



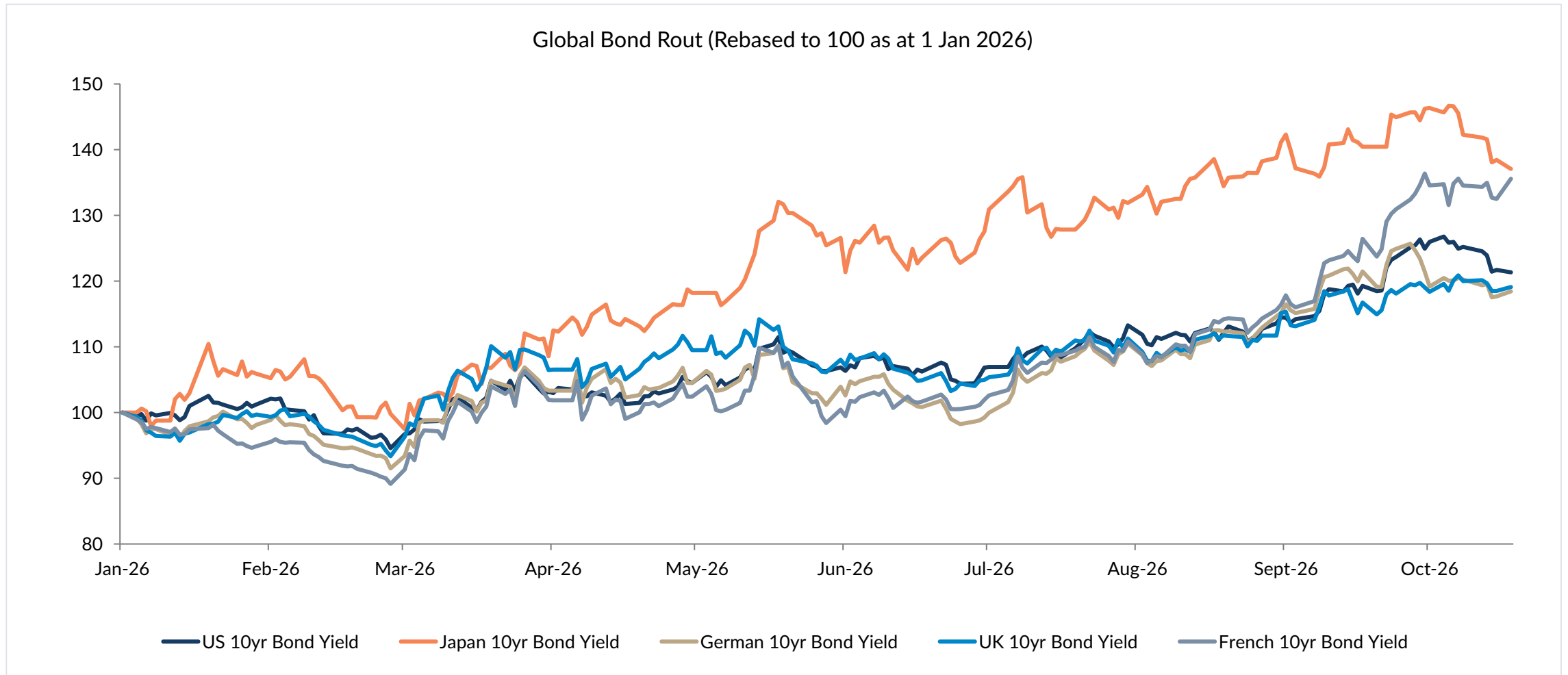
WHERE THE MONEY WILL BE MADE Q4 2026

GLOBAL FIXED INCOME

OCTOBER 2026

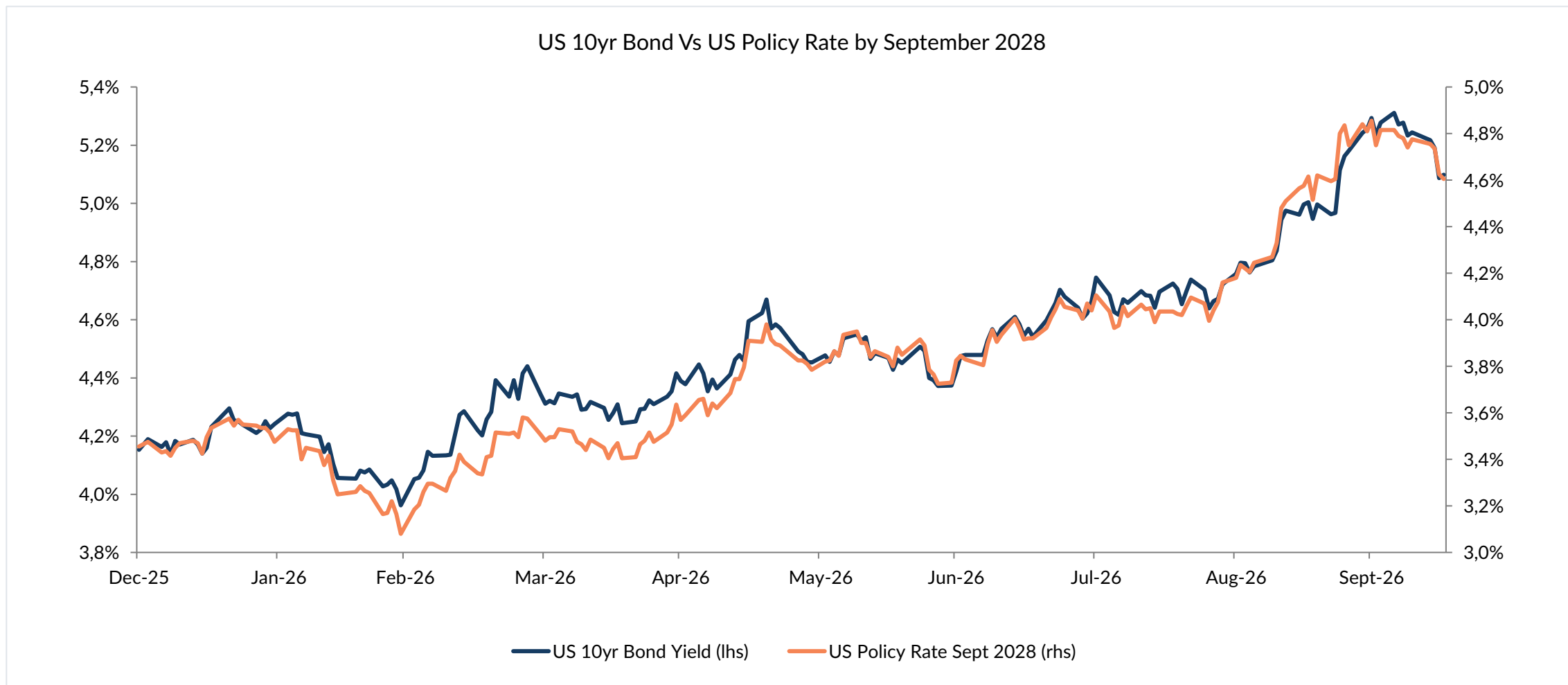
LELETHU POSWA
FUND MANAGEMENT

A GLOBAL BOND ROUT



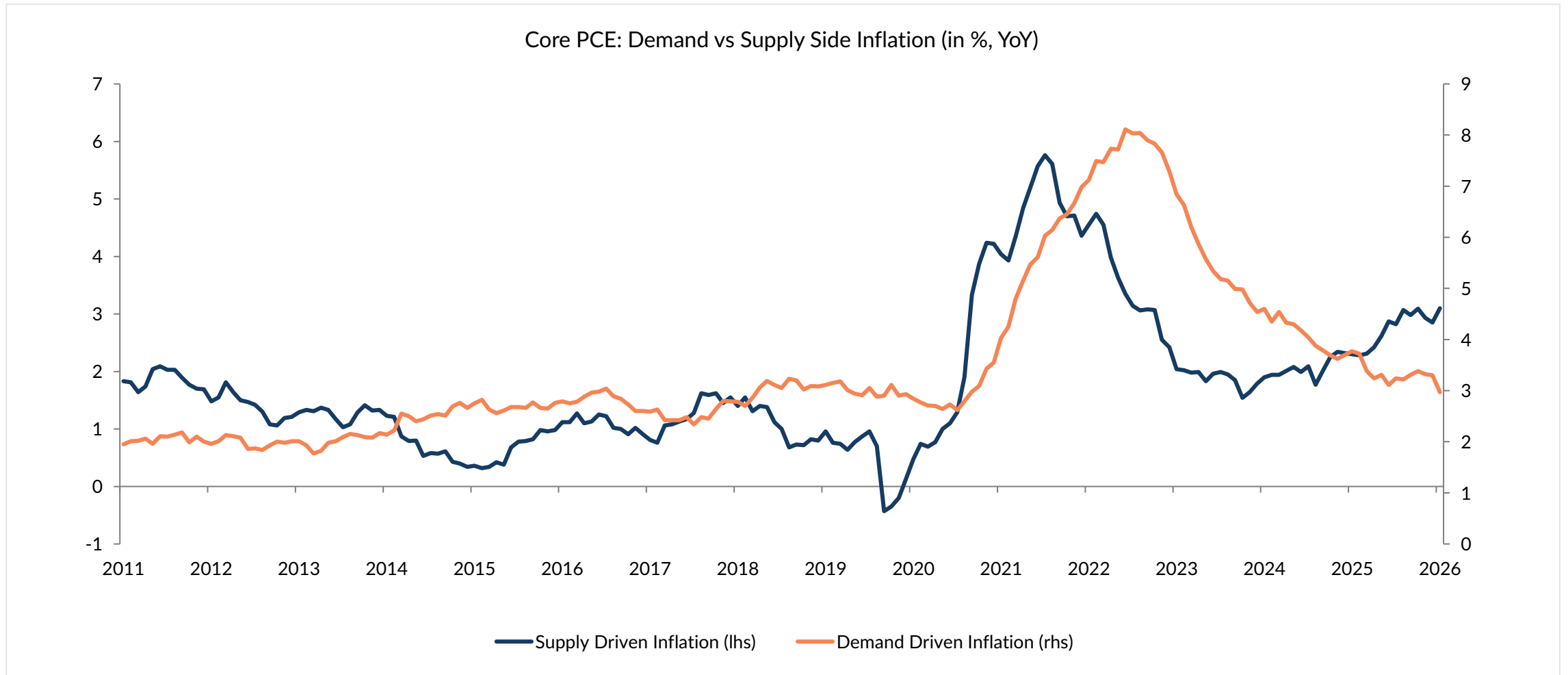
Source: Thomson Reuters

FED EXPECTATIONS ARE DRIVING US BOND YIELDS



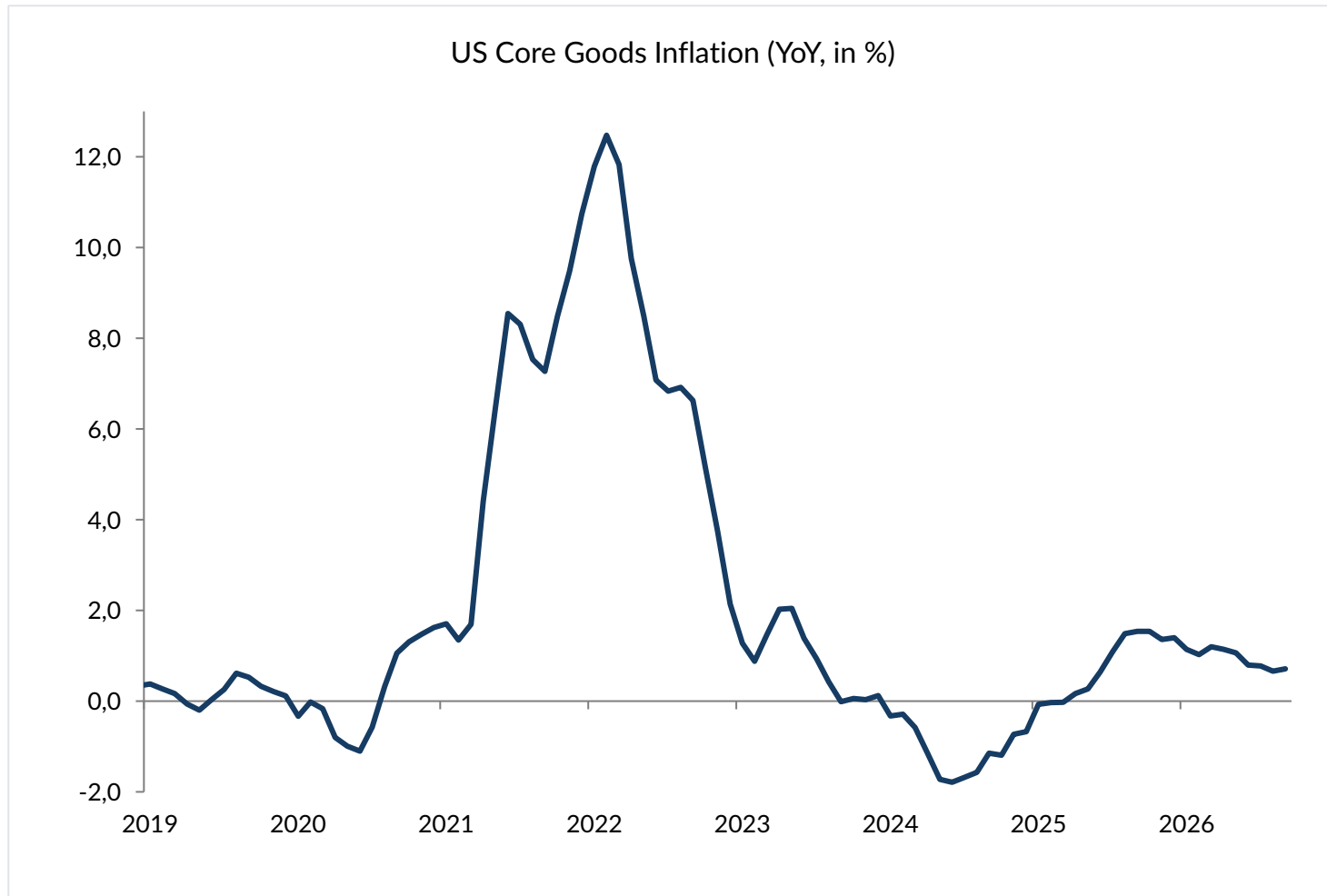
Source: Thomson Reuters

US INFLATION: SUPPLY SHOCKS, NOT DEMAND



Source: Federal Reserve Bank of San Francisco

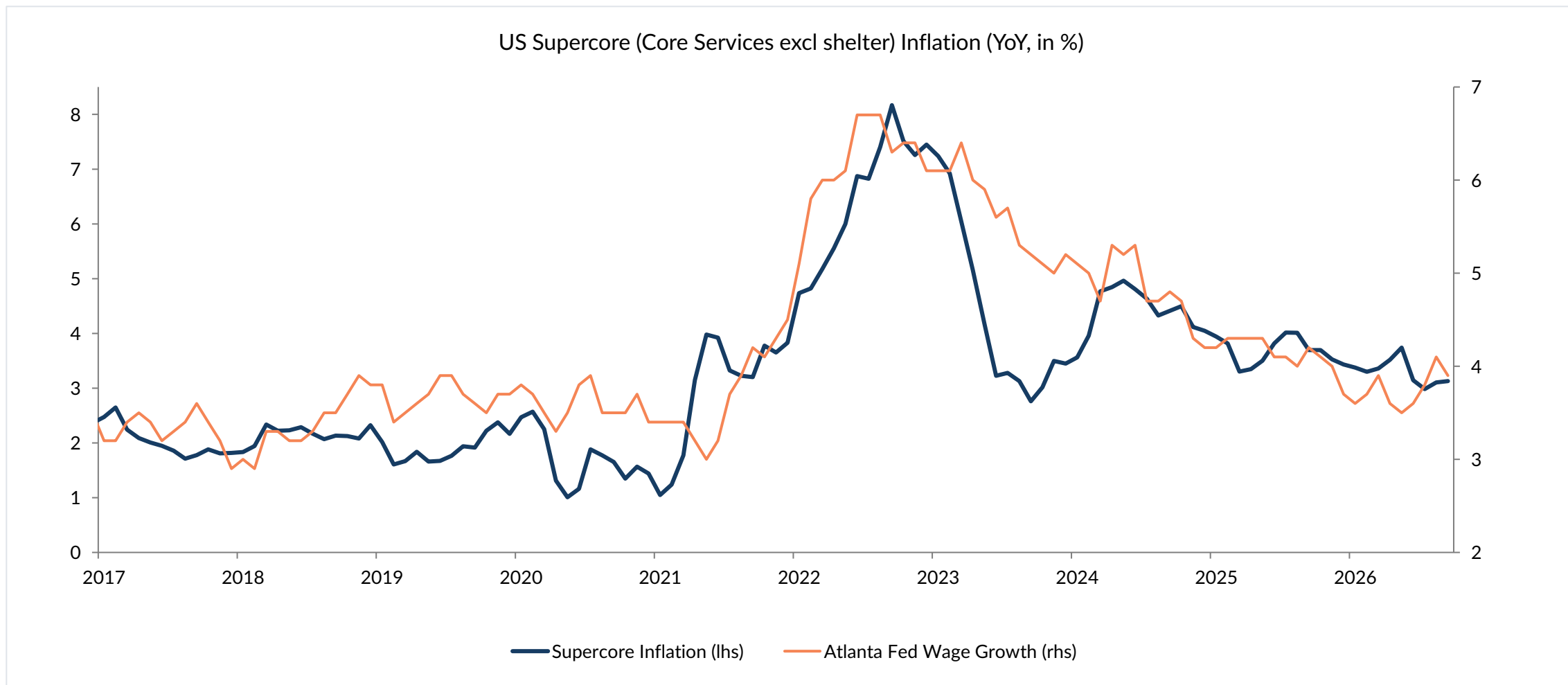
CORE GOODS: **TARIFF EFFECT IS FADING**



Source: Federal Reserve Bank of St. Louis

