RSA BROKERS NEWSLETTER

JUNE 2026

1. INTRODUCTION

The first six months of 2026 have again demonstrated why successful investing requires patience, discipline and a long-term perspective.

Global markets experienced increased volatility during the first quarter of the year following the escalation of tensions between the United States and Iran. Oil prices increased sharply, inflation concerns resurfaced and markets reacted negatively to the uncertainty. Fortunately, much of the volatility subsided during April and May as investors regained confidence and markets recovered.

Despite these challenges, many investment markets continue to deliver satisfactory long-term returns. South African equities performed particularly well over the past twelve months, while Emerging Markets and several international markets also produced attractive returns.

At RSA Brokers, our investment philosophy remains unchanged. We continue to focus on long-term investment outcomes and avoid making decisions based on short-term market events. Our portfolios remain diversified across various asset classes, sectors and countries, ensuring that clients are not overly dependent on the performance of any one market.

In this newsletter we review recent economic developments, discuss our investment philosophy and provide an update on how our model portfolios are structured.

2. ECONOMIC NEWS

2.1 South African Economy

South Africa continues to face a number of structural challenges including low economic growth, high unemployment and rising government debt. However, despite these concerns, South African financial markets have produced surprisingly strong returns over the past year.

The FTSE/JSE All Share Index delivered excellent returns during the past twelve months, with Financial shares and Listed Property among the strongest-performing sectors. Lower inflation and a more stable interest rate environment contributed positively to investor sentiment.

Although the Rand experienced volatility during periods of global uncertainty, it has remained relatively resilient compared to many emerging market currencies.

We remain cautious regarding South Africa’s long-term economic growth prospects. For this reason, we continue to believe that international diversification remains an important component of every client’s investment strategy.

Annexure A – Sygnia Market Performance Table

Market Performance

Market Performance as at 30 April 2026

	April	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share Index	1.6%	-2.6%	1.0%	30.1%	17.9%	15.9%	11.9%
FTSE/JSE CAPI Index	1.6%	-2.6%	1.2%	30.8%	18.1%	16.3%	11.8%
Resources 10	-2.6%	-7.8%	4.4%	86.0%	26.2%	18.1%	19.4%
Industrials 25	3.0%	-2.2%	-5.9%	2.2%	9.3%	10.8%	8.5%
Financials 15	4.3%	1.1%	4.0%	28.5%	23.6%	21.5%	10.2%
SA Listed Property	5.4%	-0.8%	0.2%	26.0%	22.9%	16.6%	3.9%
JSE All Bond Composite Index	3.3%	-2.1%	-0.2%	22.2%	16.0%	12.5%	10.5%
SA Government Inflation Linked Bonds Index	4.3%	1.8%	3.1%	18.4%	10.7%	9.4%	6.3%
STeFI Index	0.5%	1.6%	2.2%	7.2%	8.0%	6.8%	6.8%
MSCI World Index in SA Rands	6.9%	7.6%	6.5%	15.9%	16.2%	14.5%	14.5%
MSCI Emerging Markets Index in SA Rands	11.9%	9.6%	15.4%	31.7%	17.0%	9.1%	11.0%
MSCI All Country World Index in SA Rands	7.5%	7.9%	7.5%	17.6%	16.4%	13.9%	14.1%
FTSE EPRA/NAREIT Developed Index	5.7%	9.9%	10.3%	5.0%	5.7%	5.1%	5.4%
Barclays Capital Global Bond Index in SA Rands	-1.5%	2.3%	-0.4%	-12.5%	-4.3%	-1.3%	0.8%
Rand/US Dollar Exchange Rate	-2.4%	4.1%	0.8%	-10.2%	-3.0%	2.9%	1.6%
Headline CPI	0.6%	1.2%	1.4%	3.1%	3.7%	4.8%	4.6%

Sygnia Sygnia Reportback

2.2 World Economy

The most significant event affecting global markets during the first half of 2026 was the conflict between the United States and Iran.

The conflict raised concerns regarding energy supply disruptions and resulted in Brent crude oil increasing significantly during March. Higher oil prices led to renewed inflation concerns and rising bond yields across many developed markets.

