PORTFOLIOMETRIX QUARTERLY INSIGHTS

SOUTH AFRICAN PORTFOLIOS
SEPTEMBER 2025

PORTFOLIOMETRIX

CONTENTS

MARKET COMMENTARY

Global markets extended their gains over the third quarter of 2025 despite an increasingly complex macro backdrop marked by trade frictions, shifting central bank stances, and ongoing geopolitical tensions. Equity markets broadly advanced, with both developed and emerging equities showing strong overall performance. A softer US dollar provided a further boost to risk assets, while global bonds delivered modest but positive returns as yields trended lower following the first US rate cut of the year.

South African markets delivered another strong quarter, supported by firmer commodity prices, a stable rand, and improved investor sentiment following signs of policy stability within the Government of National Unity. Domestic equities and property extended their positive run, while the bond market posted modest gains as inflation continued to ease within the SARB's target range. The central bank kept the repo rate unchanged at 7%, highlighting balanced risks to the inflation outlook and reaffirming its commitment to maintaining price stability amid an improving but fragile domestic growth backdrop.

Developed Equity

Developed markets delivered positive returns, with US equities again leading, as mega-cap technology names surged. The Federal Reserve cut rates by 25 bps to a range of 4.00–4.25%, signalling greater concern about a cooling labour market. Meanwhile, in Europe, markets lagged slightly amid ongoing tariff uncertainty and muted growth. UK equities delivered modest but positive returns as stable inflation data allowed the Bank of England to maintain its policy stance, while the weaker pound lent some support to exporters. Japan saw strong gains as the Bank of Japan signalled growing confidence in the domestic economy, even as it outlined plans to gradually reduce its ETF holdings.

Emerging Equity

Emerging markets continued to outperform their developed peers, led by China's resurgence and renewed investor interest in cyclical exposures. Chinese equities rallied, buoyed by expectations of further policy support and improving trade sentiment. Technology stocks spearheaded the rally, with Alibaba, Tencent, and Baidu all announcing expanded AI investment programmes. Huawei's unveiling of its domestic semiconductor roadmap reinforced optimism around China's strategic progress in tech self-sufficiency. Latin American markets also benefited from higher commodity prices and supportive local currencies.

Global Fixed Income

Global fixed income markets posted modestly positive returns overall, supported by lower credit spreads and improved risk sentiment. However, global sovereign bonds were slightly negative as yields drifted higher later in the quarter, reflecting stronger US growth data and reduced expectations for aggressive monetary easing. Investment-grade corporates and high-yield credit both performed well, benefiting from the risk-on tone and a weaker dollar. Emerging market debt (hard currency) continued to attract inflows, aided by resilient global risk appetite and declining US rates, which reduced the funding pressure for dollar-denominated issuers.

Global Real Assets

Real assets produced mixed results through the quarter. Gold briefly consolidated around record highs near $3,500/oz before easing modestly into quarter-end. The metal remains well supported by persistent geopolitical uncertainty and continued central bank buying. Energy markets were volatile: oil prices initially declined amid OPEC+ supply increases but recovered in September on renewed concerns around Middle Eastern supply disruptions.

Global listed infrastructure posted steady gains, supported by defensive cash-flow characteristics and long-duration appeal in a falling-yield environment. Real estate kept pace even as higher financing costs and sluggish transaction volumes weighed on sentiment.

Looking Ahead

As we enter the final quarter of 2025, the global economy remains delicately balanced between policy optimism and macro uncertainty. The Fed's pivot to easing, coupled with subdued inflation trends, has buoyed investor confidence, but underlying growth signals are uneven. Fiscal stimulus in Europe and targeted infrastructure spending in China are likely to provide a floor for global demand, yet persistent trade frictions and election-year politics in the US continue to cloud the outlook.

With equity valuations elevated and yield curves still inverted across key developed markets, investors should remain mindful of potential volatility. However, history suggests that periods of policy transition often create fertile ground for future opportunity. Maintaining broad diversification, disciplined asset allocation, and composure amid short-term noise remains the most effective path for long-term success.

INDEX RETURNS & MARKET INDICATORS

As of 30/09/2025

South African Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Equity	12.8	30.9	28.1	21.6	18.8	9.6
SA Bonds	6.9	14.0	14.5	15.7	12.1	9.8
SA Property	6.7	12.3	11.4	23.9	21.8	3.0
SA Cash	1.8	5.7	7.8	8.0	6.4	6.8

SA Equity Sector Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Financials	1.0	7.6	6.3	21.5	21.4	7.2
SA Industrials	3.7	19.5	19.8	24.1	16.6	9.5
SA Resources	46.8	104.9	86.4	24.2	20.8	18.5

SA Equity Segment Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Large Cap	14.7	37.2	32.5	24.7	19.2	12.0
SA Mid Cap	7.1	17.9	16.1	17.2	17.3	8.8
SA Small Cap	6.0	7.8	15.5	19.3	27.7	10.4