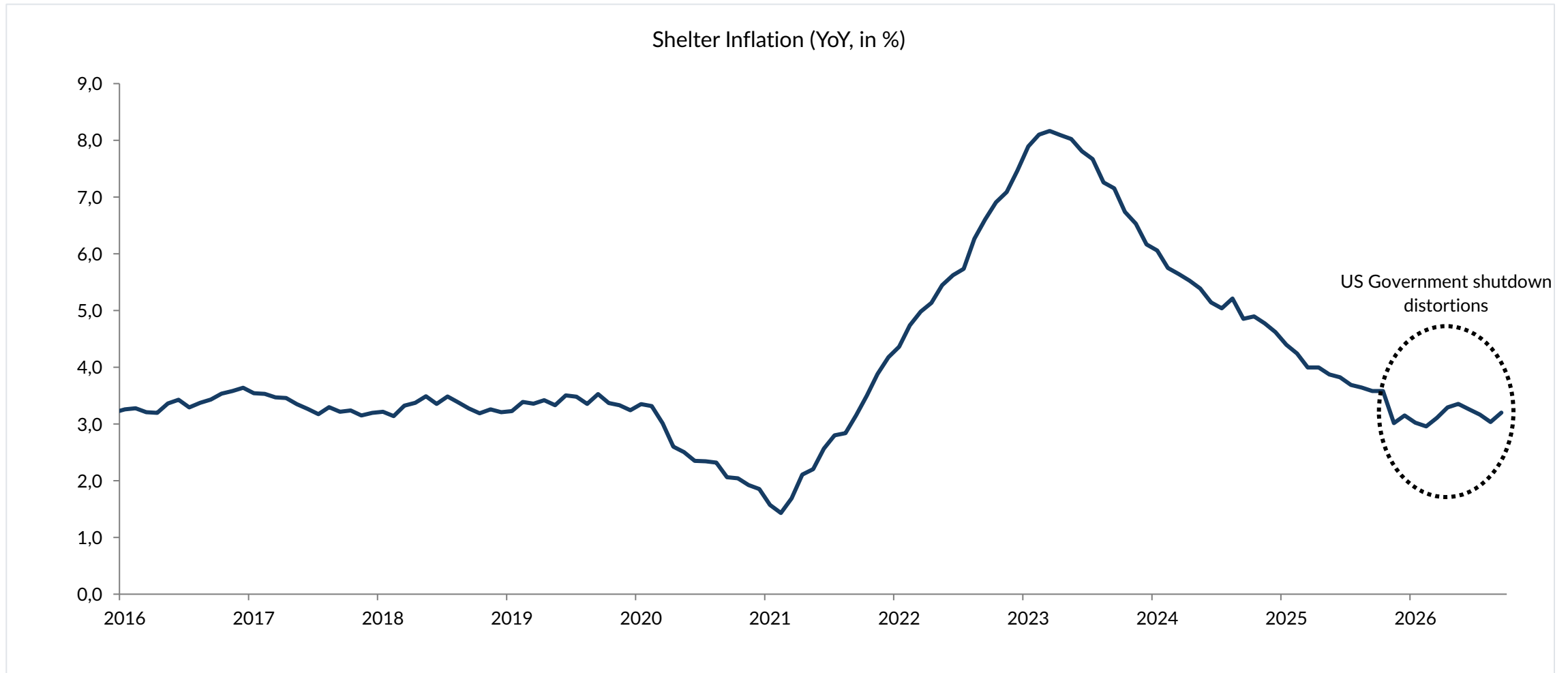


WAGE PRESSURES ARE EASING



Source: Federal Reserve Bank of St. Louis, Federal Reserve Bank of Atlanta

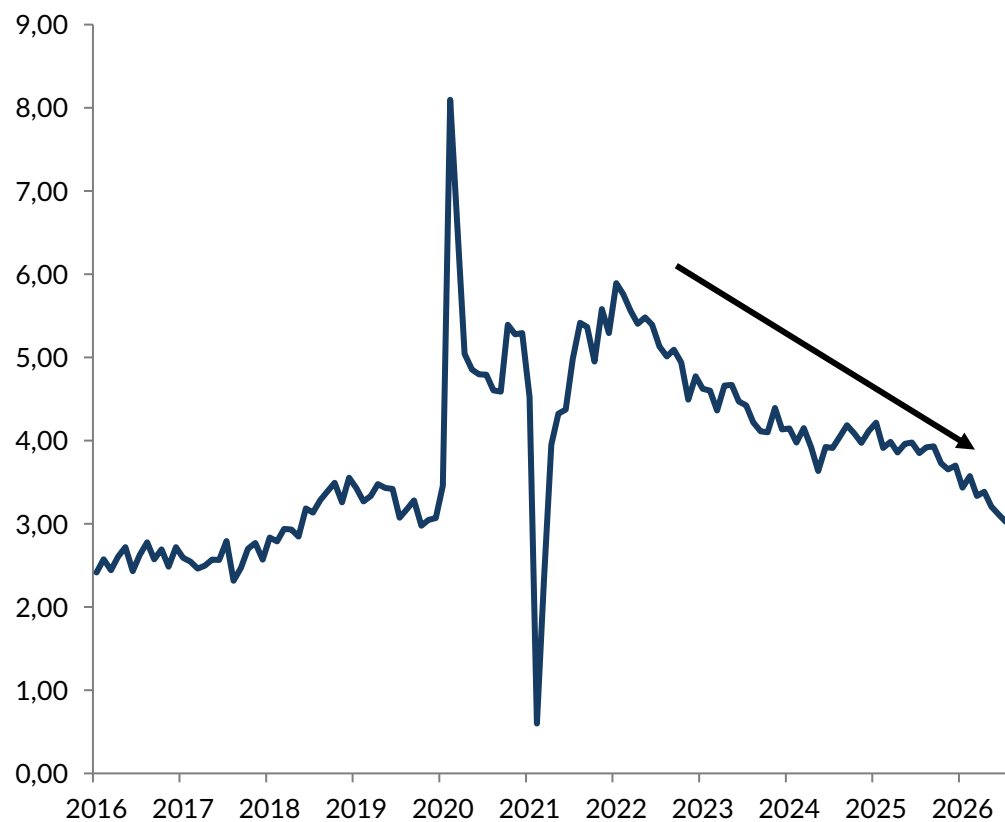
SHELTER DISINFLATION AHEAD



Source: Federal Reserve Bank of St. Louis

NO PRICE WAGE SPIRAL

Average Hourly Earnings (in %, YoY)



5y5y Breakeven Inflation Rate (BEIR)



Source: Federal Reserve Bank of St. Louis

WHERE THE MONEY **WILL BE MADE**

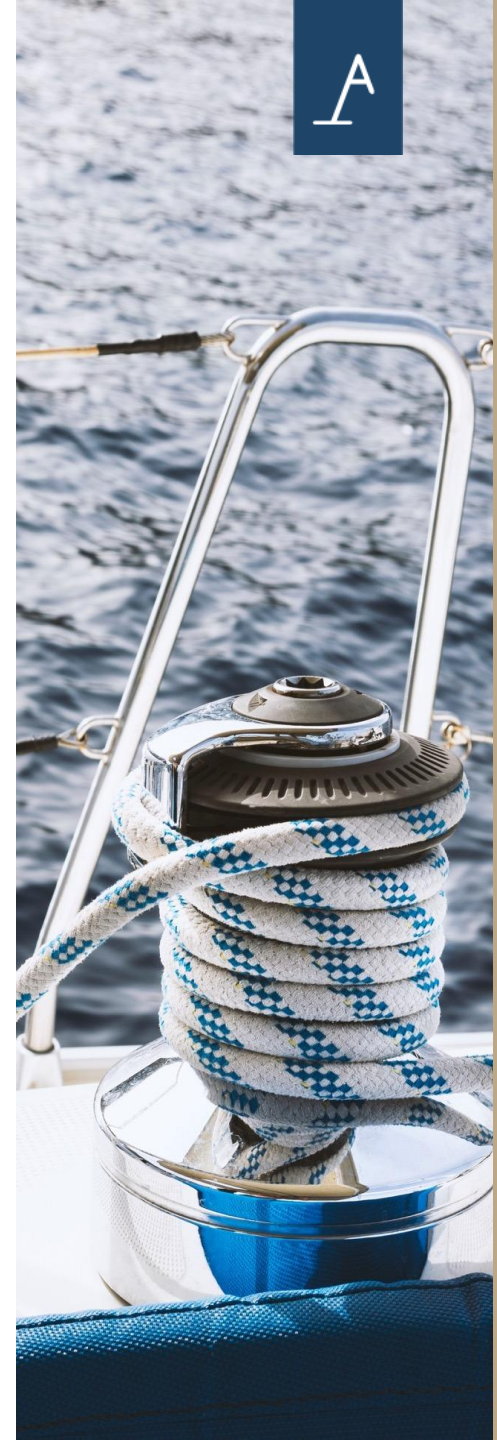
DOMESTIC EQUITY

DOMESTIC FIXED INCOME

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WHERE THE MONEY WILL BE MADE
Q4 2026

