REZCO

INVESTMENT FORUM 2026

ROB SPANJAARD : Chief Investment Officer

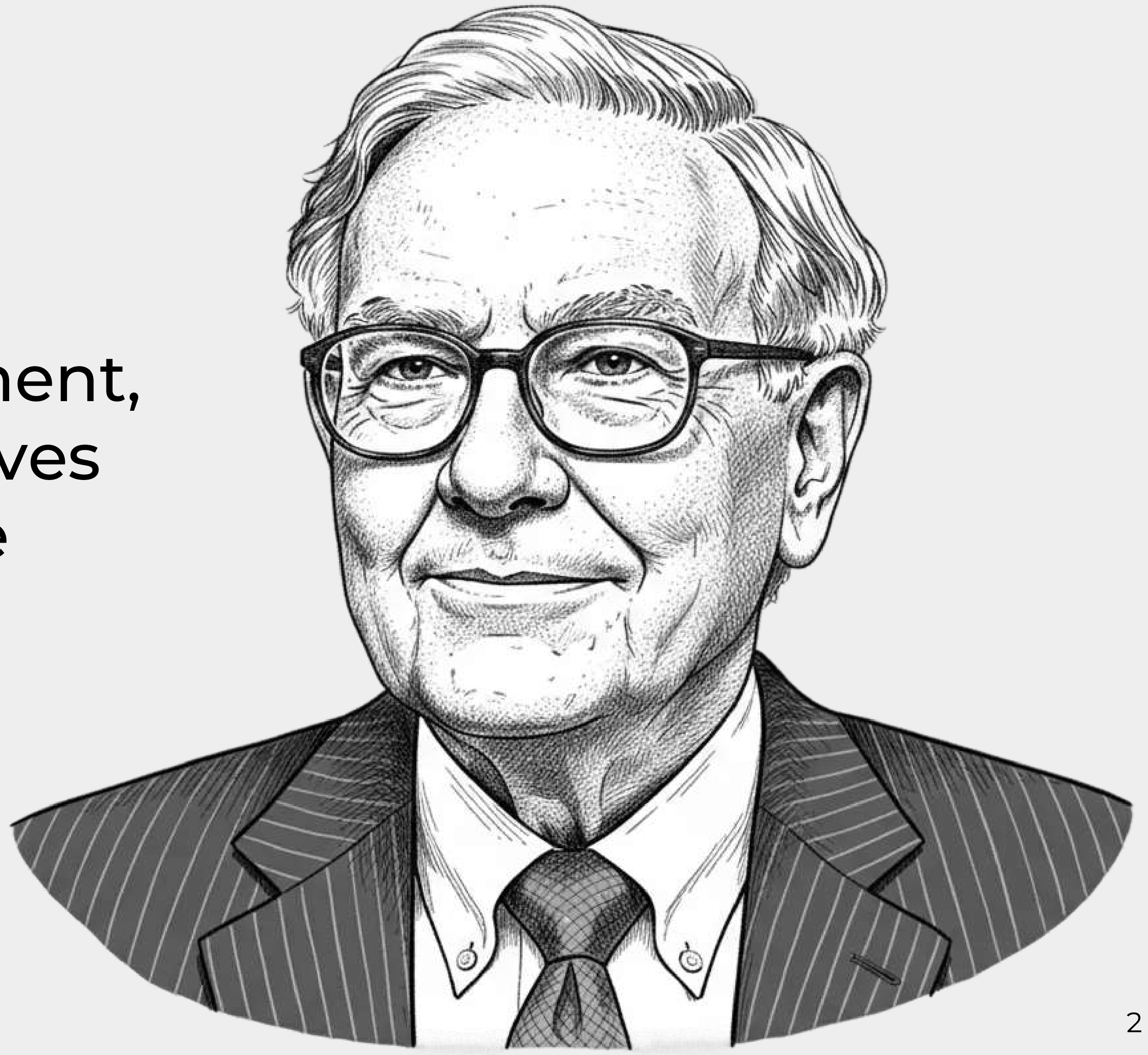
In the age of indexing, does intrinsic value matter?

Back to Basics: Time to be patient

Advice from Warren Buffett:

BE PATIENT
“The stock market is a device for transferring money from the impatient to the patient.”

BE OK WITH BEING DIFFERENT
“The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd.”



This is a great time to buy intrinsic value
Especially in RSA

Are we at peak indexation?

Global rotations

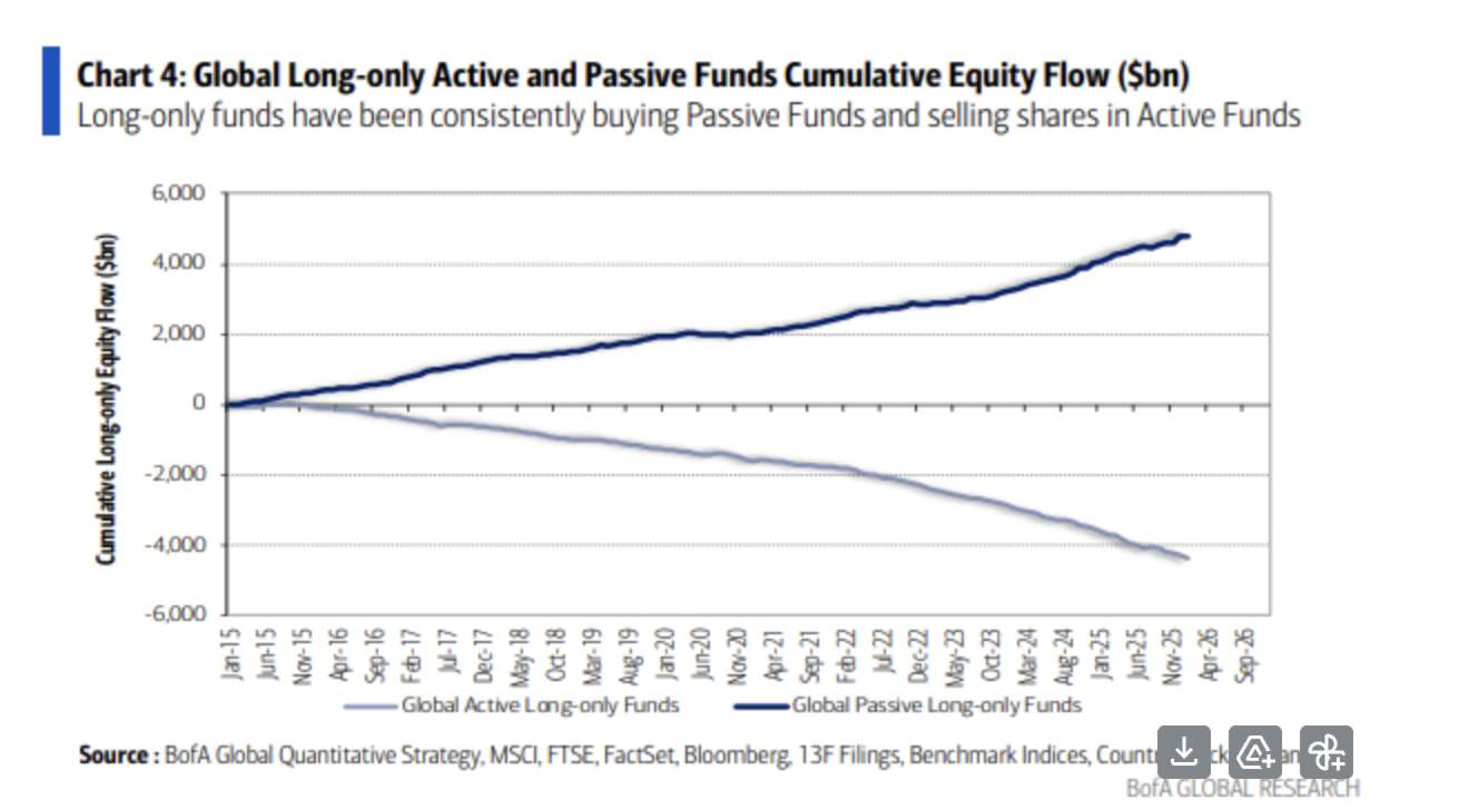
- Market Cap to Equal Weight
- Growth to Value
- USA to Europe
- DM to EM
- USD to NON-USD Currencies

RSA Inc Story within EM is great

- Our index is unbalanced
- SA Inc Time to invest

Global move of $ 4.5 tn to passives

Is this peak passive?



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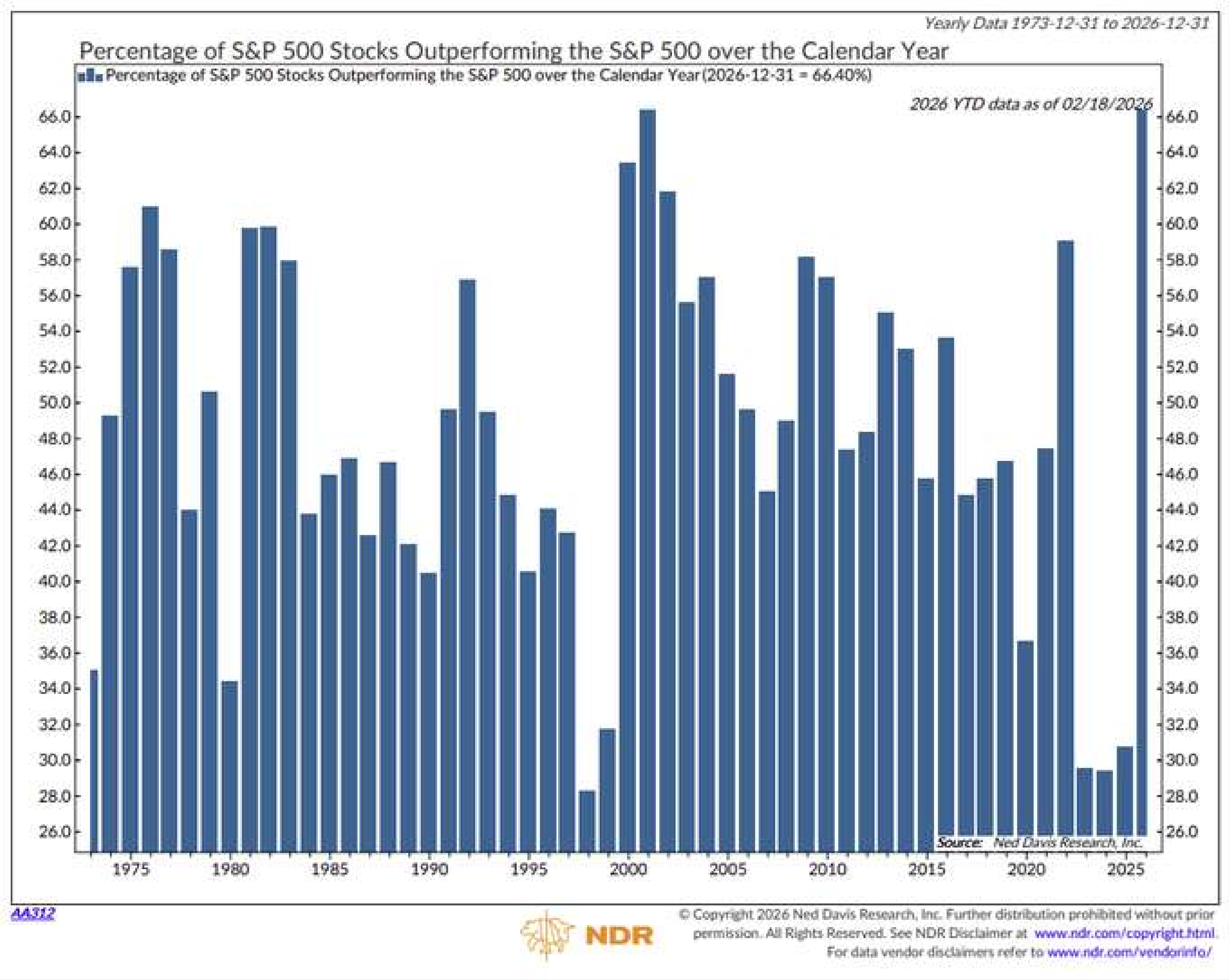
% of S&P stocks beating the S&P



