WHERE THE MONEY WILL BE MADE

JULY 2026

PETER ARMITAGE
CEO AND CO-CIO

TODAY'S AGENDA

01

EQUITY – SA AND OFFSHORE

Liam Hechter and Nick Dennis talk us through Anchor's positioning through Geo – politics, AI intrigues and the fuel-driven inflation surprise- with long term investment focus in mind.

02

THE RAND

How these local and global rate dynamics are feeding through to the currency, and the read-through for portfolios.

03

BONDS – GLOBAL AND LOCAL

Nolan Wapenaar will talk about the repriced SA rate path, the incoming Fed Chair, and what it means for fixed income positioning.

04

CLOSING DISCUSSION & Q&A

Open floor for questions across asset classes.

GLOBAL EQUITIES: WE REMAIN CONSTRUCTIVE

Asset class	Current stance			Expected returns (own currency) (%)
	Negative	Neutral	Positive	
DOMESTIC				
Equity	•	→	●	14
Bonds	•	●	•	10
Listed property	•	●	•	12
Cash	●	•	•	6.5
Alternatives*	•	•	●	10 to 15
Rand vs US dollar (rand stronger)				2.0
GLOBAL				
Equity	•	→	●	10
Government bonds	•	●	•	5
Corporate credit	•	●	•	5
Listed property	•	●	•	6
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*→ denotes stance upgraded this quarter. *Alternatives includes hedge funds, private equity and physical property.*

Source: Anchor Capital

WHERE THE MONEY WILL BE MADE

DOMESTIC EQUITY

- JSE Equities have underperformed global equities and emerging market equities significantly since the end of February (ME conflict).
- Domestic fundamentals have kept improving despite the rise in oil.
- Earnings have held up reasonably well.
- Use the pullback as an opportunity to upgrade South African equities (14% total expected).

DOMESTIC FIXED INCOME

- Positive momentum for South African fundamentals likely to continue.
- Rate hikes in 2026 become rate cuts in 2027.
- Higher income yields for the rest of the year, while capital gains are on the horizon for 2027 and 2028.
- Anchor FR Flexible Income Fund gives the best blend of earnings yield while positioning for possible capital gains in future.

GLOBAL EQUITY

- Global equity valuations are elevated vs history but supported by strong forecast earnings growth.
- AI will continue to play an outsized role as a driver of equity markets.
- We see opportunities in AI Picks & Shovels as well as AI Users.
- Base case is a 10% return in USD.

GLOBAL FIXED INCOME

- Fewer rate hikes than in South Africa.
- Longer term, the yield curve benefits from positive base effects on oil and AI productivity gains.
- Long-term yields are likely lower than today.
- Anchor Global High Yield continues to be attractive for shorter-term offshore cash.