DOMESTIC INCOME AND THE RAND

OCTOBER 2026

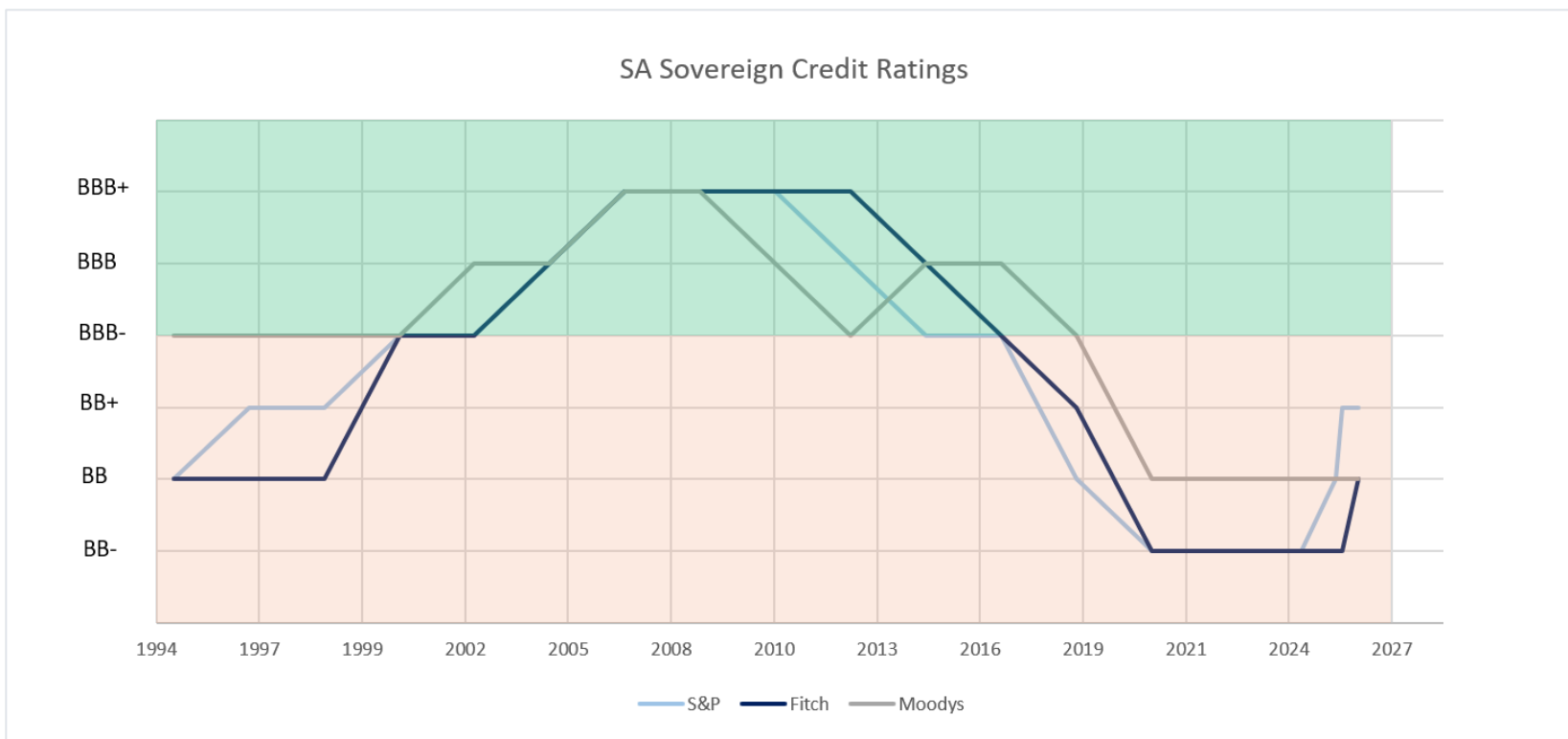
NOLAN **WAPENAAR**
CO-CIO AND HEAD OF FIXED INCOME



GOLD

PLATINUM

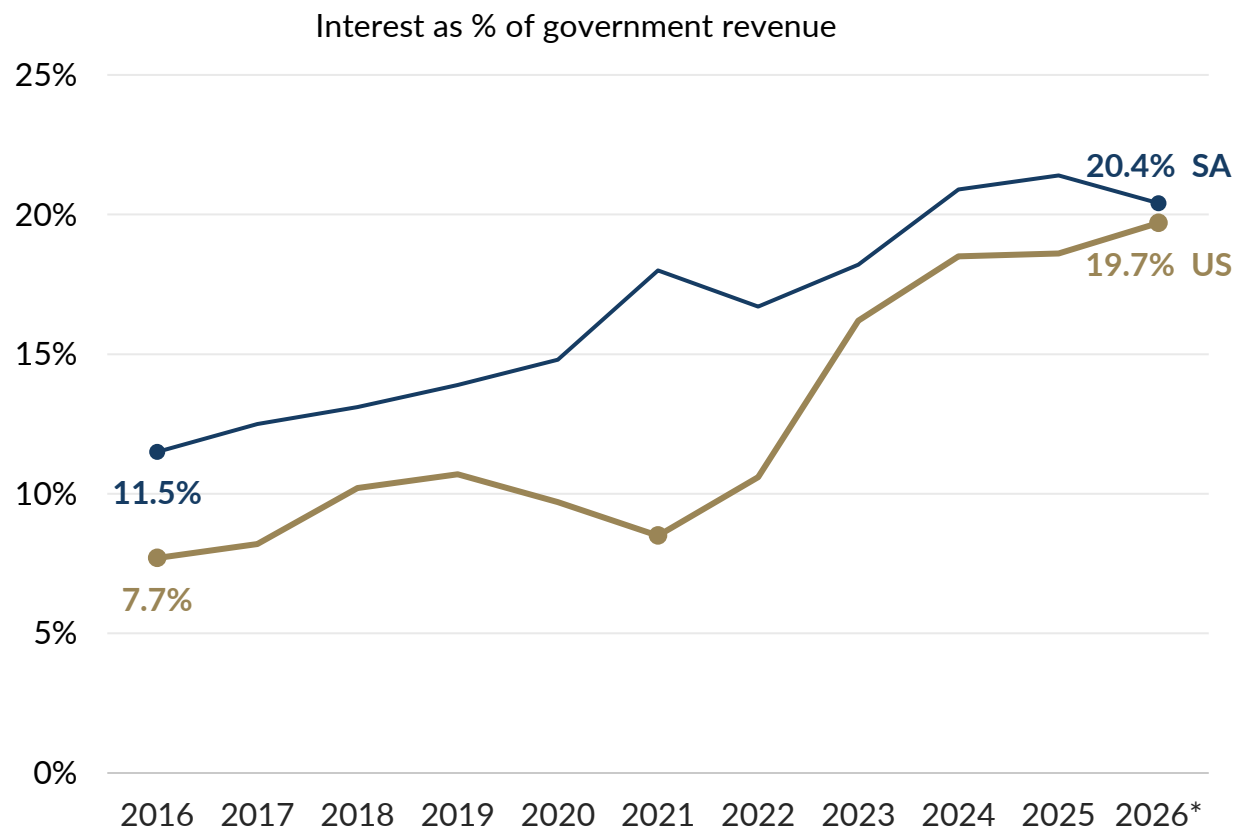
SOUTH AFRICA SOVEREIGN RISK



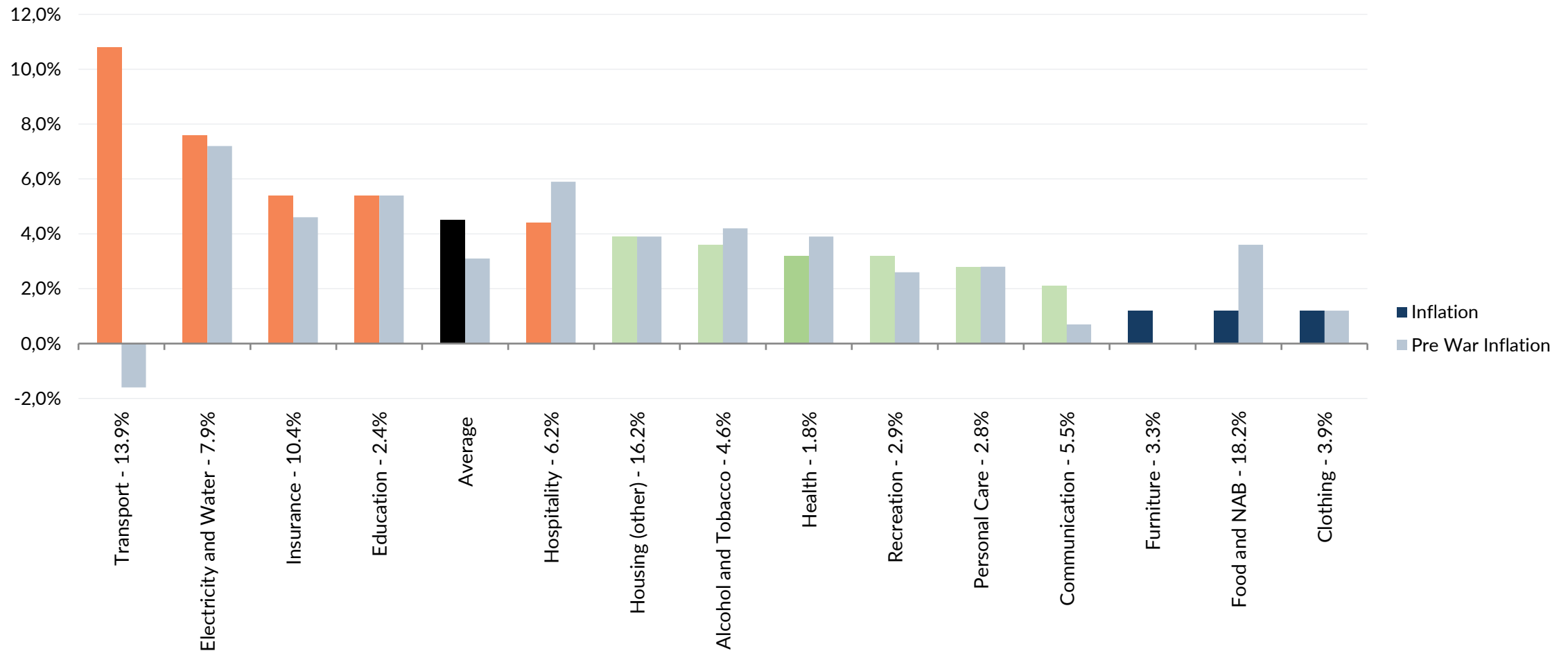
Agency	Rating	
Moody's	Ba2 (BB)	Outlook was changed to positive on 22 May 2026.
S&P	BB	Rating outlook upgrade announced in November 2025, outlook positive.
Fitch	BB	Rating upgraded on 5 June 2026.

SA's DEBT IS COMING UNDER CONTROL

High but not catastrophic

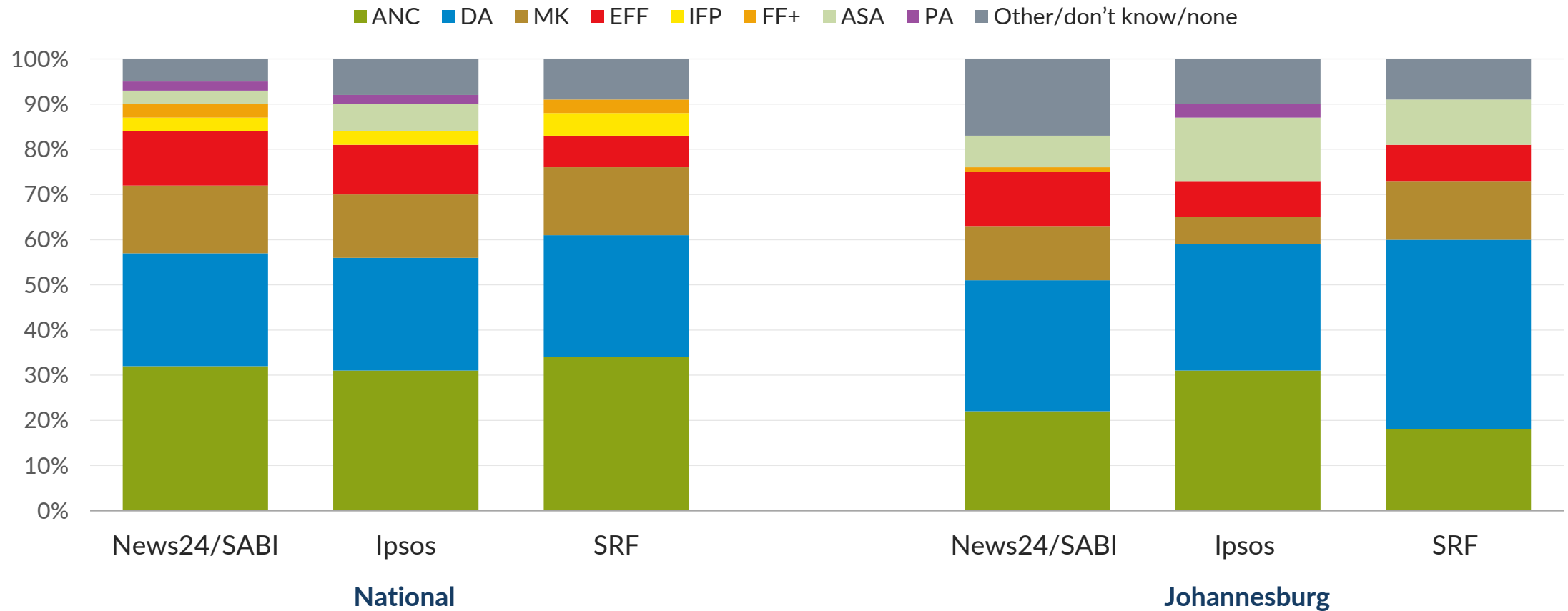


SOUTH AFRICAN INFLATION BROAD BASED INFLATIONARY PRESSURE



LOCAL GOVERNMENT ELECTIONS: 4 NOVEMBER 2026

South Africa: opinion poll results for the 2026 LGEs, % of respondents



Source: News24, SABI, Ipsos, The Common Sense, Social Research Foundation per Oxford Economics

WHERE THE MONEY WILL BE MADE

DOMESTIC EQUITY

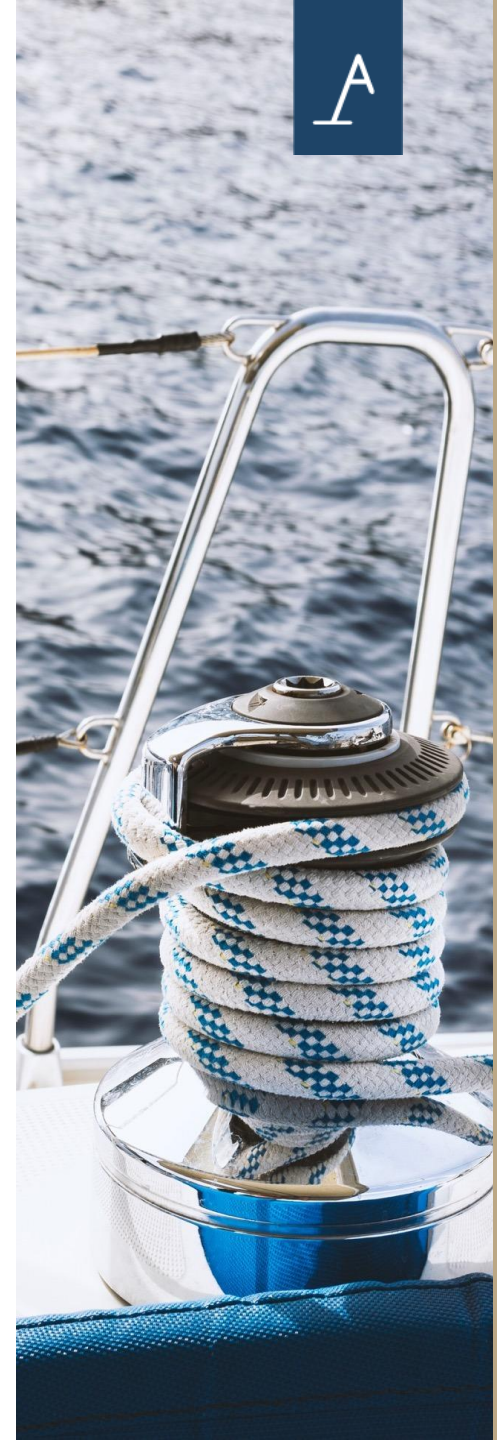
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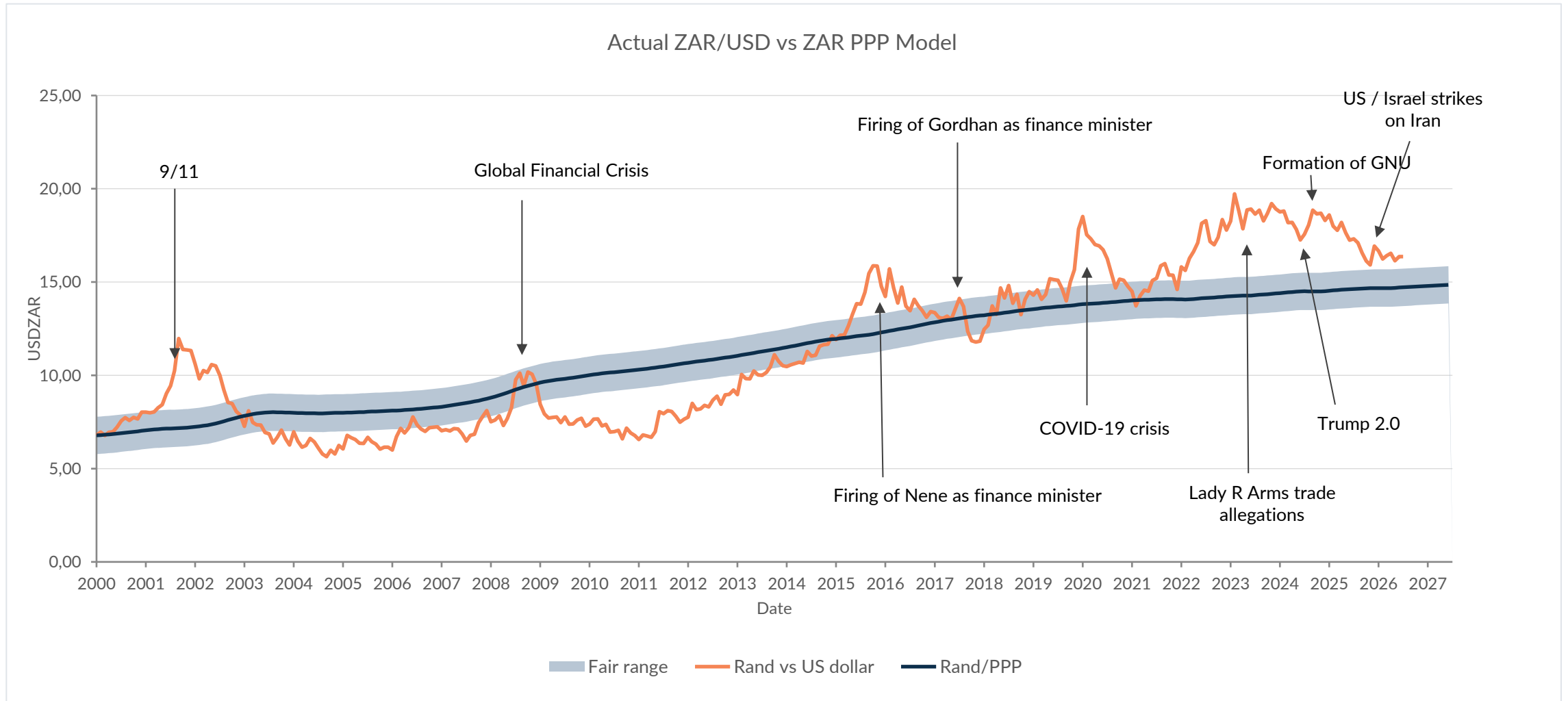
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THE RAND

ZAR/USD AGAINST THE PPP MODEL



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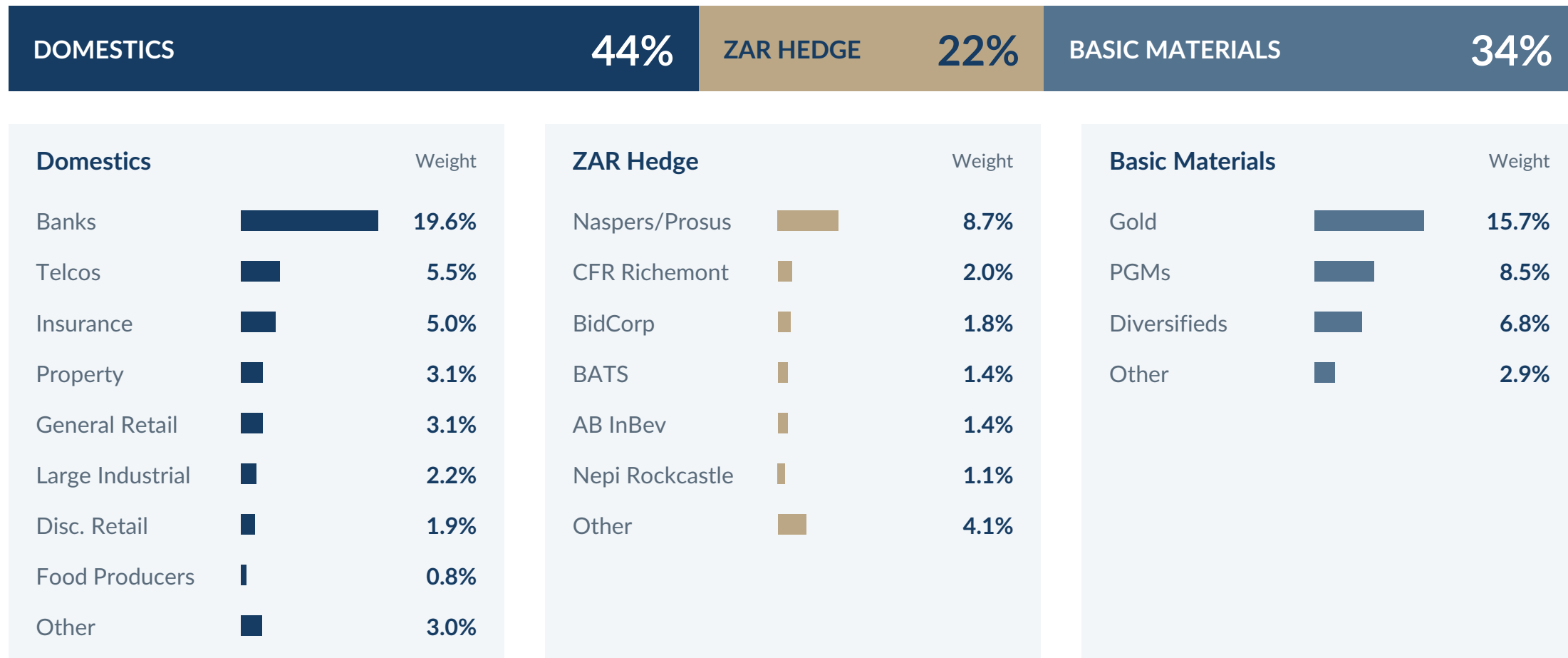
WHERE THE MONEY WILL BE MADE
Q4 2026

SA EQUITIES: SELECTIVITY MATTERS

Liam Hechter
Fund Management

JSE INDEX COMPOSITION

The FTSE/JSE Capped All Share splits into three distinct economic exposures



Source: Anchor Capital. Index weights of the FTSE/JSE Capped All Share Index, grouped by Anchor Capital. Date: October 2026