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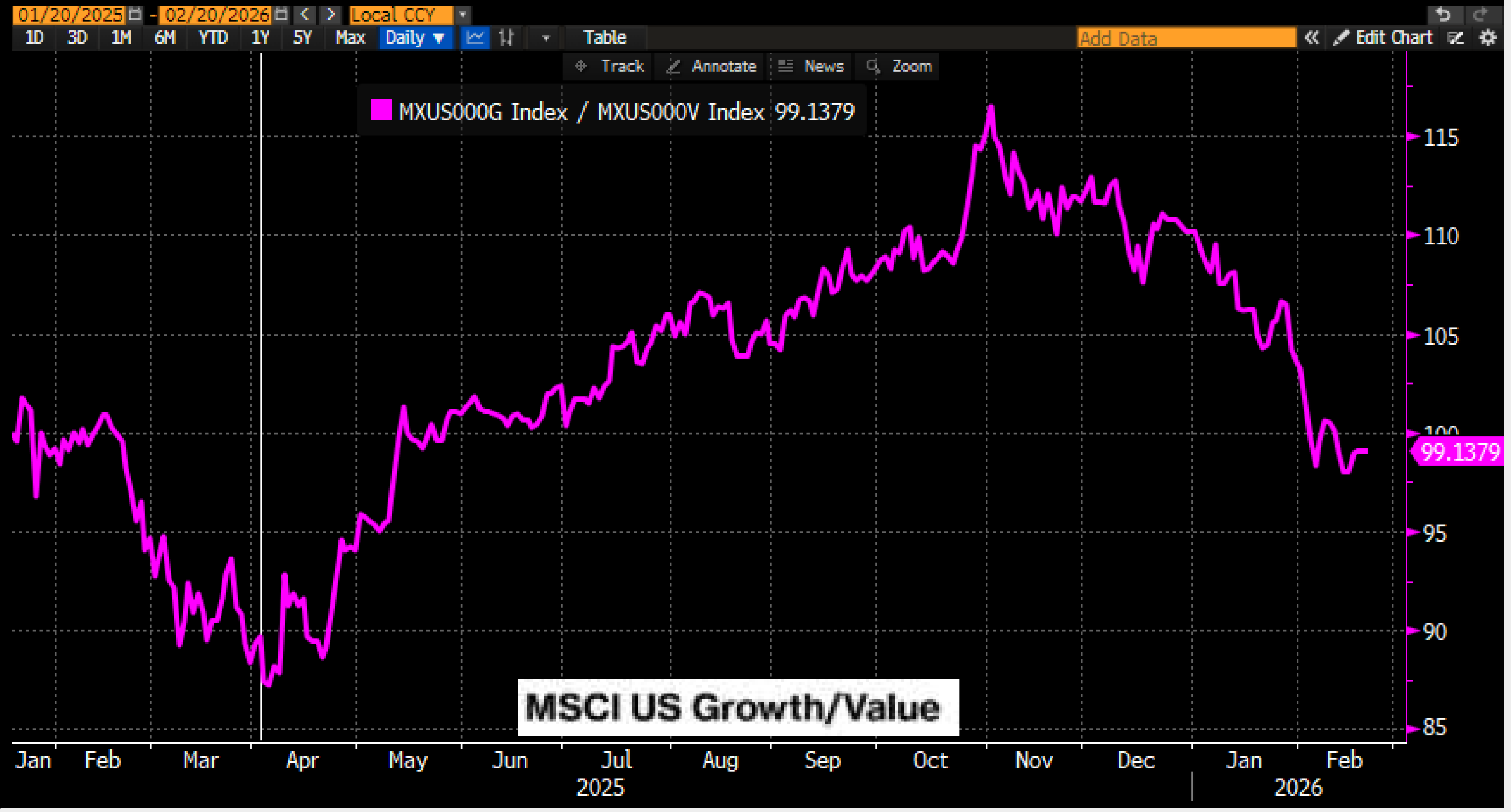
Year to date : THE GREAT ROTATION



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Rotation : Growth to Value

Source: LSEG Datastream / Rezco

Rotation Market Cap to Equal weight

Source: LSEG Datastream / Rezco

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DM to EM : Cycles can be long - pays to be patient

Developed Markets relative to Emerging Market Equity Performance

Source: LSEG Datastream / Rezco

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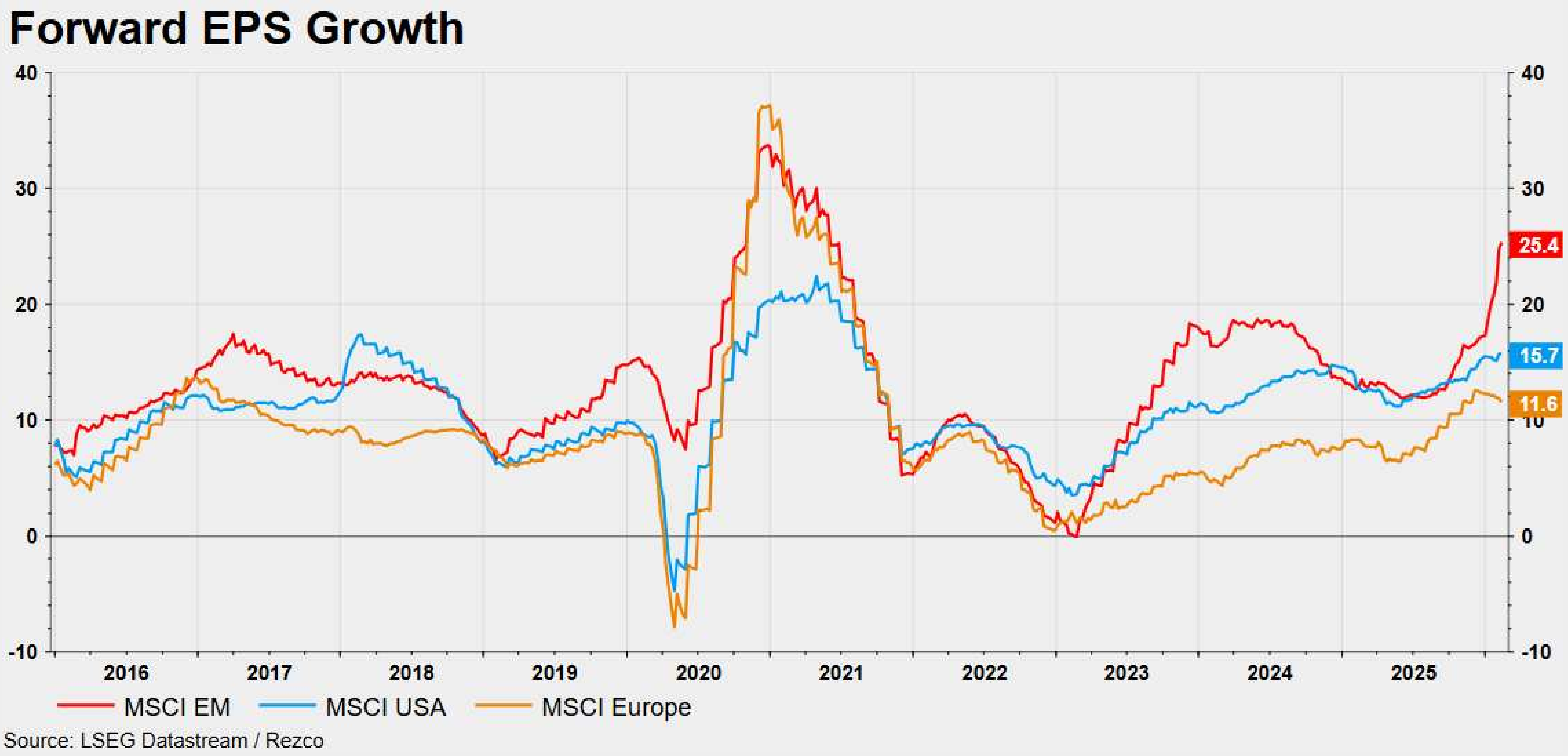
DM to EM rotations long cycles :
When driven by cheap value and good growth

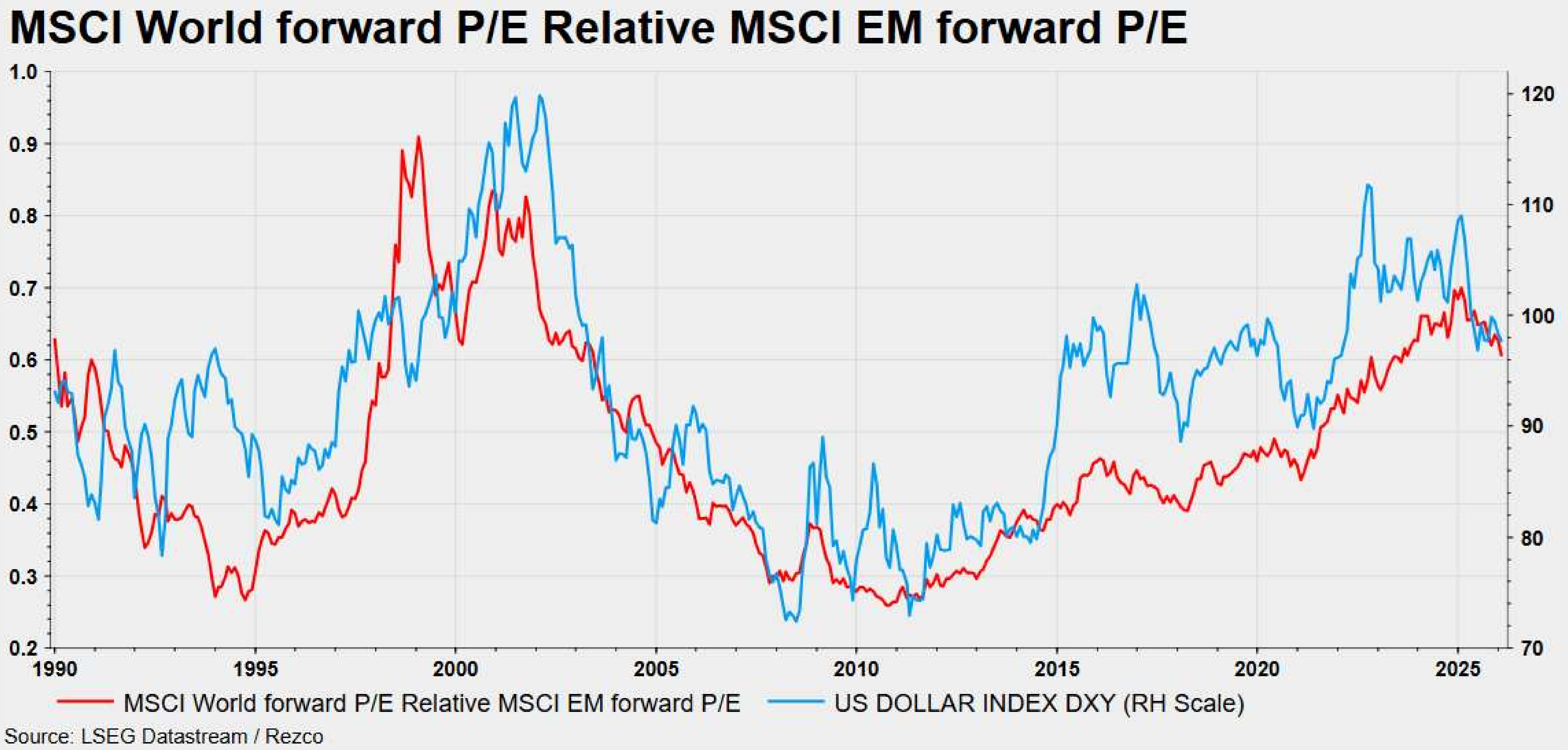
Given flow to passives, pricing efficiency can be noisy and take longer

Source: LSEG Datastream / Rezco

DM to EM Rotations : Long Cycle when Better growth and Value



EM does well in a weak $ environment



Change in sentiment to EM and RSA is significant.

