



PORTFOLIOMETRIX QUARTERLY INSIGHTS

GPS PORTFOLIOS
DECEMBER 2025

PORTFOLIOMETRIX

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MARKET COMMENTARY

Global markets delivered strong gains in the fourth quarter of 2025, with several equity indices ending the year near record or multi-year highs and capping a third consecutive year of robust returns for risk assets. In a notable shift from recent experience, international equity markets materially outperformed the broad US market, marking a clear rotation away from US-centric leadership.

Credit and emerging market fixed income also delivered healthy returns, supported by resilient risk appetite and attractive carry. Commodity performance was more mixed: oil prices declined, while precious metals extended their advance. Gold rose more than 60% over the year, benefiting from a weaker US dollar, persistent geopolitical risk, and sustained central bank demand.

The US Federal Reserve cut interest rates twice during the quarter, contributing to a decline in short-term yields and supporting bond market returns. However, policymakers signalled that the bar for further easing has risen.

Developed Equity

For the first time in several years, non-US equities significantly outperformed US markets over the full year. European and UK equities were standout performers, returning 36.2% and 33.9% respectively in USD terms, supported by more attractive valuations, improving growth expectations, and a weaker US dollar.

US equities continued to post positive returns but lagged international peers, as investor positioning became more selective and some capital rotated away from large-cap technology stocks following several years of outperformance. Japanese equities also delivered solid gains, while Pacific ex-Japan lagged other developed regions.

Emerging Equity

Emerging market equities delivered strong performance in the fourth quarter, with the asset class outperforming developed markets over the year. EM equities returned 31.6% for the year in USD, driven by broad-based strength across regions.

Technology-oriented markets in Asia, particularly Korea and Taiwan, were key contributors, while Latin America was the strongest regional performer, returning over 50% for the year. These gains occurred against a backdrop of easing US monetary policy and improving global liquidity conditions, both of which supported capital flows into emerging markets.

Global Fixed Income

Bond markets in Q4 highlighted the continued importance of central bank policy, inflation dynamics, and fiscal considerations. Short-dated bonds and segments with lower duration sensitivity performed relatively well, while longer-dated government bonds remained vulnerable to shifts in rate expectations.

Emerging market fixed income continued its strong run, closing out a very positive year for the asset class. EM local-currency government bonds returned 17.6% for the full year, while hard-currency sovereign and corporate debt also delivered solid gains, supported by robust risk appetite and improving investor flows.

Global Real Assets

Precious metals were the clear standout within real assets in 2025. Gold rose more than 60% for the year, underpinned by geopolitical uncertainty, sustained central bank purchases, and a weaker US dollar. Industrial metals also performed strongly, with copper reaching record highs amid supply constraints and rising demand linked to electrification, grid investment, and data-centre expansion, particularly in China.

By contrast, energy markets underperformed. Brent crude declined nearly 18% over the year, ending 2025 around \$57 per barrel, marking the sharpest annual fall in oil prices since 2020. Global property lagged other real assets, while infrastructure delivered modest positive returns, supported by defensive cash-flow characteristics.

Looking Ahead

The past year provided ample reasons for optimism: growth remained resilient, monetary policy eased, and markets rewarded investors across both equities and credit. Entering 2026, however, the global macro environment appears closer to a more typical economic cycle than in recent years. Growth is steady, inflation is expected to continue moderating, and monetary policy is approaching a more neutral stance.

In this environment, outcomes are likely to be driven less by abrupt policy shifts and more by fundamentals, namely the pace of aggregate demand, productivity trends, and earnings growth. Against this backdrop, diversification, disciplined portfolio construction, and consistent risk management remain central to achieving durable long-term outcomes.

INDEX RETURNS & MARKET INDICATORS

As of 31/12/2025

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equities	3.4	22.2	22.2	20.5	11.2	11.7
Global Bonds	0.2	7.8	7.8	3.6	-2.8	0.9
Global Property	-1.5	6.5	6.5	5.1	2.7	3.9
Global Infrastructure	2.5	17.7	17.7	10.2	7.6	9.0

Developed Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Developed Equities	3.2	21.1	21.1	21.1	12.1	12.1
North America Equity	2.6	18.0	18.0	22.6	13.4	14.1
UK Equities	6.5	33.9	33.9	18.1	11.7	7.3
Europe Ex UK Equity	6.4	36.2	36.2	18.5	9.7	8.9
Japan Equity	3.4	24.9	24.9	17.6	6.6	7.5
Pacific Ex Japan Equity	1.1	20.8	20.8	9.2	5.6	7.6

