

PORTFOLIOMETRIX QUARTERLY INSIGHTS

SOUTH AFRICAN PORTFOLIOS

September 2026

PORTFOLIOMETRIX

CONTENTS

MARKET COMMENTARY 3
Developed Equity 3
Emerging Equity 3
Global Fixed Income 3
Global Real Assets 3
Looking Ahead 3
INDEX RETURNS & MARKET INDICATORS 4
ASSET CLASS PERIODIC TABLE 5
PORTFOLIO PERFORMANCE 6
PMX Building Block Performance 6
Regulation 28 Portfolios 6
Discretionary Portfolios 7
Contributors & Detractors 7
PORTFOLIO CHANGES 8
Strategic Asset Allocation 8
Equity Portfolio Changes 8
Fixed Income Changes 9
Real Asset Changes 9
DISCLAIMER 10

MARKET COMMENTARY

If you only glanced at the headline numbers for Q3, you'd be forgiven for thinking it was a quiet quarter. The JSE finished almost exactly where it started, down 0.3%, and the rand ended the quarter virtually unchanged against the US dollar. Calm waters. Think of a swan, though: serene on top, paddling furiously underneath. The real action this quarter was in oil, central banks, bond markets and beneath the JSE's flat headline.

The relief rally of Q2 rested on hopes that the Middle East energy shock was fading. Those hopes did not survive the summer. Military strikes between the US and Iran resumed in early July and flows through the Strait of Hormuz were severely curtailed. Brent crude started the quarter just above US$70 a barrel and finished it above US$100, a 42% rise and its third-largest quarterly gain in a decade.

That rise in oil fed into inflation, and central banks changed course. By September, the Federal Reserve under Chair Kevin Warsh had raised rates for the first time since 2023, to 3.75–4.00%, and signalled another hike before year-end. The European Central Bank also raised rates, taking its deposit rate to 2.50%. Bond markets took the brunt, with the US 10-year Treasury yield closing the quarter at 5.28%.

South Africa followed the same script. The SARB held at 7% in July, with two of six members voting for a hike, then raised the repo rate unanimously to 7.25% in September. Headline inflation reached 4.4% in August against the 3% target, and the Bank projects it above 5% around the turn of the year. GDP had already contracted 0.2% in the second quarter. The 10-year government bond yield rose about 50 basis points to around 9%, SA bonds (-0.7%) and listed property (-1.1%) both slipped, and cash (+1.7%) was the best-performing local asset class.

Beneath the JSE's flat headline, Resources gained 15.2% while Industrials fell 10.0%. Gold shares rallied around 40% in August, then fell 15% in September as rising real yields pulled gold lower, while Naspers and Prosus fell roughly 15% on concerns that AI could erode Tencent's competitive position. Resources now make up more than 30% of the All Share Index, up from around 10% in 2015, so a broad local index tracker is, in practice, a sizeable bet on precious metal prices and one Chinese internet company.

Developed Equity

The headline indices flattered here too. Global equities returned 1.6% in US dollars, with US large caps up around 2% on the back of technology and AI-related names. But the small-cap Russell 2000 fell 7.2%, and by the end of September 83% of S&P 500 companies were more than 10% below their 52-week highs, even though the index itself was within about 2% of its peak. Japan (+5.7%) and Pacific ex-Japan (+5.1%) were the strongest regions, while Europe ex-UK fell 2.6% in US dollar terms as the ECB turned more hawkish (leaning towards higher interest rates).

Emerging Equity

Emerging markets trod water, slipping 0.7% in US dollar terms. AI-related profit-taking hit the tech-heavy Asian markets hardest, with South Korea's Kospi down 19.3% and China's CSI 300 down 12.5%. Even so, the asset class remains more than 22% higher for the year, a useful reminder that a flat quarter is not the same as a bad year.

Global Fixed Income

Bonds were supposed to be the ballast. For the second time this year, they weren't. Global bonds fell 2.6% in US dollars as yields rose, with the broad US bond market down around 3.5%. High yield held up better (-1.8%), helped by higher starting yields and shorter duration (less sensitivity to rising interest rates).

Global Real Assets

Energy was the story again. Gold finished 3.7% higher but took a bumpy route, surging 13% in August before falling 8.5% in September as rate-hike expectations climbed and the dollar firmed. Rate-sensitive areas fared worst, with global property down 6.0% and global infrastructure down 6.5% in US dollars.

Looking Ahead

The quarter closed with the Strait of Hormuz still largely shut, oil above US$100 a barrel and inflation above target almost everywhere. Markets are now trying to price a world in which rates stay higher for longer, a very different place from the one investors were expecting in January.

