



COLLABORATING FOR
INVESTMENT RESULTS





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ECONOMIC OVERVIEW

Rating agencies warned that repeated standoffs could undermine confidence in US debt as the global safe asset.

November in Review

The G20 summit in Johannesburg during November placed Africa at the centre of global economic dialogue, despite being snubbed by President Trump. Leaders focused on inclusive growth, climate resilience, and reform of multilateral institutions, with South Africa championing debt relief for developing economies and greater representation in global governance. The summit produced commitments to expand renewable energy financing and strengthen supply chains for critical minerals, while also highlighting divisions between advanced and emerging economies on trade and fiscal policy.

Chancellor Rachel Reeves presented the UK's Autumn Budget, balancing fiscal consolidation with targeted growth measures. Modest tax increases on high earners were paired with incentives for green investment and additional NHS funding. Markets welcomed the budget's credibility, with gilt yields stabilising after months of volatility. Concerns remain about productivity growth and the impact of tighter immigration policies on labour supply, but the budget reinforced fiscal discipline, while cautiously supporting demand.

The United States narrowly avoided breaching the debt ceiling in late November after weeks of political brinkmanship. A short-term extension was passed, calming markets, although Treasury yields spiked temporarily amid investor unease. Rating agencies warned that repeated standoffs could undermine confidence in US debt as the global safe asset. The episode underscored structural risks in US governance and fiscal sustainability.

In November Japan reported stronger-than-expected Q3 GDP growth, driven by exports and corporate investment, while South Korea unveiled a semiconductor innovation package to maintain global competitiveness. Regional trade flows showed signs of recovery, despite geopolitical tensions in the South China Sea continuing to be a drag on sentiment.

ECONOMIC OVERVIEW

CONTINUED

Diplomatic momentum gathered in November around a potential peace framework for Ukraine. Mediated by Turkey, and supported by the EU, the plan proposed phased territorial negotiations, security guarantees, and reconstruction funding tied to compliance. While both Kyiv and Moscow expressed cautious interest, significant hurdles remain—particularly around sovereignty and NATO alignment. Markets responded with guarded optimism, as energy prices eased slightly on hopes of reduced conflict-driven supply risks.

The World Bank approved a USD 925 million (nearly R16 billion) loan for SA to support a six-year program to revive its major cities, including water and electricity supply improvement, as well as waste collection. The loan will help reward cities that meet operational and financial performance targets for urban services with additional funding and will cover eight cities, including Johannesburg and Cape Town, that generate 85% of SA's economic output and are home to more than a third of its 63 million people.

South Africa's Minister of Finance, Enoch Godongwana, tabled the Medium-Term Budget Policy Statement (MTBPS). As anticipated, both the SARB governor and the finance minister announced that the official inflation target will now be set at 3%, changing from the previous target range of 3% to 6%. In addition to this positive sentiment, the SARB Monetary Policy Committee (MPC) unanimously voted to reduce the interest rate by another 25 basis points, with the market anticipating at least two more rate cuts during 2026.



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ECONOMIC OVERVIEW

CONTINUED



Global equity markets paused in November, consolidating the strong momentum evident since Liberation Day. Investor sentiment was shaped by robust US earnings, concerns over elevated valuations, and rotation into defensive sectors. Political developments, including the conclusion of the US government shutdown, added to the cautious tone, while local markets benefited from supportive fiscal and monetary policy signals..

South Africa's FTSE/JSE All Share Index rose 1.7%, supported by favourable policy developments. The Medium-Term Budget Policy Statement (MTBPS) reinforced fiscal credibility, while the SARB's decision to lower the inflation target to 3% and cut rates by 25 basis points boosted confidence. Resources led the way (+9.6%), Financials edged higher (+1.8%), while Industrials detracted sharply (-4.8%). Property markets posted another strong month, with the ALPI up 7.7% and the S&P SA REIT Index gaining 9.2%. Local bonds rallied, with nominal bonds up 3.4% and inflation-linked bonds up 4.0%, reflecting improved sentiment post-MTBPS.

