Local Equity Portfolio Snapshot 2026

Private Clients
by Old Mutual

At Private Clients by Old Mutual, we pride ourselves on being a world class investment destination.

Our team of highly skilled and experienced Portfolio Managers craft personalised portfolios that are designed to help our clients achieve their investment objectives reliably over time.

Our Local Equity Model Portfolio invests directly into high quality, large cap South African companies that have a track record of delivering consistent earnings growth. It aims to outperform the FTSE/JSE Capped All Share Index (after management fees) over three years. This concentrated, yet well-diversified portfolio was established on 1 June 2014.

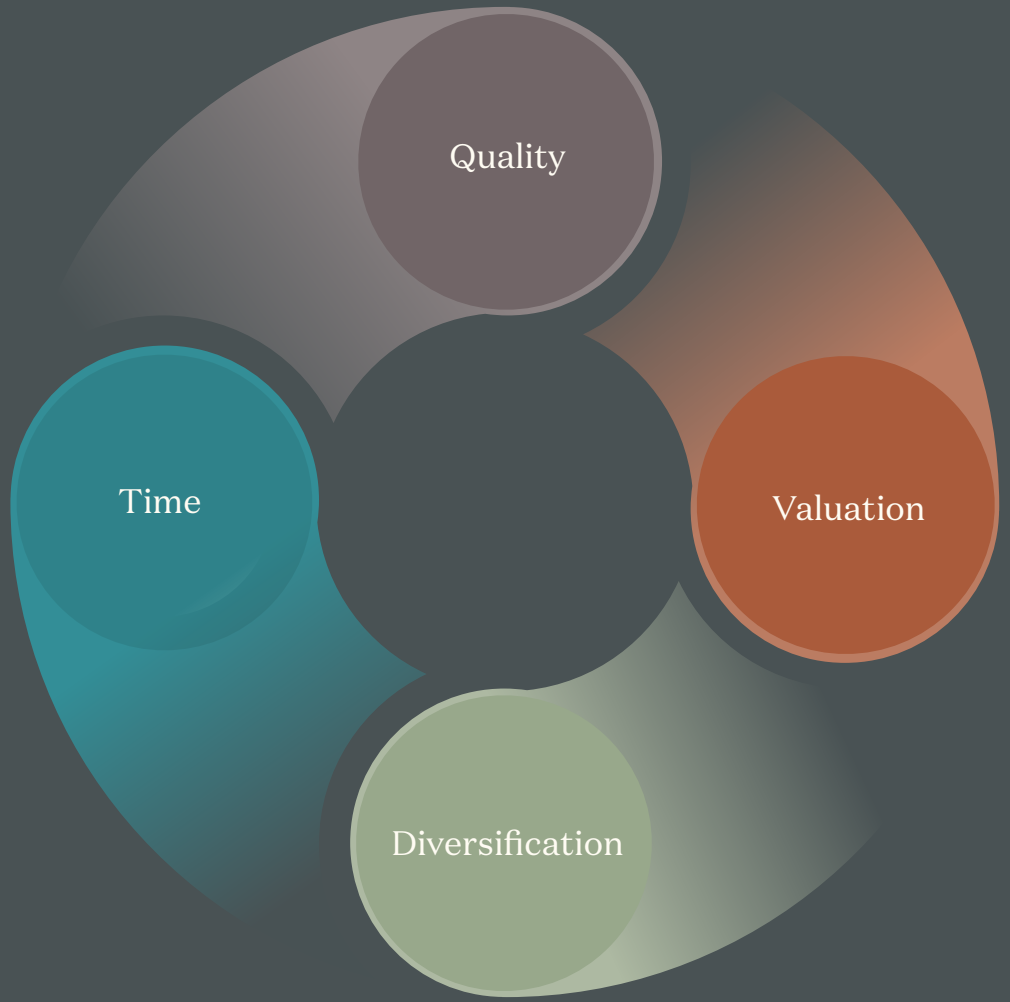
Minimum investment: R2.5 million

For more information on this portfolio, please contact your Private Clients Portfolio Manager.

A simple yet effective investment philosophy

We believe that successful investment management is underpinned by a well-understood and well-defined investment philosophy that is supported by a thorough and rigorous investment process. We have one philosophy, which is implemented across all of our model portfolios.

Our investment philosophy is built on four key aspects – quality, valuation, diversification and time. This effectively means that we pay a reasonable price for superior quality assets that are able to generate long-term sustainable returns. Importantly, we invest with a long-term perspective.



AB INBEV

AB InBev is the world's largest brewer, with a portfolio of global, regional and local brands spanning beer, non-alcoholic beverages and beyond-beer categories. The group operates across developed and emerging markets, with leading market positions in many of its key geographies. The global beer industry benefits from strong brands, extensive distribution networks and significant scale advantages, while long-term growth is supported by premiumisation, category innovation and rising consumer spending in emerging markets.

AB InBev's global footprint and diversified portfolio provide exposure to a broad range of consumer markets, reducing reliance on any single geography or brand.

INVESTMENT CASE

We believe AB InBev is entering a more favourable phase of its investment journey. Following several years of subdued volume growth, demand is beginning to improve, supported by growth in non-alcoholic beverages, continued premiumisation and market share gains in key markets. As volumes recover, the group's scale advantages should drive margin expansion and earnings growth.

Its portfolio of leading brands, global distribution network and purchasing power create significant barriers to entry and support strong cash generation. We also believe AB InBev is well positioned to benefit from a recovery in consumer spending across emerging markets, while a stronger balance sheet and disciplined capital allocation framework provide additional support for shareholder returns.

AT A GLANCE

Listing: Belgium (Euronext Brussels), SA (JSE) & Mexico (BMV | **Sector**: Consumer Staples | **Reporting currency**: US dollar

- World's largest brewer with leading global brands
- Significant scale and distribution advantages
- Growing exposure to premium and non-alcoholic beverages
- Strong cash generation and improving capital allocation

WHAT WE ARE WATCHING

- The sustainability of volume growth across key markets
- Continued premiumisation and growth in non-alcoholic beverages
- Ongoing balance sheet improvement and shareholder returns

THE BOTTOM LINE

We believe AB InBev combines the resilience of a global consumer staples business with improving growth prospects. We expect recovering volumes, premiumisation and disciplined capital allocation to support attractive earnings growth over time. We view the company's scale, brand portfolio and global market positions as durable competitive advantages.