For South African investors, the next local tests are the Medium-Term Budget Policy Statement on 21 October, the SARB's 19 November rate decision and November's local government elections. With the JSE heavily tilted towards resources, local portfolios remain sensitive to global commodity swings. Diversification, discipline and a long-term mindset matter as much as ever: volatility is the price of admission for returns above cash.

Market commentary is based on publicly available market data and PortfolioMetrix analysis as at 30 September 2026. Key sources include Morningstar Direct, central bank communications and relevant market/news data reviewed during the quarter.

INDEX RETURNS & MARKET INDICATORS

As of 2026/09/30

South African Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Equities	-0.3	-3.1	5.6	19.3	13.9	9.4
SA Bonds	-0.7	3.5	12.8	17.7	12.1	10.3
SA Property	-1.1	3.4	20.2	26.5	15.9	4.6
SA Cash	1.7	5.1	7.0	7.8	7.1	6.8

SA Equity Sector Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Financials	-3.4	3.7	22.8	22.2	16.6	9.5
SA Industrials	-10.0	-13.6	-14.6	8.6	9.5	7.3
SA Resources	15.2	1.2	11.6	29.1	19.5	18.7

SA Equity Segment Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
SA Large Cap	0.2	-3.6	3.7	18.8	15.8	12.0
SA Mid Cap	-0.7	-6.5	3.8	15.8	10.3	7.0
SA Small Cap	-0.8	2.9	15.9	22.5	17.1	10.5

Global Asset Returns (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equties	1.7	11.6	10.8	16.0	13.5	14.3
Global Bonds	-2.6	-3.6	-7.2	-1.1	-0.7	1.4
Global Property	-6.0	2.1	-3.4	3.8	1.9	5.0
Global Infrastructure	-6.5	2.8	-0.3	8.6	9.0	9.4

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equties	1.6	12.8	16.6	21.5	11.5	12.3
Global Bonds	-2.6	-2.5	-2.4	3.6	-2.4	-0.3
Global Property	-6.0	3.2	1.6	8.8	0.2	3.1
Global Infrastructure	-6.5	3.9	4.9	13.7	7.1	7.5

Global Equity Regional Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
North American Equities	2.3	12.1	15.0	22.4	12.8	14.5
UK Equity	2.3	8.0	15.0	18.8	10.9	8.2
Europe ex-UK Equities	-2.6	5.2	11.9	17.4	8.7	9.5
Japan Equities	5.7	20.3	24.4	20.7	9.4	9.3
Pacific ex-Japan Equities	5.1	13.3	14.5	15.8	7.3	7.8
EM Equities	-0.7	22.2	27.7	22.9	9.0	9.3

Currency Returns

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
USD/ZAR	0.0	-1.0	-5.0	-4.5	1.7	1.8
GBP/ZAR	0.1	-2.3	-6.2	-1.8	1.4	2.0
EUR/ZAR	-0.6	-4.3	-8.1	-2.3	1.3	1.9