THE JSE: MORE GOING RIGHT THAN WRONG

Six tailwinds support SA equities, offset by one obvious issue: higher fuel prices

WHAT IS GOING RIGHT

1

Gold buying remains strong

Many reasons for it to be trading at \$3,500/oz

2

Benign political environment

Despite the noise around the local government elections

3

Fiscal consolidation

South Africa is an outlier globally in tightening its fiscal position

4

Positive trade surplus

Holding up despite rising fuel costs

5

Reforms moving the right way

Albeit slowly

6

Valuation support

Cheap in a world of expensive

OFFSET BY

THE OBVIOUS ISSUE

Higher fuel prices

Stressed consumer and no rates relief

Expect a tough December trading period for consumer-facing businesses

SA EQUITIES SINCE THE IRAN WAR BEGAN

FTSE/JSE TOP 40 INDEX | DAILY CLOSE, 2 MARCH – 9 OCTOBER 2026



-15.2%

Top 40 since 2 March; March was the worst month since 2008

-0.3%

Capped All Share in Q3: flat headline, but materials +15.6% vs retailers -16.7%

10.2x

Capped All Share forward P/E, with meaningful earnings growth expected

~15%

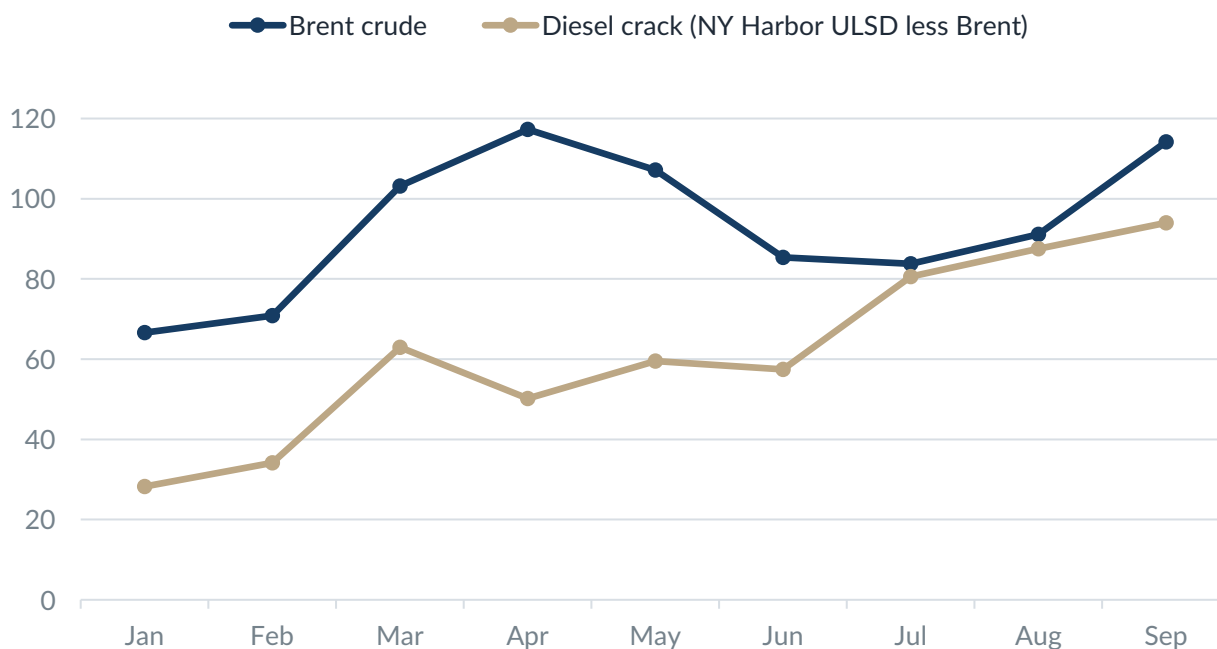
Expected 12-month total return. We remain overweight SA equities[^]

Source: Bloomberg, Anchor Capital. Top 40 price index, daily close. Q3 returns and forward P/E refer to the FTSE/JSE Capped All Share Index (quarter to 30 Sep 2026).

[^]Views are those of Anchor Capital as at the date of the presentation and are subject to change.

NOT JUST OIL: DIESEL IS THE PRESSURE POINT

BRENT VS DIESEL CRACK SPREAD | US\$/BBL, MONTHLY AVERAGE



+71%

Brent, Jan to Sep

+233%

Diesel crack, Jan to Sep

R33.29/l

Record wholesale diesel (Oct)

WHY SOUTH AFRICA IS EXPOSED

IMPORT-DEPENDENT ON REFINED FUEL

Refinery closures since 2020 mean imports now meet more than half of local fuel demand (c.25% in 2010–19).

DIESEL RUNS THROUGH THE ECONOMY

Transport, logistics, agriculture and food. Global refining is constrained, so diesel can stay high even if crude eases.

POLICY AND GROWTH ALREADY HIT

SARB hiked 25bp to 7.25% in September. Q2 GDP fell 0.2% q/q, ending six quarters of growth.

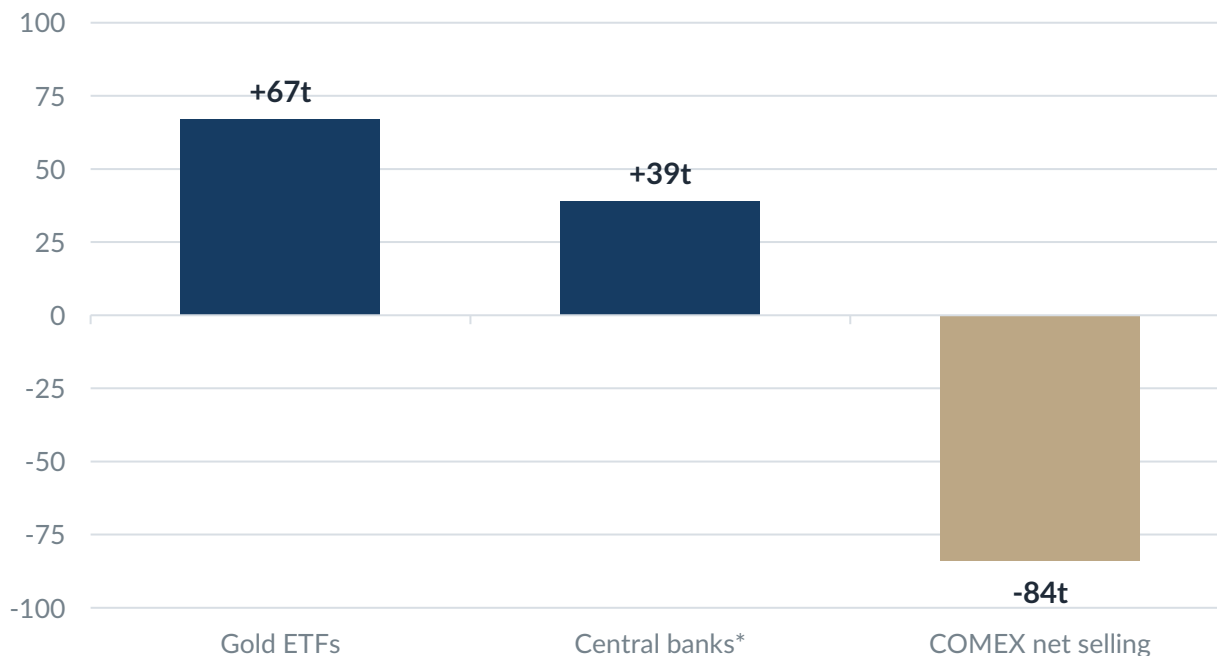
OUR VIEW[^] Cautious on the SA consumer. Opportunity is stock-specific: Shoprite and Boxer are the operational standouts; we also like Premier Foods, ADvTECH and Southern Sun.

Source: US EIA (Brent spot, NY Harbor ULSD spot; crack = ULSD x 42 less Brent), SARB, Stats SA, Dept. of Mineral & Petroleum Resources, BusinessTech. Chart data to 30 Sep 2026; diesel price is inland 0.005% wholesale, effective 7 Oct 2026.

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GOLD: STRONG HANDS BUYING, FAST MONEY SELLING

WHO BOUGHT AND WHO SOLD | SEPTEMBER 2026, TONNES



4,256t

Record ETF holdings

US\$31bn

Record Q3 ETF inflows

289t

Central bank buying, Q2

UNPACKING THE MOVE

THE PRICE

Down 8.5% in September to \$4,176/oz (-4.4% YTD) as US 10-year yields rose 53bp to 5.3% and the dollar firmed 2%.

THE STRUCTURAL BID

ETF investors and central banks kept buying into the weakness. Central bank diversification is likely to persist.

THE SELLER

Futures funds, not physical demand: COMEX managed money (CTAs and hedge funds) cut net longs by 84t in September.

OUR VIEW[^] Gold no longer trades off real rates and the dollar alone. We keep modest exposure to SA gold producers; copper remains our preferred commodity.

Source: World Gold Council, CFTC, BMO Capital Markets (via MINING.COM, 7 Oct 2026). *Central banks: August 2026. COMEX spread positions (-156t) are excluded: offsetting long/short legs across contract months carry no net directional exposure.

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STOCK IDEAS: GLENCORE AND FIRSTRAND

GLENCORE

*Preferred diversified miner, with copper as our preferred commodity^*

<5x

EV/EBITDA vs 8–15x for copper peers

c.11%

2027 FCF yield at spot prices

>\$10bn

Potential returns over 12 months

- **Copper growth from fixing, not building:** output from c.840kt (2026) to c.1Mt (2028), led by the Collahuasi recovery.
- **Coal tailwind:** met coal spot c.\$280/t vs \$227/t 2027 consensus drives earnings upgrades.
- **Marketing:** H1 EBIT of \$3.3bn, second-best half on record, on energy dislocation.
- **Capital returns:** base and top-up distributions plus disposals (DRC sell-down, Kazzinc, Bunge stake).

Key risk: Radiant World \$2bn claim; DRC jurisdiction; Collahuasi execution.

FIRSTRAND

*c.10% earnings growth over 3 years, with rerating potential on UK exit^*

24.9%

ROE, continuing operations (FY26)

c.10%

Expected earnings growth p.a., next 3 years^

7%

Dividend yield, with potential for a special return of capital^

- **UK exit is the rerating catalyst:** selling sub-10% ROE Aldermore (8.6%) leaves a c.25% ROE SA and Africa franchise, with significant rerating potential.^
- **Earnings delivering:** FY26 continuing normalised earnings +13% to R44.5bn; dividend +16%.
- **Franchise quality:** FNB earnings +12% at a 40.5% ROE; RMB +15% (ROE 23%).
- **Margin and credit:** NIM +29bp to 5.29%; credit loss ratio 105bp, below through-the-cycle midpoint.
- **Capital:** R10bn excess capital backs a special return.^

Key risk: Consumer stress (WesBank front-book impairments); UK motor finance provision (R12bn).

Source: UBS Global Research (Glencore, 25 Sep 2026), Glencore H1 2026 results, FirstRand FY2026 results (year to 30 Jun 2026), Anchor Capital. Glencore valuation and capital-return figures are UBS estimates.

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WHERE THE MONEY WILL BE MADE

DOMESTIC EQUITY

- Remain overweight with 15% total return expected over the next 12m, premised on:
 - Resolution of global energy crisis
 - Supportive domestic factors on the ground in SA
 - Commodity tailwinds linked to key global themes
 - Data center capex
 - Energy transition
 - Central bank balance sheet diversification
 - Undemanding valuations with dependable earnings growth (in places).

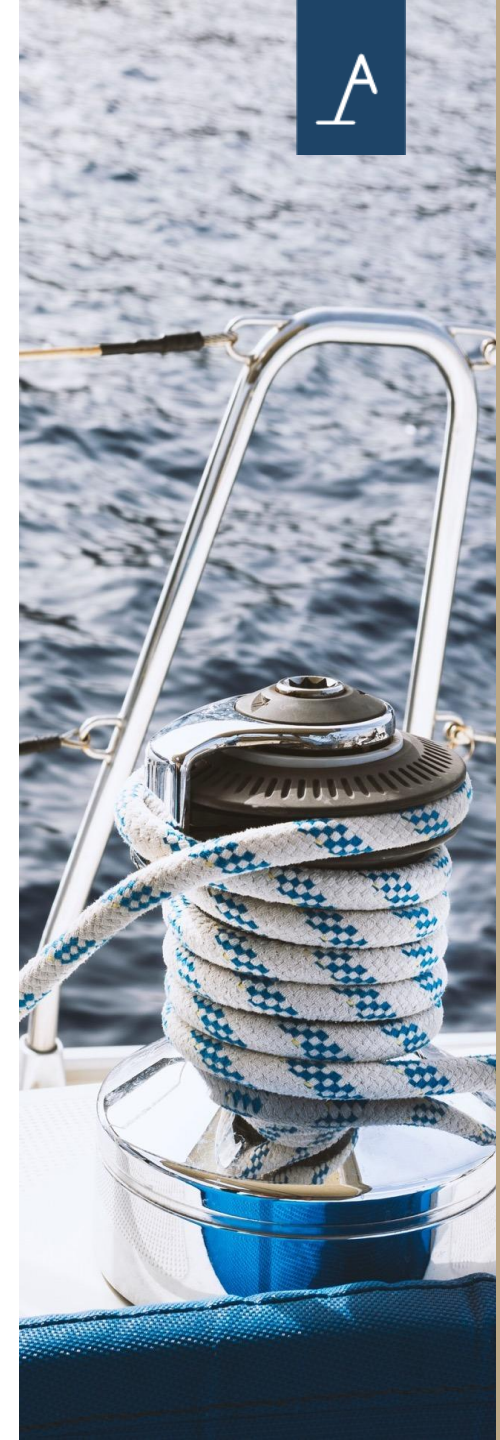
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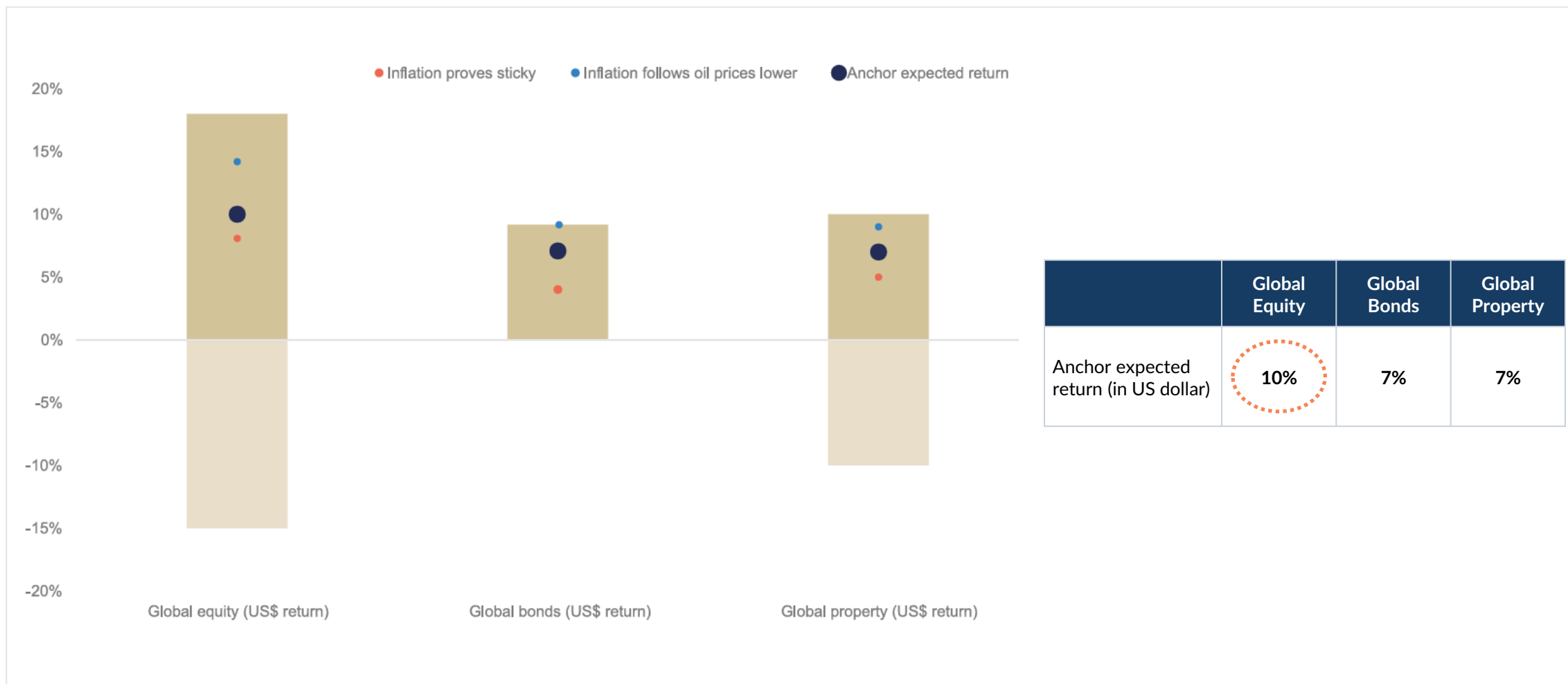
GLOBAL EQUITIES