Global Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equity	4.5	8.3	17.4	21.5	14.3	14.4
Global Bonds	-2.3	-1.3	2.5	4.0	-0.9	3.4
Global Property	0.8	0.1	-0.4	8.6	7.1	7.1
Global Infrastructure	0.9	4.4	8.0	10.9	10.1	11.0

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equity	7.6	18.4	17.3	23.1	13.5	11.9
Global Bonds	0.6	7.9	2.4	5.4	-1.6	1.1
Global Property	3.8	9.5	-0.5	10.1	6.4	4.8
Global Infrastructure	4.0	14.2	7.8	12.4	9.4	8.5

Global Equity Regional Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
North America Equity	8.1	15.1	18.0	24.4	15.6	14.5
UK Equity	5.0	25.3	16.6	21.8	13.9	6.9
Europe Ex UK Equity	3.0	27.9	14.3	23.2	11.3	8.5
Japan Equity	8.0	20.7	16.4	21.2	9.0	8.2
Pacific Ex Japan Equity	5.3	20.7	9.7	15.8	9.7	8.2
EM Equity	10.6	27.5	17.3	18.2	7.0	8.0

Currency Returns

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
ZAR/USD	3.0	9.4	-0.1	1.4	-0.7	-2.2
ZAR/GBP	4.9	1.7	-0.5	-4.8	-1.5	-1.0
ZAR/EUR	2.9	-3.6	-5.1	-4.6	-0.7	-2.7

Commodity Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Brent Crude	-0.9	-9.2	-6.0	-8.7	10.4	3.3
Gold Spot	17.1	46.7	45.6	32.3	15.4	13.3

Source: Morningstar Direct

ASSET CLASS PERIODIC TABLE

Asset Class Performance (ZAR)

Rank	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	QTD
Best	Global Property 36.6	SA Bonds 15.4	SA Property 17.2	Global Bonds 14.8	Global Equity 22.9	Global Equity 21.7	Global Property 41.3	SA Cash 5.2	Global Equity 31.3	SA Property 29.0	SA Equity 30.9	SA Equity 12.8
	Global Equity 30.6	SA Property 10.2	SA Equity 16.5	Global Property 10.7	Global Property 20.6	Global Bonds 14.7	SA Property 36.9	SA Equity 4.4	Global Property 19.3	Global Equity 20.9	SA Bonds 14.0	SA Bonds 6.9
	Global Bonds 29.7	SA Cash 7.4	Global Equity 12.1	SA Bonds 7.7	SA Bonds 10.3	SA Bonds 8.7	Global Equity 28.8	SA Bonds 4.3	Global Bonds 13.6	SA Bonds 17.2	SA Property 12.3	SA Property 6.7
	SA Property 8.0	SA Equity 5.2	SA Bonds 10.2	SA Cash 7.2	SA Cash 7.3	SA Cash 5.4	SA Equity 27.1	SA Property 0.5	SA Property 10.1	SA Equity 13.4	Global Equity 8.1	Global Equity 4.5
	SA Cash 6.5	Global Equity -4.7	SA Cash 7.5	Global Equity 5.6	SA Equity 6.8	SA Equity 0.6	SA Bonds 8.4	Global Bonds -10.7	SA Bonds 9.7	SA Cash 8.5	SA Cash 5.7	SA Cash 1.8
	SA Equity 2.8	Global Property -6.7	Global Property -1.0	SA Equity -10.9	Global Bonds 3.9	Global Property -3.3	SA Cash 3.8	Global Equity -12.6	SA Cash 8.1	Global Property 5.7	Global Property 0.1	Global Property 0.8
Worst	SA Bonds -3.9	Global Bonds -9.9	Global Bonds -2.8	SA Property -25.3	SA Property 1.9	SA Property -34.5	Global Bonds 3.5	Global Property -20.9	SA Equity 7.9	Global Bonds 1.4	Global Bonds -1.3	Global Bonds -2.3

- SA Bonds
- SA Equity
- SA Property
- SA Cash
- Global Bonds
- Global Property
- Global Equity

Source: Morningstar Direct

PORTFOLIO PERFORMANCE

PMX Building Block Performance

PMX Fund and Benchmark Performance (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX BCI Income Fund	2.7	7.7	10.2	10.8	9.0	—
STeFI +1%	2.1	6.5	8.9	9.0	7.5	7.8
PMX BCI SA Bond Fund	7.5	14.8	15.0	16.2	12.8	—
SA Bonds	6.9	14.0	14.5	15.7	12.1	9.8
PMX BCI SA Property	6.2	12.9	13.2	25.4	22.3	—
SA Property	6.7	12.3	11.4	23.9	21.8	3.0
PMX BCI SA Equity Fund	10.4	24.6	20.2	19.4	18.4	10.4
SA Equity - CSWIX	12.8	30.9	28.1	21.6	18.8	9.6
PMX BCI Global Equity FoF	4.3	6.2	15.0	18.6	12.6	12.8
Global Equity	4.5	8.3	17.4	21.5	14.3	14.4
PMX BCI Glbl Property FoF	-0.2	-1.2	-2.4	6.8	4.5	—
Global Property	0.8	0.1	-0.4	8.6	7.1	7.1
PMX BCI Global Bond FoF	-2.5	-1.8	2.0	3.4	-1.6	—
Global Bonds	-2.3	-1.3	2.5	4.0	-0.9	3.4