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MARKET INDICES ¹	30 November 2025		
(All returns in Rand except where otherwise indicated)			
	3 months	12 months	5 years ²
SA equities (JSE All Share Index)	10.2%	35.8%	18.7%
SA property (S&P SA REIT Index)	21.1%	40.1%	24.4%
SA bonds (SA All Bond Index)	9.6%	20.5%	12.5%
SA cash (STeFI)	1.8%	7.7%	6.5%
Global developed equities (MSCI World Index)	2.3%	11.4%	15.7%
Emerging market equities (MSCI Emerging Markets Index)	5.5%	23.5%	7.7%
Global bonds (Bloomberg Barclays Global Aggregate)	-2.6%	0.1%	0.1%
Rand/dollar ³	-3.2%	-5.2%	2.0%
Rand/sterling	-5.1%	-1.2%	1.9%
Rand/euro	-4.0%	4.2%	1.4%
Gold Price (USD)	21.4%	58.8%	18.9%
Oil Price (Brent Crude, USD)	-7.2%	-13.4%	5.8%

¹ Source: Factset

² All performance numbers in excess of 12 months are annualized

³ A negative number implies fewer rands are being paid per US dollar, so it implies a strengthening of the rand

AFFINITY INVESTMENT APPROACH

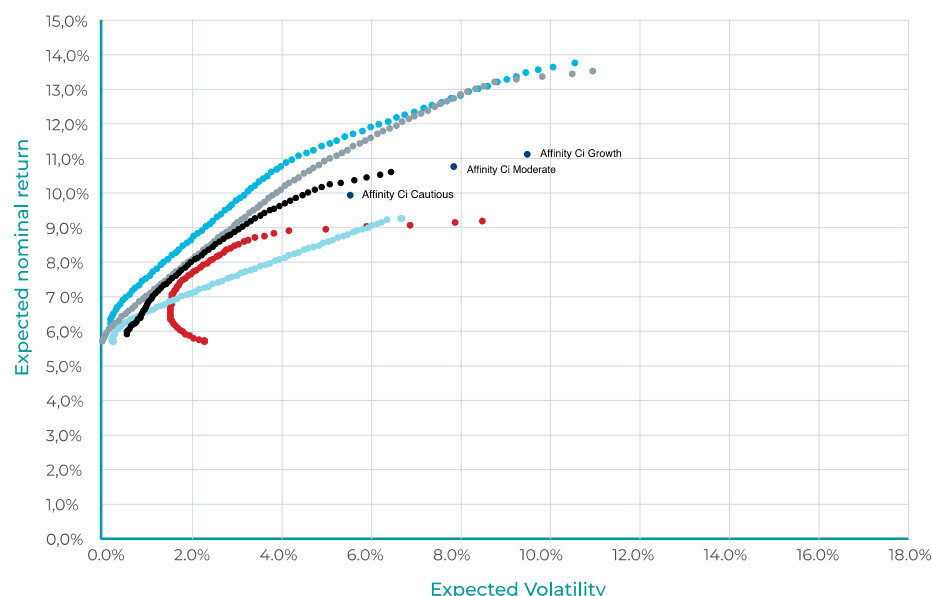
Affinity Capital Management has been established as a collaborative business that works hand in hand with financial advisors and their clients. We believe that investment solutions should not be created in isolation. A collaboration between advice and asset management ensures that investment products are designed solely with the clients' needs in mind. Our investment approach primarily focuses on balancing client return outcomes with risk management.

We have adopted a long-term strategic asset allocation framework as a basis for our investment solutions. Over long investment time horizons comparisons between active managers and passive strategies show that very few active managers outperform an efficient frontier and thus a core component of our solutions utilises passive and rules-based strategies to access the market optimally. Active managers are included in our solutions where they have a proven track record of generating excess returns. Since asset allocation is the greatest predictor of portfolio volatility, we construct our portfolios with a clear mindset to risk mandates using a building block approach. This allows us to increase risk and returns in a predictable and measurable manner, creating distinct portfolios by simply increasing or decreasing the weightings of asset classes. An additional layer of portfolio risk management is introduced through diversification both across asset classes and within asset classes. We devote a great deal of time and resources aimed at identifying and extending our asset class categories and how best to access them.