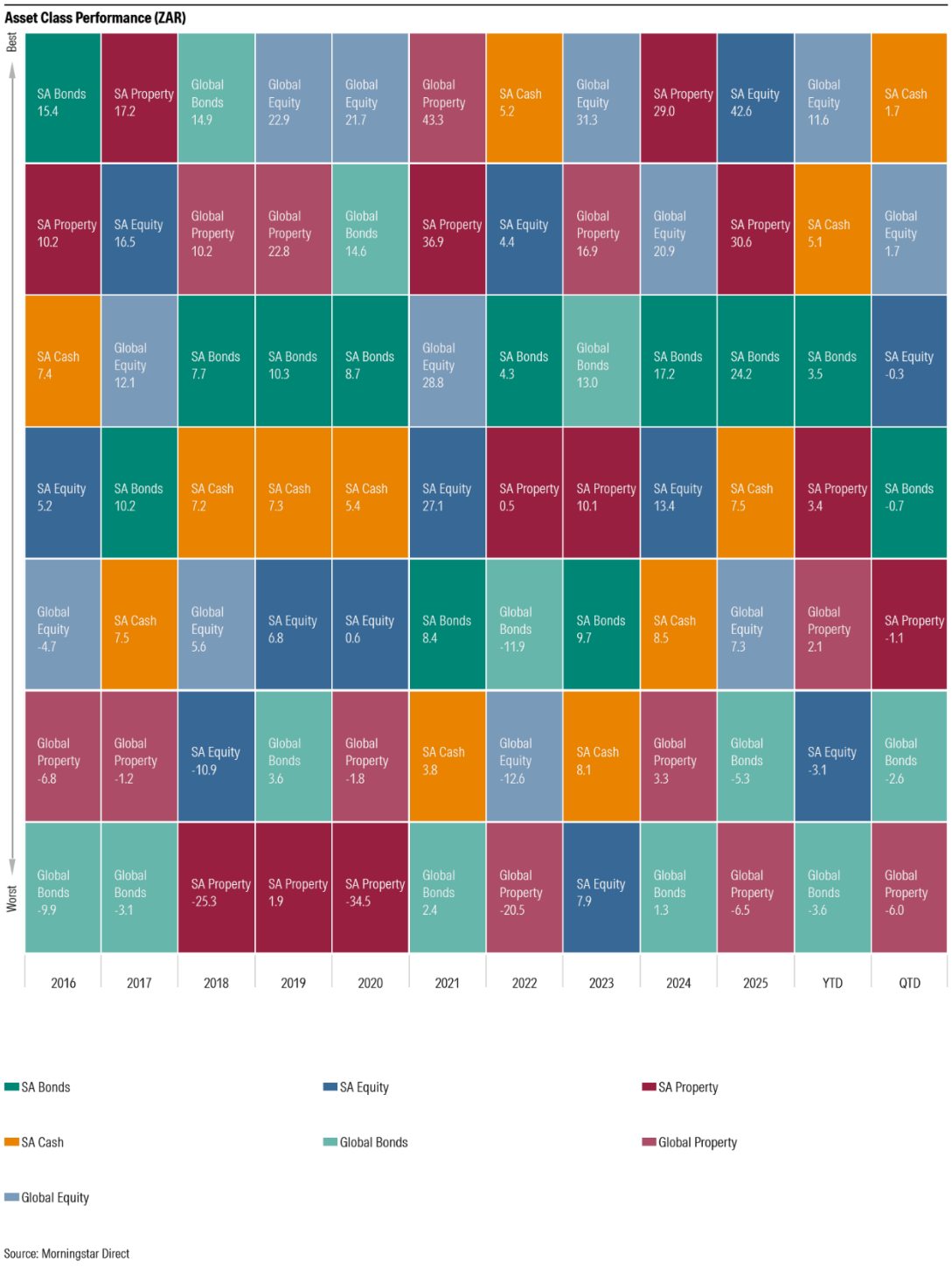
Commodity Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Brent Crude	42.0	70.1	54.5	2.8	5.7	7.8
Gold Spot	3.7	-3.6	8.1	30.9	19.0	12.3

Source: Morningstar Direct

Past performance is not a reliable indicator of future performance

ASSET CLASS PERIODIC TABLE



Source: Morningstar Direct

Past performance is not a reliable indicator of future performance

PORTFOLIO PERFORMANCE

PMX Building Block Performance

PMX Fund and Benchmark Performance (Rand)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX FR Income Fund	1.5	5.7	8.7	9.9	8.8	8.2
STeFI +1%	2.0	5.9	8.0	8.8	8.1	7.8
PMX FR SA Bond Fund	-1.1	3.9	14.7	19.0	12.8	10.7
SA Bonds	-0.7	3.5	12.8	17.7	12.1	10.3
PMX FR SA Property Fund	-0.8	3.9	21.8	27.4	16.2	6.6
SA Property	-1.1	3.4	20.2	26.5	15.9	4.6
PMX FR SA Equity Fund	-0.1	-4.1	5.3	16.9	13.0	10.5
SA Equities	-0.3	-3.1	5.6	19.3	13.9	9.4
PMX FR Global Equity FoF	1.5	10.5	11.1	14.4	11.3	12.7
Global Equties	1.7	11.6	10.8	16.0	13.5	14.3
PMX FR Global Property FoF	-6.8	1.6	-2.4	3.8	0.8	4.4
Global Property	-6.0	2.1	-3.4	3.8	1.9	5.0
PMX FR Global Bond FoF	-2.7	-4.7	-8.5	-1.9	-1.3	—
Global Bonds	-2.6	-3.6	-7.2	-1.1	-0.7	1.4

Excess Returns over Funds' Benchmark

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX FR Income Fund	-0.4	-0.2	0.6	1.1	0.7	0.4
PMX FR SA Bond Fund	-0.4	0.3	1.9	1.3	0.6	0.4
PMX FR SA Property Fund	0.3	0.5	1.6	0.9	0.3	2.0
PMX FR SA Equity Fund	0.2	-1.1	-0.3	-2.4	-1.0	1.1
PMX FR Global Equity FoF	-0.1	-1.1	0.3	-1.6	-2.2	-1.7
PMX FR Global Property FoF	-0.8	-0.6	1.0	0.0	-1.1	-0.6
PMX FR Global Bond FoF	-0.2	-1.1	-1.2	-0.9	-0.6	—

Source: Morningstar Direct.