Excess Returns over Funds' Benchmark

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX BCI Income Fund	0.6	1.2	1.3	1.8	1.5	—
PMX BCI SA Bond Fund	0.6	0.8	0.5	0.5	0.8	—
PMX BCI SA Property	-0.5	0.6	1.9	1.5	0.5	—
PMX BCI SA Equity Fund	-2.3	-6.4	-7.9	-2.2	-0.5	0.8
PMX BCI Global Equity FoF	-0.1	-2.1	-2.4	-2.9	-1.7	-1.6
PMX BCI Glbl Property FoF	-1.0	-1.3	-1.9	-1.8	-2.6	—
PMX BCI Global Bond FoF	-0.1	-0.5	-0.5	-0.7	-0.7	—

Source: Morningstar Direct

Regulation 28 Portfolios

PMX Reg 28 Profile Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX Reg 28 Profile 1	3.8	8.8	10.9	12.2	9.8	8.6
PMX Reg 28 Profile 2	4.5	9.8	11.7	13.3	10.7	8.8
PMX Reg 28 Profile 3	5.3	11.0	12.8	14.6	11.8	9.2
(ASISA) South African MA Low	4.7	10.7	12.6	13.1	10.5	7.8
PMX Reg 28 Profile 4	6.1	12.2	13.8	15.9	13.0	9.6
PMX Reg 28 Profile 5	6.6	13.0	14.6	16.8	13.9	10.0
(ASISA) South African MA Med	5.7	12.6	14.4	14.4	11.7	8.0
PMX Reg 28 Profile 6	6.8	13.4	15.1	17.4	14.7	10.2
PMX Reg 28 Profile 7	6.9	13.7	15.4	17.7	15.4	10.1
(ASISA) South African MA High	6.0	13.5	15.1	15.6	12.9	8.3

Source: Morningstar Direct

Discretionary Portfolios

PMX Discretionary Profile Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX Discretionary Profile 1	4.0	9.2	11.3	12.6	10.0	8.7
PMX Discretionary Profile 2	4.8	10.4	12.3	13.8	11.0	8.9
PMX Discretionary Profile 3	5.7	11.7	13.4	15.3	12.0	9.3
(ASISA) South African MA Low	4.7	10.7	12.6	13.1	10.5	7.8
PMX Discretionary Profile 4	6.4	12.7	14.4	16.5	13.0	9.7
PMX Discretionary Profile 5	6.8	13.3	15.1	17.4	13.9	9.9
(ASISA) South African MA Med	5.7	12.6	14.4	14.4	11.7	8.0
PMX Discretionary Profile 6	7.0	13.8	15.8	18.0	14.5	9.9
PMX Discretionary Profile 7	6.9	13.7	16.0	18.5	15.0	9.9
(ASISA) South African MA High	6.0	13.5	15.1	15.6	12.9	8.3

Source: Morningstar Direct

Contributors & Detractors

This past quarter saw mixed performance across our local asset class funds, with both of our local fixed income building blocks (the PortfolioMetrix BCI Income fund and the PortfolioMetrix BCI SA Bond fund) providing strong positive returns ahead of their benchmarks, driven by strong government bond performance which was taken advantage by the Ninety One Diversified fund in the income space, and within our internally managed segregated mandate in the SA bond implementation.

The PortfolioMetrix BCI SA Property fund continued its positive momentum from the last quarter with strong absolute returns, but with both managers slightly underperforming their benchmark.

South African equities had a very strong quarter, driven by some exceptional movements within the resources sector, as platinum and gold prices continue to rise. Most managers lagged the benchmark over the quarter as they remain cautiously positioned in the resources sector given its volatile nature. Ninety One SA Equity, however, did manage to outperform over the quarter.

On the global front, performance was mixed when measured in rand terms. The PortfolioMetrix BCI Global Equity FF and the PortfolioMetrix BCI Global Bond FoF delivering returns in line with their benchmarks, while the PortfolioMetrix BCI Global Property FoF lagged its benchmark after disappointing performance from the Catalyst Global Real Estate fund.

PORTFOLIO CHANGES

Strategic Asset Allocation

While our strategic asset allocation has remained unchanged over the quarter, we continuously review our exposures to ensure they align with our long-term objectives, reflecting our commitment to preserving the integrity of our strategic asset allocations.

Equity Portfolio Changes

During the third quarter of 2025 we switched our dedicated small and mid-cap exposure of our European allocation from Premier Miton Opportunities to Janus Henderson Smaller Companies.

Fixed Income Portfolio Changes

There were no changes made within this asset class over the quarter.

Real Asset Changes

There were no changes made within this asset class over the quarter.

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Full calculation methodology available on request.