ADVTECH

AdvTech is a leading private education group in South Africa, operating schools, tertiary institutions and resourcing businesses across the country and selected international markets. The private education sector benefits from structural demand as rising populations and pressure on public education systems support continued enrolment growth.

INVESTMENT CASE

We view AdvTech as a high-quality education platform with strong brands and consistent enrolment growth. Its portfolio of premium schools and tertiary institutions benefits from growing demand for quality education, while its scalable campus model supports steady expansion. The group has demonstrated disciplined capital allocation through campus development and acquisitions.

AT A GLANCE

Listing: South Africa (JSE) | **Sector**: Consumer Services | **Reporting currency**: ZAR

- Leading private education provider in South Africa
- Strong enrolment growth and brand positioning
- Scalable campus expansion model

WHAT WE ARE WATCHING

- Enrolment growth across schools and tertiary institutions.
- Expansion of new campuses and capacity utilisation.

THE BOTTOM LINE

We believe AdvTech offers long-term growth through its exposure to structural demand for private education. Strong brands, expanding capacity and disciplined execution support continued earnings growth.

ANGLOGOLD ASHANTI

AngloGold Ashanti is a globally diversified gold producer, operating across multiple jurisdictions. Gold mining is inherently cyclical and influenced by commodity prices, cost dynamics and operational execution. However, gold plays a distinct role within portfolios as a defensive asset, often benefiting during periods of macroeconomic stress, currency debasement and geopolitical uncertainty.

In recent years, AngloGold has improved the quality of its asset base, with a greater proportion of production and reserves now coming from Tier 1 assets. This shift enhances production stability, mine life and capital efficiency.

INVESTMENT CASE

We believe the long-term investment case for gold remains intact despite periods of price volatility. Short-term movements are often driven by liquidity and interest rate expectations, while structural drivers (such as elevated sovereign debt levels, ongoing central bank accumulation and geopolitical uncertainty) continue to support demand over time. Gold also provides diversification benefits within portfolios, acting as a non-correlated asset that can reduce volatility and mitigate drawdowns.

Within this context, we view AngloGold Ashanti as a high-quality operator. The group has demonstrated strong cost discipline relative to peers and has materially improved profitability and cash generation. Its strengthened balance sheet and disciplined capital allocation framework support consistent shareholder returns, while maintaining flexibility through the cycle.

AT A GLANCE

Listing: US (NYSE) & SA (JSE) | **Sector**: Materials | **Reporting currency**: US dollar

- Globally diversified gold producer
- Improved Tier 1 asset base
- Strong cost discipline and cash generation
- Disciplined capital allocation

WHAT WE ARE WATCHING

- Gold price dynamics relative to real interest rates and liquidity conditions.
- Sustained cost discipline and capital allocation through the cycle.

THE BOTTOM LINE

We believe AngloGold Ashanti offers attractive exposure to gold as a defensive asset, supported by improving operational quality and financial discipline. We expect strong cash generation and a robust balance sheet to underpin long-term shareholder returns.

ANGLO AMERICAN

Anglo American is a globally diversified mining group with exposure to copper, iron ore, platinum group metals, diamonds and other minerals. The mining industry is inherently cyclical, capital intensive and influenced by global commodity demand, supply discipline and geopolitical factors. For SA-listed miners, operational execution is further affected by local infrastructure constraints, energy availability and regulatory considerations.

Anglo's asset base is geographically diversified, reducing reliance on any single country or commodity. In recent years, the group has increasingly focused on portfolio simplification and capital discipline.

INVESTMENT CASE

We view Anglo American as a high-quality diversified miner with increasing exposure to commodities aligned with long-term structural demand, particularly copper. The global energy transition, electrification and infrastructure investment support sustained demand for copper, while supply constraints limit new production. At the same time, Anglo's diversified portfolio and strong balance sheet provide resilience through commodity cycles. While SA operational risks remain, these represent a declining share of group earnings.

AT A GLANCE

Listing: United Kingdom (LSE) & SA (JSE) | **Sector**: Materials | **Reporting currency:** US dollar

- Diversified global mining portfolio
- Strong exposure to copper
- Disciplined capital allocation
- Solid balance sheet

WHAT WE ARE WATCHING

- Execution on portfolio simplification and asset disposals.
- Global commodity demand trends, particularly for copper.

THE BOTTOM LINE

We believe Anglo American offers attractive long-term exposure to structurally supported commodities. We expect copper to play an increasingly important role in earnings over time. While mining remains cyclical, we view Anglo's diversification, balance sheet strength and strategic focus as supportive of sustainable returns.

BHP GROUP

BHP Group is one of the world's largest diversified resources companies, producing key commodities including iron ore, copper and coal. The global mining industry is cyclical and influenced by commodity prices, infrastructure investment and industrial demand, although long-life, low-cost assets help leading producers remain resilient across cycles.

INVESTMENT CASE

We view BHP as a high-quality diversified miner with a portfolio anchored in tier-one, low-cost assets. Iron ore provides strong cash flow generation, while copper offers increasing exposure to electrification and decarbonisation trends. The group is also investing in future-facing commodities such as potash and battery metals, positioning the portfolio to benefit from long-term structural demand.

AT A GLANCE

Listing: Australia / UK (ASX, LSE) | **Sector:** Materials | **Reporting currency**: US dollar

- Diversified portfolio across iron ore, copper and coal
- Low-cost, long-life mining assets
- Strong balance sheet and cash generation

WHAT WE ARE WATCHING

- Global demand for key commodities linked to infrastructure and industrial growth.
- Progress in expanding exposure to future-facing commodities such as potash.