Finally, we believe that a dynamic asset allocation framework can add value to portfolio returns when asset class return profiles and correlation behaviours are understood in different market regimes. Ongoing management of our investment solutions thus centres on understanding market regimes and the behaviours of asset classes in different market cycles. Through our proprietary models we assess certain lead indicators of market cycles and use this to position portfolios optimally for the expected market environment. Based on the signal strength of the lead indicators we will then implement appropriate tilts to the long-term Strategic Asset Allocation weightings.

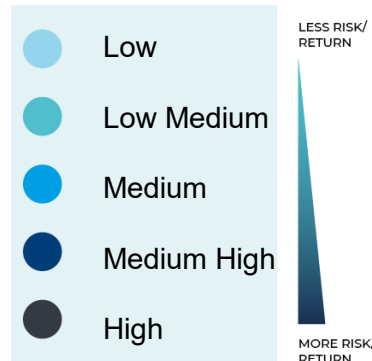
Asset class return expectations and correlations change in different market cycles. We have thus adopted a dynamic asset allocation approach, which allows us to tilt away from our long term strategic asset allocations through different market cycles. The size of these tilts is informed by the signal strength of various lead indicators. We are currently positioning our portfolios between a contraction and recovery cycle.

Comparison of efficient frontiers through market cycles. Forward looking Affinity fund positioning



PERFORMANCE

Indices	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	YTD
SA Equities (JSE All Share Index)	1.7%	10.2%	19.4%	35.8%	25.5%	18.2%	18.7%	11.7%	36.2%
JSE Preference Shares (J251)	1.2%	0.3%	6.0%	17.6%	22.3%	14.8%	21.6%	13.1%	15.9%
SA Property (South African Listed Property Index)	7.7%	15.0%	22.8%	31.0%	36.0%	23.3%	23.7%	4.4%	30.4%
SA Bonds (SA All Bond Index)	3.4%	9.6%	16.0%	20.5%	19.9%	16.1%	12.5%	10.4%	20.9%
ILBs (Barclays South Africa Government Inflation Linked Bond)	4.0%	8.4%	11.4%	13.4%	11.2%	9.8%	9.7%	5.9%	12.5%
SA Cash (STeFI)	0.6%	1.8%	3.7%	7.7%	8.1%	8.0%	6.5%	6.8%	7.0%
Global Equities (MSCI All Countries World Index, \$)	0.0%	6.0%	15.2%	18.7%	22.6%	19.2%	12.5%	12.0%	21.6%
Developed Market Equities (MSCI World Index, \$)	0.3%	5.7%	14.7%	17.5%	22.8%	19.7%	13.4%	12.5%	20.6%
Emerging Market Equities (MSCI Emerging Market Index, \$)	-2.4%	9.0%	19.8%	30.3%	21.0%	15.3%	5.5%	8.3%	30.4%
Global Bonds (Bloomberg Barclays Global Aggregate,\$)	0.2%	0.6%	2.5%	5.6%	5.1%	4.1%	-1.9%	1.3%	7.9%
RAND/DOLLAR	-1.2%	-3.2%	-5.2%	-5.2%	-4.9%	0.3%	2.0%	1.7%	-9.2%
RAND/STERLING	-0.3%	-5.1%	-6.8%	-1.2%	-2.7%	3.9%	1.9%	0.4%	-4.0%
RAND/EURO	-0.6%	-4.0%	-3.0%	4.2%	-2.0%	4.3%	1.4%	2.7%	1.7%
Solutions	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	YTD
• Affinity Income Solution	1.3%	3.8%	7.0%	11.9%	11.9%	11.2%	9.2%	7.3%	7.0%
• Affinity Ci Cautious Fund	1.0%	4.0%	8.3%	12.6%	14.0%	12.9%	10.0%	6.8%	8.3%
• Affinity Ci Moderate Fund	0.6%	3.6%	8.1%	13.2%	14.5%	13.2%	10.9%	6.6%	8.1%
• Affinity Moderate Solution (Non Reg 28)	0.2%	1.5%	5.6%	8.3%	12.4%	13.1%	9.6%	6.0%	5.6%
• Affinity Ci Growth Fund	0.2%	3.1%	7.8%	12.9%	14.6%	13.3%	10.9%	6.6%	7.8%
• Affinity Growth Solution (Non Reg 28)	-0.1%	1.2%	5.5%	8.6%	12.7%	13.2%	10.1%	7.2%	5.5%
• Affinity High Growth Solution (Non Reg 28)	-0.6%	-0.7%	3.5%	5.1%	11.3%	13.1%	9.4%	7.3%	3.5%
• Affinity Global Cautious Solution	0.3%	1.1%	4.3%	6.1%	9.1%	7.8%	3.4%	4.0%	4.3%
• Affinity Global Cautious Restricted	0.4%	1.4%	3.9%	7.1%	8.8%	7.4%	4.4%	4.1%	3.9%
• Affinity Global Moderate Solution	0.3%	1.2%	5.3%	6.9%	11.2%	9.2%	3.8%	5.0%	5.3%
• Affinity Global Moderate Restricted	0.4%	1.3%	5.1%	7.5%	11.4%	9.2%	5.0%	5.5%	5.1%
• Affinity Global Growth Solution	0.2%	1.1%	6.2%	7.2%	13.2%	10.5%	4.8%	6.1%	6.2%
• Affinity Global Growth Restricted	0.3%	1.3%	6.4%	8.0%	14.2%	11.0%	6.4%	7.1%	6.4%



