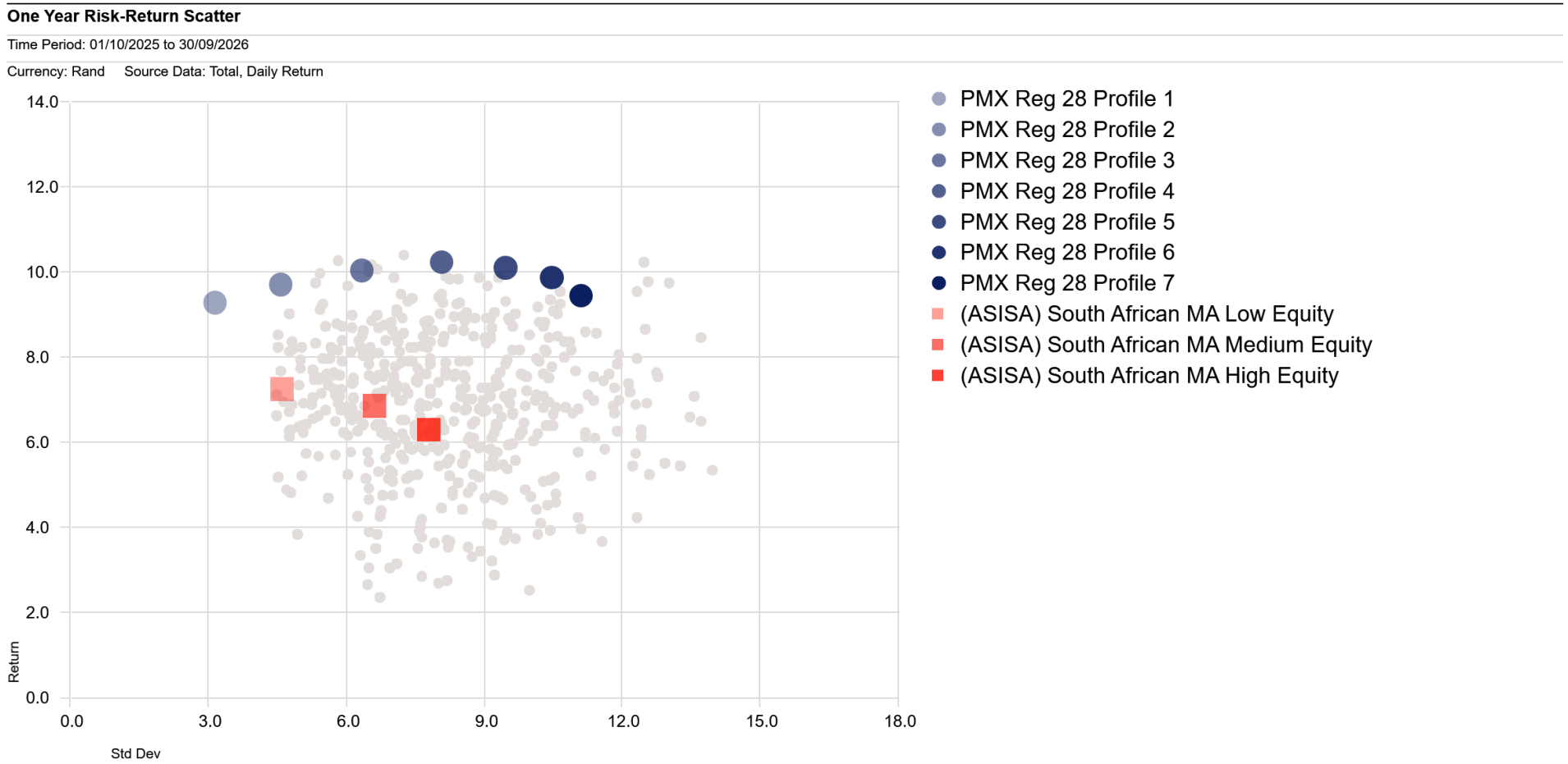
Precision-engineered portfolios, designed for your global investing needs



Source: Morningstar, PortfolioMetrix, As of: 30 September 2026
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Regulation 28 Portfolios