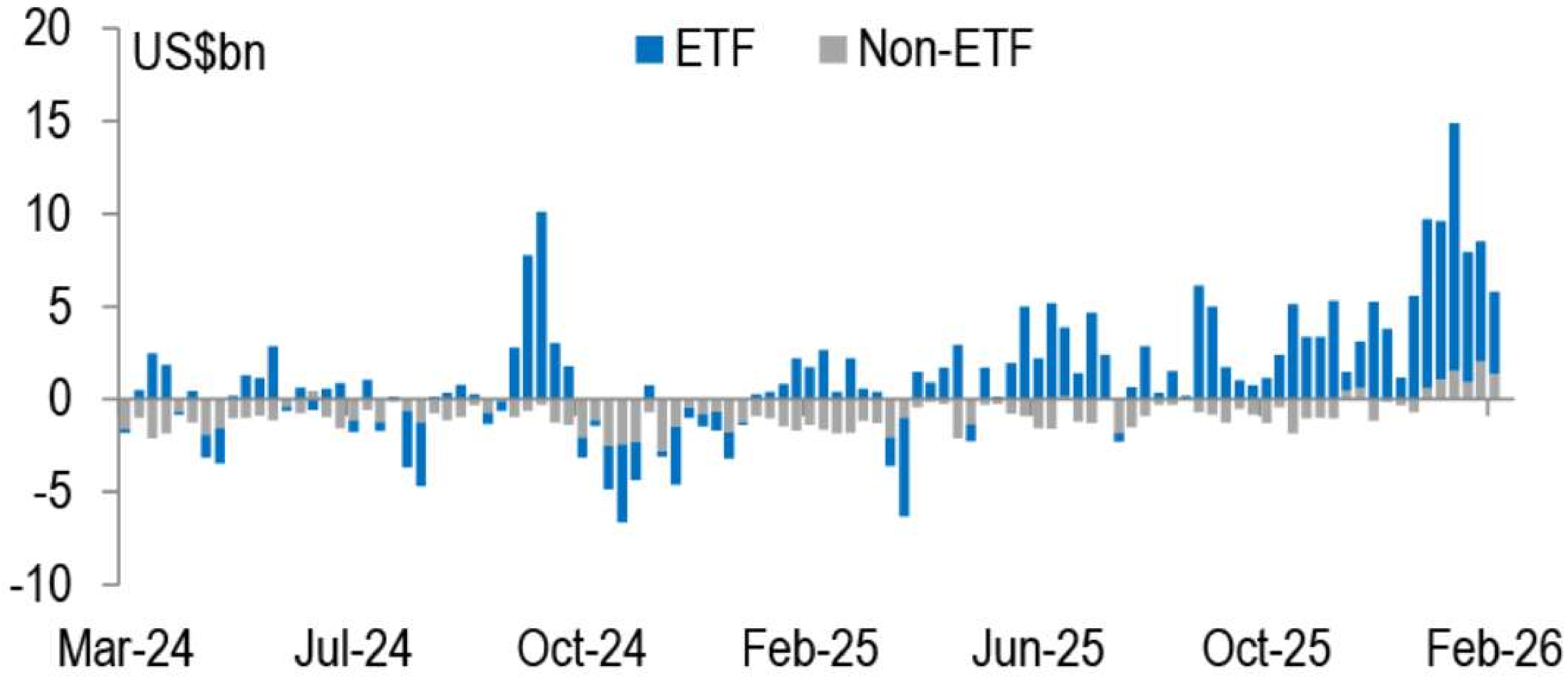
The investor flows are to EM

Strongest January on record

RSA Inc is a good story within EM

Cheap valuation and structural reform

Figure 1: Weekly EM equity fund flows: ETF vs non-ETF



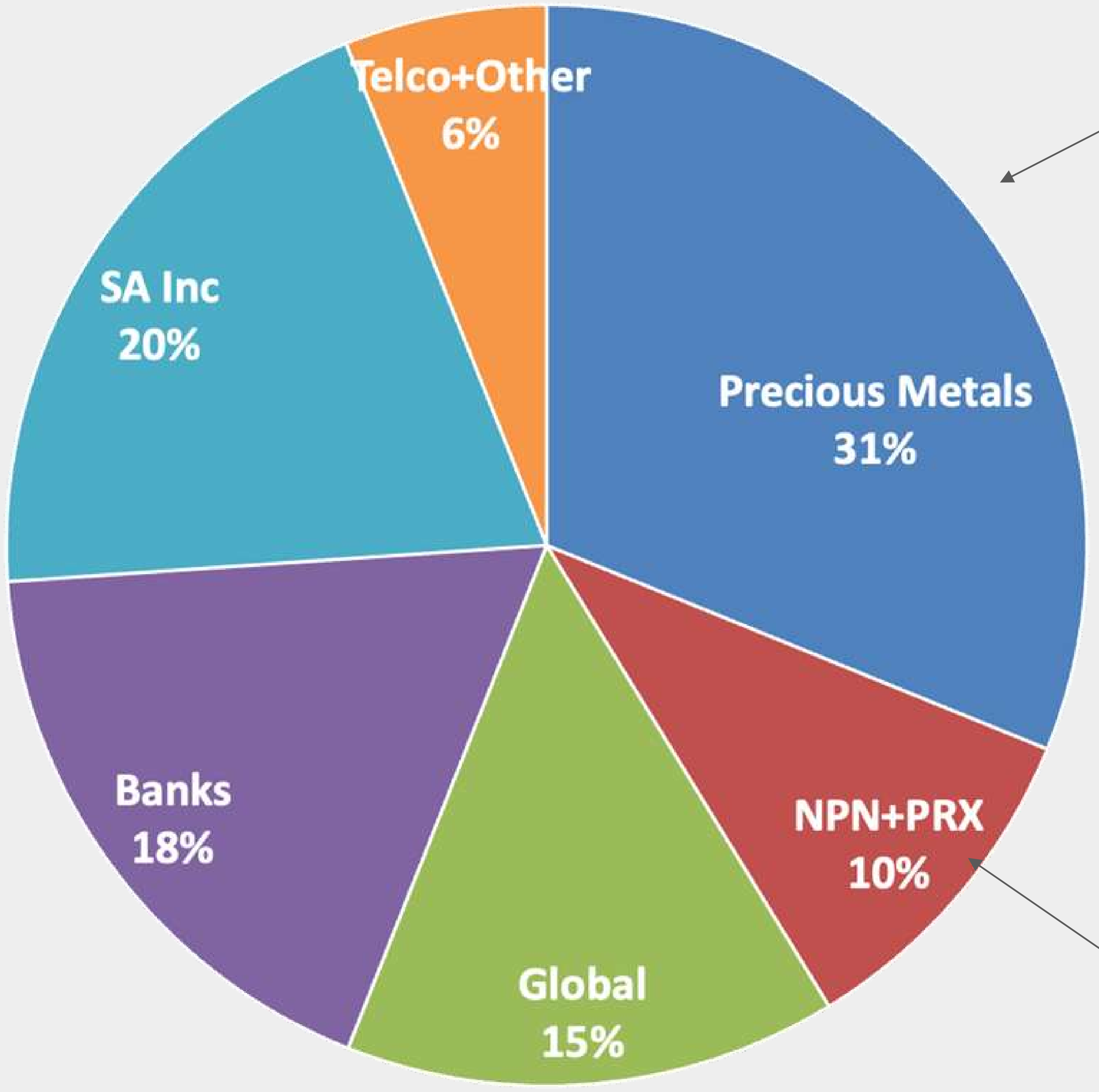
Source: EPFR Global, MSCI

Is there a place for active managers

The SA Index is also now broken (Capped ALSI)
Very overexposed to the momentum factor (precious metals)

Great
Opportunities

Currently good for a hit of dopamine....
Not the volatility I like in my 'safe havens'



Good macro but industry competition and defensive tech spend required, shares have rallied

Weak China macro + questions on Tencent profit motive or government agency

REZCO Data as of 29 Jan 2026

This is dangerous

Precious Metals January correction :
Too much volatility for 30% of your portfolio

	Max Drawdown (Intraday)
Gold Fields	-28.62%
Anglogold	-32.48%
Harmony	-26.56%
Valterra	-32.80%
Northam	-28.41%
Implats	-29.47%
Gold	-21.14%
Silver	-40.55%
Platinum	-32.29%
Palladium	-26.08%

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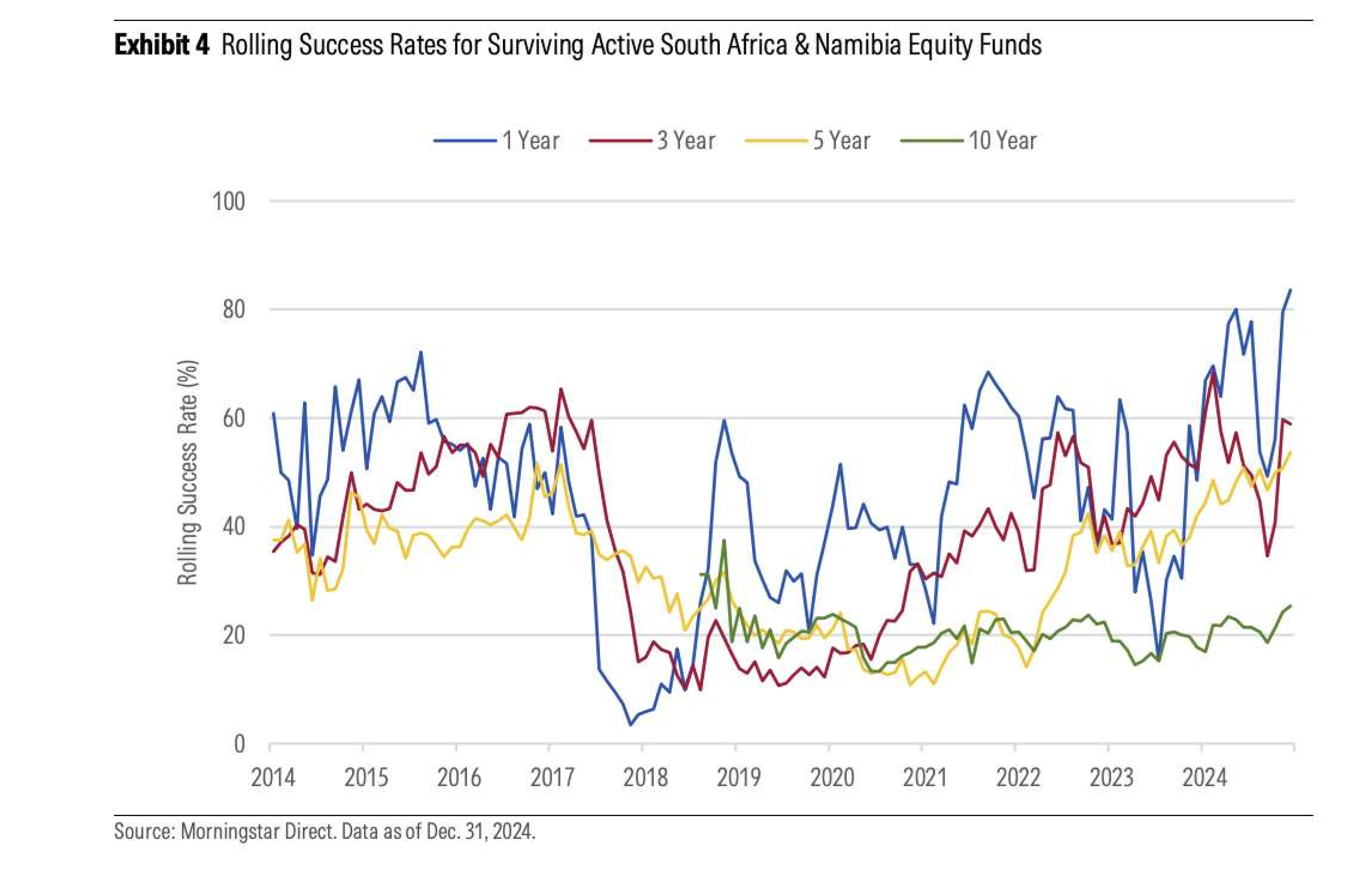
Active vs Passive : The Picture in RSA is different Equity Managers beat Passive Managers

Morningstar 2025 report - (to Dec 2024)



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Why the long term underperformance
What is the anomilty from 5 -10 year (2014-2019)

- **The asset weighted difference is only 50bps**
- **Active fees have come down a lot since then**
- **Naspers went to 25% of the All Share in 2017**
    - **Active managers were restricted by mandate**
- **Also probably explains why active managers better 1,3,5 yr**

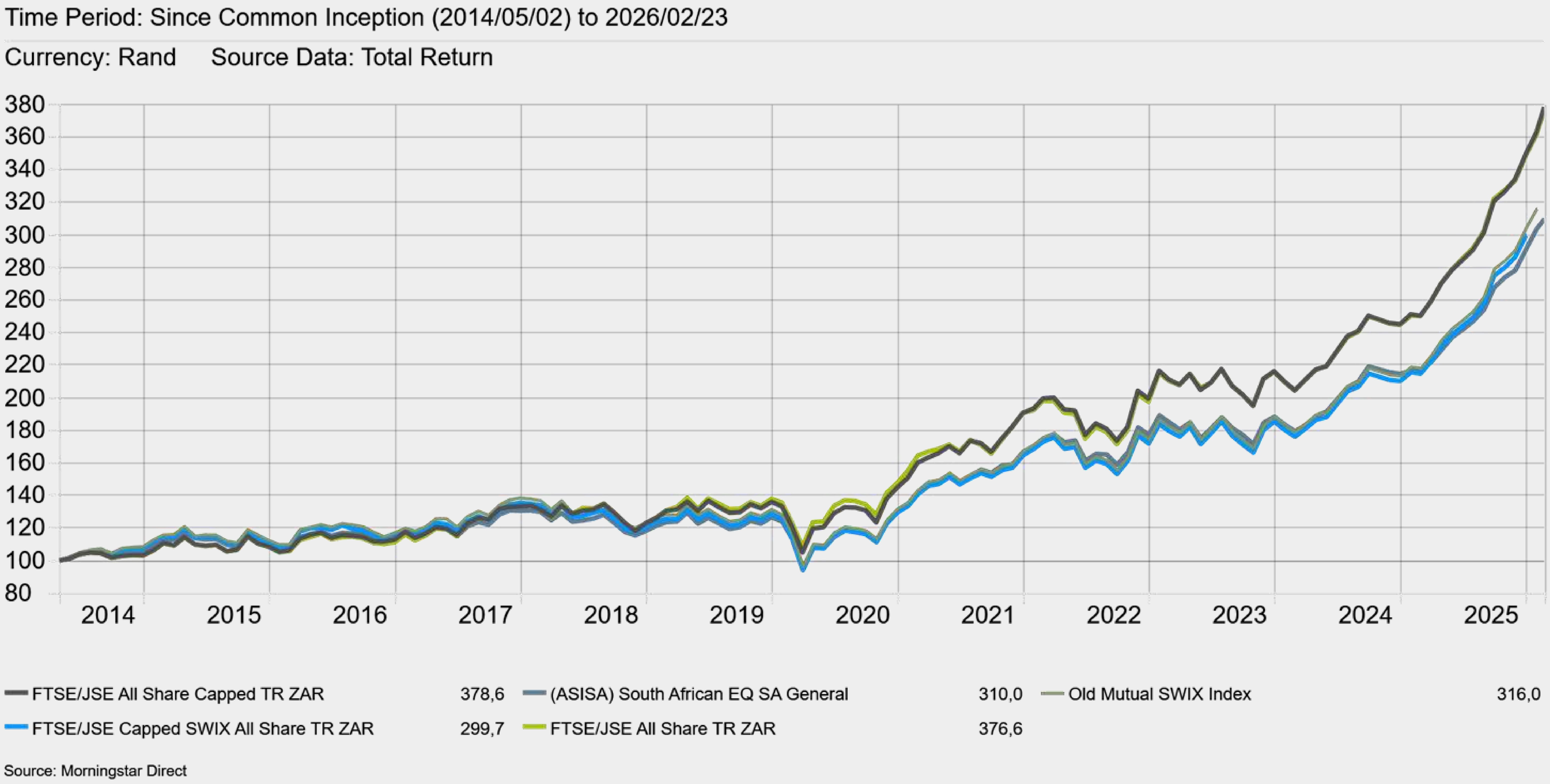
Exhibit 3 South Africa & Namibia Equity

	Active Funds		Passive Funds		Asset-Weighted Performance		
	# at Beginning of Period	Survivorship Rate (%)	# at Beginning of Period	Survivorship Rate (%)	Active (%)	Passive (%)	Active Success Rate (%)
Trailing Total Returns							
1-Year	201	97.0	44	93.2	14.4	10.2	83.6
3-Year	199	91.5	53	73.6	9.2	7.5	58.8
5-Year	203	82.8	54	66.7	11.3	10.1	53.7
10-Year	165	63.0	40	62.5	7.5	8.0	25.5