WHERE THE MONEY WILL BE MADE 3Q26

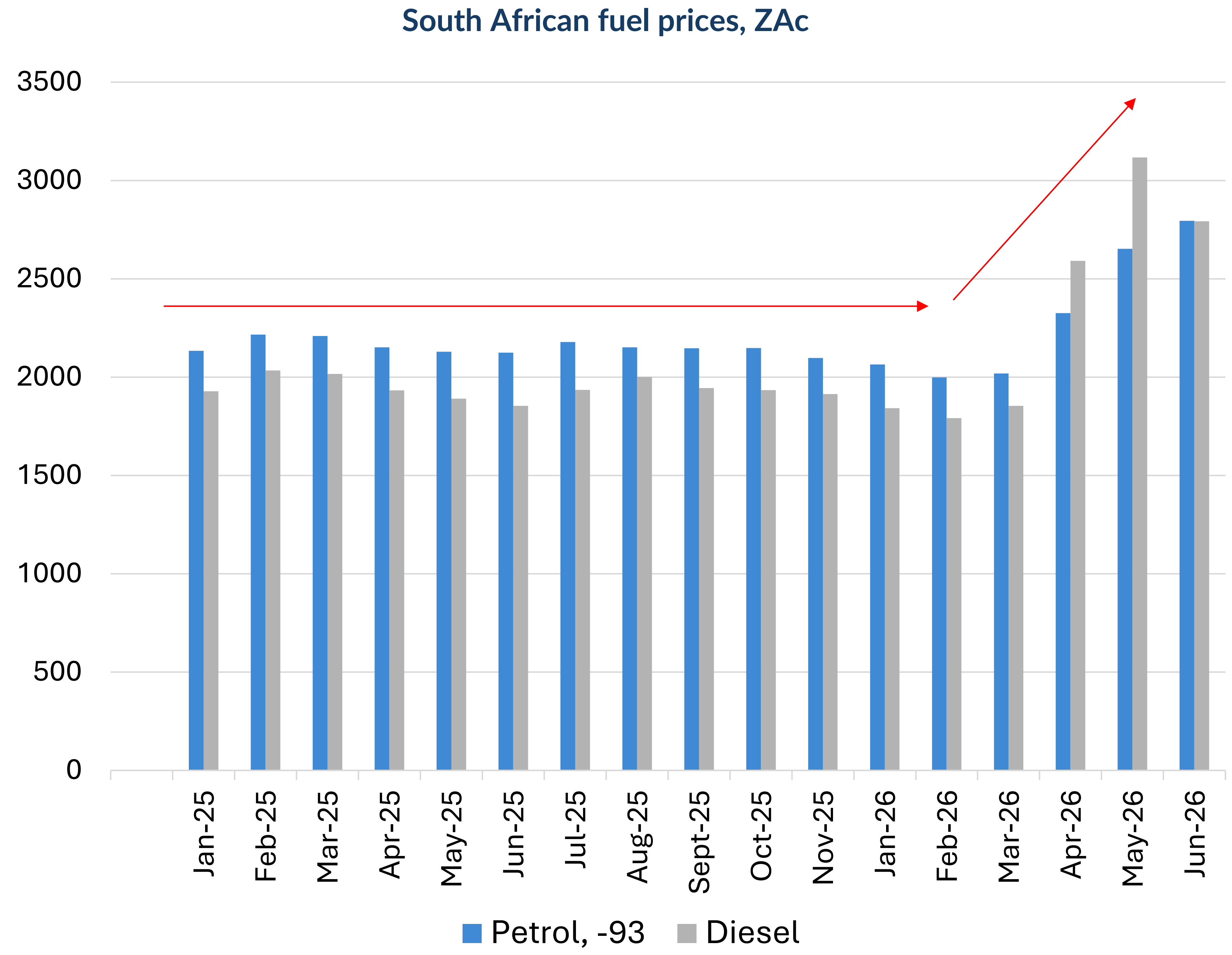
FIXED INCOME AND THE RAND

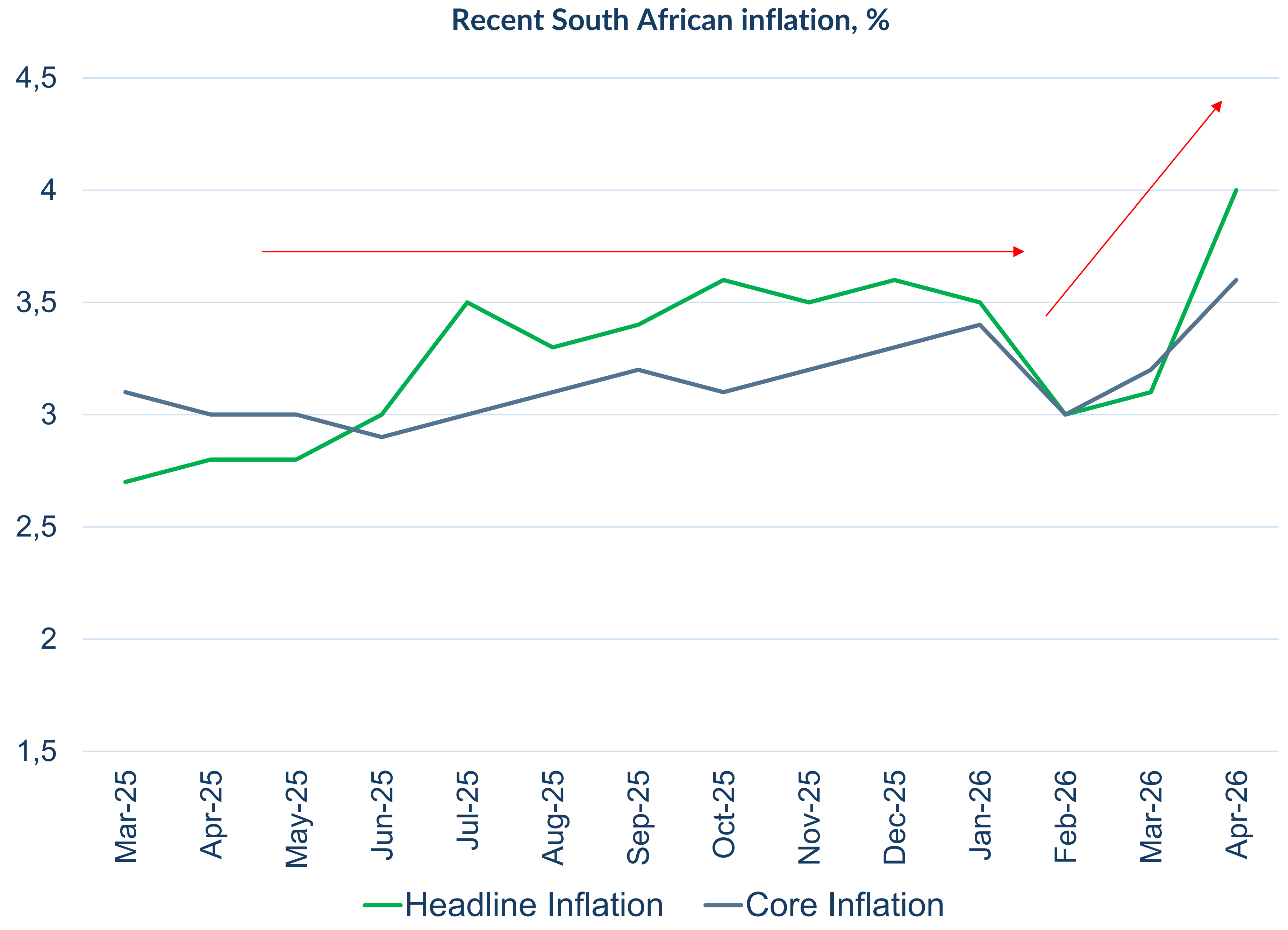
JULY 2026

NOLAN WAPENAAR
CO-CHIEF INVESTMENT OFFICER/HEAD OF FIXED INCOME