Emerging Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EM Equity	4.5	31.6	31.6	15.8	4.5	8.8
EM Latin American Equities	8.5	53.2	53.2	15.0	8.5	8.8
EM Asia Equities	4.6	31.5	31.5	16.7	4.1	9.2
EM Europe Equities	3.6	36.8	36.8	20.6	-9.8	-0.1

Fixed Income (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Gov Bonds	-0.5	6.7	6.7	2.2	-4.3	0.1
Global Corp Bonds	0.5	10.2	10.2	6.7	-0.6	2.7
Global HY Bonds	1.2	11.0	11.0	10.7	4.1	6.1
EM Local Currency Govt	3.1	17.6	17.6	9.0	1.3	4.3
EM Hard Currency Agg	1.4	10.9	10.9	8.0	0.8	4.0

Commodities (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Gold Spot	12.1	64.4	64.4	33.5	18.0	15.1
Brent Crude	-9.2	-17.6	-17.6	-10.9	3.3	5.0

Currency

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EUR/USD	0.0	13.4	13.4	3.2	-0.8	0.8
GBP/USD	-0.1	7.4	7.4	3.8	-0.3	-0.9
US Dollar Index (DXY)	0.6	-9.4	-9.4	-1.7	1.8	0.0

Currency Movements

Positive movements indicate an appreciation of the price currency relative to the base currency in the Price/Base currency quoting convention. For example, if the Pound Sterling strengthens from £1.30/USD to £1.20/USD quarter-to-date (QTD), this is interpreted as an 8.33% appreciation of the Pound against the Dollar over the quarter.

Source: Morningstar Direct

PORTFOLIO PERFORMANCE

Core Portfolios

PortfolioMetrix Global Portfolio Series Performance (USD)						
	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
EAA Fund USD Cautious Allocation	1.6	8.9	8.9	7.3	2.5	3.2
GPS Profile 3	2.3	14.4	14.4	11.4	3.9	5.2
GPS Profile 4	2.7	15.9	15.9	12.6	4.8	5.8
EAA Fund USD Moderate Allocation	2.2	12.8	12.8	10.1	4.2	4.9
GPS Profile 5	3.1	17.2	17.2	14.2	6.2	6.8
GPS Profile 6	3.6	18.7	18.7	15.7	7.5	7.6
GPS Profile 7	4.0	20.1	20.1	17.1	8.7	8.5
EAA Fund USD Aggressive Allocation	2.7	14.9	14.9	12.5	6.2	6.5

Source: Morningstar Direct

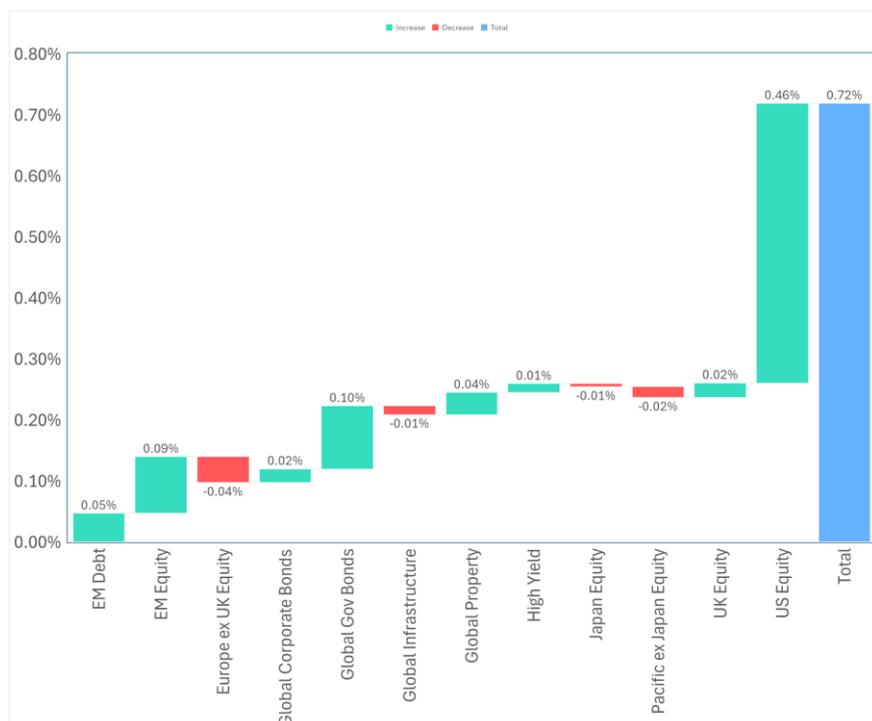
Contributors & Detractors

The strong momentum seen in global equity markets continued into the fourth quarter, led by gains in UK and European equities. The supportive environment enabled both the Global Equity Fund and the Global Diversified Fund to outperform their respective benchmarks.