THE BOTTOM LINE

We believe BHP offers long-term value through scale, cost leadership and a disciplined approach to capital allocation. Its portfolio provides exposure to essential commodities supporting global growth and the energy transition.

BIDCORP

Bid Corporation Limited, known as Bidcorp, is an international food services group with a presence in developed and emerging economies on all continents other than North America. There is a mix of well-established leading market positions offering potential to optimise returns, and rapidly growing market positions offering significant future potential. Bidcorp was unbundled from Bidvest at the end of May 2016.

INVESTMENT CASE

Bidcorp is the largest food services business outside the US and boasts the most diversified footprint. In its operating regions, the group has a leading (top three) market share, which we believe is a competitive advantage within food services. We believe that the continued benefit from scale and exposure to fast growing economies will support earnings growth going forward. Bidcorp is highly cash generative and has low gearing. We believe this leaves room for the continuation of the current strategy of acquiring independent operators as bolt-on acquisitions, or for management to make a larger transformative acquisition either in a new market or to bulk up existing operations.

AT A GLANCE

Sector: Consumer Staples | **Reporting currency:** ZAR

- Most geographically diversified food services business in the world
- Strong cash flow generation
- Disciplined acquisition strategy

WHAT WE ARE WATCHING

- Organic growth in a subdued food inflation environment.
- Trading profit margin resilience in a competitive market.

THE BOTTOM LINE

Bidcorp is backed by a strong management team with a proven track record of acquisitive growth and a skill set in turning businesses around. Bidcorp's emerging market segment includes regions with significant scope for growth within food services, e.g. China and South America. While still in their early stages, we see this as a meaningful growth vector over the long term.

CAPITEC

Capitec operates within SA's retail banking sector, serving predominantly mass and emerging middle-income consumers. The local banking industry is highly regulated, capital intensive and characterised by high fixed costs, which favour scale players. While SA's economic growth remains constrained, the banking system itself is well regulated and profitable, with demand for transactional banking and credit closely linked to employment levels, household income and interest rates.

Capitec has differentiated itself through a simplified product offering, digital-first delivery and a low-cost operating model. Over time, it has expanded beyond its original unsecured lending roots into full-service transactional banking, insurance and business banking.

INVESTMENT CASE

We believe Capitec is structurally advantaged within SA retail banking. Its low-cost model allows it to price competitively while maintaining attractive returns on equity, even in a low-growth environment. As consumers remain under financial pressure, value-for-money banking propositions become more compelling, supporting continued client acquisition and deepening of relationships. While higher interest rates increase credit risk, Capitec's data-driven credit management and conservative provisioning have historically allowed it to navigate credit cycles effectively.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Leading low-cost retail bank
- Strong digital and data capabilities
- Growing transactional and business banking franchises
- High returns on equity

WHAT WE ARE WATCHING

- Credit performance as interest rates remain elevated.
- Progress in scaling business banking and insurance offerings.

THE BOTTOM LINE

We believe Capitec remains one of the highest-quality banks in SA. We expect its low-cost structure and customer-centric model to support continued market share gains over time. While economic conditions remain challenging, we view Capitec's risk discipline and operating efficiency as key buffers through the cycle.

CLICKS GROUP

Clicks operates in SA's health and beauty retail sector, combining retail pharmacies with front-of-store health, beauty and wellness products. The industry benefits from defensive demand characteristics, as healthcare spend is less discretionary than general retail. Regulatory frameworks around pharmacies also create barriers to entry.

INVESTMENT CASE

We view Clicks as a high-quality defensive retailer with strong execution capability. Its integrated pharmacy model drives footfall and repeat visits, while private-label products support margin stability. Demographic trends, including ageing populations and increased healthcare awareness, underpin long-term demand.

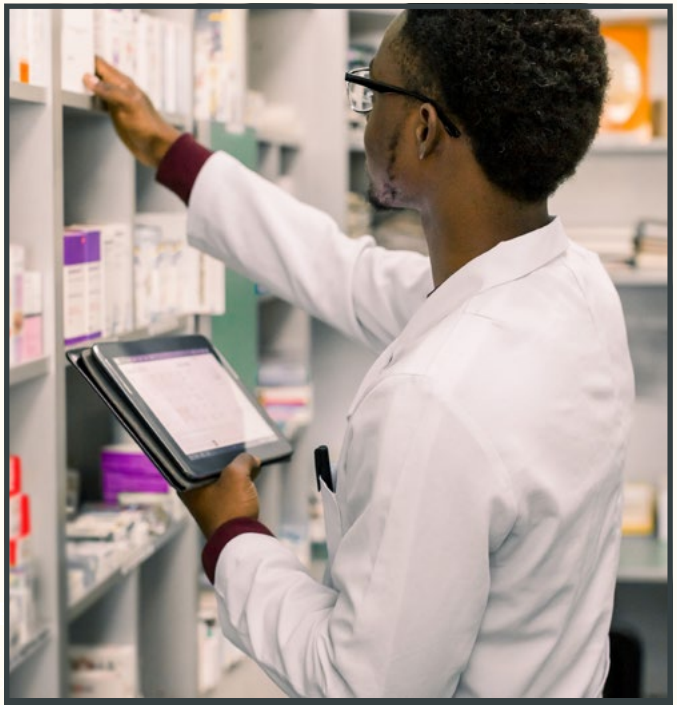
AT A GLANCE

Sector: Consumer Staples | **Reporting currency:** ZAR

- Leading pharmacy-led retailer
- Defensive consumer exposure
- Strong private label offering

WHAT WE ARE WATCHING

- Regulatory changes affecting pharmacy operations.
- Consumer spending behaviour in discretionary categories.



THE BOTTOM LINE

We believe Clicks offers defensive earnings with consistent execution. We expect healthcare demand to support steady growth. We view its operating model as well suited to SA's consumer environment.

FIRSTRAND

FirstRand is a diversified SA financial services group operating across retail banking, commercial and corporate banking, investment banking and asset management through brands including FNB, RMB and WesBank. The SA banking industry is well regulated and capitalised but operates within a low-growth economy, making scale, risk management and diversification critical to sustainable returns.