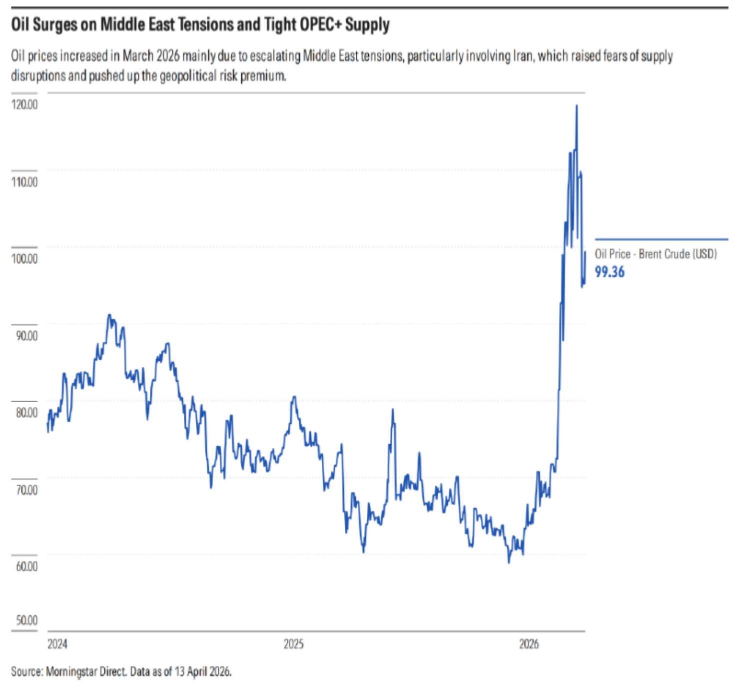
While markets reacted negatively initially, much of the uncertainty eased during April and May. Global investors were reminded once again that geopolitical events often create short-term volatility but seldom alter long-term investment fundamentals.

The United States remains one of the world's strongest economies. Corporate earnings remain resilient and economic activity continues to support long-term growth prospects.

Annexure B – Morningstar Oil Shock Chart

Oil Shock

- After trading between $60 and $80 through most of 2025, oil surged to **~$120 in March 2026** before easing to ~$99, driven by the late-February **US–Iran conflict and resulting supply disruptions**, including the effective closure of the Strait of Hormuz.
- Higher energy prices act as a **tax on consumers**, **compress company margins**, and **reinforce a hawkish central bank**.
- While **exporters** such as Brazil, Angola, and Nigeria **benefit**, **importers** like South Africa, India, and much of Asia **face pressure** — creating a difficult backdrop for **rate-sensitive, long-duration assets** such as long-dated bonds, tech, and real estate.

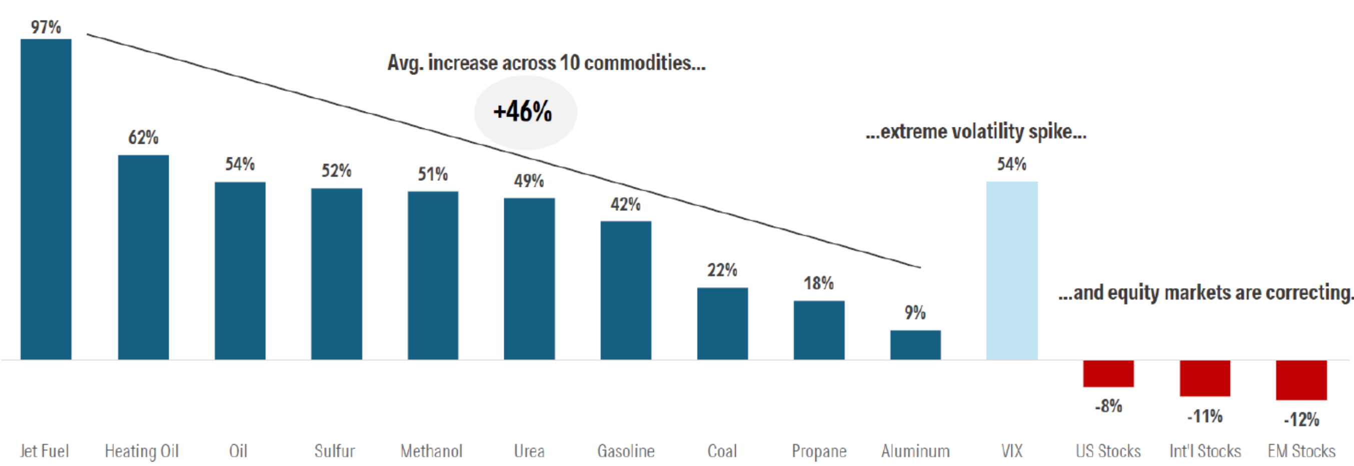


Annexure C – Market Reaction Following Iran Conflict

MARKET CONTEXT

Market Reaction Since the Start of the Iran War

Commodities explode higher with volatility rising and global stocks sinking



2.3 Rest of the World

One of the most interesting developments during 2026 has been the broadening of investment returns across global markets.