SOUTH AFRICAN FIXED INCOME

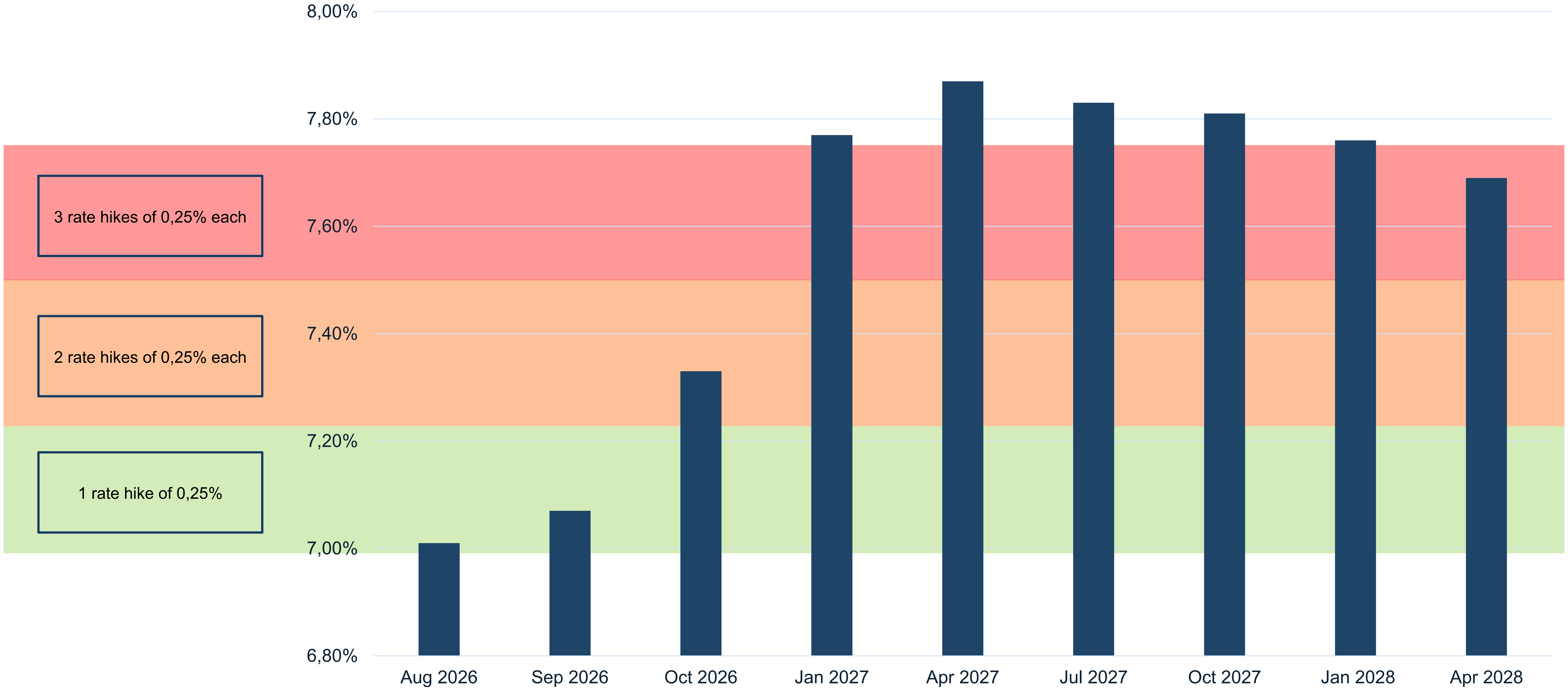
FUEL COSTS SPIKE HIGHER, INFLATION FOLLOWS





Source: Anchor Capital

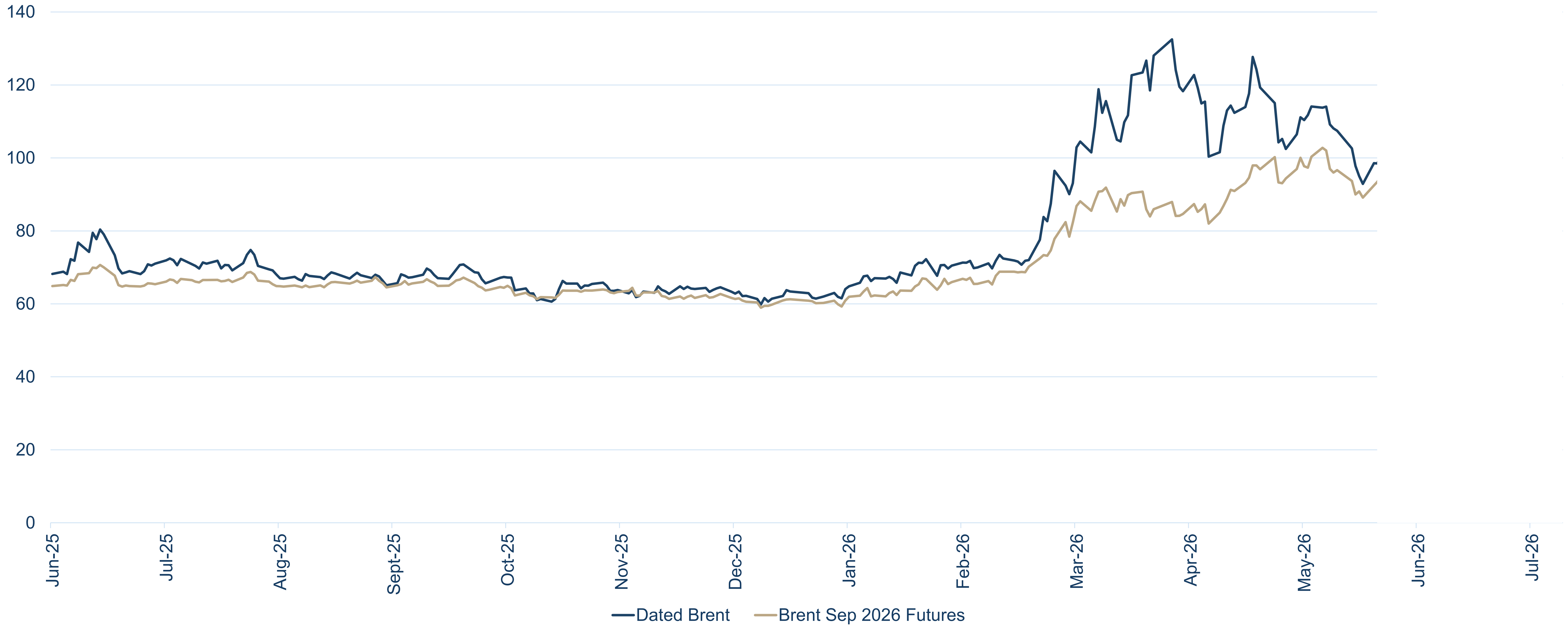
WHAT IS THE MARKET PRICING IN?