INVESTMENT CASE

We believe FirstRand's strength lies in its diversified earnings base and disciplined risk culture. FNB provides a stable retail and transactional banking franchise, while RMB offers exposure to corporate finance, investment banking and markets activity. This diversification allows FirstRand to perform across interest rate and economic cycles. Continued investment in digital platforms enhances customer engagement and operational efficiency, supporting long-term competitiveness.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Diversified banking and financial services group
- Strong capital and liquidity position
- Leading digital banking capabilities

WHAT WE ARE WATCHING

- Credit quality trends as rates remain elevated.
- Cost discipline as investment in technology continues.

THE BOTTOM LINE

We believe FirstRand is one of the highest-quality financial institutions in South Africa. We expect its diversified model and risk discipline to support resilient earnings through the cycle. We view its balance sheet strength and execution capability as durable advantages.

AB INBEV	ADVTECH	ANGLOGOLD ASHANTI	ANGLO AMERICAN	BHP GROUP	BIDCORP	CAPITEC BANK	CLICKS GROUP	FIRSTRAND
GLENCORE	IMPALA PLATINUM	KAROOOOO	MTN GROUP	NASPERS	NINETY ONE	OPTASIA	OUTSURANCE GROUP	PEPKOR
REUNERT	REMGRO	RICHEMONT	SANLAM	SHOPRITE	STADIO HOLDINGS	STANDARD BANK GROUP	STOR-AGE	VALTERRA PLATINUM

GLENCORE

Glencore is one of the world's largest diversified natural resource companies, producing and marketing commodities including copper, cobalt, zinc, nickel, coal and oil. The global resources sector is cyclical and influenced by commodity prices and industrial demand, although diversified exposure across commodities and trading activities can help smooth earnings.

INVESTMENT CASE

We view Glencore as a unique diversified resources company combining mining assets with one of the world's largest commodity trading operations. Its marketing division provides earnings resilience across commodity cycles, while its production portfolio offers exposure to key commodities linked to global growth and the energy transition.

AT A GLANCE

Listing: United Kingdom (LSE) | **Sector:** Materials | **Reporting currency:** US dollar

- Diversified commodity production and global trading platform
- Exposure to key energy transition metals
- Strong cash generation across cycles

WHAT WE ARE WATCHING

- Commodity price trends, particularly in copper, coal and battery metals.
- Performance of the marketing (trading) division across commodity cycles.

THE BOTTOM LINE

We believe Glencore's integrated mining and trading model provides diversified earnings and strong cash flow generation. Its exposure to key industrial and energy transition commodities supports long-term strategic relevance.

IMPALA PLATINUM

Impala Platinum operates in the platinum group metals (PGM) mining sector, producing a basket of metals including platinum, palladium and rhodium for automotive, industrial and emerging energy applications. The PGM industry is cyclical, influenced by global vehicle production, emissions regulation and substitution dynamics. While South Africa remains the group's core production base, operations in Zimbabwe and Canada provide some geographic diversification across key mining jurisdictions.

INVESTMENT CASE

We view Impala Platinum as a comparatively well-positioned PGM producer with a diversified asset base and strong balance sheet. Offshore operations meaningfully reduce exposure to SA operational constraints such as energy availability and logistics. While PGM prices remain volatile, structural supply deficits and ongoing demand from emissions control and emerging hydrogen applications support the metals' continued relevance. Capital discipline remains critical for preserving value through the cycle.

AT A GLANCE

Sector: Materials | **Reporting currency:** US dollar

- Diversified PGM production footprint
- Offshore assets mitigate single-country risk
- Strong balance sheet relative to peers

WHAT WE ARE WATCHING

- PGM pricing trends and substitution in autocatalysts.
- Cost control and capital discipline through the down cycle.

THE BOTTOM LINE

We believe Impala Platinum offers leveraged exposure to a recovery in PGM markets, supported by a diversified asset base. While earnings remain cyclical, we expect offshore operations and balance sheet strength to improve resilience. We view disciplined execution as the key determinant of long-term returns.

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KAROOOOO

Karooooo is a global provider of software-as-a-service (SaaS) solutions focused on vehicle tracking, fleet management and telematics through its Cartrack platform. The telematics industry benefits from increasing digitalisation, regulatory requirements, cost optimisation and safety concerns across logistics and fleet operators. SaaS models are characterised by recurring revenue, high margins and strong customer retention when execution is sound.

INVESTMENT CASE

We view Karooooo as a high-quality global growth business originating from SA but earning the majority of its revenue offshore. Its subscription-based model generates predictable recurring income, while data analytics and AI-enabled insights enhance customer value and switching costs. Continued expansion into international markets and adjacent services supports long-term growth, while disciplined cost control underpins profitability.

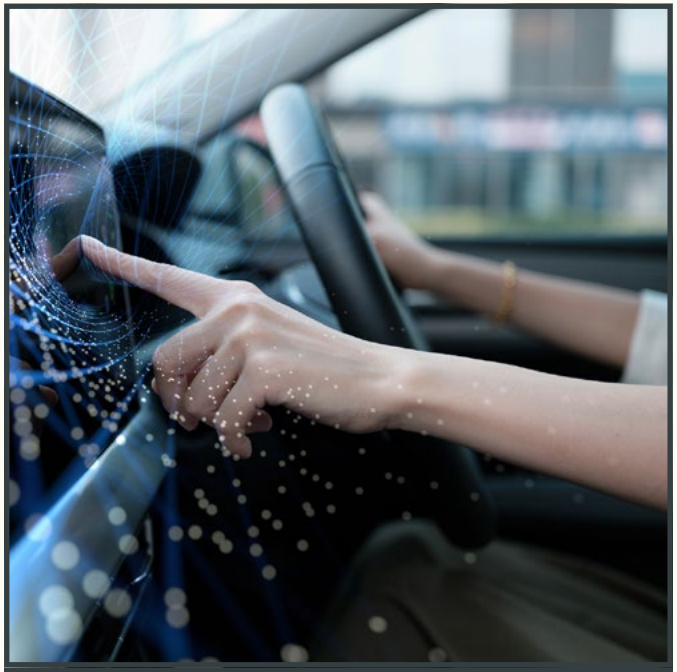
AT A GLANCE

Sector: Information Technology | **Reporting currency:** US dollar

- Global SaaS telematics platform
- High recurring revenue and margins
- Strong international growth profile

WHAT WE ARE WATCHING

- Customer acquisition and churn trends in new markets.
- Continued margin discipline as the platform scales.



