PORTFOLIOMETRIX QUARTERLY INSIGHTS

SOUTH AFRICAN PORTFOLIOS
DECEMBER 2025

PORTFOLIOMETRIX

CONTENTS

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.

South African markets delivered another strong quarter, benefiting from favourable global conditions and continued improvement in domestic sentiment. Local equities and listed property extended their positive run, supported by firm commodity prices, particularly in precious metals and improved confidence following signs of greater policy stability within the Government of National Unity. The bond market also performed well as inflation continued to ease within the SARB's target range, allowing the central bank to maintain a measured and credible policy stance.

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.

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.

Global Real Assets

Precious metals were the clear standout within real assets in 2025. Gold rose more than 60% (in USD) 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% (in USD) 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

South African Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Equities - Capped SWIX	8.9	42.6	42.6	20.4	18.3	10.5
SA Bonds	9.0	24.2	24.2	16.9	12.5	11.5
SA Property	16.3	30.6	30.6	22.9	20.6	5.1
SA Cash	1.8	7.5	7.5	8.0	6.6	6.8

SA Equity Sector Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Financials	18.4	27.4	27.4	23.4	21.2	9.4
SA Industrials	-1.2	18.1	18.1	17.7	14.7	8.6
SA Resources	10.3	126.0	126.0	22.1	21.2	22.2

SA Equity Segment Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Large Cap	7.6	47.7	47.7	21.2	19.0	12.6
SA Mid Cap	11.1	31.0	31.0	18.4	16.8	10.2
SA Small Cap	12.6	21.5	21.5	22.3	25.7	12.3

Global Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equties	-0.7	7.3	7.3	19.4	13.9	12.5
Global Bonds	-3.8	-5.3	-5.3	2.7	-0.5	1.5
Global Property	-5.4	-6.5	-6.5	4.1	5.2	4.6
Global Infrastructure	-1.6	3.4	3.4	9.3	10.2	9.7

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equties	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

Global Equity Regional Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
North American Equities	2.6	18.0	18.0	22.6	13.4	14.1
UK Equity	6.5	33.9	33.9	18.1	11.7	7.3
Europe ex-UK Equities	6.4	36.2	36.2	18.5	9.7	8.9
Japan Equities	3.4	24.9	24.9	17.6	6.6	7.5
Pacific ex-Japan Equities	1.1	20.8	20.8	9.2	5.6	7.6
EM Equities	4.5	31.6	31.6	15.8	4.5	8.8

Currency Returns

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
USD/ZAR	-4.0	-12.2	-12.2	-0.9	2.4	0.7
GBP/ZAR	-4.0	-5.7	-5.7	2.9	2.1	-0.2
EUR/ZAR	-4.0	-0.4	-0.4	2.3	1.6	1.5

Commodity Returns (USD)

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

Source: Morningstar Direct

ASSET CLASS PERIODIC TABLE

Asset Class Performance (ZAR)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD	QTD
Best	SA Bonds 15.4	SA Property 17.2	Global Bonds 14.9	Global Equity 22.9	Global Equity 21.7	Global Property 43.3	SA Cash 5.2	Global Equity 31.3	SA Property 29.0	SA Equity 42.6	SA Equity 42.6	SA Property 16.3
	SA Property 10.2	SA Equity 16.5	Global Property 10.2	Global Property 22.8	Global Bonds 14.6	SA Property 36.9	SA Equity 4.4	Global Property 16.9	Global Equity 20.9	SA Property 30.6	SA Property 30.6	SA Bonds 9.0
	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 13.0	SA Bonds 17.2	SA Bonds 24.2	SA Bonds 24.2	SA Equity 8.9
	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	SA Cash 7.5	SA Cash 7.5	SA Cash 1.8
	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 -11.9	SA Bonds 9.7	SA Cash 8.5	Global Equity 7.3	Global Equity 7.3	Global Equity -0.7
	Global Property -6.8	Global Property -1.2	SA Equity -10.9	Global Bonds 3.6	Global Property -1.8	SA Cash 3.8	Global Equity -12.6	SA Cash 8.1	Global Property 3.3	Global Bonds -5.3	Global Bonds -5.3	Global Bonds -3.8
Worst	Global Bonds -9.9	Global Bonds -3.1	SA Property -25.3	SA Property 1.9	SA Property -34.5	Global Bonds 2.4	Global Property -20.5	SA Equity 7.9	Global Bonds 1.3	Global Property -6.5	Global Property -6.5	Global Property -5.4