For several years, a relatively small group of large US technology companies drove much of the performance of global equity markets. During 2026, however, investors have seen stronger participation from other regions and sectors.

European markets delivered reasonable returns despite economic challenges, while Japan continued to benefit from ongoing corporate reforms and improving profitability.

This broader participation is healthy and supports the case for global diversification.

2.4 Emerging Markets

Emerging Markets have been among the strongest-performing asset classes during the first half of 2026.

Strong performance from Asian technology companies, improving economic conditions in several developing countries and attractive valuations all contributed to investor returns.

The outperformance of Emerging Markets highlights the importance of maintaining exposure beyond traditional developed markets.

At RSA Brokers we have long believed that emerging market exposure forms an important part of a well-diversified global portfolio.

Annexure D – Global Market Performance

MARKET CONTEXT

Global Market Performance (USD)

Global Markets (USD)	March	April	YTD (30/04)	1 Year
MSCI World	-6.4	9.6	5.7	29.2
MSCI ACWI	-7.2	10.2	6.6	31.0
MSCI USA	-4.9	10.5	5.4	30.3
MSCI World ex USA	-9.7	7.4	6.4	26.3
MSCI EM	-13.1	14.7	14.5	46.7
MSCI Europe	-9.9	7.1	4.1	22.2
MSCI Japan	-12.4	9.2	10.6	30.6
MSCI United Kingdom	-7.7	5.2	7.3	28.8
MSCI Europe Ex UK	-10.6	7.7	3.1	20.4
MSCI EM Asia	-14.4	17.5	15.7	49.7
MSCI EM Latin America	-4.3	3.1	18.2	51.8

Markets outside of the US continue to outperform

As a continuation of 2025, over the 2026 year-to-date through 30th April, Emerging Markets, the UK and Japan have all outperformed the US.

March ≠ the quarter

In March, the US outperformed as oil exporters and dollar strength provided defense. But for Q1 (and the YTD) as a whole, EM and the UK were ahead.

Biggest moves coming from EM Asia

The March sell-off in EM was driven by EM Asia, with most of these countries reliant on energy imports. Dollar strength in March was also a headwind. But the region rebounded strongly in April, driven by AI-linked stocks in Korea and Taiwan.

Source: Morningstar Direct. Data as of 30 April 2026.

3. INVESTMENT PHILOSOPHY

Our investment philosophy remains unchanged.

Over many years we have learnt that successful investing is not about predicting short-term market movements. Markets are influenced daily by political events, economic news, wars, elections, interest rate decisions and investor sentiment. These events often create uncertainty and volatility, but they rarely change the long-term fundamentals that ultimately drive investment returns.

The events of 2026 once again demonstrated the importance of maintaining a disciplined approach. Investors who reacted emotionally to short-term uncertainty often locked in losses, while those who remained invested participated in the subsequent recovery.

At RSA Brokers we continue to rely on the research and expertise of leading investment managers such as Sygnia, Morningstar, Momentum and Old Mutual when making investment decisions. Their research continues to support the benefits of broad diversification across countries, sectors and asset classes.

The strong performance of Emerging Markets and several non-US markets during the first part of 2026 once again highlights why concentrating investments in a single country, sector or company can increase risk unnecessarily.