Taking stock after a tricky year for stock pickers

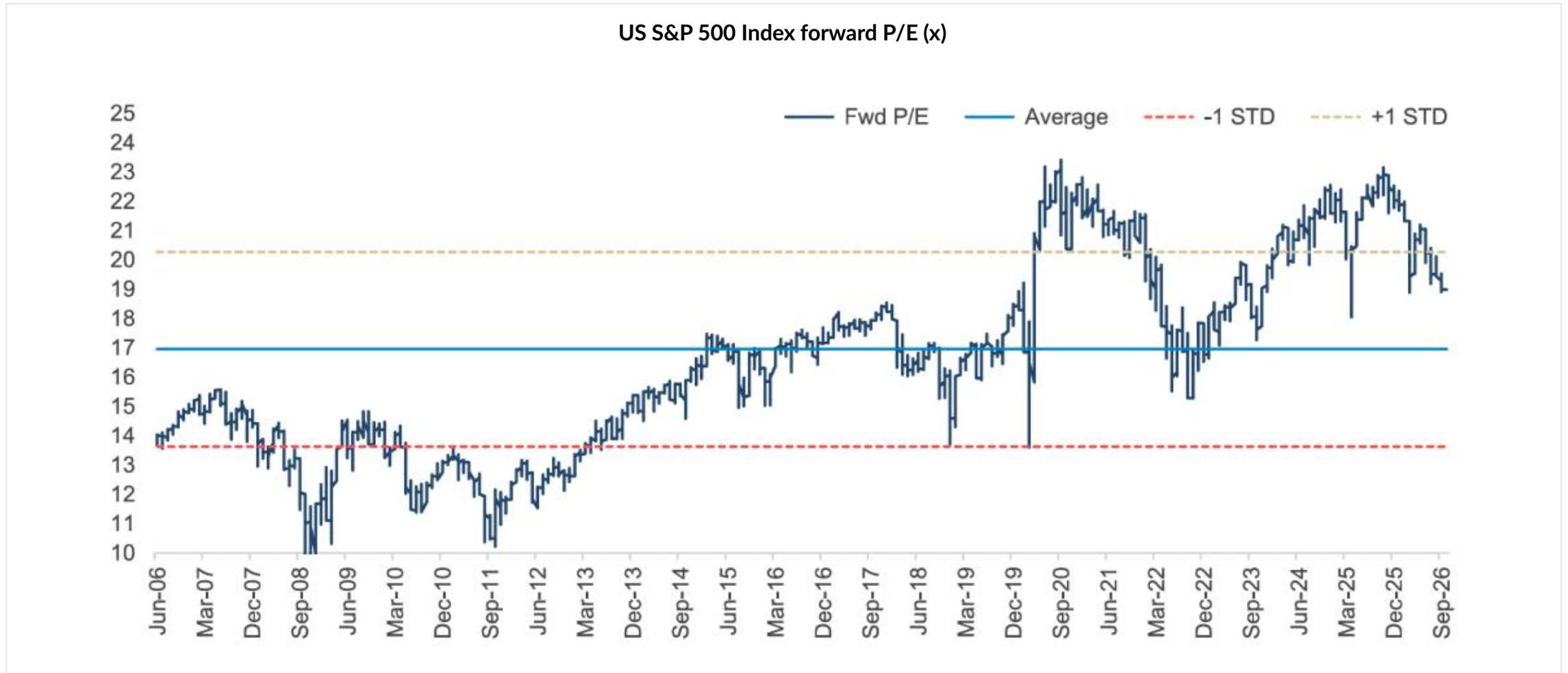
OCTOBER 2026

MIKE GRESTY
FUND MANAGEMENT

GLOBAL EQUITIES: CURRENT HEADWINDS LARGELY PRICED IN

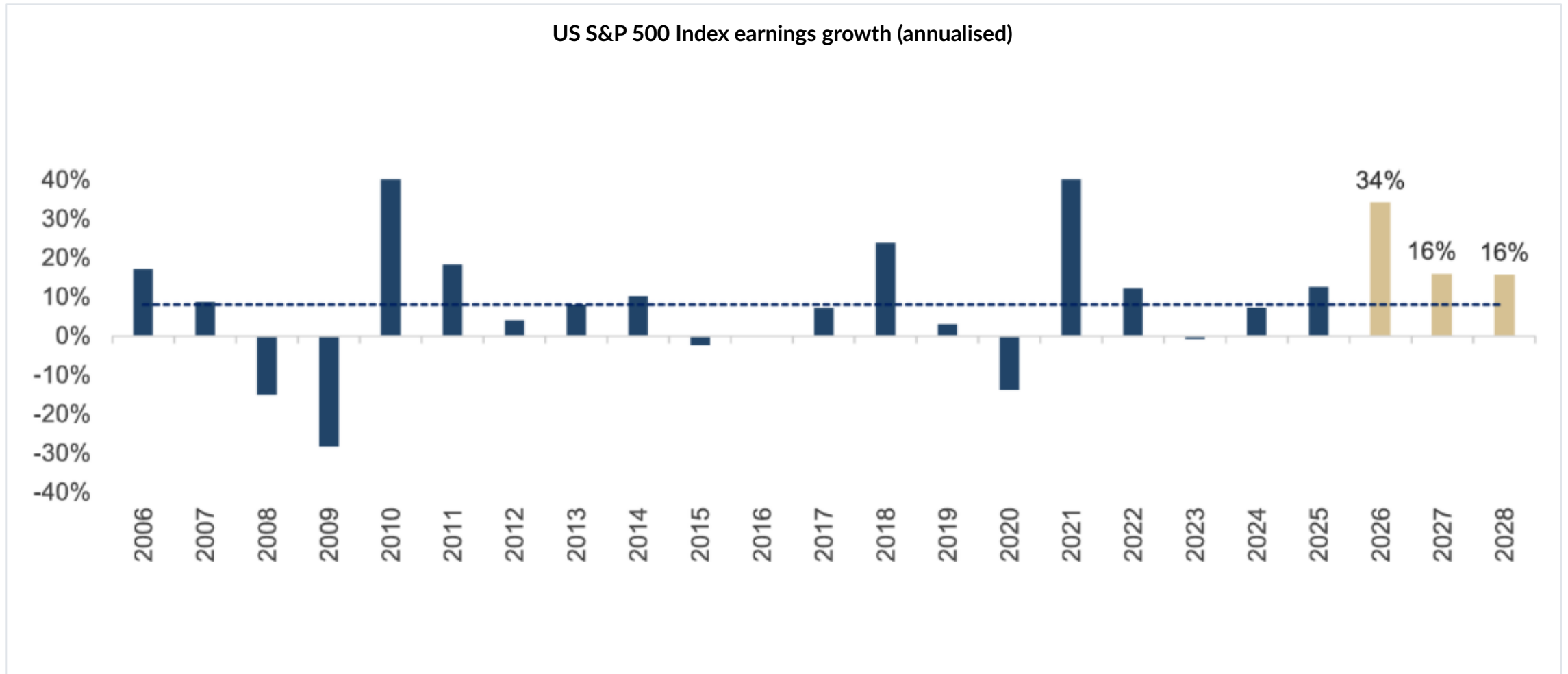


STRONG EARNINGS GROWTH IS DRIVING A DE-RATING OF EQUITIES



Source: Bloomberg, Anchor Capital

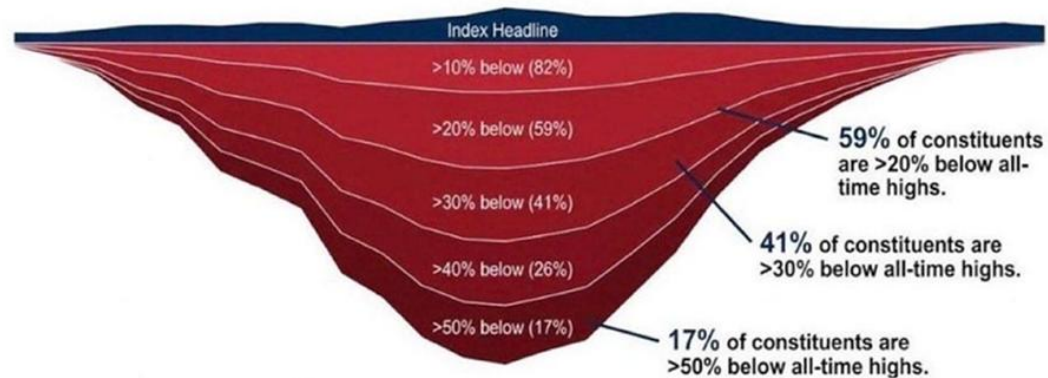
PROJECTED EARNINGS GROWTH IS WELL ABOVE AVERAGE



Source: Bloomberg, Anchor Capital

2026: NEVER WAS SO MUCH OWED BY SO MANY TO SO FEW...

The majority of the S&P500 Index is in a structural bear market



Source: Thierry Borgeat

Share of S&P 500 companies outperforming the index on a 3-yr trailing basis



Source: Bloomberg, JPMAM

US MARKET BECOMING AN INCREASINGLY CONCENTRATED AI BET

How Much of the S&P 500 Is AI-Related Stocks?

41 Stocks Spanning Direct AI, AI Utilities & AI Capital Equipment

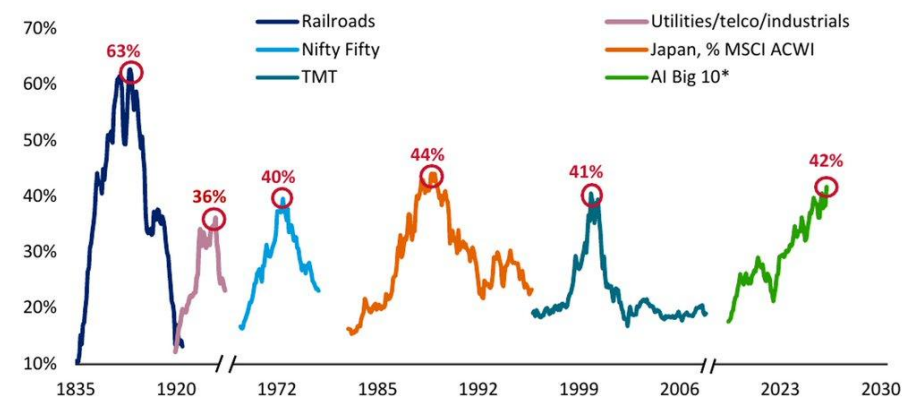


Source: J.P. Morgan, Bloomberg

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Chart 2: Peak concentration level of major bubbles 40%, except for railroads >60%

Concentration in historic bubbles



Source: BofA Global Investment Strategy, GFD Finaeon, Bloomberg. Note: all US sectors, as % of US market cap, except for Japan (which is as % of MSCI ACWI). *AI Big 10 = Magnificent 7 + Broadcom, AMD, and Micron.

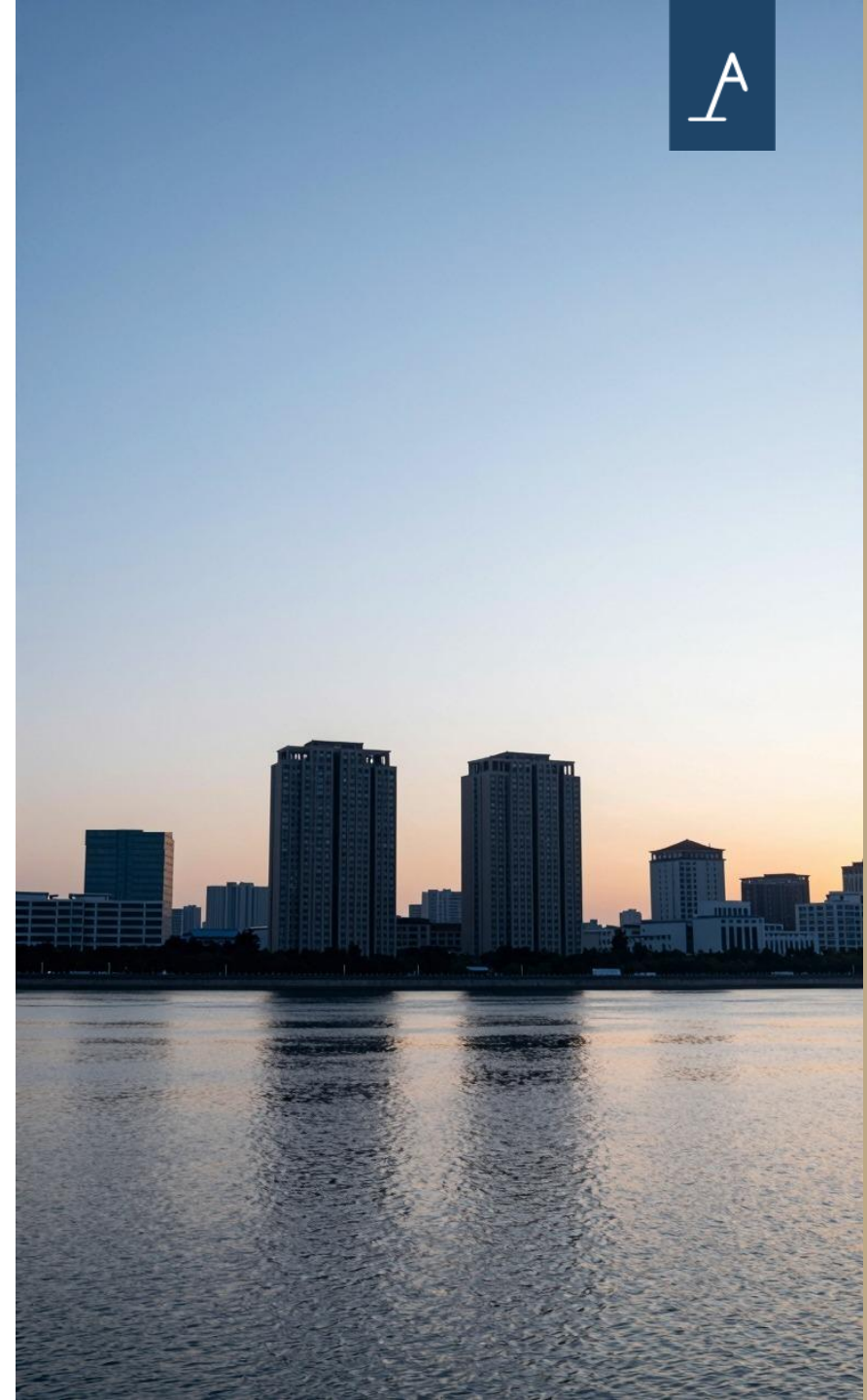
BofA GLOBAL RESEARCH

STAYING INVESTED: THINKING ABOUT WHAT COULD GO RIGHT...

After a tricky period for stock pickers, don't allow current headwinds to dominate your thinking

What could go right for equities over the next 12-months...

- ✓ Trump a lame duck beyond the mid-terms – reduced policy risk
- ✓ Courts/Democrats roll back tariffs – positive for inflation
- ✓ Resolution of current impasse in the Middle East – lower oil prices
- ✓ Signs of productivity improvement from AI – broadening of earnings growth
- ✓ Remember the low base for the majority of stocks – most already in technical bear market



OUR GLOBAL STOCK IDEAS FOR 2026...

STRONG RECORD OF COMPOUNDING GROWTH



LSEG



CONSTELLATION
SOFTWARE
INC.