Source: Morningstar Direct. Data as of Dec. 31, 2024.

Exhibit 4 Rolling Success Rates for Surviving Active South Africa & Namibia Equity Funds

Which Index is the benchmark for SA Equity ???????



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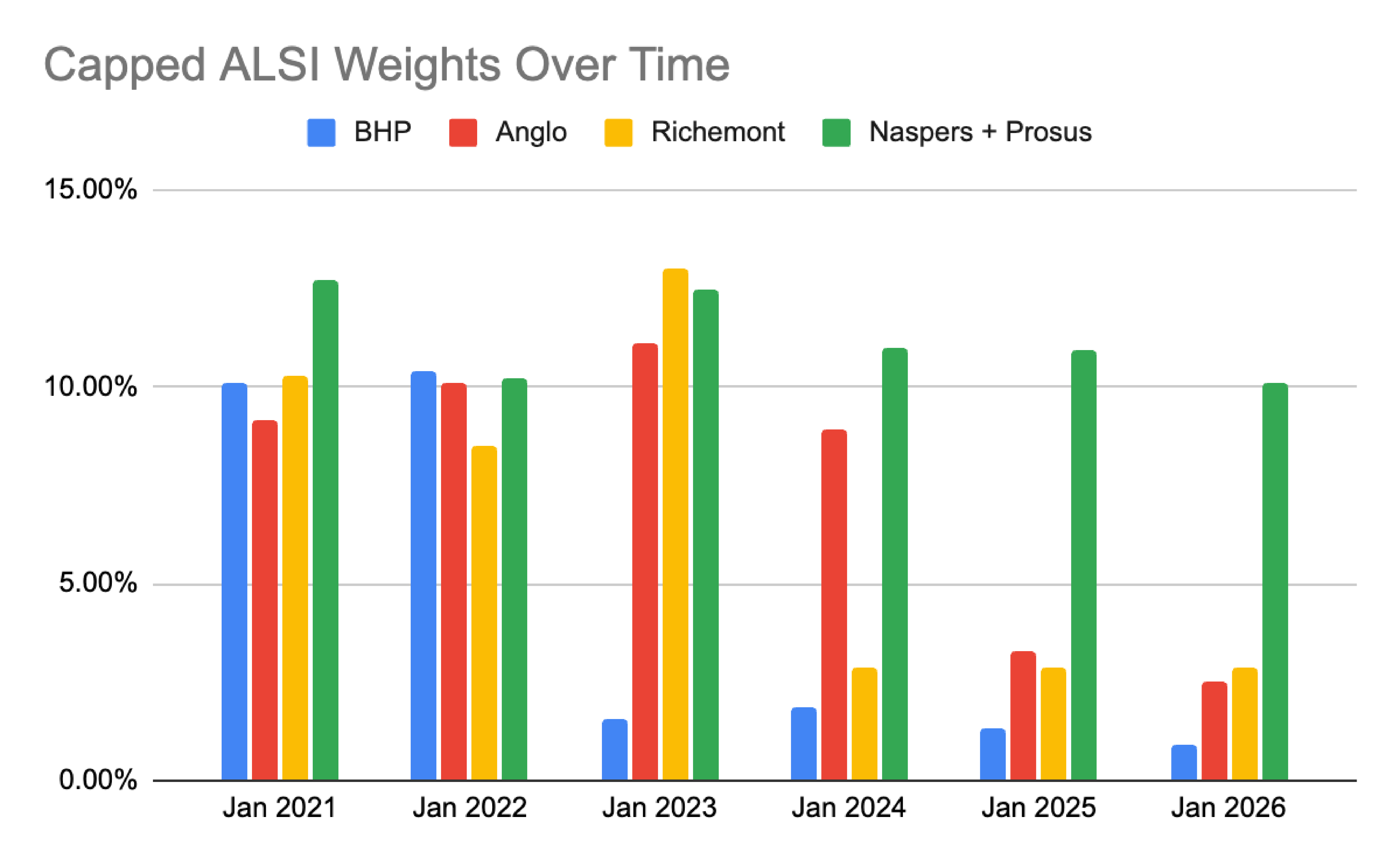
ALSI weights ??

Massive index changes over time - what is passive?



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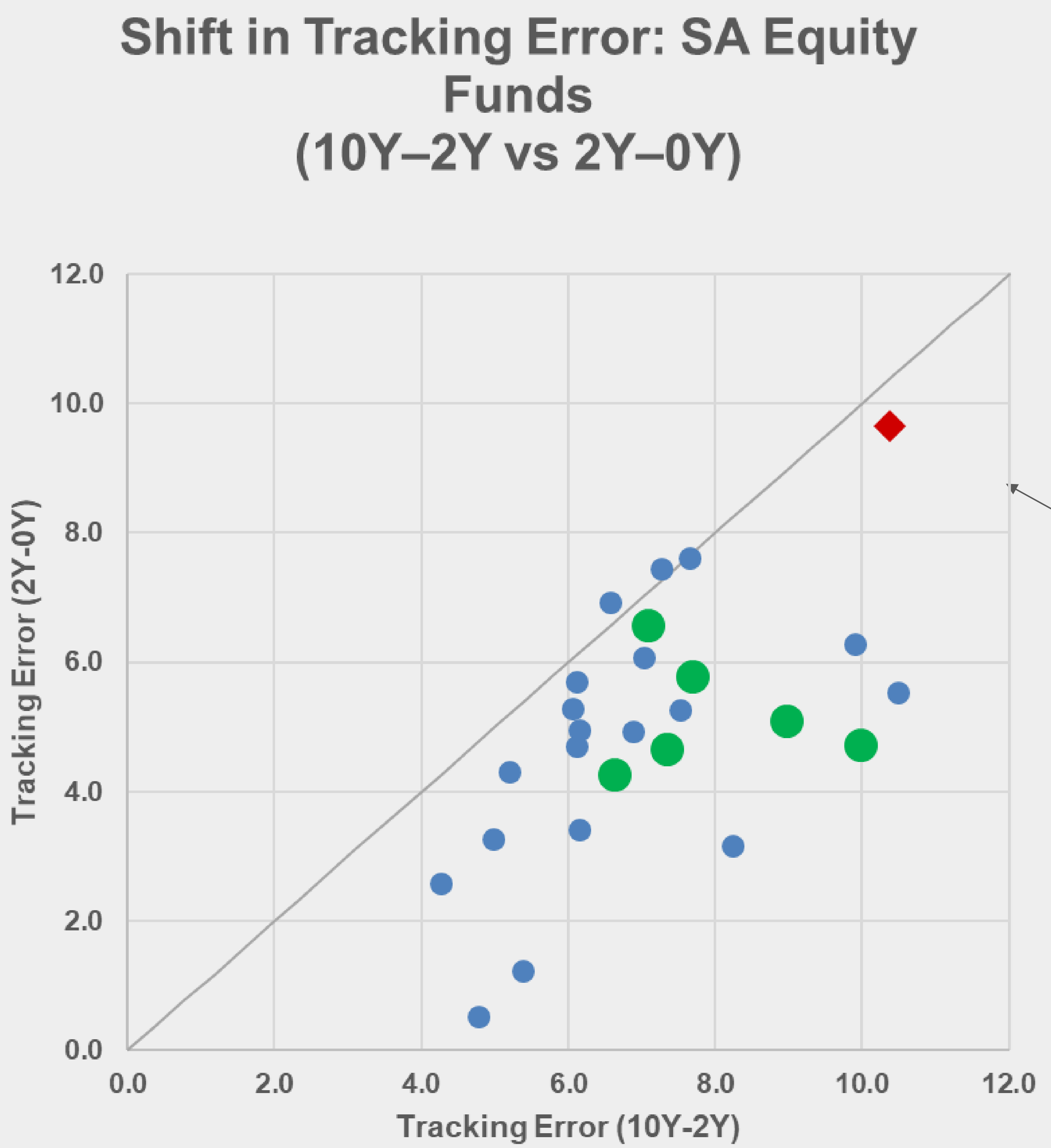
Beware : Active Managers in South Africa are becoming less active



Career Risk vs Client Risk: Successful managers moved closer to the index, worked well for 2025 under extreme moves in risky shares

If you are on this line, it means you haven't changed!

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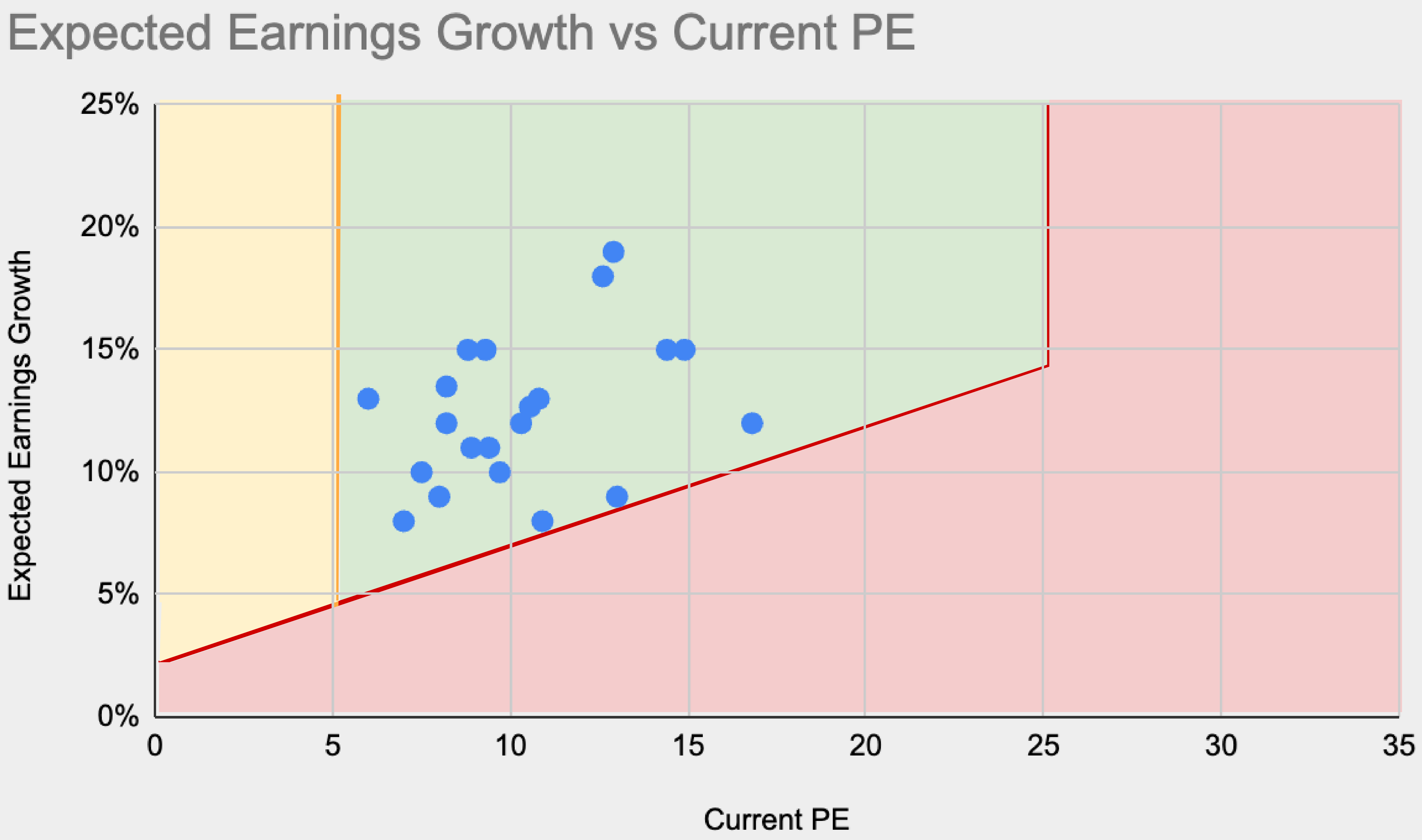
Source: Morningstar Direct