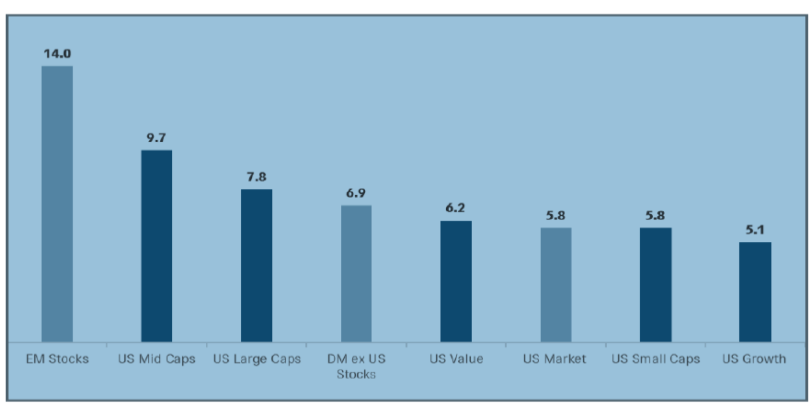
Our focus remains on constructing portfolios that balance risk and return appropriately while remaining aligned to each client's personal circumstances and income requirements. This is also the reason we currently have the Berkshire Hathaway Fund as part of the growth building block in our Living Annuity models. According to Sygnia this fund is by design a defensive holding. In periods of strong market momentum - driven by risk appetite, technology sector re-rating or broad economic optimism- a business like Berkshire's will naturally lag. This is not a sign of deterioration; it is the cost of the downside protection the stock provides.

We remain confident that a disciplined long-term approach continues to provide the best opportunity for achieving sustainable investment outcomes.

Annexure E – Diversification is Paying Off

Diversification is Paying Off

- **Diversification is paying off** as many asset classes are outperforming U.S. stocks YTD.
- Despite selling off amid the Iran war, **non-U.S. stocks continue to outpace U.S. stocks on a YTD basis**.
- The **Value factor** leads over **Growth** through April.
- And **diversifying across the style box has been beneficial** - U.S. mid-caps are outperforming large caps.



MORNINGSTAR Source: Morningstar. Data as of 30 April 2026. Returns are in US Dollars and reflect the performance of various Morningstar Indices. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment. 9

Annexure F – Global Sector Performance

MARKET CONTEXT

World Sector Performance (USD)

World Sectors (USD)	March	April	YTD (30/04)	1 Year
MSCI World/Consumer Disc	-7.9	9.7	-2.1	16.8
MSCI World/Consumer Staples	-8.9	3.0	7.1	6.0
MSCI World/Energy	11.5	-2.1	34.0	55.3
MSCI World/Financials	-6.2	7.7	0.0	20.7
MSCI World/Health Care	-8.3	-0.2	-4.8	6.0
MSCI World/Industrials	-10.5	9.1	11.9	33.1
MSCI World/Information Tech	-4.6	17.5	6.9	46.9
MSCI World/Materials	-10.3	4.0	12.3	34.0
MSCI World/Comm Services	-7.2	16.4	8.5	46.9
MSCI World/Utilities	-3.9	3.3	12.5	26.3

Energy: ran hard, ran ahead of value

World energy was the best performing sector over March and for the year-to-date. Our expected return for energy is now screening less attractive.

SaaS drawdown in February

Concerns surrounding AI's affect on SaaS businesses led to an earlier drawdown from the IT and Communication Services sectors in February.

The laggards of the past year are attractively priced

Health Care and Consumer Staples have lagged over the past year. These sectors screen as attractively priced for future returns and can be accessed through Quality managers.

Source: Morningstar Direct. Data as of 30 April 2026.

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4. HOW OUR MODEL PORTFOLIOS WORK

Many clients ask how we determine the amount invested in growth assets versus income-producing assets.

Our investment philosophy is based on a simple principle: the money required to provide income should be protected as far as possible from market volatility, while money not required for immediate income should be invested for long-term growth.

For this reason, we divide portfolios into two building blocks.

Income Building Block

The **Income Building Block** consists primarily of income funds and bond funds managed by Sygnia.

The objective of this portion of the portfolio is to provide stable income and reduce exposure to short-term market fluctuations.

As of **31 May 2026**, the Income Building Block was producing a return of approximately **13.0%** for the last year while continuing to deliver attractive long-term returns.

