# PORTFOLIOMETRIX QUARTERLY INSIGHTS

SOUTH AFRICAN PORTFOLIOS
June 2026

PORTFOLIOMETRIX

# CONTENTS

# MARKET COMMENTARY

Global markets staged a sharp recovery in the second quarter of 2026, reversing much of the weakness seen in Q1. Equities rallied as fears of a prolonged Middle East energy shock began to ease on periodic ceasefire progress between the United States and Iran, even as the process remained fragile and prone to setbacks. Robust corporate earnings and continued enthusiasm for artificial intelligence investment added further support.

Monetary policy added complexity, as inflation from the earlier energy shock pushed major central banks away from their easing bias, with a leadership change at the Federal Reserve reinforcing the shift and even opening the door to a hike later in the year. Commodity markets moved in the opposite direction to equities: energy prices reversed sharply as the ceasefire reduced the risk premium built up in Q1, while gold gave back some of its gains as safe-haven demand faded alongside firmer risk appetite and a stronger dollar.

South African markets diverged from the broader global picture over the quarter. The South African Reserve Bank raised interest rates for the first time in three years, acting pre-emptively to guard against imported inflation from higher global energy prices. The rand nonetheless held up well, aided by a rare improvement in the country's sovereign credit outlook. Domestic bonds and listed property benefited from this steadier backdrop, while local equities lagged, weighed down by the resources sector as the same reversal in global commodity prices that pulled back gold and energy also weighed heavily on the market's mining-heavy constituents. The domestic growth outlook was trimmed further, reflecting the external shock serving as a reminder that the improved sentiment came against a still-fragile local backdrop.

## Developed Equity

Developed market equities advanced strongly over the quarter, recovering the ground lost in the first quarter's energy-driven sell-off. US equities led the advance, supported by continued strength in mega-cap technology names and resilient corporate earnings. European ex-UK and Japanese equities also delivered strong gains, while UK equities and the broader Asia-Pacific ex-Japan region lagged, still positive but more muted than their peers.

## Emerging Equity

Emerging market equities outperformed developed markets by a wide margin, extending their earlier resilience into a much stronger recovery. Asian markets led the advance, while emerging European markets also delivered strong gains. Latin American equities were the outlier, giving back some ground after a strong start to the year.

## Global Fixed Income

Fixed income markets showed considerable dispersion across categories. Government bonds lagged the broader market as yields came under renewed pressure, reflecting the shift in central bank rhetoric toward a less accommodative stance amid stickier inflation. Corporate credit and high yield fared better, while emerging market debt, in both local and hard currency form, continued to perform well, supported by improving risk appetite.

## Global Real Assets

Real assets delivered a mixed picture. Energy markets reversed sharply from the prior quarter's spike, as easing geopolitical tensions and progress toward a durable ceasefire reduced the supply risk premium built up earlier in the year, even though volatility persisted through the quarter. Gold retreated from its recent highs as safe-haven demand unwound alongside firmer risk appetite and a stronger US dollar. Listed property held up noticeably better than infrastructure over the period, with the latter the weaker of the two.

## Looking Ahead

While the quarter closed on a considerably more constructive note than it began, the underlying situation in the Middle East remains unresolved, and renewed tensions in the days following quarter-end are a reminder that the diplomatic process remains fragile. Markets will also need to navigate a less predictable policy backdrop, as major central banks reassess the pace of future easing. In this environment, diversification, discipline and a long-term mindset remain as important as ever.

For South African investors, the rate increase and the improved credit outlook provide a somewhat firmer foundation, though the central bank has signalled that further tightening cannot be ruled out should global energy prices rise again. With the local equity market's heavy tilt toward resources, domestic portfolios remain particularly sensitive to the same commodity price swings shaping the global outlook.