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	2.9	10.8	10.8	10.8	9.2	—
STeFI +1%	2.0	8.6	8.6	9.1	7.7	7.9
PMX BCI SA Bond Fund	10.6	26.9	26.9	18.0	13.6	—
SA Bonds	9.0	24.2	24.2	16.9	12.5	11.5
PMX BCI SA Property	17.3	32.5	32.5	25.1	21.7	—
SA Property	16.3	30.6	30.6	22.9	20.6	5.1
PMX BCI SA Equity Fund	9.8	36.8	36.8	18.4	17.8	11.1
SA Equities - Capped SWIX	8.9	42.6	42.6	20.4	18.3	10.5
PMX BCI Global Equity FoF	0.6	6.8	6.8	17.3	12.3	10.8
Global Equties	-0.7	7.3	7.3	19.4	13.9	12.5
PMX BCI Glbl Property FoF	-3.8	-5.0	-5.0	4.9	4.8	—
Global Property	-5.4	-6.5	-6.5	4.1	5.2	4.6
PMX BCI Global Bond FoF	-3.8	-5.6	-5.6	2.7	-0.4	—
Global Bonds	-3.8	-5.3	-5.3	2.7	-0.5	1.5

Excess Returns over Funds' Benchmark

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX BCI Income Fund	0.9	2.2	2.2	1.7	1.5	—
PMX BCI SA Bond Fund	1.6	2.7	2.7	1.1	1.1	—
PMX BCI SA Property	1.1	1.9	1.9	2.2	1.1	—
PMX BCI SA Equity Fund	0.9	-5.8	-5.8	-2.0	-0.5	0.7
PMX BCI Global Equity FoF	1.4	-0.7	-0.7	-2.3	-1.6	-1.6
PMX BCI Glbl Property FoF	0.9	-0.3	-0.3	-1.4	-1.3	—
PMX BCI Global Bond FoF	-0.1	-0.6	-0.6	-0.4	-0.6	—

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	4.1	13.3	13.3	12.3	10.1	8.8
PMX Reg 28 Profile 2	4.8	15.1	15.1	13.5	11.0	9.1
PMX Reg 28 Profile 3	5.6	17.2	17.2	14.8	12.0	9.5
(ASISA) South African MA Low	4.3	15.5	15.5	12.9	10.6	8.0
PMX Reg 28 Profile 4	6.3	19.2	19.2	16.1	13.1	9.9
PMX Reg 28 Profile 5	6.5	20.3	20.3	16.8	13.9	10.3
(ASISA) South African MA Med	4.6	17.7	17.7	13.9	11.7	8.1
PMX Reg 28 Profile 6	6.3	20.5	20.5	17.2	14.5	10.4
PMX Reg 28 Profile 7	6.0	20.5	20.5	17.2	15.0	10.2
(ASISA) South African MA High	4.7	18.8	18.8	14.8	12.7	8.4

Source: Morningstar Direct

Discretionary Portfolios

PMX Discretionary Profile Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX Discretionary Profile 1	4.3	13.9	13.9	12.7	10.3	8.8
PMX Discretionary Profile 2	5.1	16.0	16.0	14.0	11.2	9.1
PMX Discretionary Profile 3	5.9	18.2	18.2	15.4	12.3	9.5
(ASISA) South African MA Low	4.3	15.5	15.5	12.9	10.6	8.0
PMX Discretionary Profile 4	6.2	19.7	19.7	16.5	13.2	9.9
PMX Discretionary Profile 5	6.1	20.2	20.2	17.1	13.8	10.1
(ASISA) South African MA Med	4.6	17.7	17.7	13.9	11.7	8.1
PMX Discretionary Profile 6	5.7	20.2	20.2	17.5	14.3	9.9
PMX Discretionary Profile 7	5.0	19.3	19.3	17.4	14.5	9.6
(ASISA) South African MA High	4.7	18.8	18.8	14.8	12.7	8.4