Annexure G – Income Building Block

Investment Performance - Sygnia

- Investment Performance to 31 May 2026

		Yield	May	3 Months	1 Year	3 Years	5 Years
Living Annuity Income Building Block	Wgt	9.0%	**0.8%**	**1.0%**	**13.0%**	**15.1%**	**11.3%**
Sygnia Income Maximiser	100%	9.0%	0.8%	1.0%	13.0%	15.1%	11.3%
Direct Income Building Block	Wgt	8.8%	**1.6%**	**0.8%**	**13.6%**	**13.4%**	**10.6%**
Sygnia Enhanced Income Fund	68%	8.8%	0.8%	1.7%	9.5%	10.7%	9.6%
Sygnia Enhanced All Bond Fund	12%	8.9%	3.5%	-1.2%	22.9%	19.5%	12.8%
Sygnia All-Bond Fund	20%	8.7%	3.4%	-1.3%	22.3%	18.9%	12.4%

Growth Building Block

The **Growth Building Block** is invested mainly in offshore equity markets through a diversified selection of global index funds and ETFs.

The objective of this portion is long-term capital growth rather than immediate income.

The portfolio includes exposure to global developed markets, emerging markets and broad international equity markets.

Over the long term, this growth component remains the primary source of inflation-beating returns.

Annexure H – Growth Building Block

Investment Performance - Sygnia

Investment Performance to 31 May 2026

Living Annuity Growth Building Block	Wgt	0.7%	**3.2%**	**10.4%**	**21.2%**	**16.2%**	**15.1%**
Sygnia Itrix MSCI EM 50 ETF	10%	1.0%	13.4%	20.3%	68.6%	28.8%	13.7%
Sygnia 4th IR Global Equity ETF	10%	0.1%	5.3%	19.6%	26.1%	14.7%	6.8%
Sygnia Itrix S&P ESG 1200 ETF	30%	1.0%	1.4%	8.3%	19.3%	14.6%	16.2%
Sygnia Life MSCI World Plus Fund	40%	0.7%	1.4%	9.3%	15.1%	14.4%	16.3%
Sygnia Life Berkshire Hathaway Portfolio	10%	0.0%	-2.9%	-4.5%	-15.8%	6.1%	13.9%
Direct Growth Building Block	Wgt	0.8%	**3.6%**	**11.6%**	**24.9%**	**16.8%**	**15.1%**
Sygnia Itrix MSCI EM 50 ETF	10%	1.0%	13.4%	20.3%	68.6%	28.8%	13.7%
Sygnia 4th IR Global Equity ETF	10%	0.1%	5.3%	19.6%	26.1%	14.7%	6.8%
Sygnia Itrix S&P ESG 1200 ETF	40%	1.0%	1.4%	8.3%	19.3%	14.6%	16.2%
Sygnia Itrix MSCI World Index ETF	40%	0.7%	1.4%	9.1%	14.2%	14.2%	15.8%

Matching Investments to Income Requirements

Not all clients require the same level of income from their investments.

Clients drawing higher levels of income require a larger allocation to the **Income Building Block** to provide stability and sustainability.

Clients drawing lower levels of income can afford a larger allocation to growth assets because less of their capital is required to fund current income needs.

For example:

• **Higher drawdown** portfolios contain larger allocations to income-producing investments.

• **Lower drawdown** portfolios contain larger allocations to growth investments.

This process allows us to tailor each portfolio to the specific needs of the client while maintaining a disciplined investment approach.

Annexure I – Living Annuity Model Performance Table

Investment Performance - Sygnia

Investment Performance to 31 May 2026

	Yield	May	3 Months	1 Year	3 Years	5 Years
Living Annuities						
Living Annuity 9% Model	9.0%	0.8%	1.0%	13.0%	15.1%	11.3%
Living Annuity 8.5% Model	8.5%	0.9%	1.5%	13.3%	15.1%	11.5%
Living Annuity 8% Model	8.0%	1.0%	2.0%	13.6%	15.2%	11.8%
Living Annuity 7.5% Model	7.6%	1.1%	2.5%	14.0%	15.2%	12.1%
Living Annuity 7% Model	7.1%	1.2%	3.0%	14.3%	15.3%	12.3%
Living Annuity 6.5% Model	6.7%	1.3%	3.4%	14.6%	15.3%	12.6%
Living Annuity 6% Model	6.2%	1.4%	3.9%	15.0%	15.3%	12.8%
Living Annuity 5.5% Model	5.7%	1.5%	4.4%	15.3%	15.4%	13.0%
Living Annuity 5% Model	5.3%	1.6%	4.9%	15.6%	15.4%	13.3%
Living Annuity 4.5% Model	4.8%	1.7%	5.4%	15.9%	15.4%	13.5%
Living Annuity 4% Model	4.4%	1.8%	5.9%	16.3%	15.4%	13.7%
Living Annuity 3.5% Model	3.9%	1.9%	6.4%	16.6%	15.4%	13.9%
Living Annuity 3% Model	3.4%	2.0%	6.8%	16.9%	15.5%	14.1%
Living Annuity 2.5% Model	3.0%	2.1%	7.3%	17.2%	15.5%	14.3%
Living Annuity Aggressive Income	1.5%	2.4%	8.9%	18.3%	15.4%	14.9%