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

# INDEX RETURNS & MARKET INDICATORS

As of 30/06/2026

**South African Asset Returns (Rand)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| SA Equities | -2.4 | -2.8 | 19.4 | 17.8 | 14.7 | 9.4 |
| SA Bonds | 7.9 | 4.2 | 21.5 | 17.8 | 12.4 | 10.8 |
| SA Property | 10.0 | 4.6 | 29.7 | 26.6 | 17.5 | 4.6 |
| SA Cash | 1.7 | 3.4 | 7.1 | 7.9 | 6.9 | 6.8 |

**SA Equity Sector Returns (Rand)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| SA Financials | 8.3 | 7.3 | 28.5 | 24.4 | 20.1 | 10.0 |
| SA Industrials | 4.8 | -4.0 | -1.6 | 10.1 | 10.9 | 8.2 |
| SA Resources | -18.7 | -12.1 | 42.3 | 21.4 | 15.3 | 17.9 |

**SA Equity Segment Returns (Rand)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| SA Large Cap | -3.2 | -3.9 | 18.6 | 16.9 | 15.3 | 12.0 |
| SA Mid Cap | -4.8 | -5.9 | 12.0 | 16.4 | 12.0 | 7.5 |
| SA Small Cap | 6.2 | 3.8 | 23.8 | 23.3 | 19.9 | 11.2 |

**Global Asset Returns (Rand)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| Global Equties | 9.9 | 9.8 | 13.9 | 14.0 | 14.0 | 14.0 |
| Global Bonds | -3.4 | -1.0 | -7.0 | -1.6 | 0.7 | 1.1 |
| Global Property | 4.6 | 8.6 | 2.4 | 3.0 | 4.2 | 4.9 |
| Global Infrastructure | -1.8 | 9.9 | 7.6 | 7.9 | 11.6 | 9.6 |

**Global Asset Returns (USD)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| Global Equties | 14.8 | 11.0 | 23.5 | 19.5 | 10.9 | 12.7 |
| Global Bonds | 0.9 | 0.1 | 0.8 | 3.2 | -2.1 | 0.0 |
| Global Property | 9.3 | 9.8 | 11.0 | 8.0 | 1.4 | 3.7 |
| Global Infrastructure | 2.6 | 11.1 | 16.7 | 13.2 | 8.5 | 8.3 |

**Global Equity Regional Returns (USD)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| North American Equities | 14.7 | 9.6 | 21.4 | 20.1 | 12.3 | 14.7 |
| UK Equity | 4.8 | 5.6 | 18.1 | 17.2 | 10.3 | 8.4 |
| Europe ex-UK Equities | 12.6 | 7.9 | 18.4 | 16.0 | 8.9 | 10.4 |
| Japan Equities | 12.2 | 13.8 | 27.4 | 17.9 | 9.1 | 9.5 |
| Pacific ex-Japan Equities | 3.8 | 7.8 | 14.6 | 12.3 | 5.3 | 8.1 |
| EM Equities | 23.7 | 23.1 | 41.7 | 22.2 | 7.4 | 10.3 |

**Currency Returns**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| USD/ZAR | -4.3 | -1.1 | -7.8 | -4.6 | 2.8 | 1.1 |
| GBP/ZAR | -3.6 | -2.4 | -10.7 | -3.2 | 2.0 | 1.1 |
| EUR/ZAR | -5.0 | -3.7 | -10.2 | -3.1 | 2.0 | 1.4 |

**Commodity Returns (USD)**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| Brent Crude | -38.4 | 19.8 | 7.9 | -0.9 | -0.6 | 3.9 |
| Gold Spot | -13.7 | -7.0 | 22.1 | 27.9 | 17.9 | 11.8 |

Source: Morningstar Direct

*Past performance is not a reliable indicator of future performance*

# ASSET CLASS PERIODIC TABLE

**Asset Class Performance (ZAR)**

| Best → Worst | 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 | Global Equity 9.8 | SA Property 10.0 |
| | 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 | Global Property 8.6 | Global Equity 9.9 |
| | 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 Property 4.6 | SA Bonds 7.9 |
| | 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 Bonds 4.2 | Global Property 4.6 |
| | 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 | SA Cash 3.4 | SA Cash 1.7 |
| | 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 -1.0 | SA Equity -2.4 |
| 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 | SA Equity -2.8 | Global Bonds -3.4 |