Source: Thomson Reuters

OIL IS MORE VOLATILE THAN EXPECTED

Physical market vs futures market, US$/bbl



Source: Thomson Reuters

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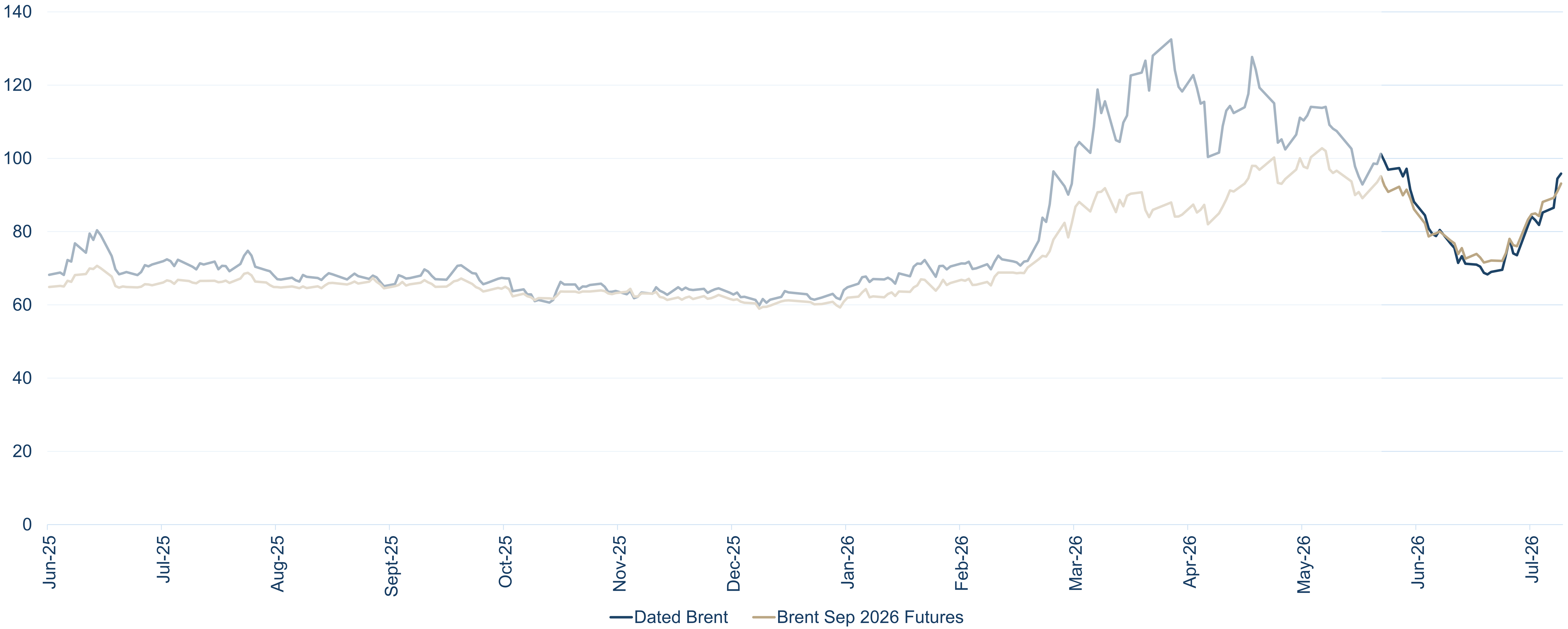