REZCO are G.A.R.P Investors

Rather buy a great combination of Price and Growth

Rezco Equity Fund - Full Portfolio



Rezco Fund Positioning

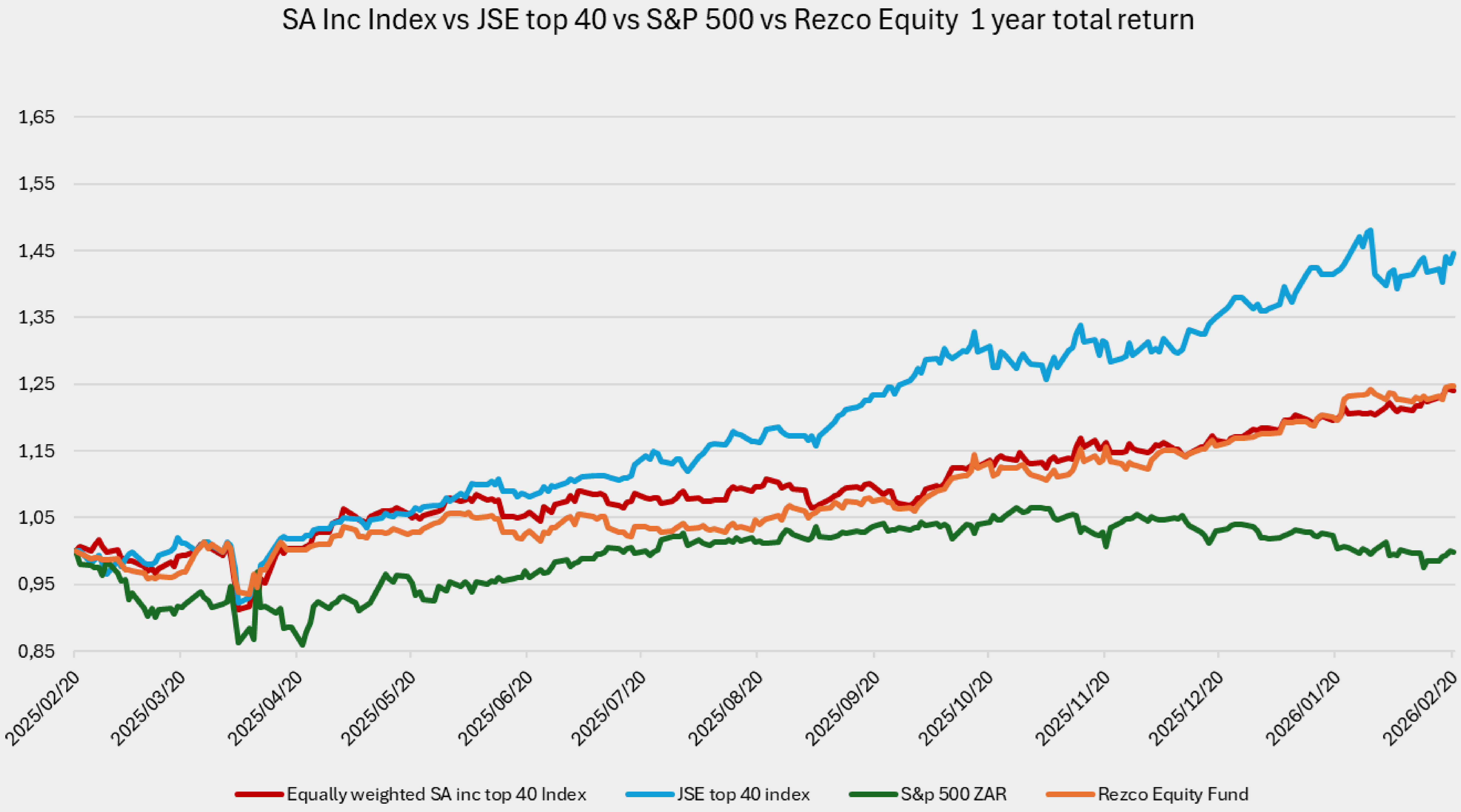
Equity Fund

RSA Inc
Finding growth at a reasonable price
Quality companies with compound growth rate PLUS Dividends.
Value has built up as precious metals have drained local buying power
The SA macro story is strengthening
Positive precious metals prices are a massive positive windfall

Multi Asset Funds

Low non Rand exposure
Equity exposure through RSA Inc shares

The RSA Inc trade over the last year



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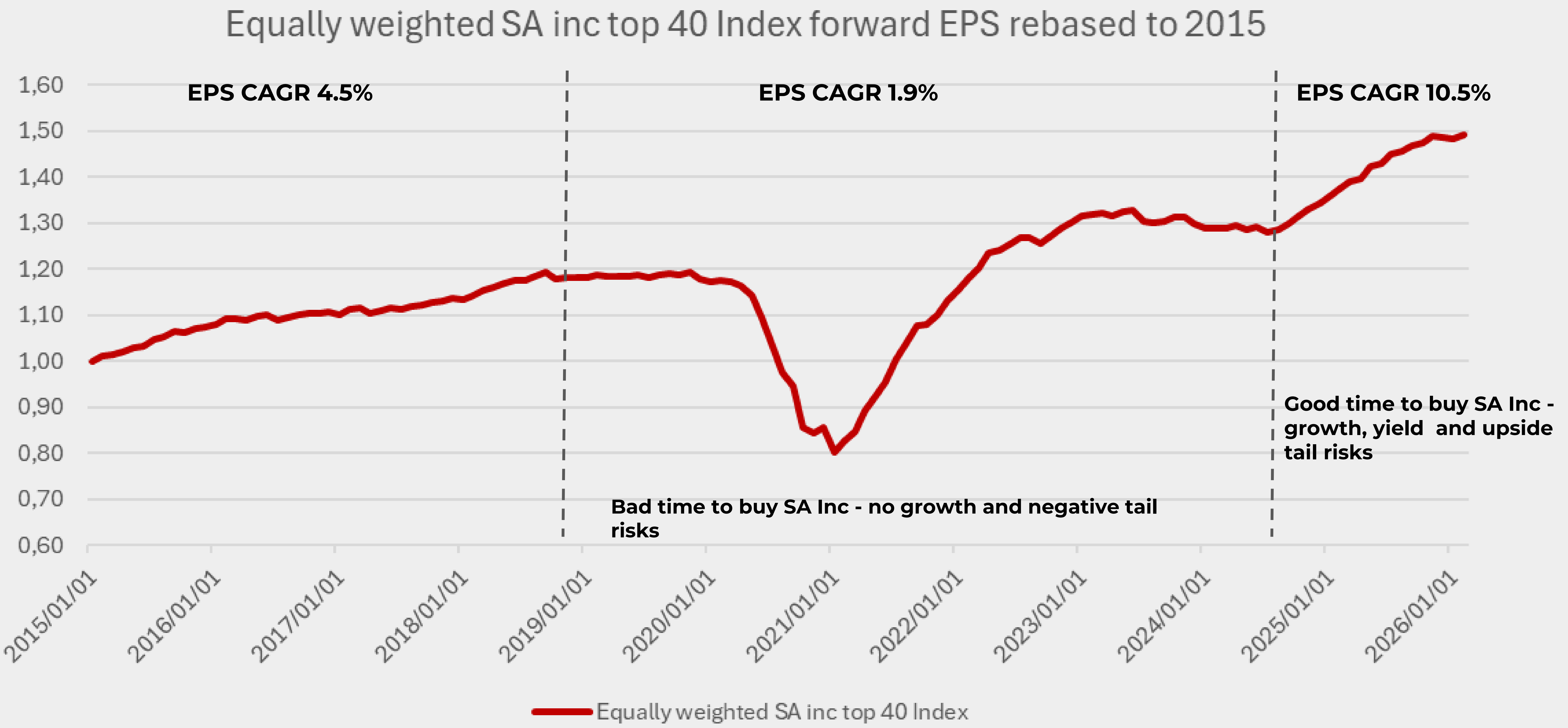
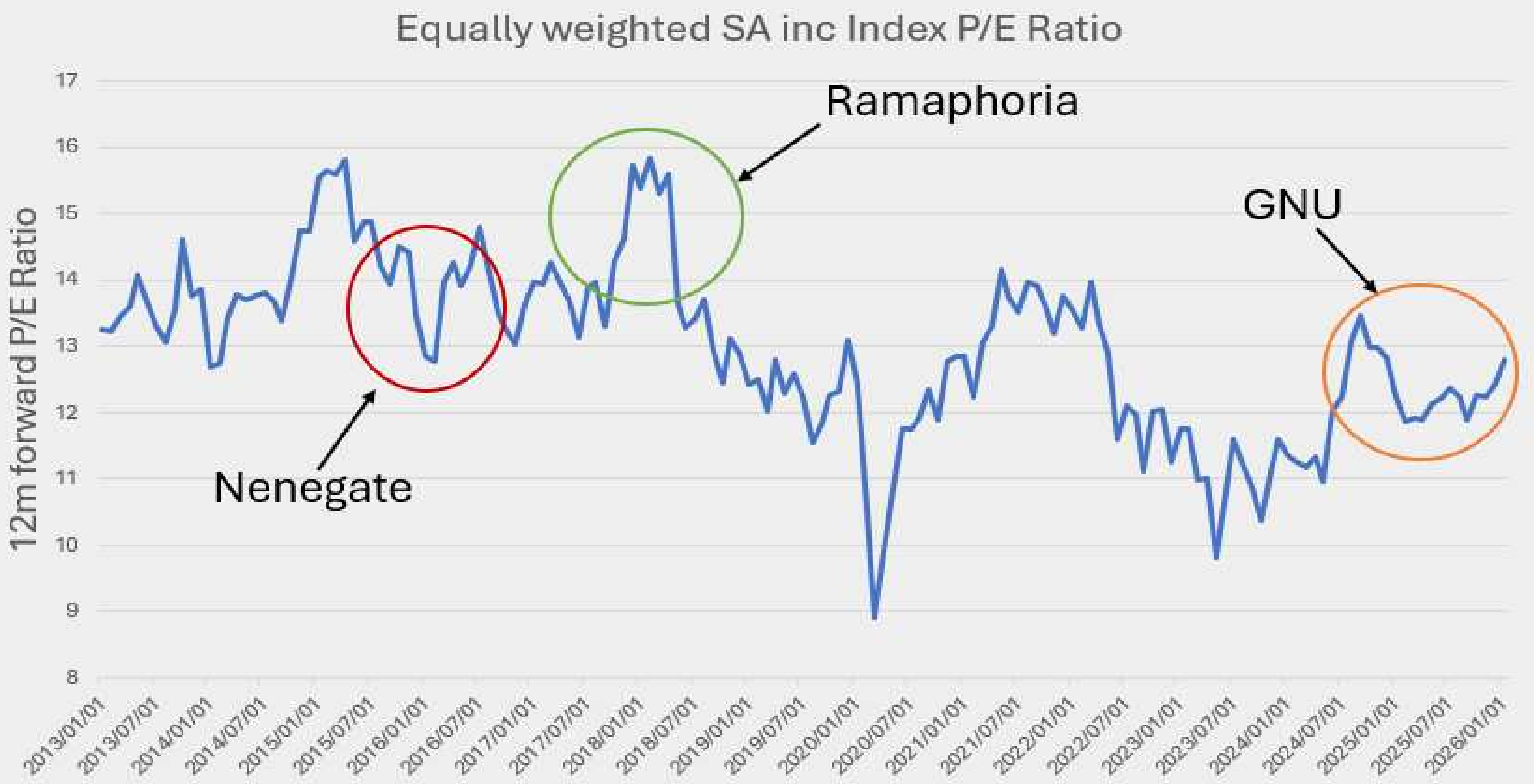
Time for RSA Inc :Early part of the growth phase

Clear change, but we expect multipliers to start working in the real economy



SA Inc PE - Massive Undervaluation

Best Macro Backdrop since mid 2000’s



Source: Refinitiv Datastream. Construction: A custom basket of equities, equally weighted consensus forward P/Es of the largest 40 largest JSE stocks each month, excluding miners, oil & paper producers or where a majority of the stocks earnings are derived from outside South Africa.