Performance as at 30 September 2026. Returns longer than one year are annualised. Past performance is not a reliable indicator of future performance.

Regulation 28 Portfolios

PMX Reg 28 Profile Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX Reg 28 Profile 1	0.8	5.0	9.3	11.8	9.6	8.7
PMX Reg 28 Profile 2	0.4	4.6	9.7	13.0	10.2	8.9
PMX Reg 28 Profile 3	0.1	4.2	10.0	14.3	10.9	9.4
(ASISA) South African MA Low	0.3	2.8	7.2	12.0	9.5	7.9
PMX Reg 28 Profile 4	-0.2	3.7	10.2	15.4	11.5	9.8
PMX Reg 28 Profile 5	-0.3	3.4	10.1	16.0	12.0	10.2
(ASISA) South African MA Med	0.4	2.2	6.9	12.8	10.1	8.1
PMX Reg 28 Profile 6	-0.1	3.4	9.9	16.1	12.3	10.4
PMX Reg 28 Profile 7	0.0	3.3	9.4	15.9	12.4	10.4
(ASISA) South African MA High	0.3	1.6	6.3	13.3	10.5	8.3

Source: Morningstar Direct.

Performance as at 30 September 2026. Returns longer than one year are annualised. Past performance is not a reliable indicator of future performance.

Discretionary Portfolios

PMX Discretionary Profile Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
PMX Discretionary Profile 1	0.7	4.8	9.3	12.2	9.7	8.7
PMX Discretionary Profile 2	0.3	4.4	9.7	13.5	10.3	9.0
PMX Discretionary Profile 3	0.0	3.8	9.9	14.7	11.0	9.4
(ASISA) South African MA Low	0.3	2.8	7.2	12.0	9.5	7.9
PMX Discretionary Profile 4	-0.2	3.5	9.9	15.6	11.4	9.8
PMX Discretionary Profile 5	-0.1	3.3	9.6	15.9	11.6	10.1
(ASISA) South African MA Med	0.4	2.2	6.9	12.8	10.1	8.1
PMX Discretionary Profile 6	0.2	3.3	9.2	15.9	11.8	10.1
PMX Discretionary Profile 7	0.4	3.2	8.3	15.4	11.7	10.1
(ASISA) South African MA High	0.3	1.6	6.3	13.3	10.5	8.3

Source: Morningstar Direct.

Performance as at 30 September 2026. Returns longer than one year are annualised. Past performance is not a reliable indicator of future performance.

Contributors & Detractors

The third quarter delivered muted returns across the PMX building blocks, at least on the surface. Outcomes in the three largest allocations, South African equity, South African bonds and global equity, were shaped by a sharp sector rotation on the JSE and rising bond yields at home and abroad.

The PMX FR SA Equity Fund returned -0.1%, ahead of the SA Equity benchmark at -0.3%. With a flat headline concealing a 15.2% gain in Resources and a 10.0% fall in Industrials, manager outcomes depended heavily on positioning in a small number of large shares. Fairtree SA Equity (+3.3%) and 36ONE SA Equity (+2.3%) were the main contributors, reversing the second quarter, when both trailed the fund. Coronation Top 20 (-3.5%) was the largest detractor, while OC Equity (-0.6%), introduced in the second quarter, and Satrix Mid Cap (-0.8%) were modestly negative. That swing in leadership is the reason the fund blends managers with different styles rather than relying on any single approach.

South African bonds detracted, with the PMX FR SA Bond Fund returning -1.1% against the SA Bonds benchmark at -0.7%, as the 10-year government bond yield rose from 8.32% in late June to 8.91% by mid-September. Taquanta Bond (-0.4%) held up best, while Ninety One Corporate Bond (-0.7%) and STANLIB Bond (-0.7%) tracked the benchmark.

The PMX FR Global Equity FoF returned 1.5%, broadly in line with its benchmark at 1.7%. In US dollar terms, Japan was the strongest region, with M&G Japan (+6.1%) and the Vanguard Japan index (+5.9%) both contributing. The main detractors were CT American Smaller Companies (-10.4%), against a US market that gained more than 2%, and Janus Henderson European Focus (-5.9%). In emerging markets, T. Rowe Price EM Discovery (-1.7%) and Lazard Emerging Markets (-0.8%) trailed the benchmark.