THE BOTTOM LINE

We believe Karooooo is one of the highest-quality growth businesses in the local portfolio. We expect recurring revenue and international expansion to drive long-term earnings growth. We view its technology platform and execution capability as durable competitive advantages.

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MTN

MTN operates mobile telecommunications networks across Africa and the Middle East, providing voice, data and digital services to consumers and businesses. Telecommunications is capital intensive, but mobile connectivity and data access are essential services in emerging markets, underpinning financial inclusion, commerce and digital adoption. While MTN is SA-listed, a substantial portion of its operations and earnings are generated outside SA across higher-growth African markets.

INVESTMENT CASE

We believe MTN benefits from structural growth in data consumption and mobile financial services across its operating regions. Offshore markets provide higher long-term growth potential than SA, albeit with greater currency and regulatory volatility. We view MTN's geographic diversification as both an opportunity and a risk mitigant, reducing reliance on any single market. Continued monetisation of data and fintech services is central to improving earnings quality and resilience.

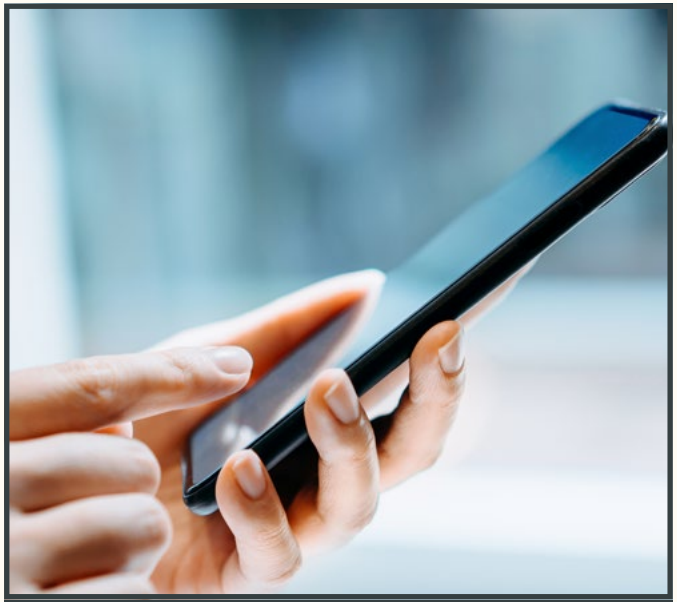
AT A GLANCE

Sector: Communication Services | **Reporting currency:** ZAR

- Pan-African mobile network operator
- Structural growth in data usage
- Expanding fintech and mobile money platforms

WHAT WE ARE WATCHING

- Currency volatility and capital repatriation in key markets.
- Regulatory developments affecting pricing and spectrum allocation.



THE BOTTOM LINE

We believe MTN provides long-term exposure to digital infrastructure growth across emerging markets. We expect data and fintech services to drive earnings over time, while recognising volatility from currency and regulatory factors. We view geographic diversification as a core feature of the investment case.

NASPERS

Naspers is a global consumer internet group with its primary asset being its stake in Tencent, alongside a portfolio of classified, payments and e-commerce businesses held through Prosus. The investment holding company structure means value is driven largely by capital allocation, portfolio execution and discount management rather than operational earnings alone.

INVESTMENT CASE

We view Naspers as a long-term play on global digital consumption and capital allocation discipline. Tencent provides exposure to gaming, social media, payments and AI-driven digital services, while the broader portfolio offers optionality in emerging market e-commerce. The key investment question centres on narrowing the holding company discount through buybacks, asset sales and capital discipline.

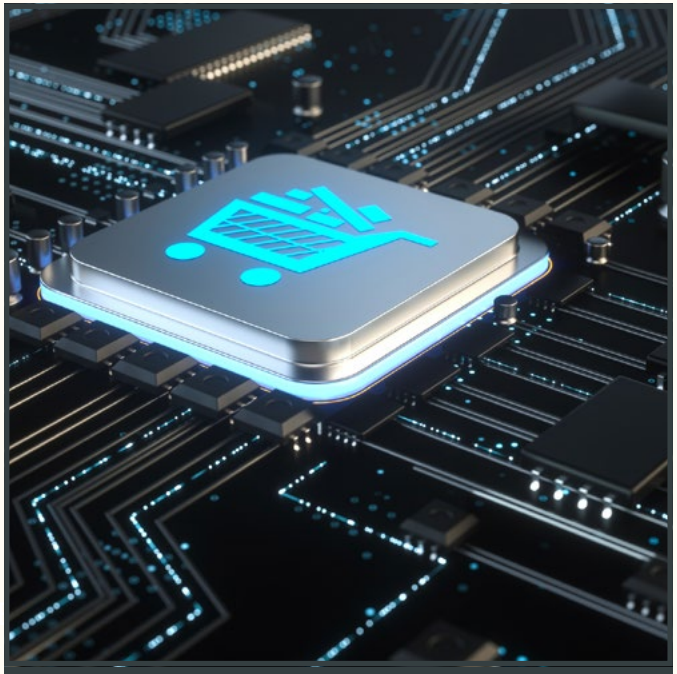
AT A GLANCE

Sector: Consumer Discretionary | **Reporting currency:** US dollar

- Major shareholder in Tencent
- Global digital platform exposure
- Significant discount to underlying value

WHAT WE ARE WATCHING

- Progress on discount reduction initiatives.
- Regulatory developments affecting Tencent.
- Shift in Prosus from a holding company to an operational company with lifestyle e-commerce platforms.