Does it work
Rezco long term SA Equity and Value Trend records

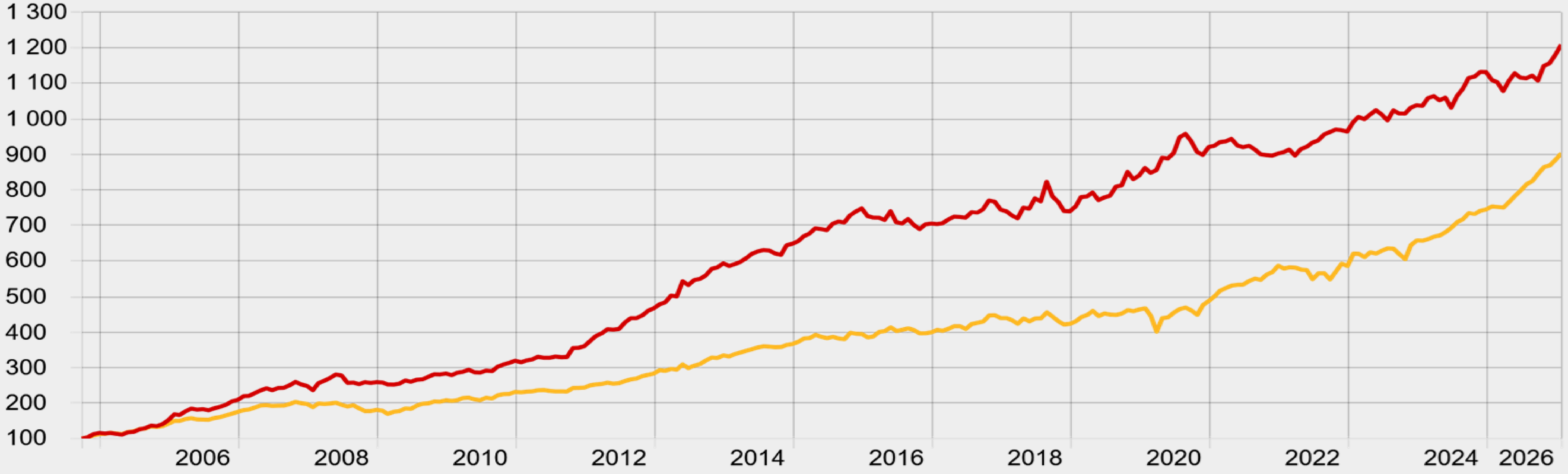
Rezco Value Trend

Long Term Record

CUMULATIVE RETURNS - Since Inception

Time Period: Since Common Inception (2004/10/01) to 2026/01/31

Currency: Rand   Source Data: Total Return



Rezco Value Trend A 1 208.7   (ASISA) South African MA High Equity 903.3

Source: Morningstar Direct

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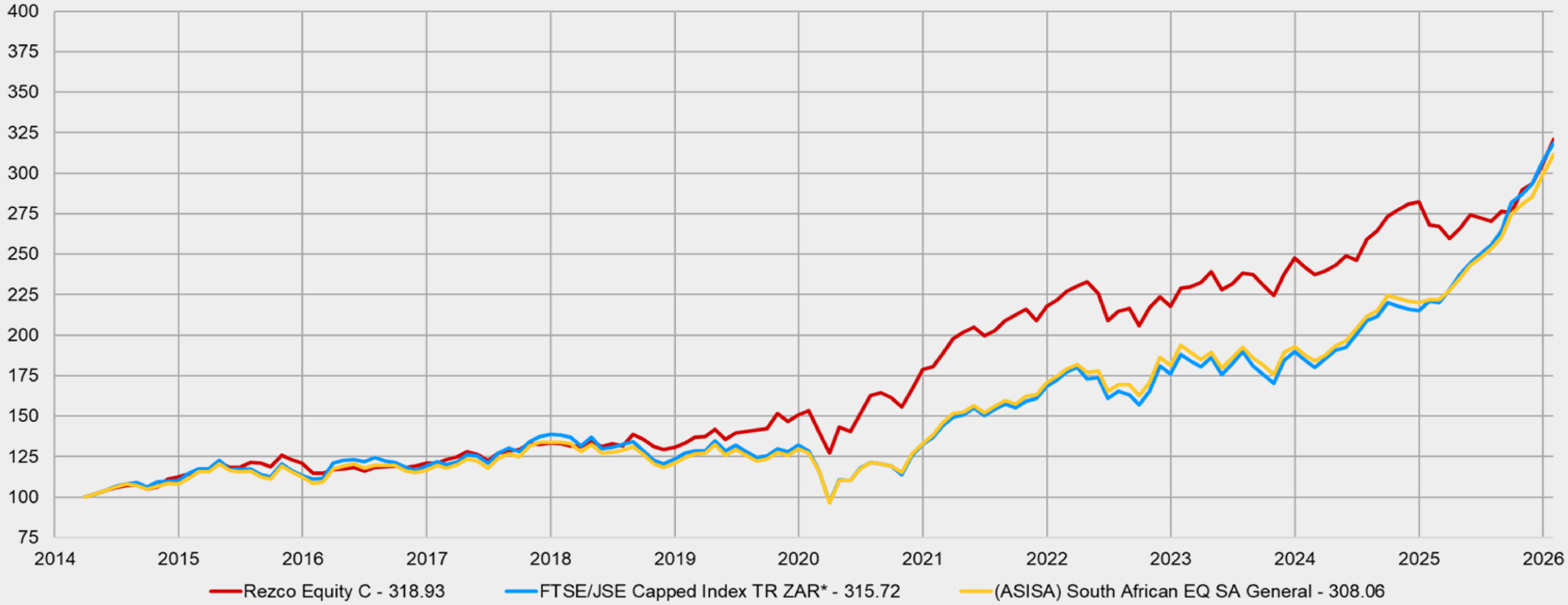
Rezco SA Equity

Long Term Record

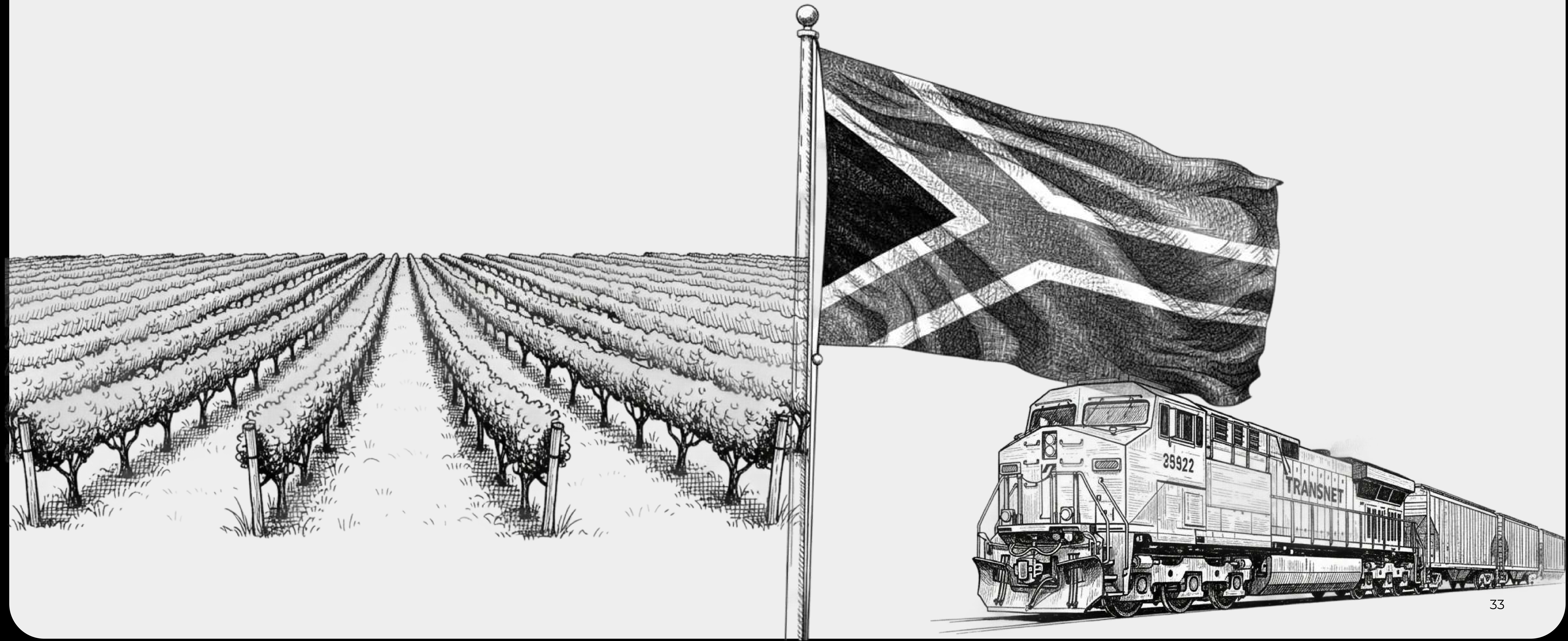
CUMULATIVE RETURNS - Since Inception
Time Period: Since Common Inception (2014/04/01) to 2026/01/31
Currency: Rand Source Data: Total Return



* FTSE/JSE Capped Index TR =FTSE/JSE Capped SWIX All Share TR until Dec 2025, then merged with FTSE/JSE All Share Capped TR

The RSA story

SA Economy
The tailwinds for our companies
Stockpicker's heaven



RSA Country Risk: Long Term Yield Spread

Market Price of SA Macro and Political Risk

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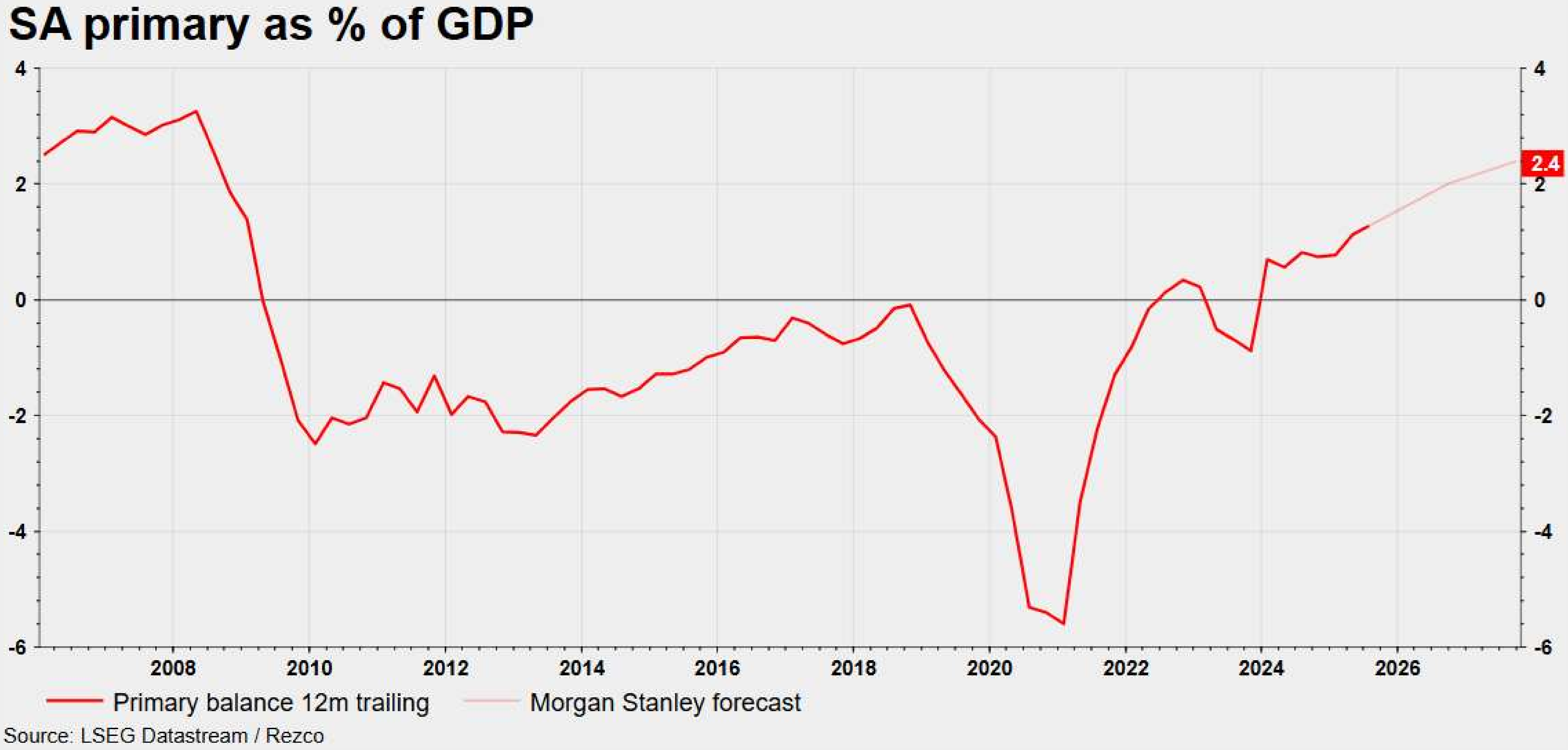
Budget surplus :Fiscal austerity by cutting waste not growth



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Interest Rates

Lots of room to cut: long term tailwind (short term hurting the retailers)