WELL DIVERSIFIED GLOBALLY

HIGH RETURN ON CAPITAL EMPLOYED

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

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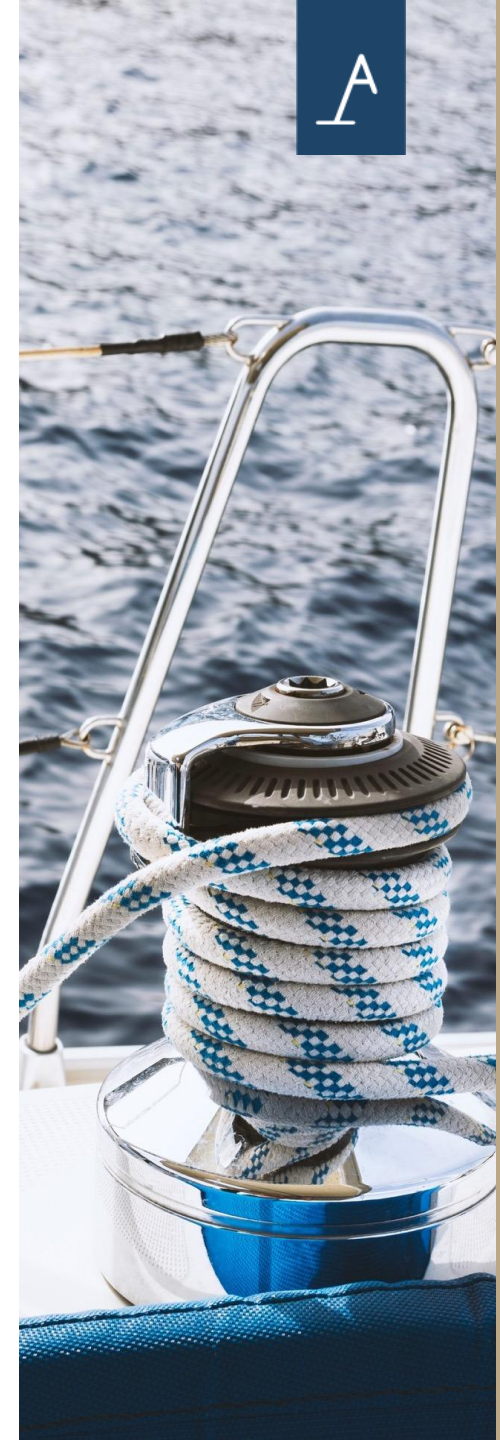
- Global equity valuations remain elevated vs. history but supported by strong forecast earnings growth.
- Be clear about what growing index concentration means for your investment risk exposure.
- Remain positive on Global Equities with respectable real return of 10% as our base case.
- What could go right? Current headwinds dominating sentiment means possible upside skew to performance.

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WHERE THE MONEY WILL BE MADE Q4 2026

ASSET ALLOCATION

OCTOBER 2026

PETER ARMITAGE
CEO

THE ANCHOR & CREDO BUSINESS (ZAR)



ANCHOR & CREDO'S ENHANCED SERVICE

offering and market reach
combine strengths in wealth
and asset management.



WITH AN ABSOLUTE FOCUS ON THE TWO
MOST IMPORTANT PARTS OF OUR BUSINESS

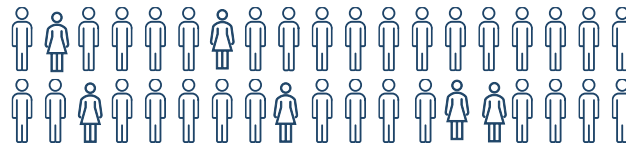


CLIENTS
PROCESS

We offer a broad range of
**LOCAL AND
GLOBAL**
Investment solutions to
individuals, financial
advisors and institutions.



620+
STAFF ACROSS GROUP



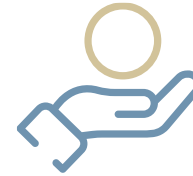
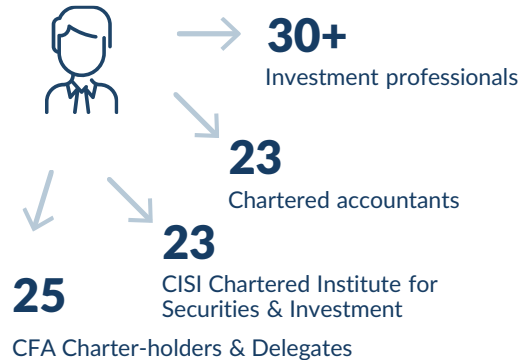
Anchor founded in

2012

Credo founded in

1998

AN EXPERIENCED, HIGH QUALITY INVESTMENT TEAM:



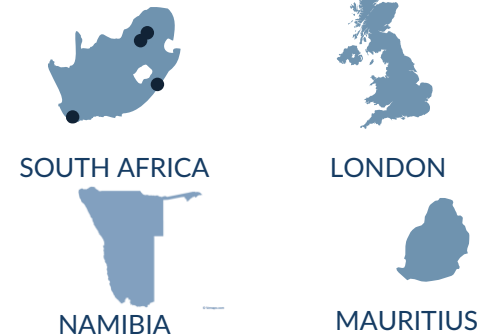
COMPLETE LOCAL AND GLOBAL PRODUCT AND SERVICE OFFERING:

UNIT
TRUSTS

HEDGE
FUNDS

SEGREGATED
MANDATES

INTERNATIONAL FOOTPRINT



THE ANCHOR AND CREDO GROUP

- ASSET MANAGEMENT
- PRIVATE CLIENTS
- STOCKBROKING



R330 billion

ASSETS UNDER
MANAGEMENT AND
ADVICE

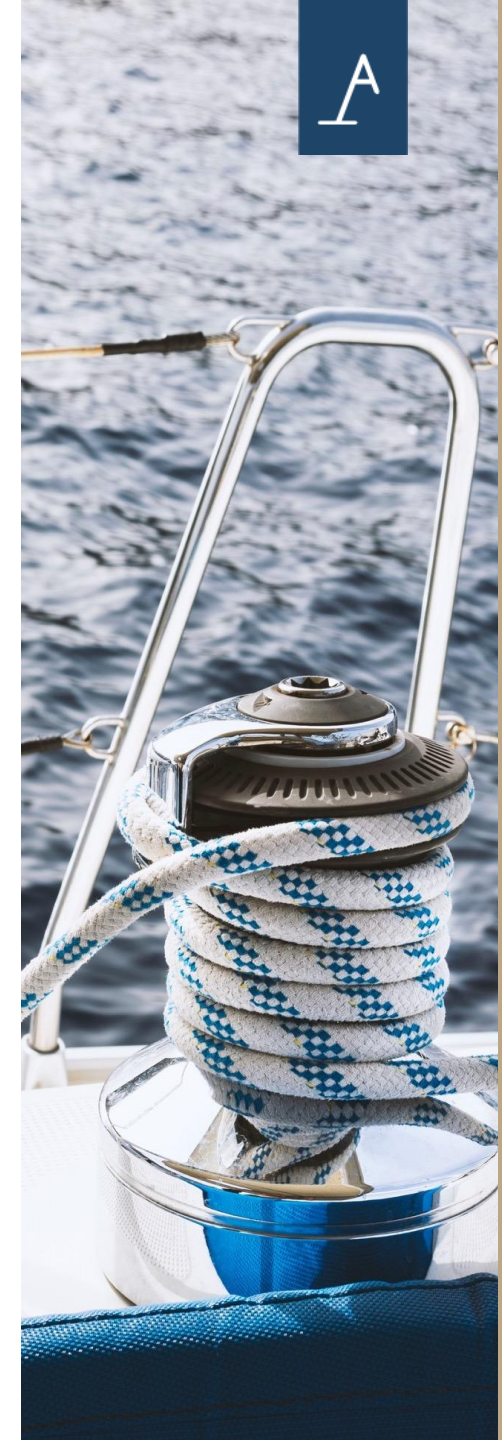
R173 billion
INVESTED DIRECTLY
OFFSHORE

R52 billion
INVESTED OFFSHORE FROM
SOUTH AFRICA

Information on this slide is as at end June 2026

ASSET ALLOCATION

Asset class	Current stance			Expected returns (own currency) (%)
	Negative	Neutral	Positive	
DOMESTIC				
Equity				15
Bonds				10
Listed property				11
Cash				7
Alternatives				10 to 15
Rand vs US dollar (rand stronger)				2.5
GLOBAL				
Equity				10
Government bonds				7
Corporate credit				7
Listed property				7
Cash				4
Alternatives				8 to 12



WHERE THE MONEY WILL BE MADE

DOMESTIC EQUITY

- Remain overweight with 15% total return expected over the next 12m, premised on:
 - Resolution of global energy crisis
 - Supportive domestic factors on the ground in SA
 - Commodity tailwinds linked to key global thematic
 - Data center capex
 - Energy transition
 - Central bank balance sheet diversification
 - Undemanding valuations with dependable earnings growth (in places).

GLOBAL EQUITY

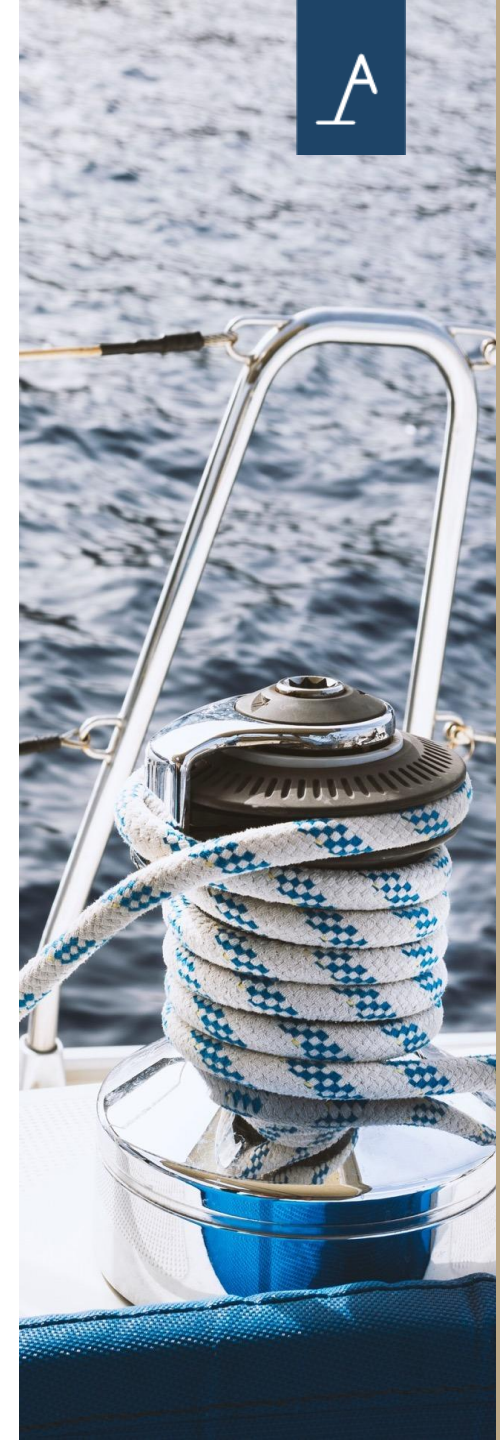
- Global equity valuations remain elevated vs. history but supported by strong forecast earnings growth.
- Be clear about what growing index concentration means for your investment risk exposure.
- Remain positive on Global Equities with respectable real return of 10% as our base case.
- What could go right? Current headwinds dominating sentiment means possible upside skew to performance.

DOMESTIC FIXED INCOME

- Positive momentum for South African fundamentals likely to continue.
- Rate hikes in 2026 become rate cuts later 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 FIXED INCOME

- The sell-off in government bonds has been global in nature, with the primary driver of US bond yields being the repricing of Fed policy expectations.
- While inflation may remain sticky in the near term, the underlying disinflationary forces remain intact, and we doubt the Fed will deliver the full extent of tightening priced by markets
- Longer term, the yield curve benefits from positive base effects on oil and AI productivity gains.
- Anchor Global High Yield continues to be attractive for shorter-term offshore cash.



BEYOND AI:

Finding opportunity in overlooked stocks

James Bennett
Global Equity Analyst

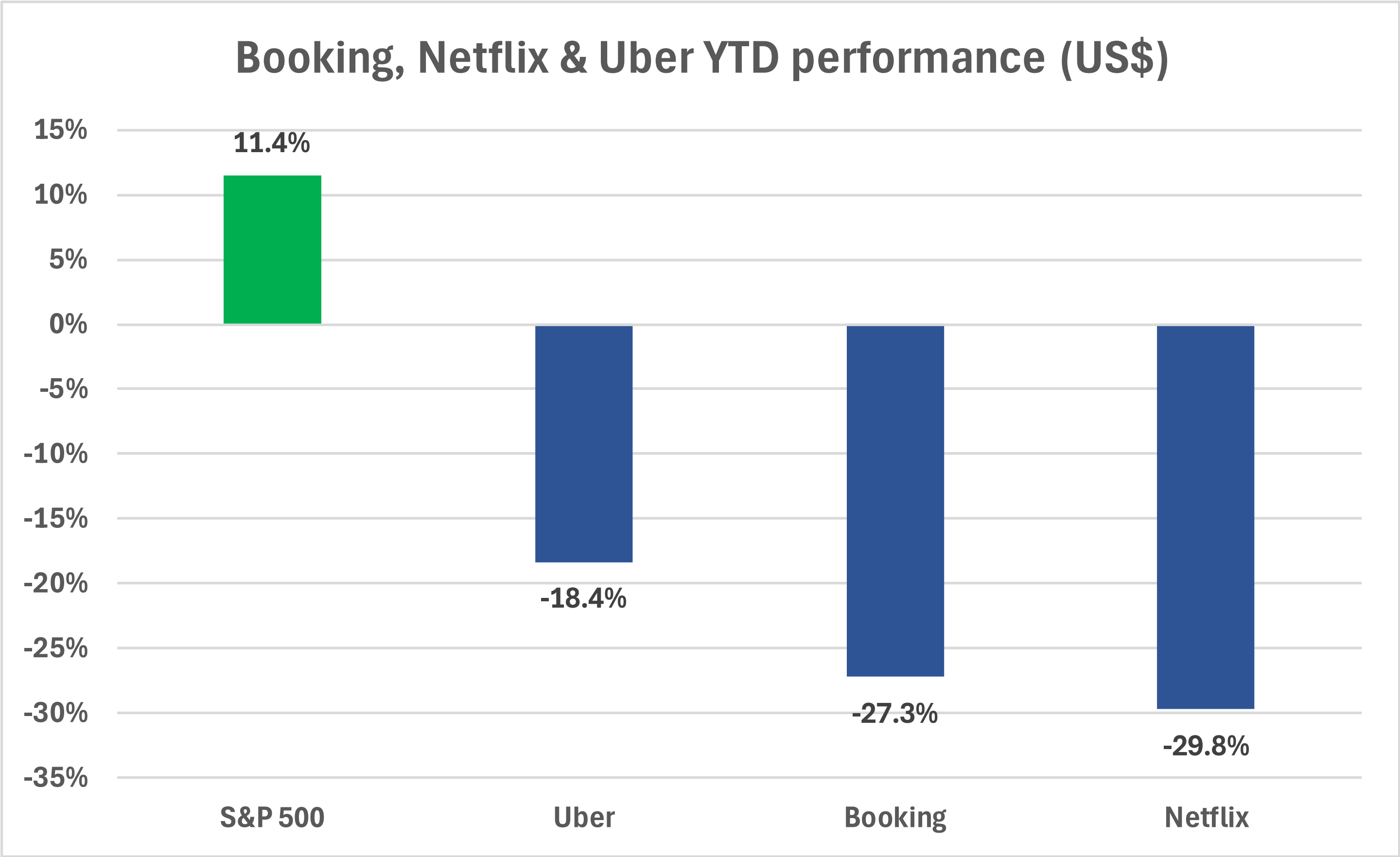
4th Quarter 2026

POSITIONING SHARES IN THE AI BOOM



AI WINNER	PERCEIVED AI LOSER	AI AGNOSTIC
<i>AI helps</i> Nvidia TSMC ASML	<i>AI hurts (but will it?)</i> Booking Holdings Uber Adobe	<i>AI impact is more limited</i> Netflix Ferrari Costco

THREE LAGGARDS YEAR-TO-DATE 2026



BOOKING DOES FAR MORE THAN LIST HOTELS



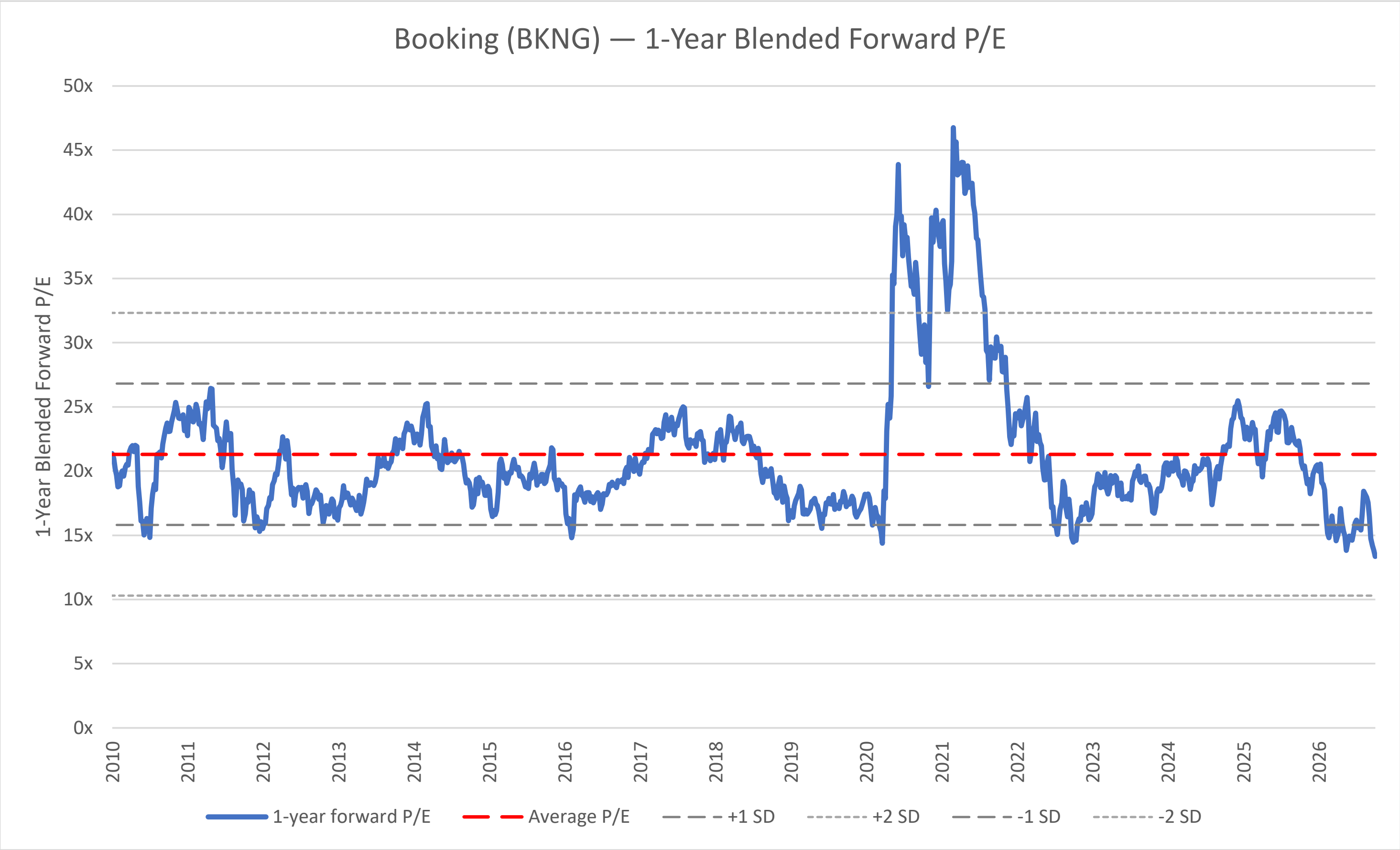
Services performed by Booking staff (25,550 people)

- Booking sells over 1bn room nights p.a. If just 0.1% go wrong, that is 1mn incidents p.a. to fix.
- Customer service 24/7 in >40 languages.
- Training hotel staff how to use the Booking system.
- Payment processing in >100 different currencies.
- Regulatory compliance in every city, in every country.
- Ensuring cybersecurity of the Booking website.
- Building personal relationships with hotel owners.
- Thorough physical checking of venues for location, safety, amenities, etc.
- Processing and holding traveller payments on most of the bookings.