Source: Thomson Reuters

WHERE THE MONEY WILL BE MADE

DOMESTIC EQUITY	DOMESTIC FIXED INCOME
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GLOBAL EQUITY	**GLOBAL FIXED INCOME**

GLOBAL FIXED INCOME

NEW FED LEADERSHIP

Kevin Warsh
Chair, Federal Reserve

Jerome Powell
Former Chair, Federal Reserve

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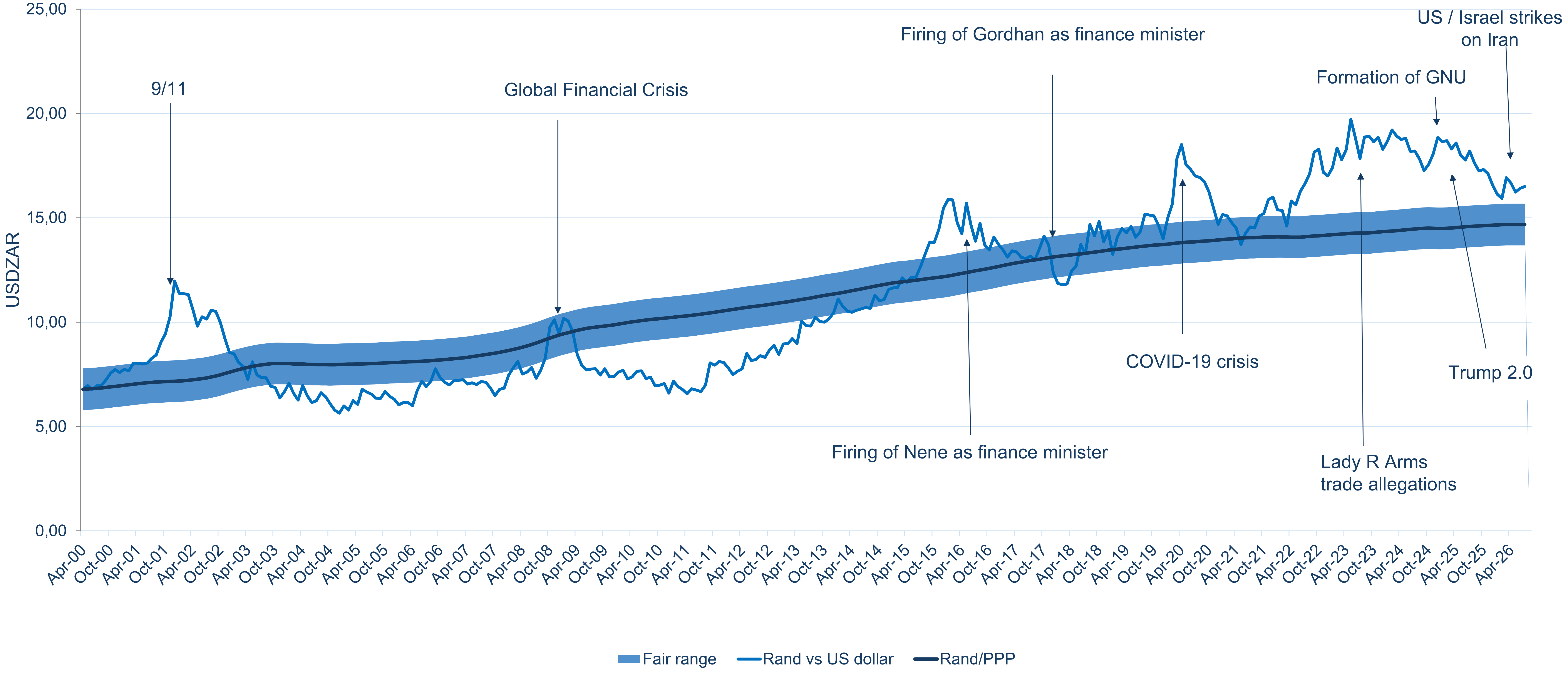
GLOBAL EQUITY	**GLOBAL FIXED INCOME** • Fewer rate hikes than in South Africa. • Longer term, the yield curve benefits from positive base effects on oil and AI productivity gains. • Long-term yields are likely lower than today. • Anchor Global High Yield continues to be attractive for shorter-term offshore cash.