THE BOTTOM LINE

We believe Naspers offers compelling long-term value through its exposure to global digital platforms. We expect capital allocation discipline to remain a key driver of returns. We view discount volatility as a feature, not a flaw, of the investment case.

NINETY ONE

Ninety One is a global investment manager with roots in SA and a strong international client base. The asset management industry is shaped by market performance, fee pressure and client demand for differentiated investment capabilities. Scale, investment performance and distribution are key drivers of long-term success.

INVESTMENT CASE

We view Ninety One as a high-quality active asset manager with a globally diversified earnings base. A substantial portion of assets under management and fee income is generated offshore, reducing reliance on SA market conditions. While the industry faces fee pressure, Ninety One's specialist capabilities in emerging markets, fixed income and sustainability support differentiation and long-term relevance.

AT A GLANCE

Listings: South Africa (JSE) & United Kingdom (LSE) | **Sector:** Financials | **Reporting currency:** Pound sterling & ZAR

- Global active asset manager
- Strong offshore client base
- High-margin, capital-light business model

WHAT WE ARE WATCHING

- Net flows across key investment strategies.
- Operating leverage as market conditions change and investment performance improves.

THE BOTTOM LINE

We believe Ninety One offers attractive exposure to global asset management with limited balance sheet risk. We expect earnings to benefit from market recovery and operating leverage over time. We view its offshore diversification as a key strength.

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OPTASIA

Optasia is a Dubai-headquartered, AI-powered fintech platform that listed in November 2025. The company provides microlending and airtime credit services to underserved populations across 38 countries, primarily in Africa, the Middle East and Asia. Its B2B2X model partners with mobile operators (including MTN, Vodacom and Airtel) and financial institutions to extend credit using proprietary AI-driven risk scoring and real-time affordability assessments. The platform processes over 30 million loan transactions daily for more than 120 million active users.

INVESTMENT CASE

We believe Optasia's strength lies in its scalable, asset-light platform model and deep integration with mobile network operators across emerging markets. The high-volume, low-value lending approach generates strong unit economics, while AI-led credit decisioning supports risk management at scale. Revenue growth has been exceptional, with H1 2025 revenue roughly doubling year-on-year as the company focuses on expanding its microlending segment. We see significant runway as the company expands into new geographies and broadens its product suite.

AT A GLANCE

Sector: Financials | **Reporting currency:** USD

- AI-powered risk analysis platform with default rates below 1,5%
- Capital light, scalable business model
- Access to millions of customers currently underserved

WHAT WE ARE WATCHING

- Default rate as the mix of microlending to airtime loans increases.
- Ability to scale into new geographies.

THE BOTTOM LINE

We believe Optasia offers exposure to a high-growth, emerging-market fintech with a proven, scalable platform and strong distribution partnerships. We expect geographic expansion and product diversification to sustain above-market growth.

OUTSURANCE GROUP

OUTsurance operates short-term and long-term insurance businesses in SA, Australia and Ireland, using a direct-to-consumer distribution model. The insurance industry is competitive and regulated, with profitability driven by underwriting discipline, claims management and customer acquisition efficiency.

INVESTMENT CASE

We view OUTsurance as a differentiated insurer with a strong direct distribution model and disciplined underwriting culture. Offshore operations, particularly in Australia, provide geographic diversification and earnings growth beyond the SA market. While claims volatility can affect short-term results, the group's pricing discipline and cost efficiency support long-term value creation.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Direct insurance model
- Offshore growth exposure
- Strong underwriting discipline

WHAT WE ARE WATCHING

- Claims ratios, particularly in catastrophe-prone regions.
- Scaling and profitability of offshore operations.

THE BOTTOM LINE

We believe OUTsurance offers attractive long-term exposure to disciplined insurance underwriting. We expect offshore operations to enhance diversification and growth. We view execution and pricing discipline as central to sustaining returns.

PEPKOR

Pepkor operates a portfolio of value-focused retail brands across clothing, footwear, furniture and consumer goods, serving predominantly low- to middle-income consumers. Value retail plays a critical role in SA's consumer landscape, particularly in an environment of high unemployment, elevated interest rates and constrained disposable income. Scale, sourcing efficiency and cost discipline are essential to sustaining margins in this segment.

INVESTMENT CASE

We view Pepkor as structurally well positioned within SA retail. In periods of consumer stress, spending tends to shift towards value-oriented retailers, benefiting Pepkor's core customer base. Its vertically integrated sourcing model and extensive store network support competitive pricing and high stock turnover. Expansion into financial services and cellular offerings provides incremental growth and customer engagement.

AT A GLANCE

Sector: Consumer Discretionary | **Reporting currency:** ZAR

- Leading value retailer
- Strong private-label sourcing
- Exposure to defensive consumer spend

WHAT WE ARE WATCHING

- Consumer affordability and credit conditions.
- Margin management amid input cost pressures.

THE BOTTOM LINE

We believe Pepkor offers resilient exposure to SA's value-conscious consumer. We expect its scale and sourcing advantages to support earnings through the cycle. We view its positioning as defensive within a challenging consumer environment.

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REUNERT

Reunert is a diversified SA industrial group with operations spanning electrical engineering, renewable energy solutions, telecommunications and defence-related electronics. The local industrial sector operates in a constrained growth environment, where infrastructure investment, energy availability and execution capability materially affect outcomes. Within this context, specialist engineering skills and niche positioning are increasingly valuable.

INVESTMENT CASE

We view Reunert as a selectively positioned industrial with exposure to structural themes such as energy resilience, electrification and defence-related demand. Its electrical and renewable energy businesses benefit from SA's energy transition and the need for grid stability and backup solutions. While group earnings can be lumpy due to project timing, Reunert's balance sheet strength and technical expertise provide resilience and optionality.

AT A GLANCE

Sector: Industrials | **Reporting currency:** ZAR

- Specialist engineering and electronics capabilities
- Exposure to energy and defence themes
- Strong balance sheet

WHAT WE ARE WATCHING

- Order flow and execution in renewable and electrical projects.
- Capital allocation discipline across cyclical businesses.