SA Bonds | SA Equity | SA Property

SA Cash | Global Bonds | Global Property

Global Equity

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 | 2.7 | 4.1 | 9.8 | 10.2 | 8.8 | 8.3 |
| STeFI +1% | 1.9 | 3.9 | 8.1 | 9.0 | 8.0 | 7.8 |
| PMX FR SA Bond Fund | 8.3 | 5.0 | 24.6 | 18.8 | 13.2 | 11.3 |
| SA Bonds | 7.9 | 4.2 | 21.5 | 17.8 | 12.4 | 10.8 |
| PMX FR SA Property Fund | 10.6 | 4.8 | 30.3 | 27.8 | 17.8 | 6.6 |
| SA Property | 10.0 | 4.6 | 29.7 | 26.6 | 17.5 | 4.6 |
| PMX FR SA Equity Fund | -1.8 | -4.1 | 16.4 | 16.1 | 13.5 | 10.5 |
| SA Equities | -2.4 | -2.8 | 19.4 | 17.8 | 14.7 | 9.4 |
| PMX FR Global Equity FoF | 11.5 | 8.8 | 14.2 | 12.6 | 12.1 | 12.7 |
| Global Equties | 9.9 | 9.8 | 13.9 | 14.0 | 14.0 | 14.0 |
| PMX FR Global Property FoF | 6.0 | 9.0 | 4.4 | 3.6 | 3.7 | 4.5 |
| Global Property | 4.6 | 8.6 | 2.4 | 3.0 | 4.2 | 4.9 |
| PMX FR Global Bond FoF | -3.5 | -2.0 | -8.3 | -2.4 | 0.0 | — |
| Global Bonds | -3.4 | -1.0 | -7.0 | -1.6 | 0.7 | 1.1 |

**Excess Returns over Funds' Benchmark**

| | QTD | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|---|
| PMX FR Income Fund | 0.7 | 0.2 | 1.7 | 1.2 | 0.8 | 0.4 |
| PMX FR SA Bond Fund | 0.5 | 0.8 | 3.1 | 1.0 | 0.8 | 0.5 |
| PMX FR SA Property Fund | 0.5 | 0.2 | 0.6 | 1.1 | 0.4 | 2.0 |
| PMX FR SA Equity Fund | 0.6 | -1.3 | -3.0 | -1.7 | -1.2 | 1.1 |
| PMX FR Global Equity FoF | 1.6 | -1.0 | 0.3 | -1.3 | -2.0 | -1.3 |
| PMX FR Global Property FoF | 1.3 | 0.4 | 2.1 | 0.5 | -0.5 | -0.4 |
| PMX FR Global Bond FoF | -0.1 | -1.0 | -1.3 | -0.9 | -0.6 | — |

*Source: Morningstar Direct.*

*Performance as at 30 June 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 | 3.9 | 4.1 | 12.5 | 11.9 | 9.9 | 8.7 |
| PMX Reg 28 Profile 2 | 4.7 | 4.2 | 14.1 | 12.8 | 10.6 | 9.0 |
| PMX Reg 28 Profile 3 | 5.5 | 4.1 | 15.8 | 13.8 | 11.4 | 9.5 |
| (ASISA) South African MA Low | 3.5 | 2.5 | 12.0 | 11.7 | 9.9 | 7.9 |
| PMX Reg 28 Profile 4 | 6.1 | 4.0 | 17.2 | 14.8 | 12.1 | 10.0 |
| PMX Reg 28 Profile 5 | 6.3 | 3.7 | 17.7 | 15.2 | 12.6 | 10.3 |
| (ASISA) South African MA Med | 3.1 | 1.8 | 12.5 | 12.1 | 10.4 | 8.1 |
| PMX Reg 28 Profile 6 | 6.2 | 3.5 | 17.5 | 15.1 | 12.9 | 10.5 |
| PMX Reg 28 Profile 7 | 5.8 | 3.2 | 16.9 | 14.8 | 13.1 | 10.4 |
| (ASISA) South African MA High | 2.8 | 1.3 | 12.3 | 12.6 | 11.0 | 8.3 |