THE IMPACT ON THE RAND

THE RAND

Actual R/US$ exchange rate vs rand PPP model



Source: Anchor Capital, Thomson Reuters as at 22 July 2026

WHERE THE MONEY WILL BE MADE 3Q26

SA EQUITY

LIAM HECHTER

FUND MANAGEMENT

WHERE WE ARE NOW

INDEX MOMENTUM HAS STALLED

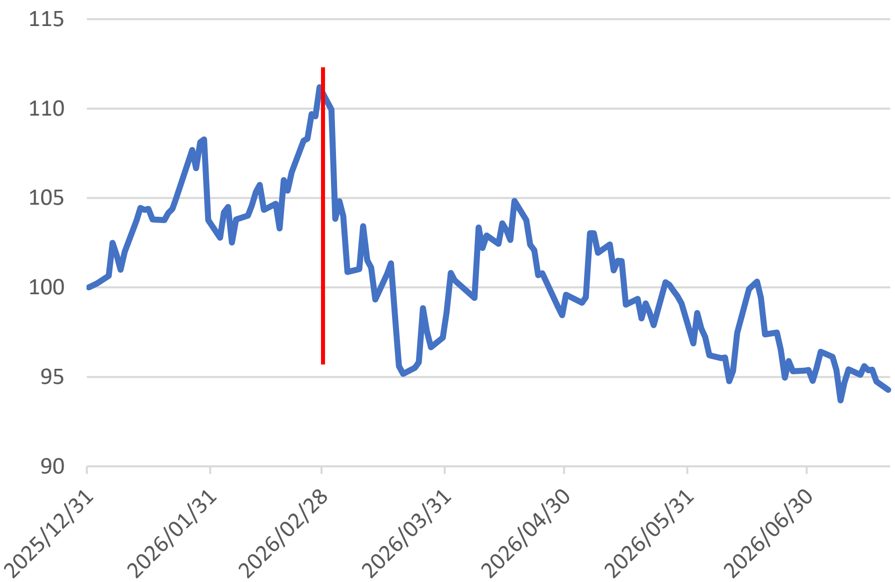
- Despite the drop in oil prices, real yields have remained stubbornly high, putting pressure on precious metals.

- The JSE underperformed global markets by a wide margin during 2Q26.

- Tough times have identified pockets of underlying strength in the economy.

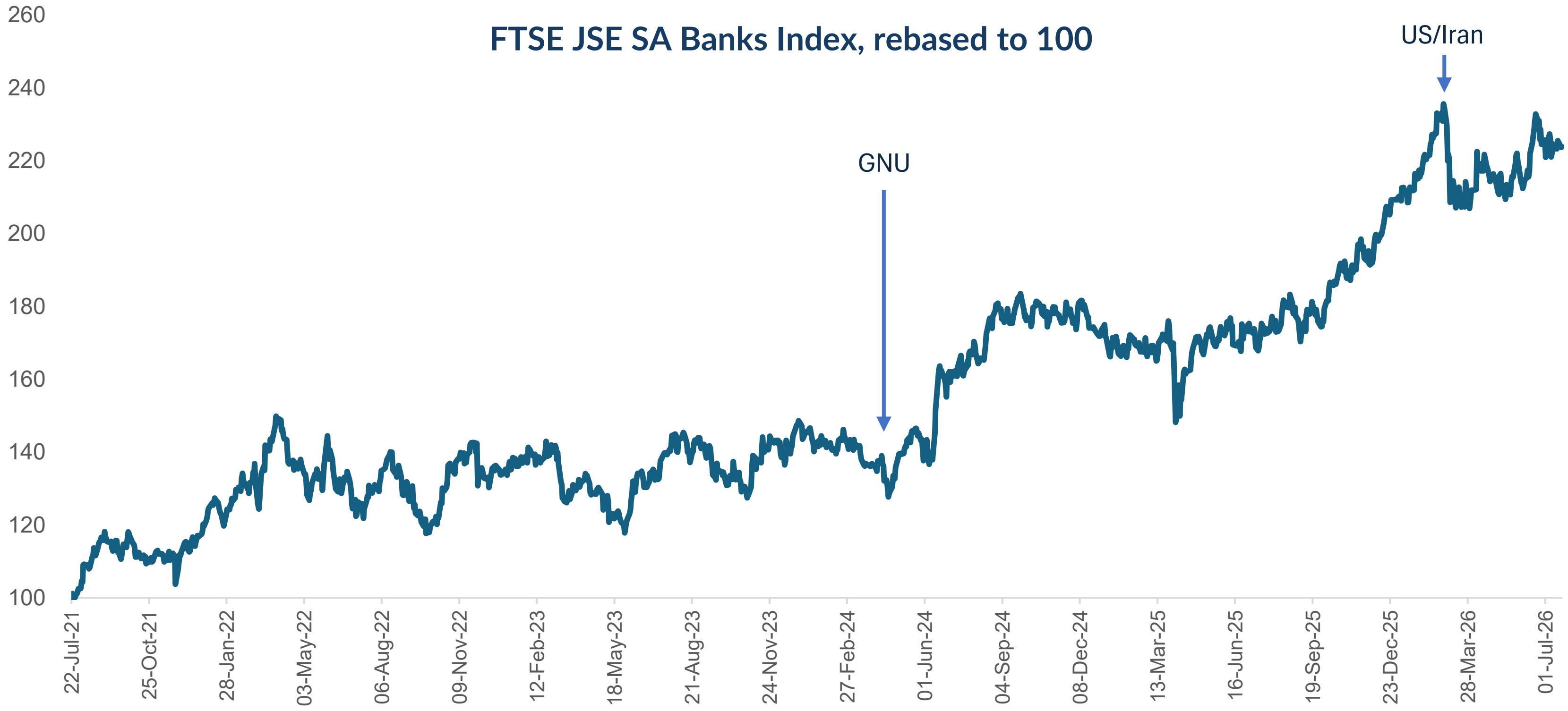
- After a quarter of caution, the pullback invites us back in to upweight the JSE.