THE BOTTOM LINE

We believe Reunert offers differentiated industrial exposure in a challenging local environment. We expect energy-related demand to support growth over time. We view balance sheet strength as an important buffer against earnings volatility.

REMGRO

Remgro is an SA investment holding company with interests across financial services, healthcare, consumer products and infrastructure. Holding company structures derive value from long-term capital allocation and strategic influence rather than short-term earnings growth. Portfolio composition and management discipline are therefore central to outcomes.

INVESTMENT CASE

We view Remgro as a patient capital allocator with exposure to a range of high-quality SA businesses. While holding company discounts are a feature of the structure, Remgro's diversified portfolio and long-term approach provide stability. Value creation is driven by underlying business performance rather than financial engineering.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Diversified long-term investment portfolio
- Exposure to financials, healthcare and infrastructure
- Conservative capital approach

WHAT WE ARE WATCHING

- Portfolio optimisation and capital deployment decisions.
- Performance of key unlisted and associate holdings.

THE BOTTOM LINE

We believe Remgro offers diversified exposure to SA corporate assets. We expect steady value creation over time rather than rapid rerating. We view it as a stabilising, long-term holding.

AB INBEV	ADVTECH	ANGLOGOLD ASHANTI	ANGLO AMERICAN	BHP GROUP	BIDCORP	CAPITEC BANK	CLICKS GROUP	FIRSTRAND
GLENCORE	IMPALA PLATINUM	KAROOOOO	MTN GROUP	NASPERS	NINETY ONE	OPTASIA	OUTSURANCE GROUP	PEPKOR
REUNERT	REMGRO	RICHEMONT	SANLAM	SHOPRITE	STADIO HOLDINGS	STANDARD BANK GROUP	STOR-AGE	VALTERRA PLATINUM

RICHEMONT

Compagnie Financière Richemont is one of the world's leading luxury goods groups, owning prestigious brands such as Cartier, Van Cleef & Arpels, Piaget, Montblanc and Panerai. The global luxury industry is supported by long-term wealth creation and strong brand desirability, although demand can fluctuate with economic cycles and consumer confidence.

INVESTMENT CASE

We view Richemont as a high-quality luxury group with a portfolio anchored in hard luxury, particularly jewellery and watches. These categories benefit from strong pricing power and brand heritage. The group has increasingly shifted towards its own retail and online distribution channels, giving it greater control over pricing, supply and brand integrity.

AT A GLANCE

Listing: Switzerland (SIX) | **Sector:** Consumer Discretionary | **Reporting currency:** Euro

- Portfolio of globally recognised luxury brands
- Strong balance sheet with high liquidity
- Increasing focus on own retail and digital distribution

WHAT WE ARE WATCHING

- Luxury demand trends, particularly in Asia and among high-income consumers.
- Continued margin recovery as distribution shifts toward owned channels.

THE BOTTOM LINE

We believe Richemont's portfolio of iconic brands provides durable long-term value. Supported by global wealth creation and strong brand equity, the group is well positioned to sustain growth and maintain attractive returns.

SANLAM

Sanlam is a diversified financial services group operating across life insurance, asset management, investment administration and financial advice. The industry is shaped by long-term savings behaviour, regulation and demographic trends. Scale, capital strength and distribution reach are key competitive advantages.

INVESTMENT CASE

We view Sanlam as a stable, cash-generative financial services group with growing exposure to emerging markets through its African and international operations. While SA remains a core contributor to earnings, offshore diversification improves growth optionality and reduces reliance on the domestic savings cycle. Ongoing simplification and capital optimisation support improved returns.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Diversified insurance and investment platform
- Strong capital position
- Growing offshore exposure

WHAT WE ARE WATCHING

- Execution on group simplification initiatives.
- Capital deployment and return metrics.

THE BOTTOM LINE

We believe Sanlam offers defensive earnings and long-term stability within SA financial services. We expect offshore diversification and capital discipline to support sustainable value creation over time.

AB INBEV	ADVTECH	ANGLOGOLD ASHANTI	ANGLO AMERICAN	BHP GROUP	BIDCORP	CAPITEC BANK	CLICKS GROUP	FIRSTRAND
GLENCORE	IMPALA PLATINUM	KAROOOOO	MTN GROUP	NASPERS	NINETY ONE	OPTASIA	OUTSURANCE GROUP	PEPKOR
REUNERT	REMGRO	RICHEMONT	SANLAM	SHOPRITE	STADIO HOLDINGS	STANDARD BANK GROUP	STOR-AGE	VALTERRA PLATINUM

SHOPRITE

Shoprite operates the largest food retail network in Africa, with a dominant presence in SA and growing operations across the rest of the continent. The food retail industry is highly competitive, low-margin and operationally complex, with success dependent on scale, logistics efficiency and pricing discipline. In SA, food retailers also play a critical role in supplying consumers under sustained income pressure.

Shoprite's scale allows it to invest heavily in supply chain infrastructure, distribution centres and private-label sourcing, which smaller competitors struggle to replicate. This has reinforced its price leadership and availability advantage across income segments.

INVESTMENT CASE

We believe Shoprite is structurally advantaged within SA food retail. In an environment of constrained consumer spending, market share tends to consolidate towards the lowest-cost operators. Shoprite's logistics scale, private-label penetration and store density allow it to defend margins while maintaining price leadership. Beyond core food retail, adjacent growth areas such as quick-service food, digital payments and data-driven customer engagement provide additional optionality.

AT A GLANCE

Sector: Consumer Staples | **Reporting currency:** ZAR

- Largest food retailer in Africa
- Industry-leading logistics and distribution
- Strong private label offering
- Consistent market share gains

WHAT WE ARE WATCHING

- Consumer spending behaviour under sustained cost-of-living pressure.
- Margin discipline amid intense competitive pricing.