Source: LSEG Datastream / Rezco

SA Balance Sheet is Strengthening

High precious metals prices flows through to the whole country

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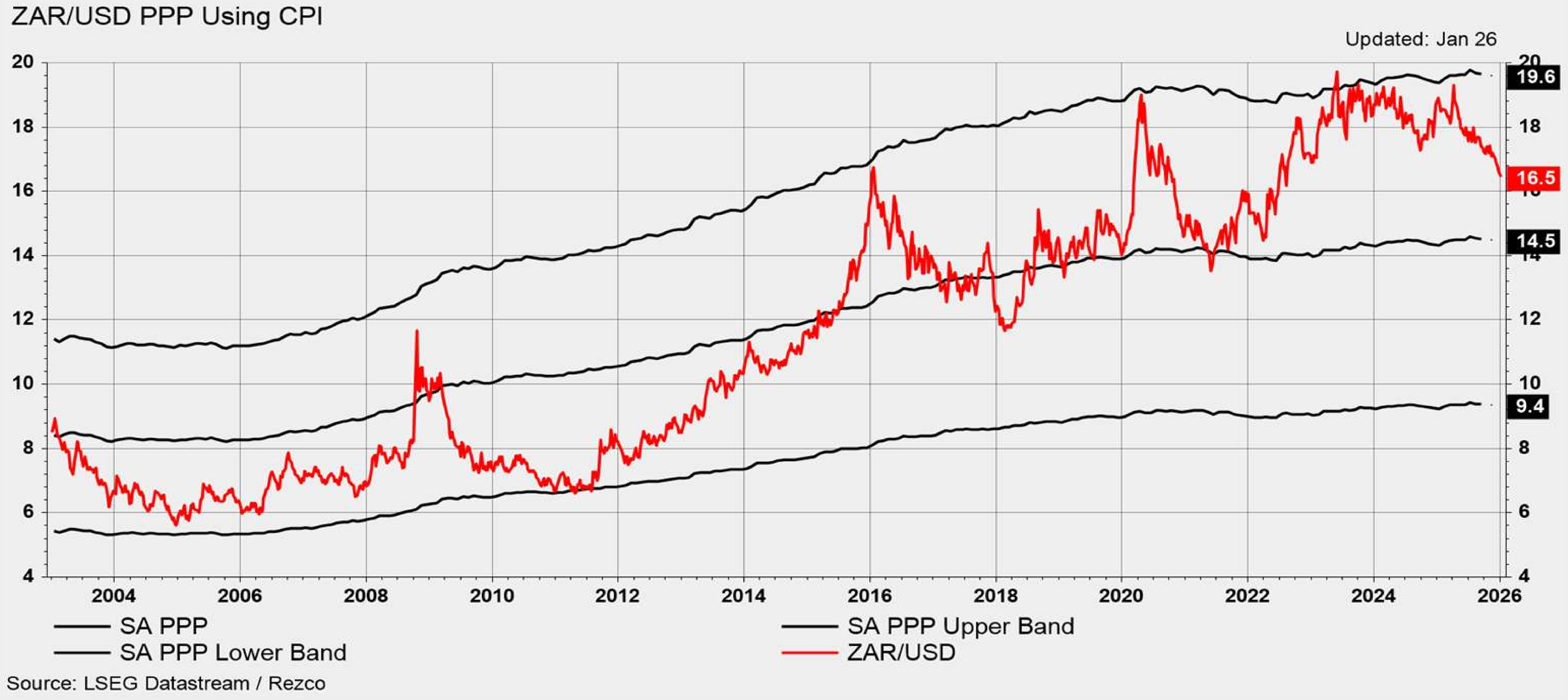
Rand Exchange Rate

Rand should strengthen more in 2026



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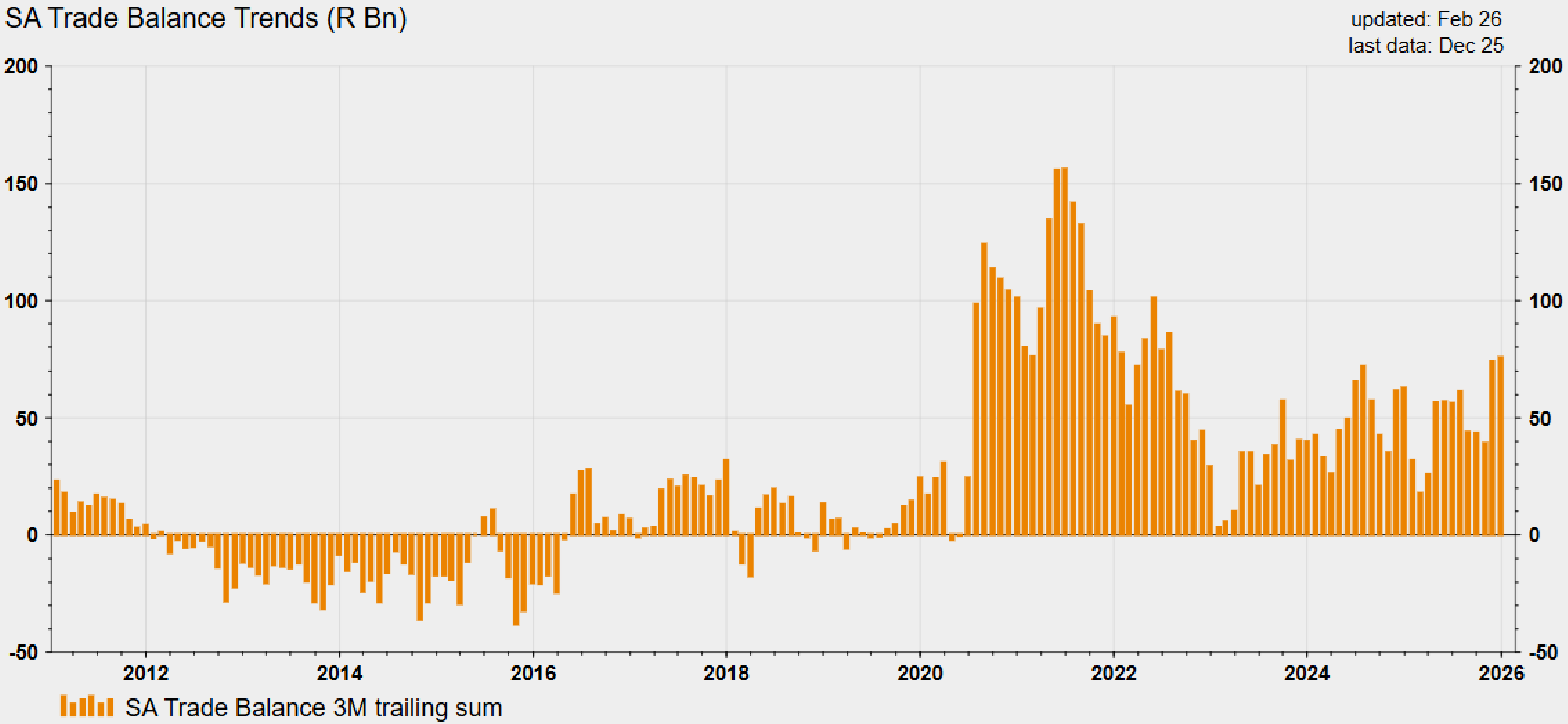
Structural Improvement



Source: LSEG Datastream / Rezco

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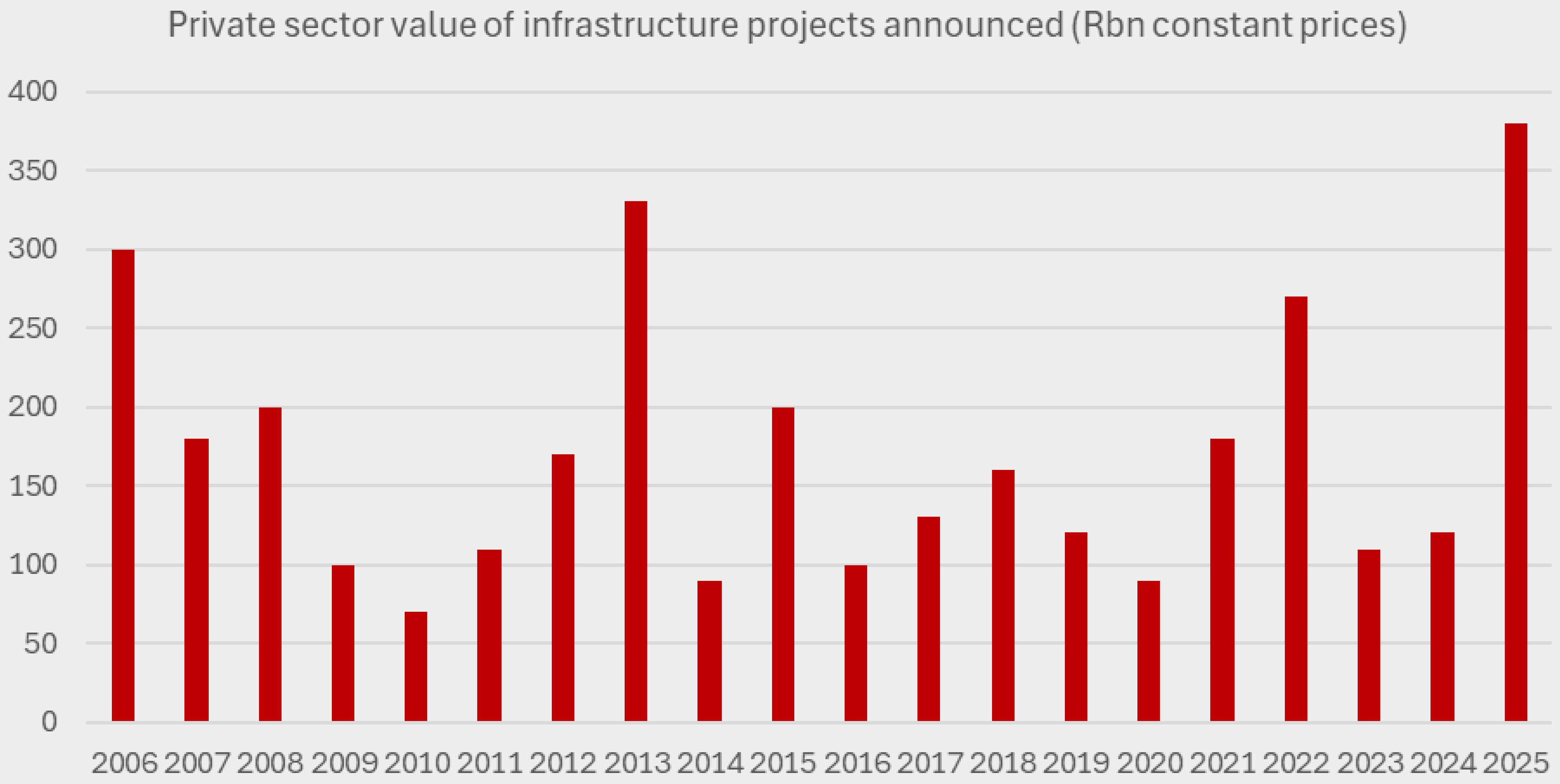
Private Sector :Confidence leads to investment (slowly)

And government are talking about R1tn infrastructure plans



Source: Nedbank Capital Expenditure Project Listing

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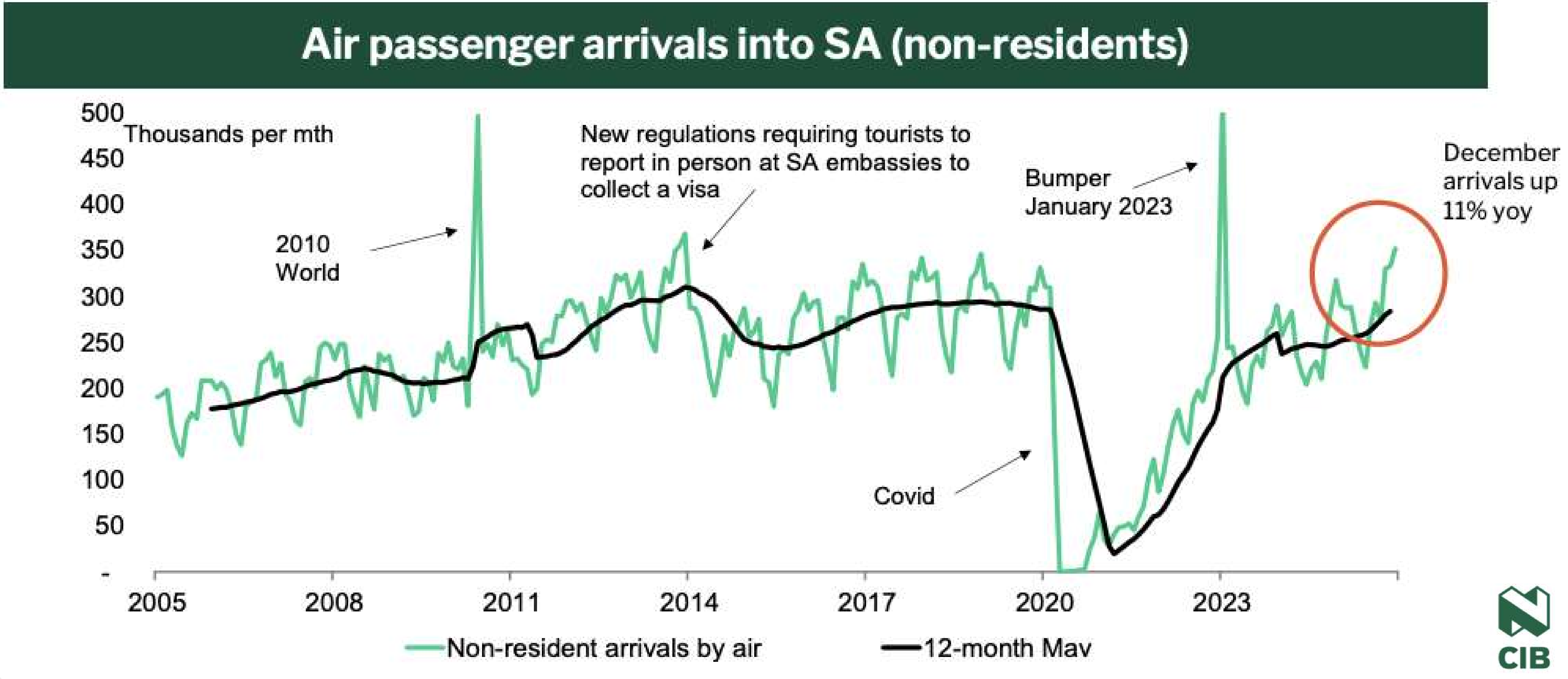
Tourism continues to build