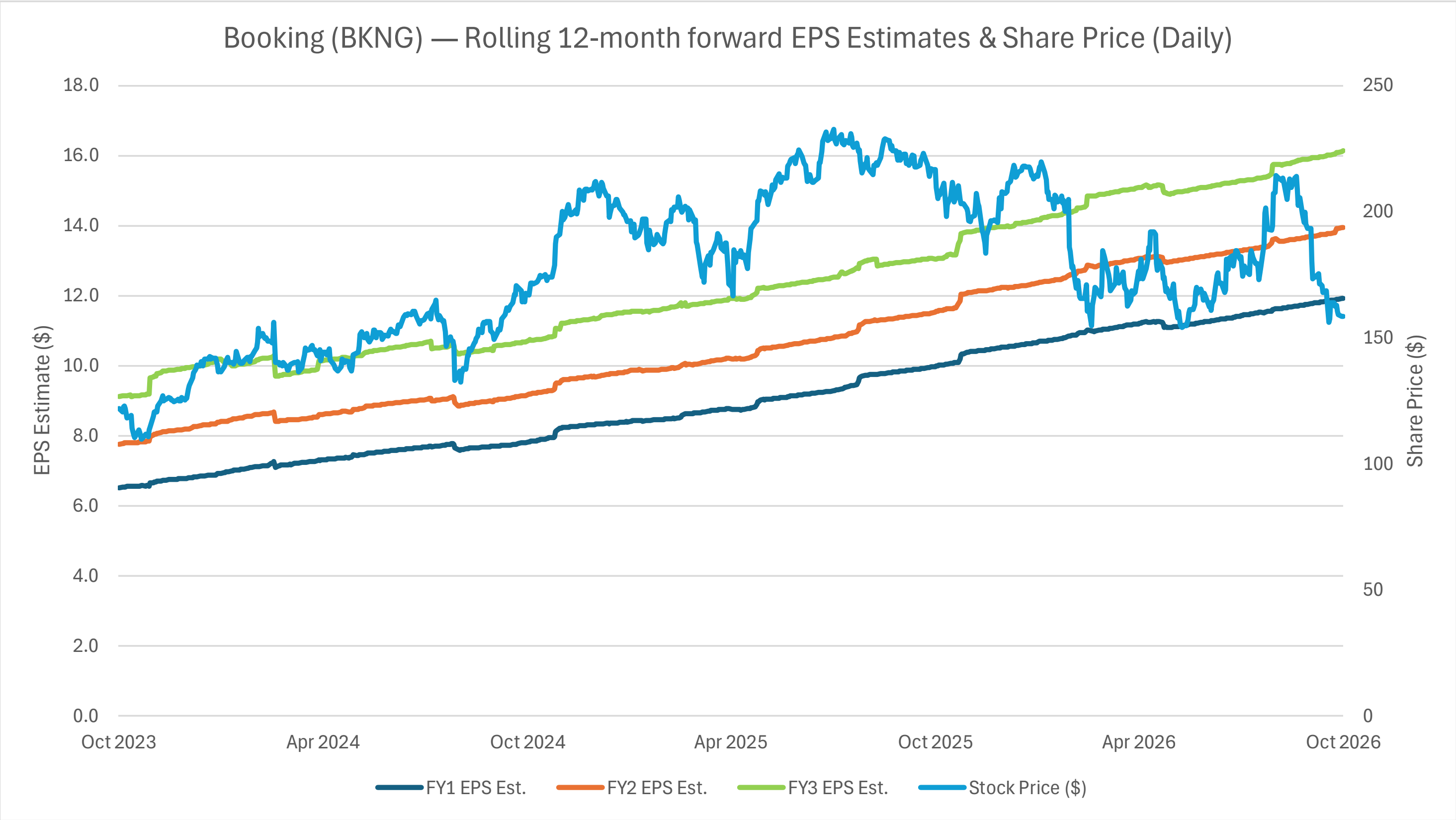
c. **73%**

of Booking's gross bookings are paid through its own merchant payments platform

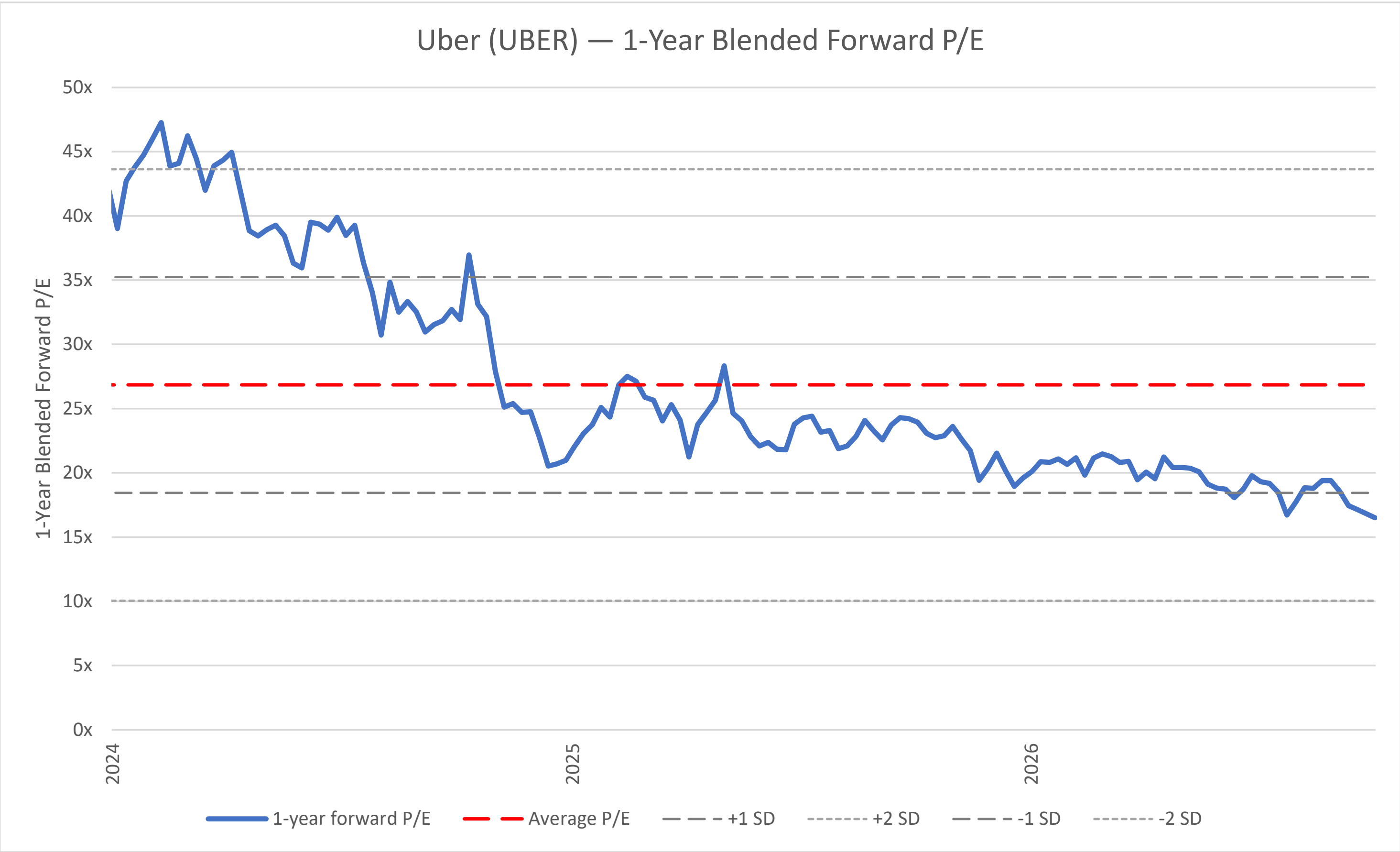
BOOKING'S 13.4X FORWARD P/E IS AN ALL-TIME LOW



