



## MARKET OVERVIEW

### What's Happening Globally

Markets ended 2025 on a positive note, with most local asset classes giving strong returns for the year. Local listed shares, measured by the capped All Share Index (ALSI), returned 8.9% in the last quarter of 2025. Local-listed property returned 16.7% and was the best-performing asset class for the quarter. Local bonds were also positive and returned 9% for the quarter.

Global shares, measured by the MSCI World Index, returned 3.1% in United States Dollar (USD) terms and -1.0% in rand terms, mainly because the rand was stronger. The rand had its best year in more than a decade and strengthened by almost 15%. This reduced returns from offshore assets.

**The year ended on a strong note for investors, especially in South Africa. Most local asset classes delivered double digit returns, with shares, bonds and listed property all doing well. Global markets also produced positive results in USD terms, but these gains were lower when converted back to rand. This was mainly because the rand strengthened by almost 15% over the year, its best performance in more than a decade.**

Local-listed property was the top performer over the final quarter of the year. Local shares and bonds also showed solid gains.

The returns of the main asset classes for the period ended December 2025 were as follows:

	3 months	6 Months	1 year
SA Equity (Capped SWIX)	8.9%	22.8%	42.6%
SA Bonds (ALBI)	9.0%	16.5%	24.2%
SA Property (ALPI)	16.7%	23.1%	30.6%
SA Cash (STeFI)	1.8%	3.6%	7.5%
SA Inflation Linked Bonds (CILI)	8.1%	13.6%	15.4%
Global Equity (MSCI World (\$))	3.1%	10.6%	21.1%
Global Equity (MSCI World (R))	-1.0%	3.1%	6.3%
Global Bonds (WGBI (\$))	0.1%	0.3%	7.5%
Global Bonds (WGBI (R))	-3.9%	-6.5%	-5.6%

### Global economy

At the start of the fourth quarter of 2025, the US government entered a shutdown that lasted 43 days, the longest in its history. During this time, some key economic data, such as inflation, jobs and retail sales, were delayed.

#### Interest rates and growth

Despite these disruptions, the US economy remained resilient. The Fed cut interest rates by 0.25% in December 2025, bringing the policy rate down to 3.75%. The move was mainly due to concerns about weakness in the labour market. When the delayed third-quarter growth data was released, it showed annual growth of 4.3%, the fastest pace in two years. This was supported by strong consumer spending and higher investment linked to artificial intelligence.



### South African economy

South Africa ended the year with several positive developments that point to a more stable outlook. The country was removed from the Financial Action Task Force (FATF) grey list, Eskom returned to profit, and policymakers took steps to keep inflation lower and more stable. South Africa also received its first credit rating upgrade in two decades. Together, these changes point to rising confidence in the country's economic direction and long-term growth.

#### Removal from the grey list

South Africa was removed from the FATF grey list after improving its systems and processes to combat money laundering and terrorist financing. This should improve investor confidence, reduce compliance pressure for businesses and government, and help attract more foreign investment over time.

#### Eskom returns to profit

President Cyril Ramaphosa highlighted Eskom's return to profit after several years of losses. This was mainly due to better performance at the utility.

#### A lower inflation target

The Minister of Finance Enoch Godongwana supported the South African Reserve Bank's plan to lower the inflation target to 3%, with a range of 2% to 4%. This replaces the previous 3% to 6% range that had been in place for 25 years. The new target will be phased in over the next two years. The Reserve Bank also cut interest rates by 0.25% in November 2025, even though inflation was still above the new target level.

#### Credit rating upgrade

Credit rating agency S&P Global Ratings upgraded South Africa's credit rating and kept a positive outlook. This was the first upgrade in 20 years. The agency said the main reasons were better economic growth, an improved fiscal path and lower risks linked to Eskom. Higher commodity prices and ongoing reforms also support a more positive outlook for the country.

While markets will always face periods of uncertainty, the better local outlook and steady global growth provide a more supportive backdrop for investors. As always, we stay focused on long-term results, careful diversification and disciplined decisions to help members reach their financial goals.

## INVESTMENT PERFORMANCE FIGURES FOR THE PERIOD ENDING 31 DECEMBER 2025

The table below provides the gross return of each portfolio over the 1, 3, 5 and 10-year periods ending 31 December 2025.

Category	Portfolio	1 Year	3 Years	5 Years	10 Years
Default	Old Mutual Absolute Smooth Growth	15.0%	12.9%	12.5%	9.2%
	Target: Inflation + 6%	9.7%	10.2%	11.2%	11.1%
Market Linked	Symmetry 5-7	24.5%	17.3%	15.7%	10.9%
	Old Mutual Profile Edge28	21.6%	15.2%	14.8%	10.0%
	Coronation Managed	21.0%	18.8%	16.5%	11.8%
	Target: Inflation + 6%	9.7%	10.2%	11.2%	11.1%
	M&G Balanced	25.2%	17.1%	16.3%	11.3%
	Symmetry 4-6 Tracker*	25.8%	18.9%	15.7%	10.3%
	Target: Inflation + 5%	8.7%	9.2%	10.2%	10.0%
Smooth Bonus	Old Mutual Absolute Smooth Growth	15.0%	12.9%	12.5%	9.2%
	Target: Inflation + 6%	9.7%	10.2%	11.2%	11.1%
	Old Mutual Coregrowth 100	12.9%	10.6%	9.6%	8.5%
Target: Inflation + 3%	6.6%	7.1%	8.1%	7.9%	
Shari'ah	Old Mutual Investment Group Shari'ah Composite Fund	19.5%	14.3%	13.4%	9.2%
	Target: Inflation + 4.5%	8.2%	8.7%	9.7%	9.5%
Money Market	Futuregrowth 120-day Money Market**	8.1%	8.7%	7.1%	7.3%
	Target: Inflation	3.6%	3.9%	5.0%	4.8%

\* Symmetry 4-6 Tracker w.e.f.1 July 2024 and OMIG Balanced Index prior

\*\* Old Mutual SA Money Market (R) prior to May 2024 and Futuregrowth 120-day Money Market from 1 June 2024

## PRESERVE YOUR RETIREMENT SAVINGS FOR THE LONG TERM

Preservation means keeping your retirement savings safe and invested until you retire. Simple choices today can make a big difference later.

- 1 Avoid early withdrawals**  
Taking money out now means less money for retirement and less time for it to grow.
- 2 Give your money time to grow**  
The longer your savings stay invested, the more they can grow over time.
- 3 Increase contributions when you can**  
Even small increases can help boost your retirement savings.
- 4 Check your investment choices**  
Make sure your investments still suit your goals and how much risk you are comfortable with.
- 5 Focus on the long term**  
Try not to react to short-term market changes. Keep your retirement goal in mind.

Protecting your retirement savings today can help you enjoy greater financial security in the future.