JPM UK Equity Plus (+9.16%) led active returns, followed by T. Rowe Price Emerging Markets Discovery (+7.70%) and M&G Japan (+5.57%), both of which delivered strong performance and comfortably outperformed their respective benchmarks. On the contrary, Baillie Gifford Japan (-2.89%) gave up a significant portion of the strong gains accumulated over the first three quarters of the year, while the small-cap European exposure implemented via Janus Henderson (+3.52%) also lagged the broader European market.

Within fixed income, Emerging Market debt was the standout performer, with the PIMCO-managed exposure contributing positively. High-yield managers, on the other hand, lagged their benchmark, while the broader government bond index delivered negative returns for the quarter.

Real assets performance reversed relative to the previous quarter. Global listed infrastructure, managed by M&G, delivered weak returns (+0.07%) versus its benchmark; however, this was offset by strong relative performance in listed property via Columbia Threadneedle (+0.35%), which generated positive returns despite a negative broader property market.



Source: Morningstar Direct

PORTFOLIO CHANGES

Strategic Asset Allocation

Following a revised optimisation, adjustments were made to the GPS range to reinforce the long-term consistency and risk management that underpin our philosophy, with the primary objective of delivering better outcomes for investors.

Adjustments to asset allocation are neither a view nor a forecast on market direction. Rather, these modifications align with our systematic portfolio management approach. This methodology addresses inherent market cycles, upholds each client's risk mandate, and aims to improve long-term results.

The following summarizes the target asset allocation adjustments, by super asset class, for the GPS range. This will be utilised across both the Core and Passive product sets.

Super Asset Class Allocations

		Profile 3	Profile 4	Profile 5	Profile 6	Profile 7
Current	Global Bonds	49.6%	37.0%	24.8%	12.2%	0.0%
	Global Equity	47.6%	59.5%	71.7%	84.3%	96.5%
	Global Real Assets	2.8%	3.5%	3.5%	3.5%	3.5%
Proposed	Global Bonds	49.6%	37.0%	24.4%	11.8%	0.0%
	Global Equity	48.0%	60.0%	73.6%	87.2%	100.0%
	Global Real Assets	2.4%	3.0%	2.0%	1.0%	0.0%
Change	Global Bonds	0.0%	0.0%	-0.4%	-0.4%	0.0%
	Global Equity	0.4%	0.5%	1.9%	2.9%	3.5%
	Global Real Assets	-0.4%	-0.5%	-1.5%	-2.5%	-3.5%

Note: Real Assets includes listed property and infrastructure

Below is a breakdown of each super asset class into its respective sub-asset class components. These proportions will be consistently applied to each portfolio according to its allocation to each super asset class.

Global Fixed Income Breakdown

	Current	Proposed	Change
Global Government Bonds	50.0%	49.0%	-1.0%
Global Corporate Bonds	25.0%	28.2%	3.2%
Emerging Market Bonds	7.0%	12.6%	5.6%
Global High Yield	18.0%	10.2%	-7.8%
	100%	100%	

Global Equity Regional Breakdown

	Current	Proposed	Change
North America	69.5%	67.4%	-2.1%
Europe ex-UK	10.4%	11.2%	0.8%
United Kingdom	3.1%	3.3%	0.2%
Japan	4.7%	4.9%	0.2%
Pacific ex-Japan	2.4%	2.5%	0.1%
Emerging Market Equities	9.9%	10.7%	0.8%
	100%	100%	

Real Assets Breakdown

	Current	Proposed	Change
Global Property	57.3%	50.0%	-7.3%
Global Infrastructure	42.7%	50.0%	7.3%
	100%	100%	

We believe these changes will assist with ensuring portfolios remain well-diversified and appropriately balanced, whilst improving the efficiency of portfolios.

Equity Portfolio Changes

Amundi Europe ex UK was removed from the portfolio after the sudden departure of the lead portfolio manager of the strategy, and disappointing engagements with the incoming replacement manager. That allocation has been placed in a European tracker strategy while ongoing research for a potential active manager replacement takes place.

Fixed Income Portfolio Changes

The PIMCO Global Fund, which implemented a multi-asset fixed income strategy, was removed in favour of a pure government bond approach, in line with our fixed income bucket implementation. The mandate has been transitioned to Royal London.

Real Asset Changes

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

DISCLAIMER

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