5. PROJECTS

5.1 Annuities

We continue to proceed with the implementation of the process to transfer clients' retirement annuities to living annuities. If you require further details about this project, we kindly refer you to our December 2024 newsletter, which is available on our website. We also advise clients on an individual basis regarding annual contributions to annuities to save on income tax, estate duty, capital gains tax, and executor's fees.

5.2 70-PLUS PROJECT

Furer more, with reference to our **December 2024 newsletter**, we would like to remind clients that they are still welcome to involve family members or children in their portfolios. We encourage this so that these individuals have a thorough understanding of the client's financial situation, should they need to assist or provide support in the future.

Many of our clients have been with RSA Brokers for more than 20 years. As we continue this journey together, our objective is not only to manage investments successfully, but also to support our clients and their families through every stage of retirement.

5.3 TRANSFER OF BUSINESS TO COMPANY

The process of transferring the business structure from the family trust to a company remains in progress.

The purpose of this restructuring is to provide greater flexibility for future growth and succession planning while maintaining the same personalised service our clients have come to expect.

Further updates will be provided once the process has been finalized.

As mentioned before, we are in the process of introducing our clients to a new adviser joining our office very soon. As soon as he joins our office, we will send out a letter fully introducing him. We are very excited to what he will bring to our business as he has more than 20 years of experience in our industry as a fund manager.

6. STAFF CONTACT DETAILS

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IT (COMPUTER) CONSULTANT / SUPPLIERS

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FSB CODE: 11108	**PO Box 3547 Tyger Valley 7536**	**Insurance House 126 Edward Street Bellville 7530 GPS: S 33º52.707' 8º38.171'**	**Tel: 021-919 6916 Fax: 021-919 9718**

7. MONTHLY TRAVEL PROGRAMME

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7.1 Travel program
(under normal circumstances)

EASTERN-CAPE:
George, Port Elizabeth and surroundings are visited on a regular basis.
We visit East London, Durban and Bloemfontein annually.

JOHANNESBURG / POTCHEFSTROOM / PRETORIA:
These cities are visited quarterly (every 3 months).

CAPE TOWN AND SURROUNDINGS:
Clients are seen monthly depending on circumstances.

Should you require a meeting outside our normal scheduled visits to discuss specific matters, you are welcome to arrange an appointment with Alechia Fraser or Shané Mouton. Please note that if your financial circumstances have changed to such an extent that they require revision, it is important that you provide us with detailed information to enable us to prepare a revised analysis.

Should you have a problem meeting us at our office, kindly confirm this to Alechia or Shané to make alternative arrangements to see you at your residence.

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7.2 Office addresses

JOHANNESBURG: Regus, Block A
Wedgefield Office Park
Muswell Road South 17
Bryanston
Johannesburg

POTCHEFSTROOM: 81 Rocher Street
Baillie Park
Potchefstroom

PRETORIA: Spaces (Ex Regus)
1 Pegasus Building 1
210 Amarand Avenue
Menlyn Maine
Pretoria

PORT ELIZABETH: Regus House
Harbour View Building
Oakworth Road
Port Elizabeth

EAST LONDON: Regus
Ground Floor
14 Stewart Drive
Berea
East London

BLOEMFONTEIN: Uni Park Building
Nobel Street
Brandwag
Bloemfontein

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In Conclusion

The first half of 2026 has once again reminded us that uncertainty will always form part of investing. Political developments, economic news, and market volatility will come and go. What remains unchanged, however, is the value of a well-structured investment plan and the discipline required to remain committed to it.

At RSA Brokers, we remain dedicated to managing each client's financial affairs with the same care, integrity, and long-term perspective that have always been the foundation of our service.

We sincerely appreciate the trust you have placed in us over the years and look forward to continuing to assist you and your family well into the future.

Thank you for your continued confidence and valued support.