Precision-engineered portfolios, designed for your global investing needs

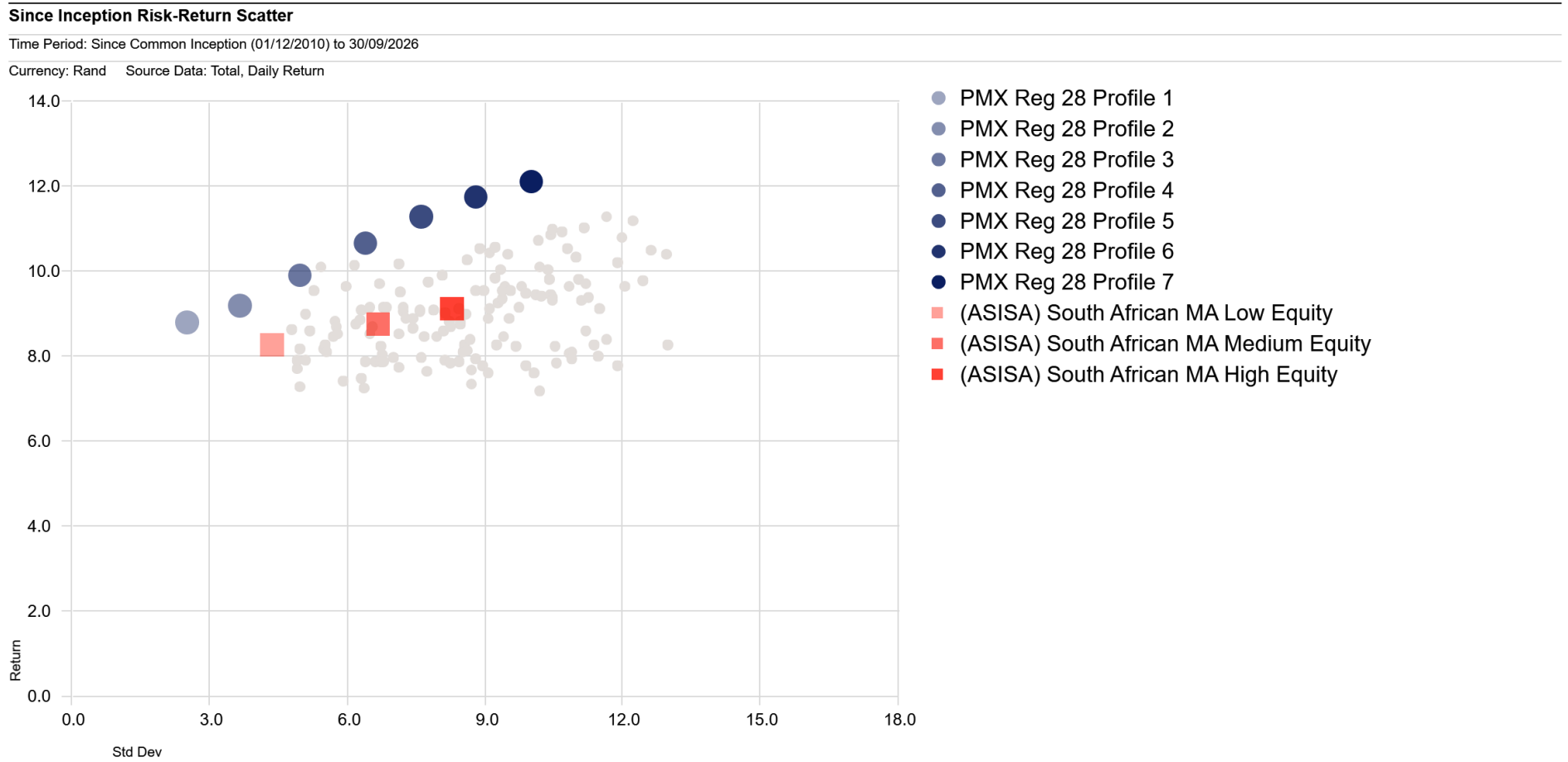


Source: Morningstar, PortfolioMetrix | As of 30 September 2026

Performance from 1 October 2025 to 30 September 2026, in ZAR. PMX model portfolios are compared against ASISA South African Multi Asset Low, Medium and High Equity peer categories for illustrative purposes. Differences in investment objectives, asset allocation and risk exposure may affect comparability. Past performance is not a reliable indicator of future results.

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Fund Rankings: First Quartile Across the Range

All six PortfolioMetrix FR funds of funds rank first quartile over one, three and five years.

		1 Year	3 Years	5 Years	7 Years	10 Years
Multi-Assets	*South African - Multi Asset - Low Equity*					
	PortfolioMetrix FR Cautious Fund of Funds A	1	1	1	--	--
	South African - Multi Asset - Medium Equity					
	PortfolioMetrix FR Moderate Fund of Funds A	1	1	1	--	--
	South African - Multi Asset - High Equity					
	PortfolioMetrix FR Balanced Fund of Funds A	1	1	1	--	--
	Worldwide - Multi Asset - Flexible					
	PortfolioMetrix FR Unconstrained Moderate Fund of Funds A	1	1	1	--	--
	Worldwide - Multi Asset - Flexible					
	PortfolioMetrix FR Unconstrained Balanced Fund of Funds A	1	1	1	--	--
	Worldwide - Multi Asset - Flexible					
	PortfolioMetrix FR Unconstrained Assertive Fund of Funds A	1	1	1	--	--

Data as at: 30/09/2026. Past performance is not a reliable indicator of future performance.



Rebalance Updates

PORTFOLIOMETRIX

South African Portfolios

Small adjustments across Reg 28 and Discretionary ranges.

Asset Class	Change	Why
SA Bonds	▼ Small Reduction	Banking part of a strong, not a negative view
SA Cash & 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

Strategic Asset Allocation Matters

24.2%
ALBI return in 2025, its best calendar year since 2001

5.1%
SA cash YTD, second only to global equity in rand

PMX

Source: PortfolioMetrix, Morningstar. Past Performance is not a reliable indicator of future performance.

Global Portfolios

Small adjustments across Core and Passive ranges.

Asset Class	Change	Why
Global Property	▲ Small Increase	Attractive Yields
Global Bonds	▲ Small Increase	Mainly EM Bonds, given attractive real yields
US & Europe Equity	▼ Small Reduction	Accounting for regional weight shifts in global market
UK & EM Equity	▲ Small Increase	Accounting for regional weight shifts in global market

PMX

Source: PortfolioMetrix, Morningstar. Shown for illustrative purposes.

Rebalance Processing: 9 to 13 November 2026

Timing and Platform Processing

Withdrawals Paused
Withdrawal requests aren't processed over the period

Change Mandates
May only process once the rebalance completes

SA Multi-Asset CIS portfolios: changes are already implemented in the underlying funds

Nothing dramatic has changed
Small, routine adjustments. Same Risk Profile

No crystal ball
Long-term mix built to handle uncertainty

Risk is actively managed
More global bonds and local cash to cushion volatility

Source: PortfolioMetrix. Shown for illustrative purposes.

Disclaimer

This document is only for professional financial advisers, their clients and their prospective clients.

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.

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Full calculation methodology available on request.

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