BOOKING EPS FORECASTS CONTINUE TO RISE

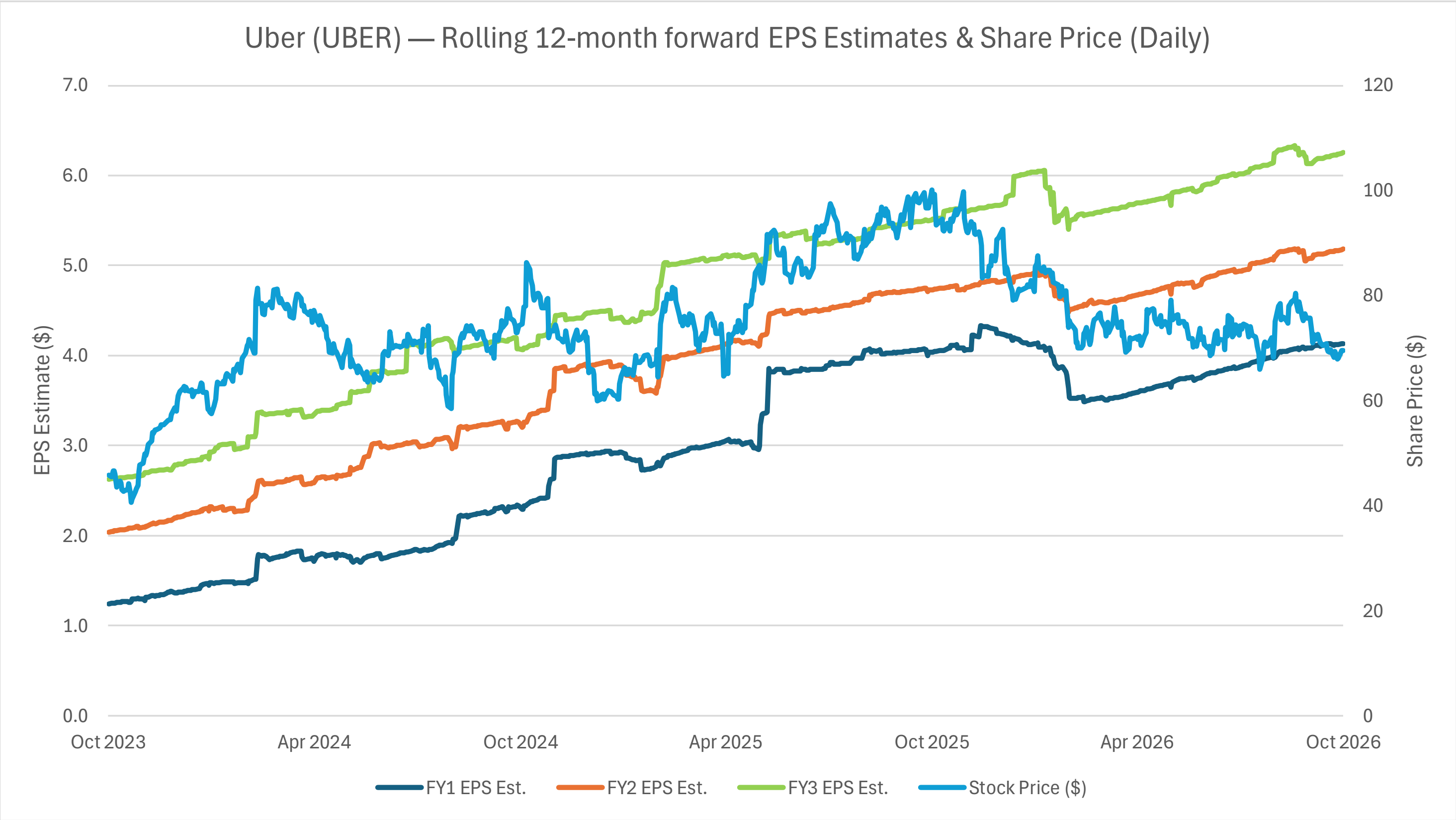


UBER'S 16.5X FORWARD P/E SITS FAR BELOW AVERAGE

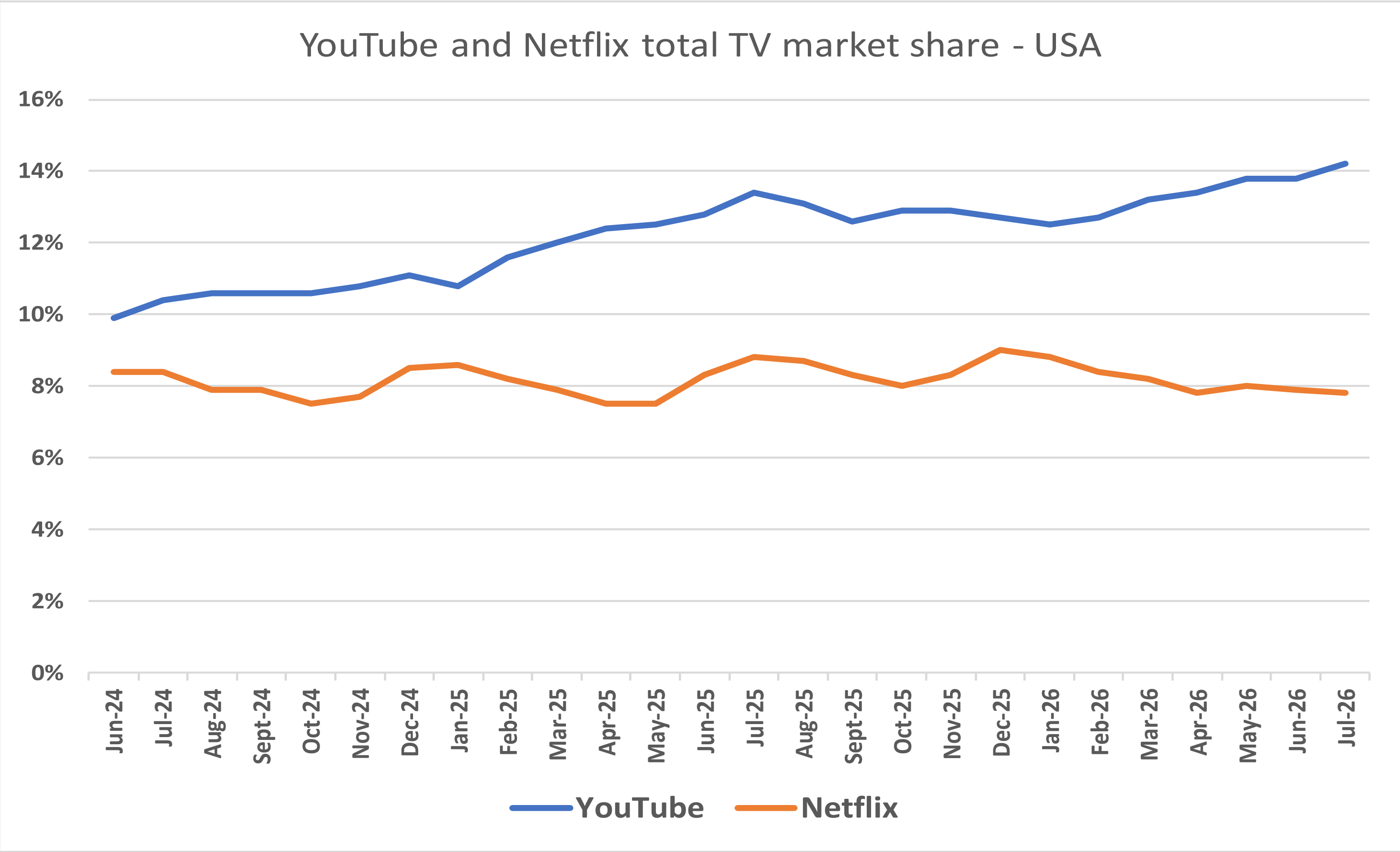


Source: Anchor Capital, Bloomberg consensus

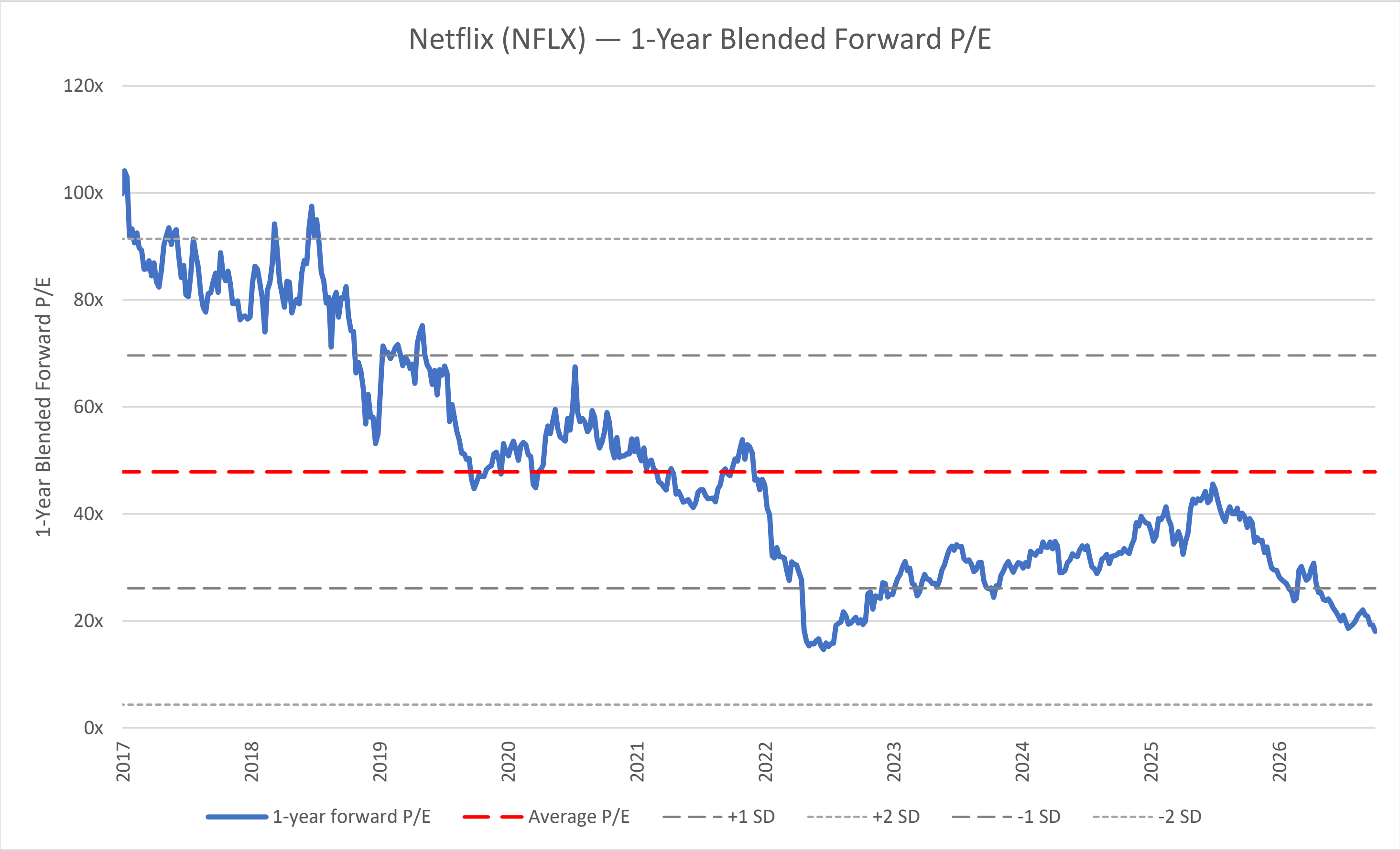
UBER EPS FORECASTS HAVE MORE THAN TRIPLED



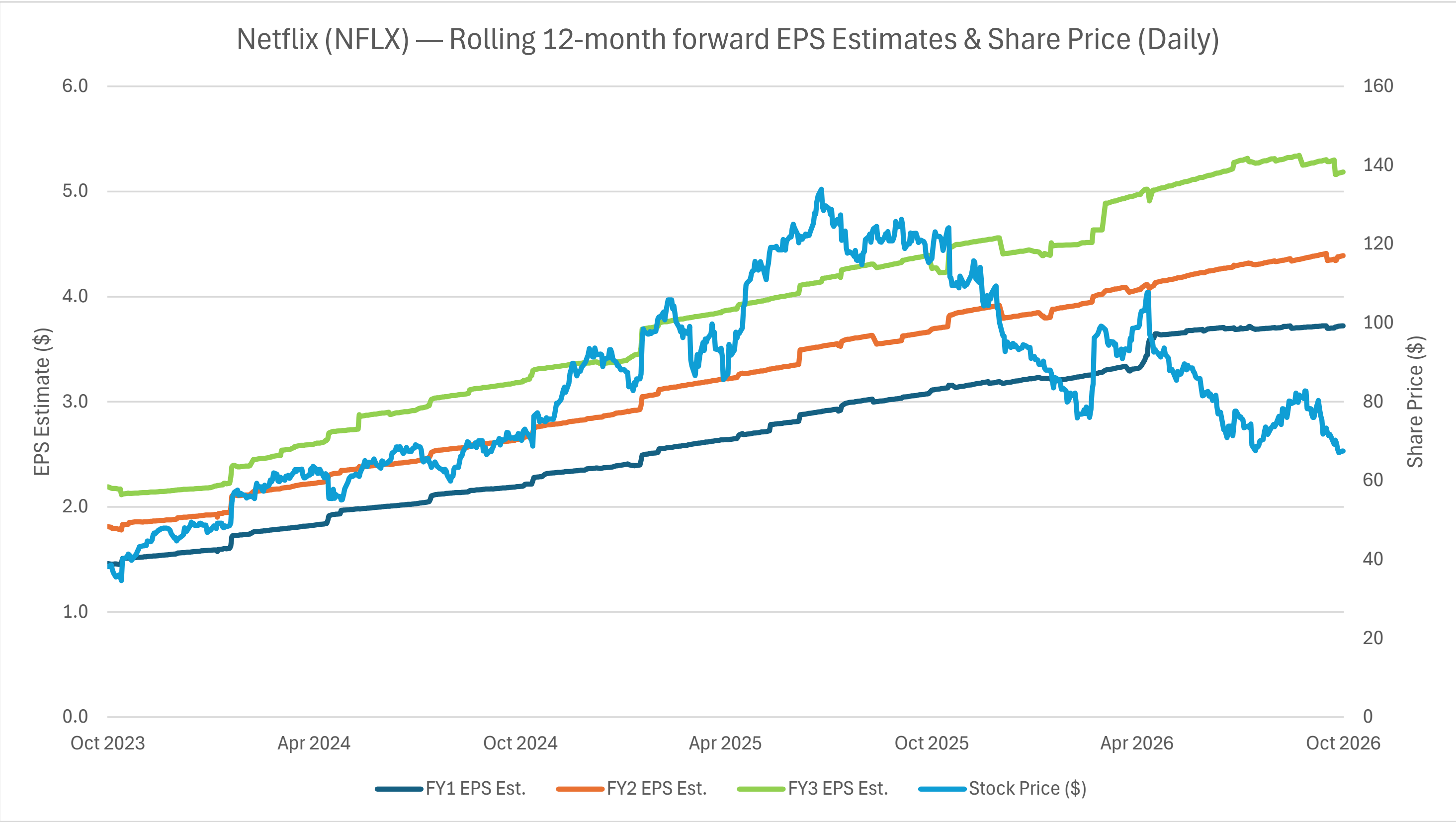
YOUTUBE POWERS AHEAD; NETFLIX HOLDS SHARE



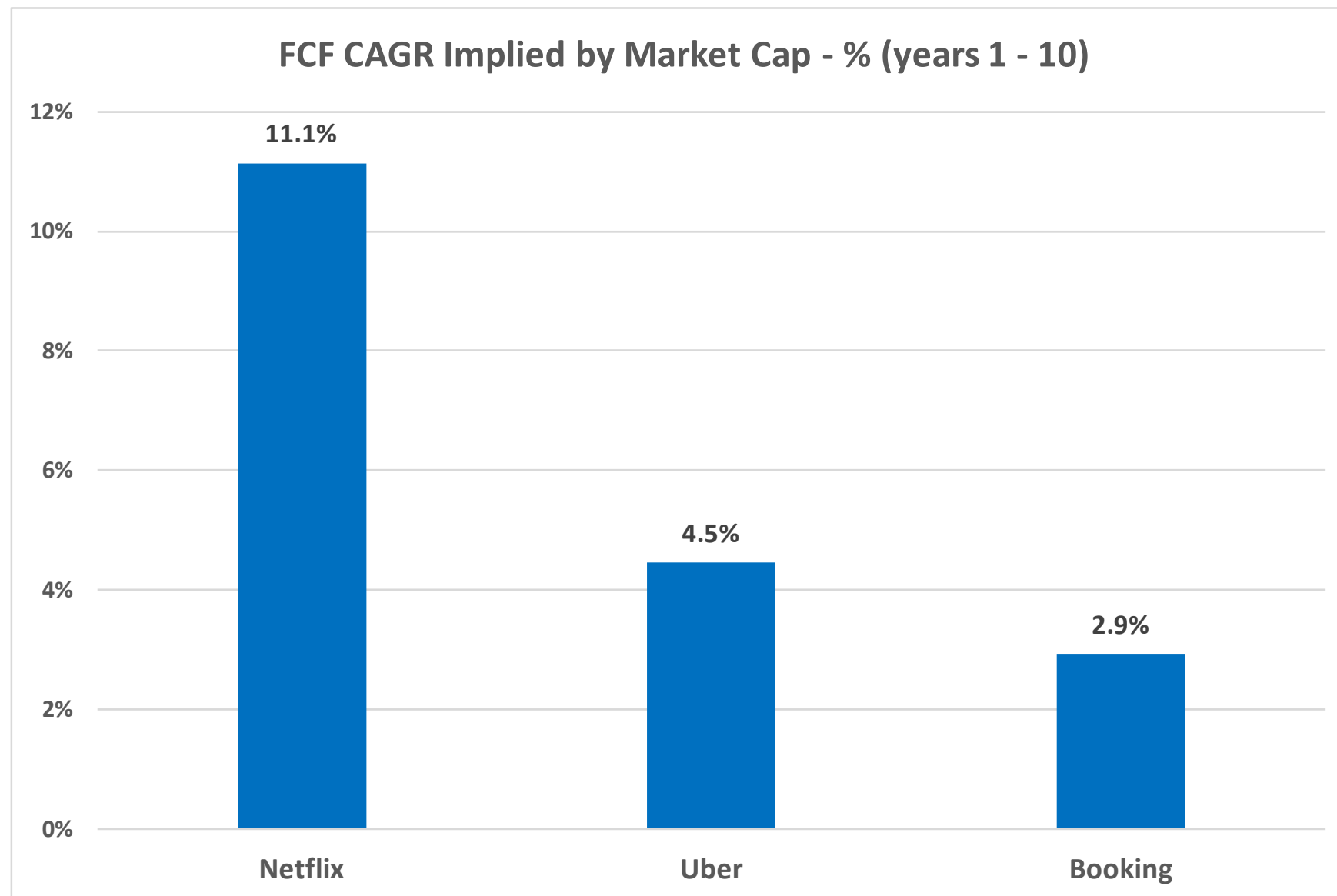
NETFLIX'S 18.0X FORWARD P/E IS NEAR ITS 2022 LOW



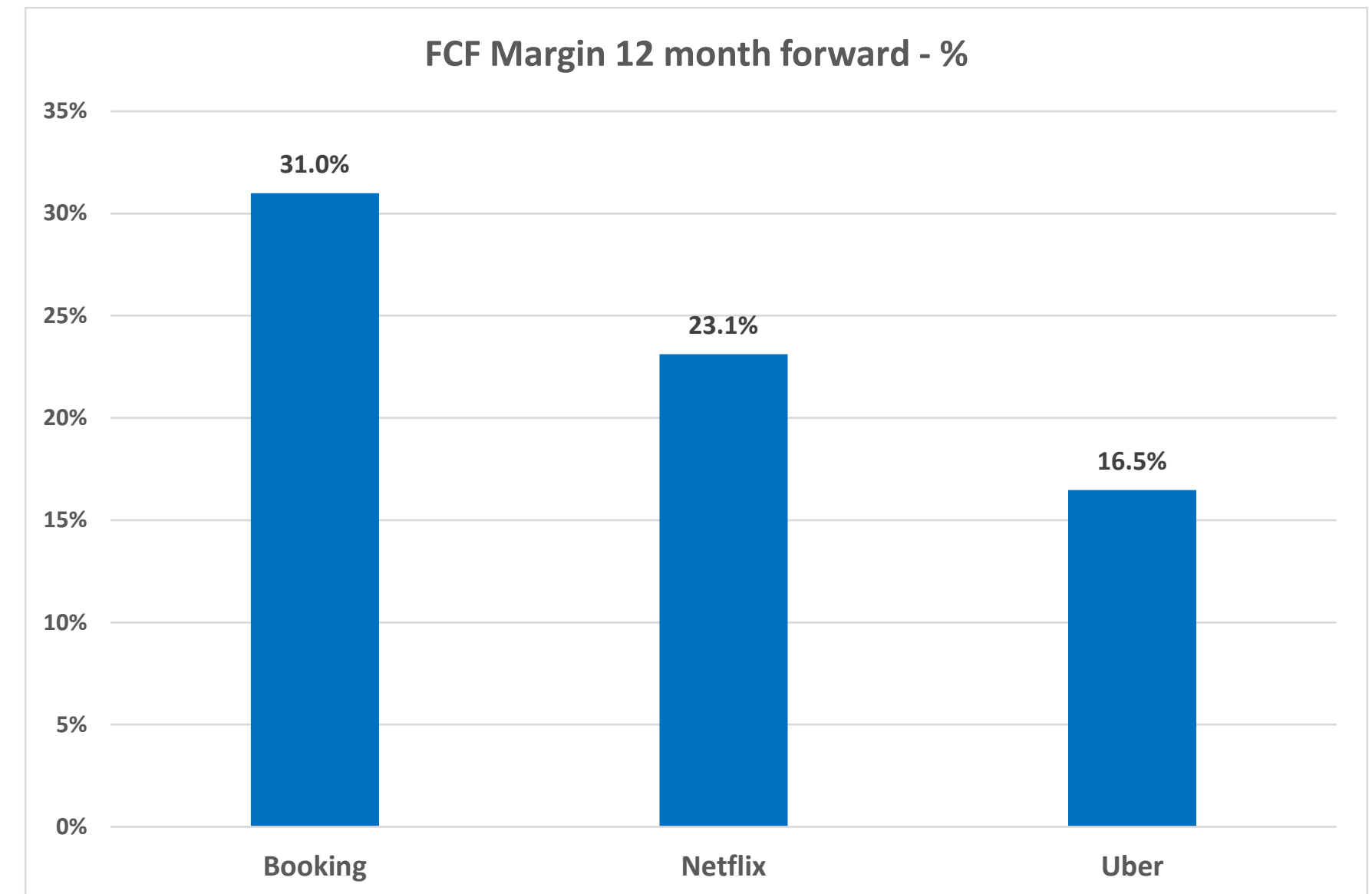
NETFLIX CONSENSUS EPS HOLDING UP WELL



IMPLIED FREE CASH FLOW CAGRS FOR THE NEXT 10 YEARS



At what annual rate must FCF grow over the next 10 years to justify current share prices?



FCF divided by company revenue as a measure of current profitability

Source: Anchor Capital, LSEG Data & Analytics
All FCF CAGRs assumed at 4% per annum from years 11-30

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