



Hi All,

Introduction

At PortfolioMetrix, portfolios are continually monitored to ensure they remain aligned with their long-term investment objectives, strategic asset allocation and agreed risk mandates.

Our most recent rebalance was implemented in March 2026 following a period of strong performance across South African asset classes, supported by rand strength. This resulted in portfolio allocations drifting away from their intended strategic weights.

At that time, we also refined our strategic asset allocation framework to reflect evolving market conditions and risk characteristics. The resulting adjustments were modest and designed to preserve the appropriate balance between risk and return, reinforce diversification and maintain alignment with each portfolio's long-term objectives. The primary changes included reducing exposure to South African equities in favour of global equities and South African bonds.

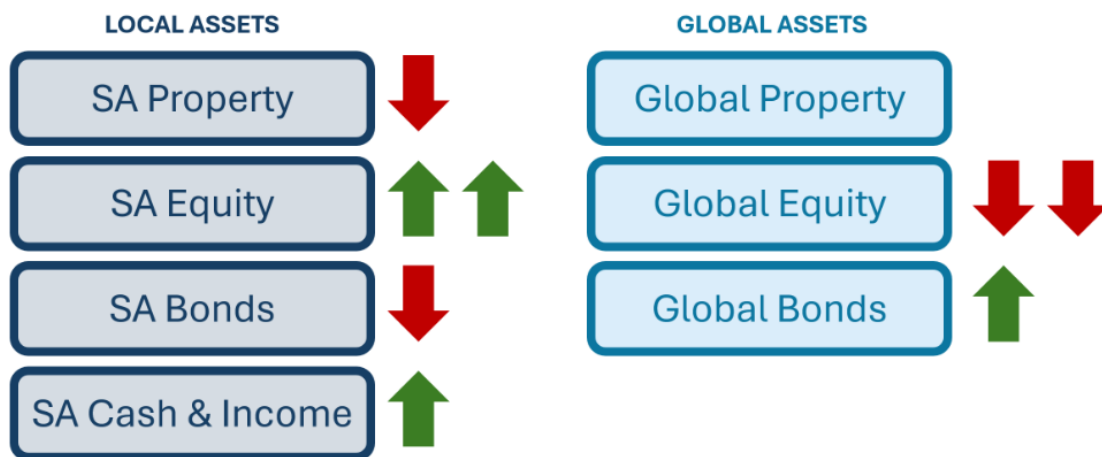
The positioning subsequently benefited portfolios as the asset classes we increased exposure to outperformed those we reduced. As part of our disciplined investment process, we will therefore implement a further rebalance to restore portfolios to their strategic target allocations by trimming positions that have outperformed and increasing exposure to those that have comparatively underperformed.

Asset Allocation Adjustments

The forthcoming rebalance will broadly include:

- **reducing** exposure to **global equities** and **increasing** exposure to **South African equities**;
- **increasing** allocations to **South African income** while **reducing South African bond exposure** within low and medium risk portfolios; and
- **reducing** exposure to **South African property**, which has outperformed, with proceeds being **reallocated to global bonds** where appropriate.

The illustration below provides a broad indication of the expected portfolio changes, although implementation will vary according to each portfolio's risk profile.



These changes are not driven by short-term market forecasts. Rather, they reflect our disciplined approach to portfolio construction and ongoing risk management. By systematically realigning portfolios to their strategic asset allocation, we maintain diversification, manage portfolio drift and ensure portfolios continue to reflect their intended risk profile.

This disciplined process encourages investors to realise gains from assets that have performed strongly while increasing exposure to assets that have become relatively underweight. Over time, this has been an important contributor to delivering consistent long-term investment outcomes.

Timing and platform processing

The rebalance is expected to be processed across most platforms between **28 July and 11 August 2026**. Please note that while the rebalance is being processed (which typically takes 1 to 2 days for each platform):

- Withdrawal requests will not be processed; and

- Change mandates can be instructed in WealthExplorer™ but, depending on the timing of the instruction, may only be processed by the platform on completion of the rebalance.

For clients invested via our Multi-Asset CIS portfolios, these asset allocation changes have already been implemented within the underlying portfolios.

Conclusion

Regular rebalancing is a fundamental component of the PortfolioMetrix investment philosophy. It ensures that portfolios remain aligned with their strategic objectives and agreed risk mandates, rather than being influenced by short-term market movements or investor sentiment.

By systematically managing portfolio drift, we reinforce diversification, maintain appropriate risk exposures and support the consistent delivery of long-term investment outcomes. This disciplined approach remains a key contributor to the value we seek to deliver for advisers and their clients.

Should you have any questions or require any information please contact the Partner Relations team on support@portfoliometrix.co.za.

For professional advisers only. The asset allocation adjustments described are implemented within the parameters of the applicable mandate and risk profiles. The illustrations reflect broad portfolio positioning and may vary by mandate and client circumstances. Allocation changes and rebalancing do not guarantee performance, eliminate risk, or prevent losses. End-client suitability and disclosure obligations remain the responsibility of the advising FSP.

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Kind regards,

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