In a risk-off quarter the PMX FR Income Fund returned 1.5%, led by Otto1890 Core Income (+2.4%) and Matrix Stable Income (+1.8%), but trailed STeFI +1% at 2.0% as Ninety One Diversified Income (+0.8%) lagged. The PMX FR SA Property Fund (-0.8%) finished ahead of its benchmark (-1.1%). Global property was the weakest building block on a relative basis, with the PMX FR Global Property FoF returning -6.8% against its benchmark at -6.0% as rising yields weighed on listed real estate, while the PMX FR Global Bond FoF (-2.7%) was broadly in line with its benchmark.

Source: Morningstar Direct.

Performance as at 30 September 2026. Returns longer than one year are annualised. Past performance is not a reliable indicator of future performance

PORTFOLIO CHANGES

Strategic Asset Allocation

Our strategic asset allocation (SAA) remained unchanged over the third quarter. We will implement an SAA rebalance in November, as set out in our recent communication to advisers. This change comes from our structured review process, which tests each allocation against long-term return, risk and correlation assumptions; it is not a response to the past quarter's market moves. We will set out the full detail of the changes, and the reasoning behind them, in our Q4 commentary.

Equity Portfolio Changes

The quarter's changes were confined to global equity. Both changes add a manager with a different investment approach to an existing one, without changing the size of the exposure or the portfolio's overall risk.

US EQUITIES

Fund Name	Change
Goldman Sachs US Small Cap CORE Equity	Added
CT American Smaller Companies	Reduced

We have added Goldman Sachs US Small Cap CORE Equity alongside the existing CT American Smaller Companies and split the allocation equally between the two. The total exposure to US smaller companies is unchanged, so the portfolios' overall characteristics and intended risk level stay the same.

The two managers invest in different ways. CT relies on in-depth fundamental research and holds a concentrated portfolio of selected companies. Goldman Sachs combines quantitative analysis with human judgement and spreads its holdings across a much broader set of companies. The US smaller companies market is large enough for both managers to act on their best ideas with little overlap, which adds diversification rather than duplicating holdings.

Smaller companies offer meaningful growth potential, but individual businesses are more exposed to company-specific setbacks than larger ones. Combining two complementary managers is expected to reduce the effect of a setback at any single company, or of a difficult period for either manager, on overall outcomes. As with any investment in smaller companies, returns will still rise and fall with the wider market.

EUROPE EX UK

Fund Name	Change
BlackRock Advantage Europe ex UK	Added
Vanguard FTSE Developed Europe ex UK	Reduced

We have added BlackRock Advantage Europe ex UK to the European equity allocation, funded from part of the existing passive exposure. The aim is to improve the potential to outperform the market in the long term without materially changing the level of risk.

BlackRock was selected after a review of the full range of available managers. Its systematic process analyses large volumes of data across hundreds of companies to select stocks. That approach complements Janus Henderson, our existing European manager, which invests with high conviction in a smaller number of companies it researches in depth. Our research indicates that European markets suit a data-driven approach, and combining the two styles is intended to make outperformance more consistent over the long term.

The fund costs 0.27% a year, or less depending on how it is accessed. That efficiently brings active management into the allocation at a cost close to that of many passive funds.

Fixed Income Changes

Taquanta Bond Fund has been removed from the PMX FR SA Bond building block, and the allocation redirected to the PMX Core Bond mandate. The PMX Core Bond mandate provides investors with direct, cost-efficient exposure to South African government bonds, benchmarked to the FTSE/JSE All Bond Index (ALBI). Managed internally by PortfolioMetrix at zero investment management fee, the mandate anchors portfolio duration and risk profile in a manner that is transparent, tightly governed, and fully aligned to the ALBI. In this instance we view a reduced external manager cost as a benefit, while retaining the same underlying fixed income exposure. This change is expected to improve the cost efficiency of the portfolio's bond allocation without compromising on benchmark fidelity or risk management rigour.

Real Asset Changes

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

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. Full calculation methodology available on request.

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 2022 (FSP No.: 42383). It is a limited liability company registered in South Africa under company number 2006/026054/07.

FundRock Management Company (RF) (Pty) Ltd ("FR"), part of the Apex Group, is a registered Manager of a Collective Investment Scheme approved in terms of the Collective Investment Schemes Control Act, No. 45 of 2002, and a member of ASISA. Collective investments are generally medium- to long-term investments. The value of participatory interests may go up or down, and past performance is not a reliable indicator of future results. Capital and returns are not guaranteed. This document is for information purposes only and does not constitute advice or an offer to purchase any product. Investors should obtain independent professional and tax advice before investing. Performance data is sourced from Morningstar, calculated on a NAV-to-NAV basis with income reinvested, and excluding initial fees.

©2026 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.