ZAR returns

USD returns

AFFINITY PERFORMANCE

November Update

Global equity markets appear to be pausing the strong momentum that has been evident since Liberation Day. Despite robust earnings results in the US, concerns about high market valuations have led to some rotation into previously overlooked defensive sectors. Following the conclusion of a prolonged government shutdown in the US, President Trump's approval rating dropped 5% to 36% in a poll conducted this month. This marks the lowest approval rating of his second term.

Local markets continued to show strong performance in November, largely due to the favourable Medium Term Budget Policy Statement (MTBPS). As anticipated, both the SARB governor and the finance minister announced that the official inflation target will now be set at 3%, changing from the previous target range of 3% to 6%. In addition to this positive sentiment, the SARB Monetary Policy Committee (MPC) unanimously voted to reduce the interest rate by another 25 basis points, with the market anticipating at least two more rate cuts in 2026

AFFINITY PORTFOLIOS

The Affinity strategies invest in strategic asset allocations that have high probabilities of achieving the respective return targets of the various portfolios on a risk adjusted basis. The asset allocation process allows for dynamic asset allocation based on various leading indicators of macro economic regimes. As of late, the OECD indicator suggests that the global economy moved towards an economic slowdown regime and the Affinity portfolios are positioned to mitigate any volatility and allocate to asset classes that are expected to perform well in this regime and underweight the other asset classes that are expected to underperform (within certain limitations). This framework is designed to work (and is best evaluated) over longer investment periods (typically longer than a quarter, a year or even 3 years).

In September and October, the Affinity Ci Cautious, Affinity Ci Moderate and Affinity Ci Growth repositioned the local equity strategies. The 36One SA Equity Fund was introduced as well as a S&P DSW 100 Index. The S&P DSW 100 is a custom-built index to access the local equity market. The Affinity investment committee believes the inclusion of new strategies have a high probability to capture upside when the local equity market recover. The allocation to asset classes did not change.

Source: Morningstar Direct & Advantage

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...Currently the Affinity funds move towards a neutral to underweight these growth asset classes to ultimately minimize market volatility through this period...