FTSE JSE Capped All Share Index, rebased to 100



Source: Bloomberg, Anchor Capital

FTSE JSE BANKS INDEX – A BELLWETHER FOR "DOMESTICS" ON THE JSE



Source: Bloomberg, Anchor Capital

EARNINGS REVISION MOMENTUM HOLDING UP WELL

Rank	Subsector	Earnings revisions (1/3/6month blended)
1	Oil & Gas	28,2%
2	Luxury (Richemont)	5,6%
3	Telecoms	3,4%
4	Diversfied Miners	2,0%
5	Food producers	1,2%
6	Consumer staples	0,3%
7	Local Property	0,2%
8	Asset Managers	0,1%
9	Industrials	-0,5%
10	Banks	-0,5%
11	Insurance	-1,1%
12	Hospitals	-3,5%
13	Internet	-3,6%
14	General Retail	-5,5%
15	Gold Miners	-6,3%
16	Apparel retail	-6,8%
17	PGM Miners	-22,2%

Source: Bloomberg, Anchor Capital

Outside of structural issues (retail), earnings of domestic sectors have held up reasonably well.

Strong overlap between the table on the left and the performance of various sectors since the Middle East conflict started.

WHERE WE SEE VALUE

WHERE WE SEE VALUE

- **Banks:** The strongest domestic opportunity set. Operational performance is solid; management teams are executing well. 10% Earnings growth, mid-single-digit P/Es. Earnings holding up well.

- **Naspers and Prosus**: Down 20% and 23% YTD, respectively, but Tencent remains one of the highest-quality large-cap tech companies globally. The recent derating represents a multi-year entry point. Tencent down to 12x earnings. 10% EBITDA compounding.

- **Retailers:** Remain challenging and largely ex-growth. We maintain selective exposure limited to defensive names (Shoprite, Boxer, etc.). Stock selection crucial. Food inflation has troughed and inflected positively.