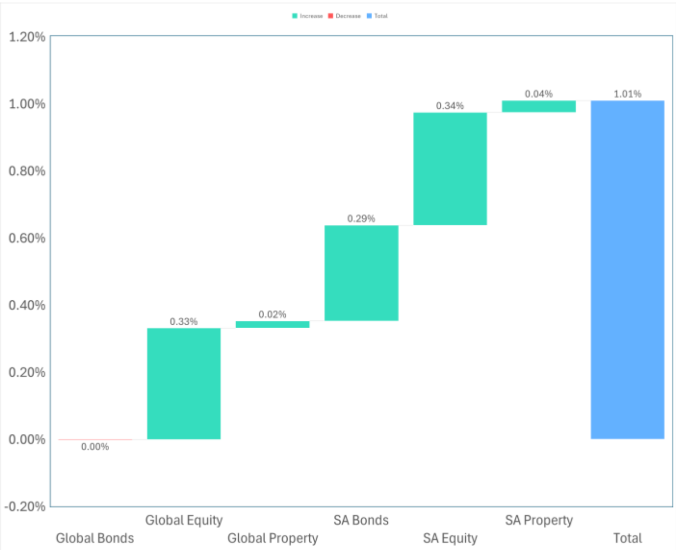
Source: Morningstar Direct

Contributors & Detractors

Over the quarter, domestic fixed income was a strong contributor to performance. Both the PortfolioMetrix BCI Income Fund and PortfolioMetrix BCI SA Bond Fund delivered positive absolute returns and outperformed their benchmarks, supported by continued strength in government bonds as yields declined further. Within the income fund, the Ninety One Diversified Income strategy contributed positively, while performance in the SA bond allocation was aided by both Ninety One Corporate Bond exposure and the internally managed segregated mandate.

South African property also contributed positively, with the PortfolioMetrix BCI SA Property Fund delivering strong absolute returns from both Sesfikile and Amplify SA Property managers, although relative performance versus benchmark was more muted. South African equities produced good relative returns over the quarter, supported by ongoing strength in resources. The Satrix Mid Cap Index exposure was the standout performer, delivering double-digit returns over the period and contributing meaningfully to overall equity performance; however, most managers lagged the benchmark over the full year due to cautious positioning in the sector.

Global equities delivered positive absolute returns and made a modest contribution to performance, with relative returns broadly in line with benchmarks. The PortfolioMetrix BCI Global Equity Feeder Fund delivered positive absolute returns and outperformed its benchmark, reflecting currency effects and narrower market leadership. The PortfolioMetrix BCI Global Property Fund was the weakest absolute performer over the quarter however outperformed its benchmark despite ongoing pressure from higher-for-longer financing conditions.



Source: Morningstar Direct

As can be seen from the above, manager selection was additive but not a dominant driver of performance. Active positioning within South African equities and bonds contributed positively at the margin, supporting returns without introducing undue concentration risk.

PORTFOLIO CHANGES

Strategic Asset Allocation

Following strong performance across South African asset classes and an appreciation of the rand, portfolios drifted away from their strategic targets, resulting in elevated exposure to local risk assets. As a result, we implemented a rebalance across all portfolios to restore alignment with long-term strategic asset allocations and agreed risk mandates.

The rebalance involved a reduction in South African equities, bonds and property, alongside a reallocation toward global equities, global bonds and global property. Cash allocations remain broadly unchanged. These adjustments reflect relative movements across asset classes rather than a tactical market view.

Equity Portfolio Changes

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

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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