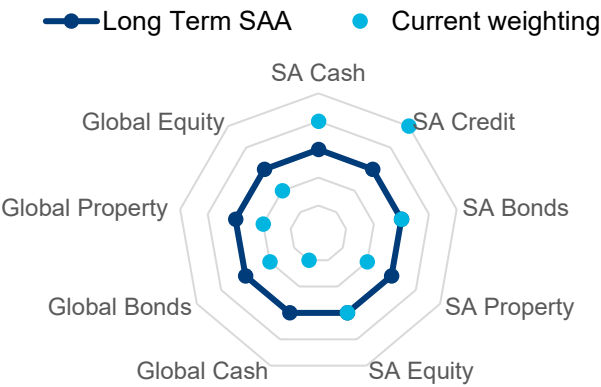
ATTRIBUTION OF PERFORMANCE

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Weighting of asset classes

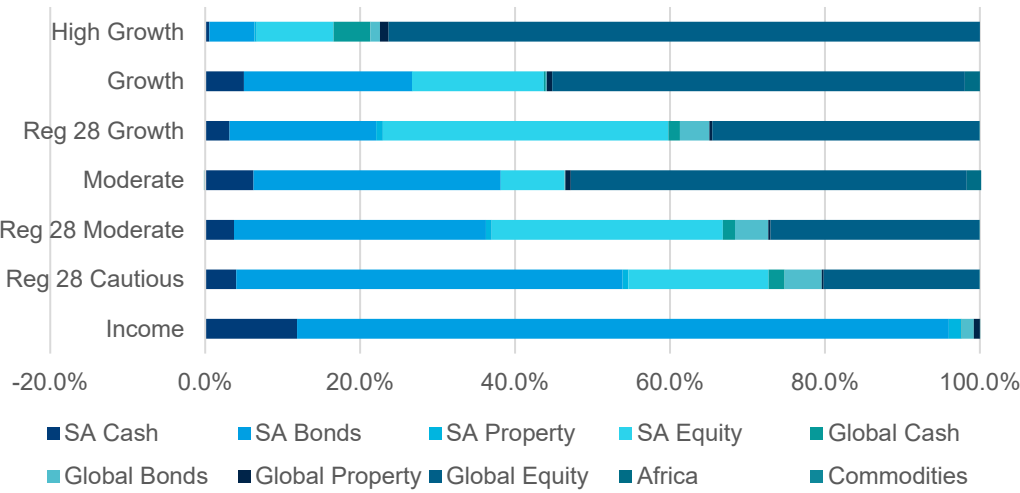
Our asset allocation models indicate that we fall within an economic expansionary regime, thus local government bonds have been increased and within local equities, the level of protection should be reduced in favour of direct equity market exposure and thus the weighting of Methodical (a protected equity manager) was reduce further. With regards to the portfolio's offshore exposure, the expansionary regime supports our portfolios holding more global equities.

Changes to portfolio asset class weightings

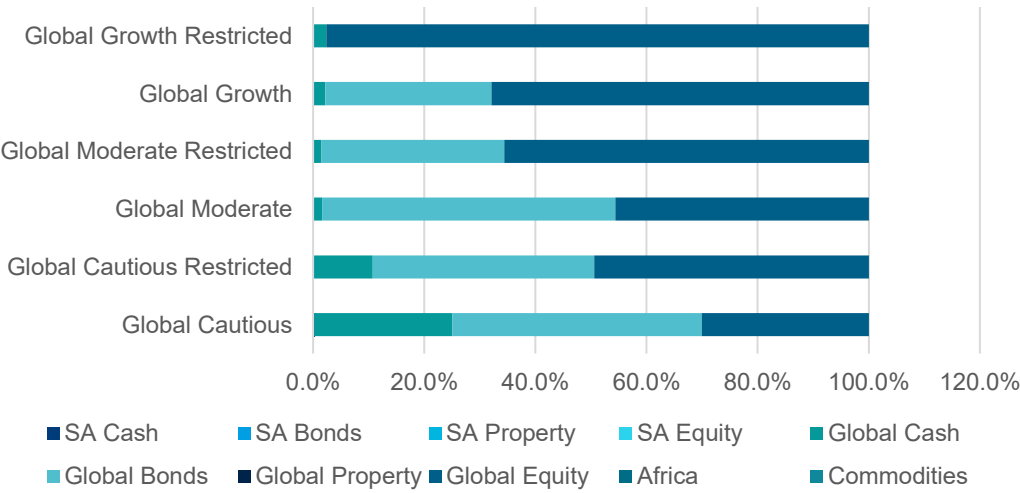


ASSET ALLOCATION ACROSS SOLUTIONS

Current Asset Allocation



Current Asset Allocation





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