*Source: Morningstar Direct.*

*Performance as at 30 June 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 | 4.1 | 4.1 | 12.9 | 12.1 | 10.0 | 8.8 |
| PMX Discretionary Profile 2 | 4.8 | 4.0 | 14.6 | 13.2 | 10.7 | 9.1 |
| PMX Discretionary Profile 3 | 5.6 | 3.9 | 16.3 | 14.2 | 11.5 | 9.6 |
| (ASISA) South African MA Low | 3.5 | 2.5 | 12.0 | 11.7 | 9.9 | 7.9 |
| PMX Discretionary Profile 4 | 6.0 | 3.7 | 17.2 | 14.8 | 12.1 | 9.9 |
| PMX Discretionary Profile 5 | 5.9 | 3.4 | 17.1 | 14.9 | 12.4 | 10.2 |
| (ASISA) South African MA Med | 3.1 | 1.8 | 12.5 | 12.1 | 10.4 | 8.1 |
| PMX Discretionary Profile 6 | 5.7 | 3.1 | 16.6 | 14.7 | 12.5 | 10.1 |
| PMX Discretionary Profile 7 | 5.2 | 2.7 | 15.3 | 14.1 | 12.5 | 10.0 |
| (ASISA) South African MA High | 2.8 | 1.3 | 12.3 | 12.6 | 11.0 | 8.3 |

*Source: Morningstar Direct.*

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

## Contributors & Detractors

The quarter was positive for most PMX building blocks, with the strongest contributions coming from global equities, South African property and bonds. The PMX Global Equity was the strongest performer, returning 11.5%, ahead of its benchmark return of 9.9%. South African property also performed well, with the PMX SA Property Fund returning 10.6%, ahead of the SA Property benchmark at 10.0%. South African bonds were another important contributor, with the PMX SA Bond Fund returning 8.3%, ahead of the SA Bonds benchmark at 7.9%.

Within South African bonds, performance was strong across all underlying managers, supported by the decline in local bond yields over the quarter. STANLIB Bond (+8.6%), Ninety One Corporate Bond (+8.2%) and Taquanta Bond (+8.1%) all delivered strong positive returns. South African income also added steadily to performance, with the PMX Income Fund returning 2.7%, ahead of its STeFI +1% benchmark at 1.9%. Within the fund, Fairtree Income Plus (+3.4%) and Ninety One Diversified Income (+3.0%) were the strongest contributors, while Matrix Stable Income (+2.5%) and Otto1890 Core Income (+2.2%) also delivered positive returns.

South African property was a further highlight, benefiting from the broader recovery in listed property. Both underlying managers contributed positively, with Amplify (+11.1%) and Sesfikile (+10.6%) delivering double-digit returns over the quarter. Global property also added to performance, with the PMX Global Property FoF returning 6.0%, ahead of its benchmark return of 4.6%, although underlying manager performance was more mixed.

The main area of weakness was global bonds, where the PMX FR Global Bond FoF returned -3.5%, broadly in line with its benchmark. South African equities were also weak in absolute terms, with the PMX FR SA Equity Fund declining -1.8%. However, the fund still outperformed the SA Equity benchmark, which returned -2.4%. Underlying manager performance was mixed, with Coronation Top 20 (-0.1%) and 36ONE SA Equity (-2.2%) holding up relatively better, while the Satrix Mid Cap (-4.8%) and Fairtree SA Equity (-6.7%) exposures detracted.

Overall, most PMX building blocks delivered positive absolute returns and outperformed their benchmarks over the quarter. This supported strong returns across the Regulation 28 and Discretionary portfolios, particularly in the medium- and higher-risk profiles, where exposure to global equities, local bonds and listed property added meaningfully to performance.

## 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

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

## Fixed Income 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.

## Enhancing the PortfolioMetrix Global Equity Fund

We have enhanced the implementation of the PortfolioMetrix Global Equity UCITS Fund. This does not represent a change to the investment strategy, underlying managers or investment philosophy, but rather to the way the portfolio is implemented, with the objective of improving efficiency and enhancing long-term investor outcomes.

Previously, the fund operated as a traditional fund-of-funds, investing in underlying manager vehicles. It has now transitioned to Russell Investments' Enhanced Portfolio Implementation (EPI) framework, under which the same investment decisions are executed within a single centrally managed account. This allows investments to be made directly in securities, while retaining the flexibility to utilise collective investment schemes where appropriate.

The enhanced structure is expected to:

- Lower transaction costs through trade netting across managers.
- Reduce fee and administrative layering.
- Improve trading efficiency through centralised execution.
- Strengthen the application of portfolio-level controls.

By separating investment management from portfolio implementation, the new structure delivers a more efficient execution framework while preserving the fund's established investment approach.

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