THE BOTTOM LINE

We believe Shoprite is one of the most resilient consumer businesses in SA. We expect continued market share gains as consumers prioritise value and availability. While margins remain structurally thin, we view Shoprite's scale and execution capability as providing durable competitive advantages.

STADIO HOLDINGS

STADIO operates in SA's private higher education sector, offering undergraduate and postgraduate qualifications through distance learning and campus-based delivery. The local education system faces capacity constraints, funding limitations and uneven outcomes, creating demand for private providers that offer flexible, accredited alternatives.

INVESTMENT CASE

We view STADIO as a structural growth business benefiting from increasing demand for affordable, flexible tertiary education. Distance learning allows the group to scale without heavy capital investment, supporting attractive returns. As skills development becomes more critical in a low-growth economy, private education providers with recognised qualifications are well positioned.

AT A GLANCE

Sector: Consumer Discretionary | **Reporting currency:** ZAR

- Scalable distance-learning model
- Exposure to skills and education demand
- Capital-light growth profile

WHAT WE ARE WATCHING

- Student enrolment growth and retention.
- Regulatory developments in private education.

THE BOTTOM LINE

We believe STADIO offers long-term exposure to a structurally under-served education market. We expect continued enrolment growth to support earnings expansion. We view scalability and regulatory compliance as critical success factors.

AB INBEV	ADVTECH	ANGLOGOLD ASHANTI	ANGLO AMERICAN	BHP GROUP	BIDCORP	CAPITEC BANK	CLICKS GROUP	FIRSTRAND
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REUNERT	REMGRO	RICHEMONT	SANLAM	SHOPRITE	STADIO HOLDINGS	STANDARD BANK GROUP	STOR-AGE	VALTERRA PLATINUM

STANDARD BANK GROUP

Standard Bank is the largest banking group in Africa by assets, with operations across SA and key African markets. The group provides retail, commercial and corporate banking services, with a strong focus on trade finance, commodities and cross-border transactions. African banking markets offer long-term growth potential but are exposed to higher political, regulatory and currency risks.

INVESTMENT CASE

We view Standard Bank as a strategic play on African economic development and regional trade. Its pan-African footprint and strong corporate banking franchise positions it to benefit from infrastructure investment, commodity flows and intra-African trade. While earnings are more volatile due to currency and geopolitical factors, diversification across markets provides long-term optionality.

AT A GLANCE

Sector: Financials | **Reporting currency:** ZAR

- Largest African banking footprint
- Strong corporate and investment banking presence
- Exposure to African growth corridors

WHAT WE ARE WATCHING

- Credit and currency risk in key African markets.
- Capital allocation between SA and the rest of Africa.

THE BOTTOM LINE

We believe Standard Bank offers differentiated exposure to African banking growth. We expect volatility, but view its scale, diversification and client relationships as supportive of long-term value creation.

AB INBEV	ADVTECH	ANGLOGOLD ASHANTI	ANGLO AMERICAN	BHP GROUP	BIDCORP	CAPITEC BANK	CLICKS GROUP	FIRSTRAND
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REUNERT	REMGRO	RICHEMONT	SANLAM	SHOPRITE	STADIO HOLDINGS	STANDARD BANK GROUP	STOR-AGE	VALTERRA PLATINUM

STOR-AGE

Stor-Age operates in the self-storage property sector, providing secure storage facilities to individuals and businesses. The self-storage industry benefits from structural demand drivers such as urbanisation, smaller living spaces, population mobility and business outsourcing. While property-based, returns are primarily driven by operations (occupancy, pricing discipline and site selection) rather than asset revaluation alone.

In addition to its SA portfolio, Stor-Age has expanded into the UK through a majority interest in a UK self-storage platform. The UK market is larger and more mature than SA's, but remains structurally undersupplied relative to long-term demand, supporting development-led growth opportunities.

INVESTMENT CASE

We view Stor-Age as a high-quality, niche property operator with a scalable operating model. In SA, limited formal competition supports pricing power and resilient occupancy through cycles. The UK platform adds geographic diversification and access to a deeper self-storage market, while leveraging the same development and operating discipline. We believe management's conservative approach to leverage and phased capital deployment reduces execution risk as the offshore portfolio scales.

AT A GLANCE

Sector: Real Estate | **Reporting currency:** ZAR

- Leading self-storage operator in SA
- Growing UK self-storage platform
- Resilient, non-cyclical demand profile
- Disciplined development pipeline

WHAT WE ARE WATCHING

- Occupancy and rental rate momentum across new UK and SA sites.
- Capital discipline and returns as the UK portfolio scales.

THE BOTTOM LINE

We believe Stor-Age offers defensive, long-term growth within listed property, supported by structural demand for self-storage. We expect the UK platform to enhance growth and geographic diversification over time. We view management's operating discipline and balance sheet conservatism as key to executing this strategy successfully.

VALTERRA PLATINUM

Valterra Platinum operates in the platinum group metals (PGM) mining sector, producing metals used in automotive catalytic converters, industrial applications and emerging hydrogen technologies. PGM markets are cyclical, with demand influenced by global vehicle production, emissions regulation, while prices are also influenced by mine supply dynamics. South African producers face structural operational challenges including power reliability, labour relations and logistics constraints.

INVESTMENT CASE

We view Valterra Platinum as leveraged to a potential recovery in PGM demand, supported by tighter emissions standards and incremental industrial applications. While the sector remains volatile, disciplined capital allocation and cost control are critical for managing commodity downcycles. Longer term, PGMs also offer optionality to emerging hydrogen technologies such as fuel cells and electrolysers.

AT A GLANCE

Sector: Materials | **Reporting currency:** US dollar

- Exposure to platinum group metals
- Leverage to global auto and industrial demand
- Cyclical earnings profile

WHAT WE ARE WATCHING

- PGM pricing trends and supply discipline.
- Operational execution amid local infrastructure constraints.

THE BOTTOM LINE

We believe Valterra Platinum offers cyclical upside linked to PGM demand recovery. We expect volatility to persist but view disciplined execution as key to value preservation. This holding provides selective exposure to commodity cycle optionality within the portfolio.

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