LOOKING AHEAD

WHERE THE MONEY WILL BE MADE

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DOMESTIC FIXED INCOME

GLOBAL EQUITY

GLOBAL FIXED INCOME

WHERE THE MONEY WILL BE MADE 3Q26

GLOBAL EQUITIES

STAYING ON BOARD AS AI RESHAPES THE WORLD

NICK DENNIS
FUND MANAGEMENT

GLOBAL EQUITIES: WE REMAIN CONSTRUCTIVE

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Source: Anchor Capital

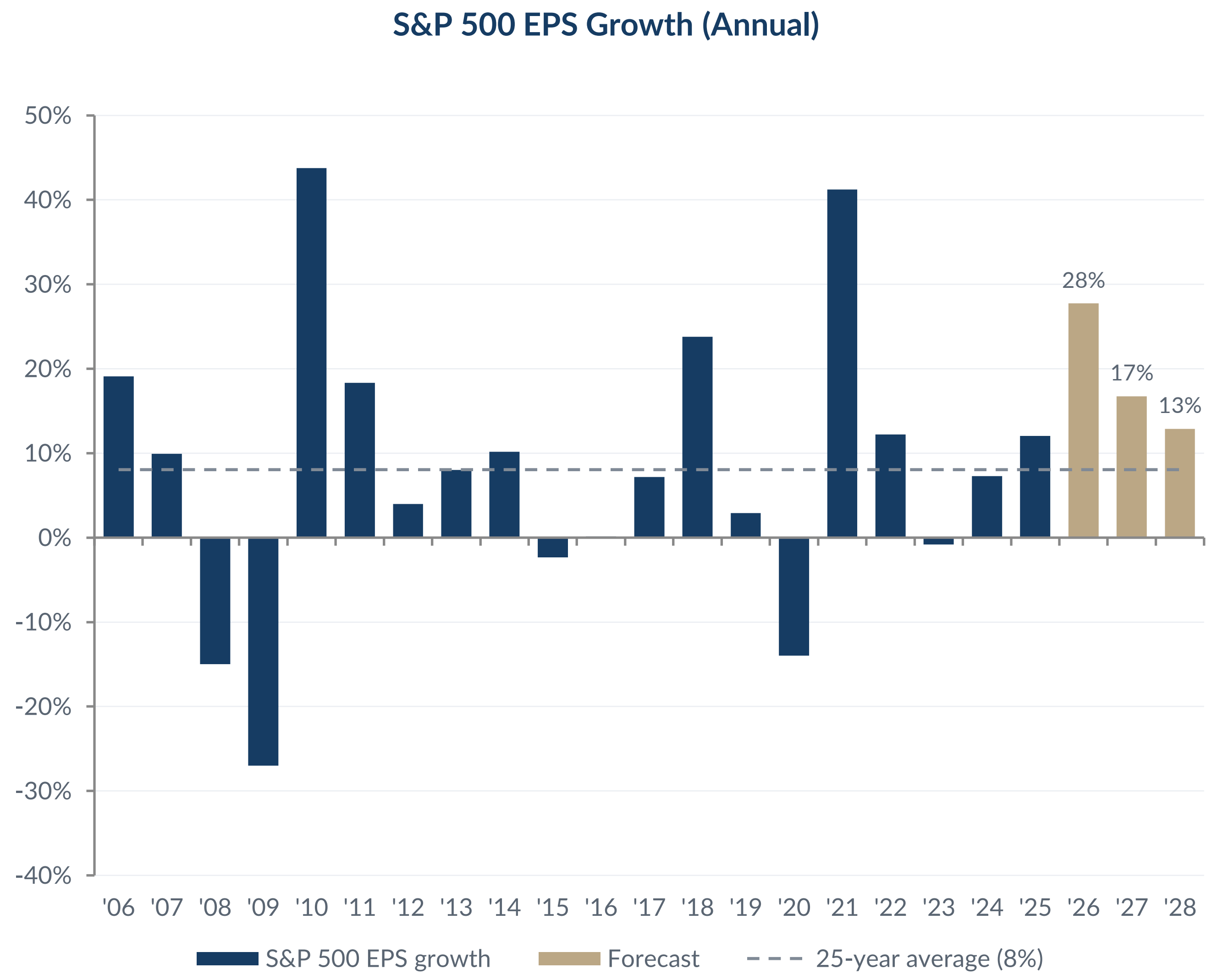
STAY ON BOARD – THE BULL MARKET HAS FURTHER TO RUN

- Strong earnings growth forecast through 2028
- AI capex to remain robust
- Inflation peaking, rate cuts to follow

- Geopolitical wildcards
- AI’s outsized influence on the market and economy
- Ex-US growth challenged

ANALYSTS ARE ANTICIPATING EXCEPTIONAL EARNINGS GROWTH

Name	Earnings growth YR1	Earnings growth YR2	Fwd P/E (x)
MSCI World Index	21.1%	12.8%	19.0
MSCI EM Index	57.9%	14.8%	10.9
MSCI All Country World Index (10% EM)	26.5%	13.2%	17.5
Nasdaq 100	47.7%	18.6%	22.4
S&P 500 Index	26.3%	14.9%	20.2



Source: Bloomberg, Anchor Capital

US VALUATIONS: REASONABLE, BECAUSE EARNINGS HAVE DELIVERED

One more year of earnings growth takes the S&P 500 back to its 20-year mean P/E

US S&P 500 Index forward P/E (x)

Source: Bloomberg, Anchor Capital

MAJOR DEBATES IN AI

- When will we see peak capex from the hyperscalers?
- When will AI spend generate a reasonable ROIC?
- Frontier vs Open Models
- US vs China

OUR GLOBAL STOCK IDEAS FOR 2026

STRONG RECORD OF COMPOUNDING GROWTH

WELL DIVERSIFIED GLOBALLY

Meta

BOOKING HOLDINGS

nu

LSEG

CONSTELLATION SOFTWARE INC.

HIGH RETURN ON CAPITAL EMPLOYED

QUESTIONING THE MARKET'S VERDICT ON AI'S IMPACT ON THESE COMPANIES

Source: Anchor Capital

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