And attracting investment - Club Med opening soon



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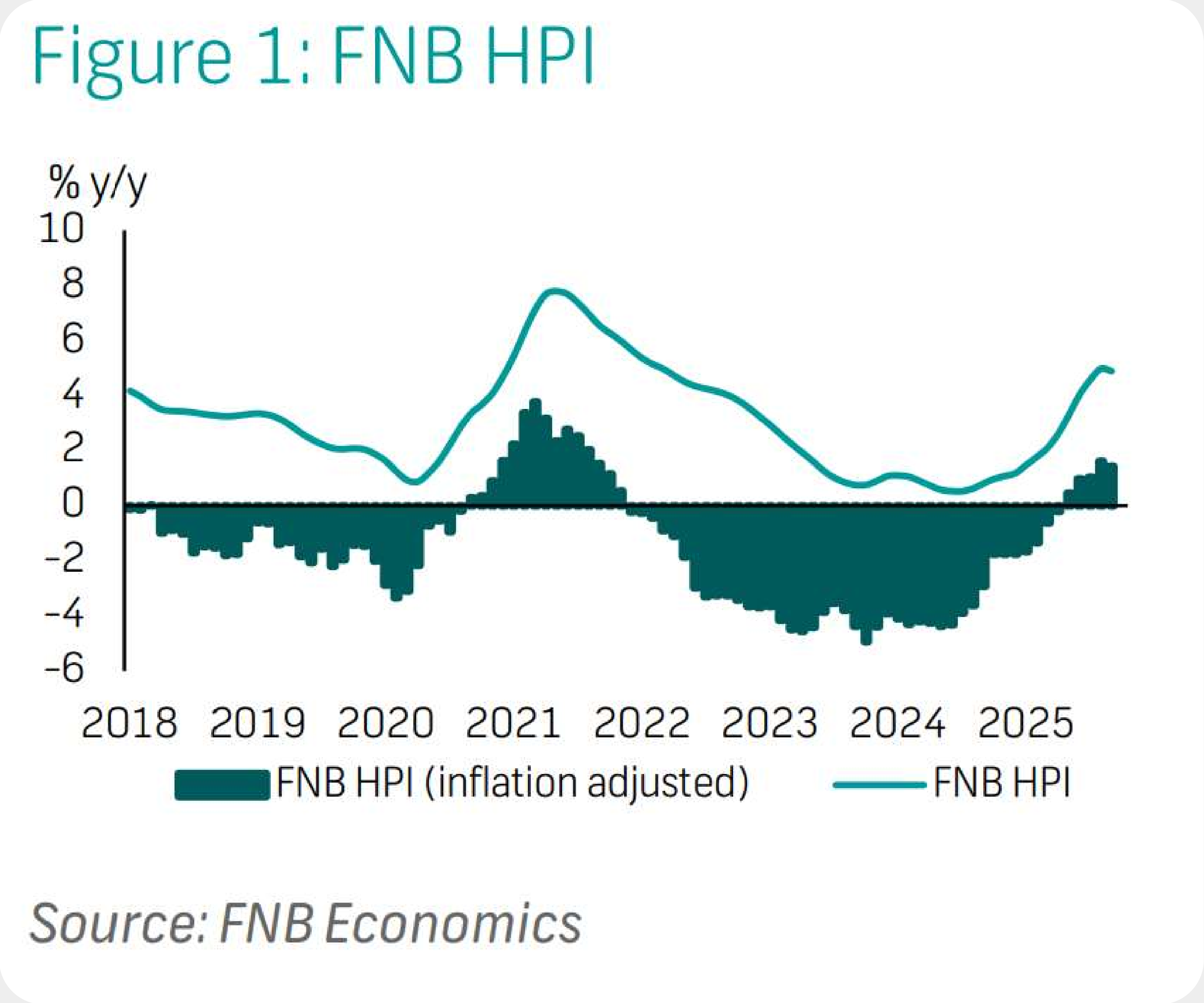
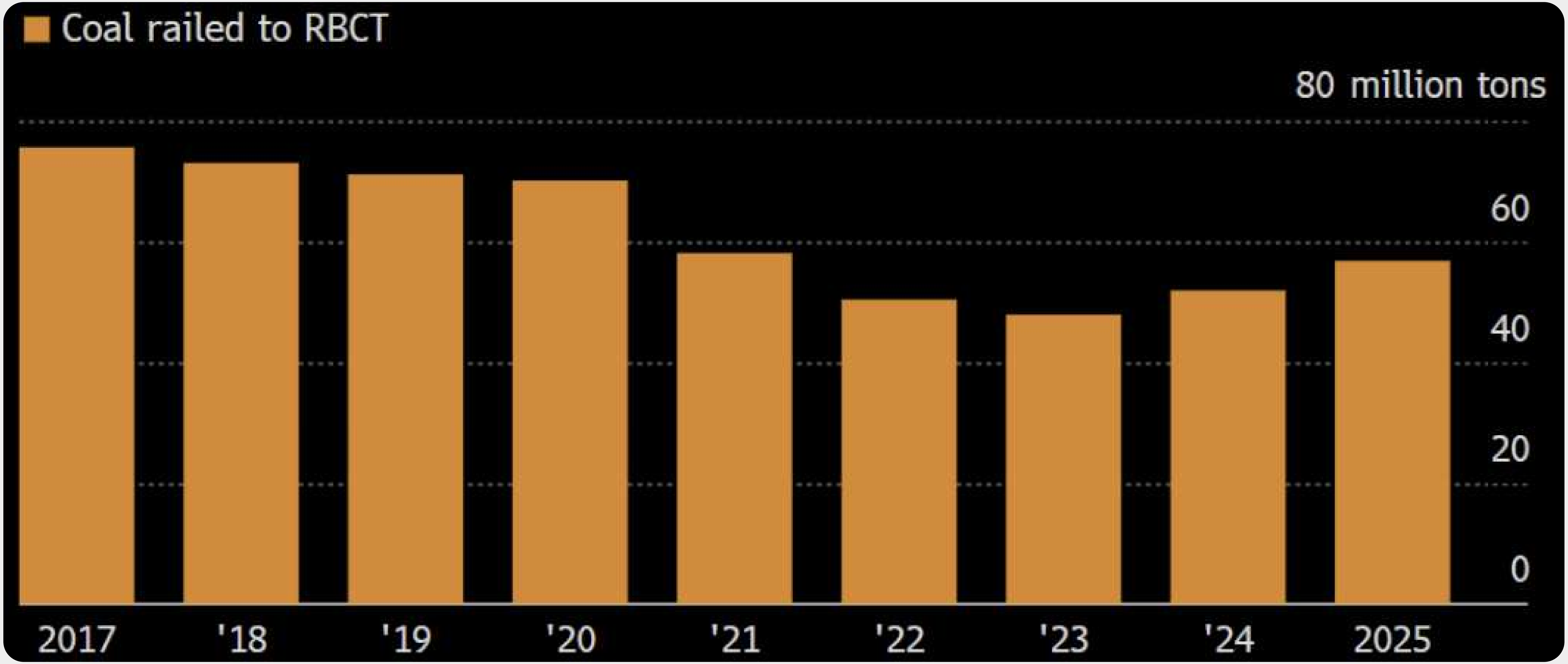
House Prices an Important Driver of Consumer Confidence and Spending

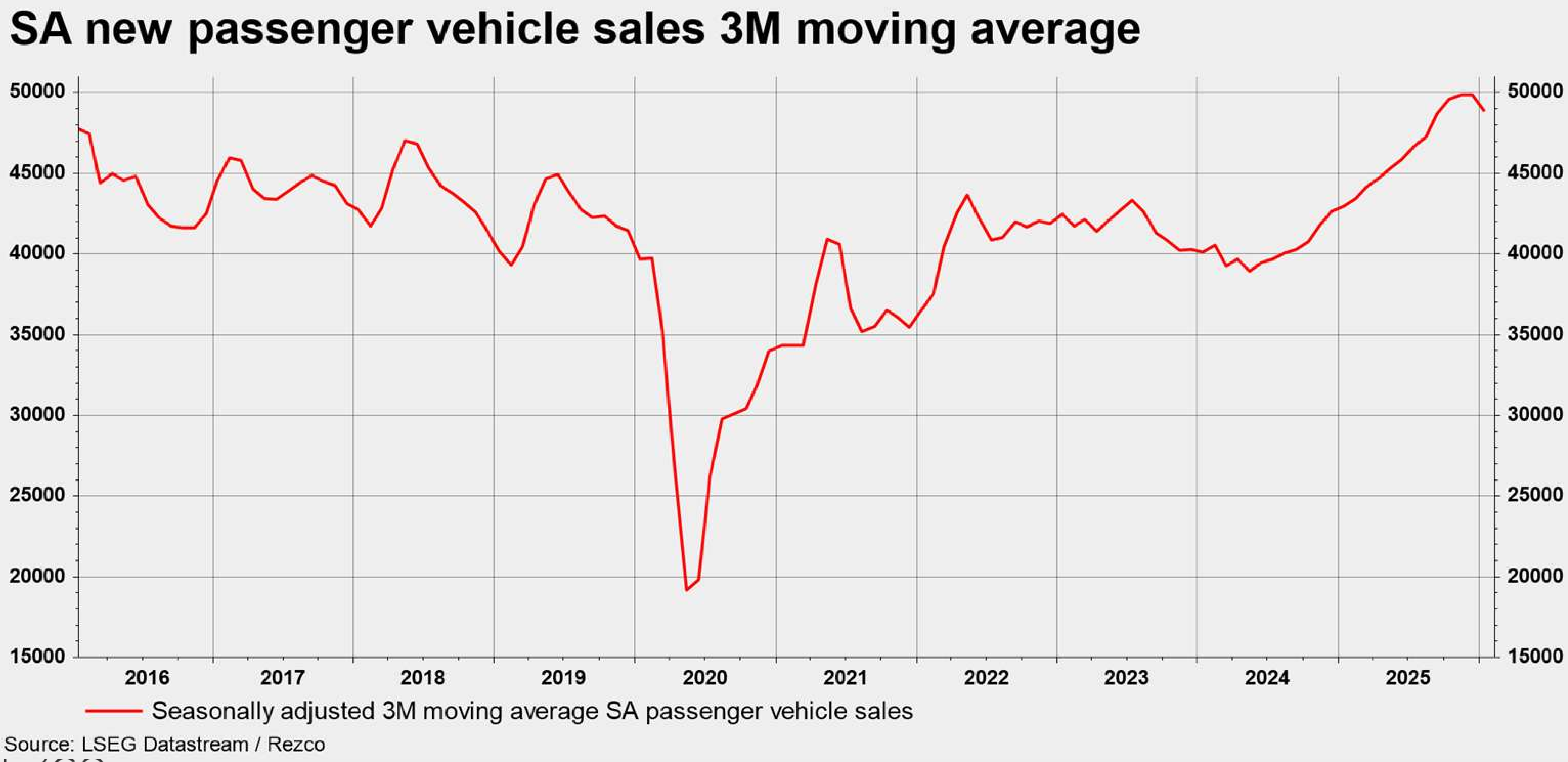


Steady Incremental Improvements



Vehicle sales

Supported by financing and desirability of new ranges



Thank You

- **Recording**: a link will be emailed to registrants after the webinar
- **CPD points**: allocated to those who registered with their ID number
- **Q&A**: submit questions anytime via the Questions tab; we'll answer live or on the board
- **Slides**: we'll share the PDF after the session (where permitted)

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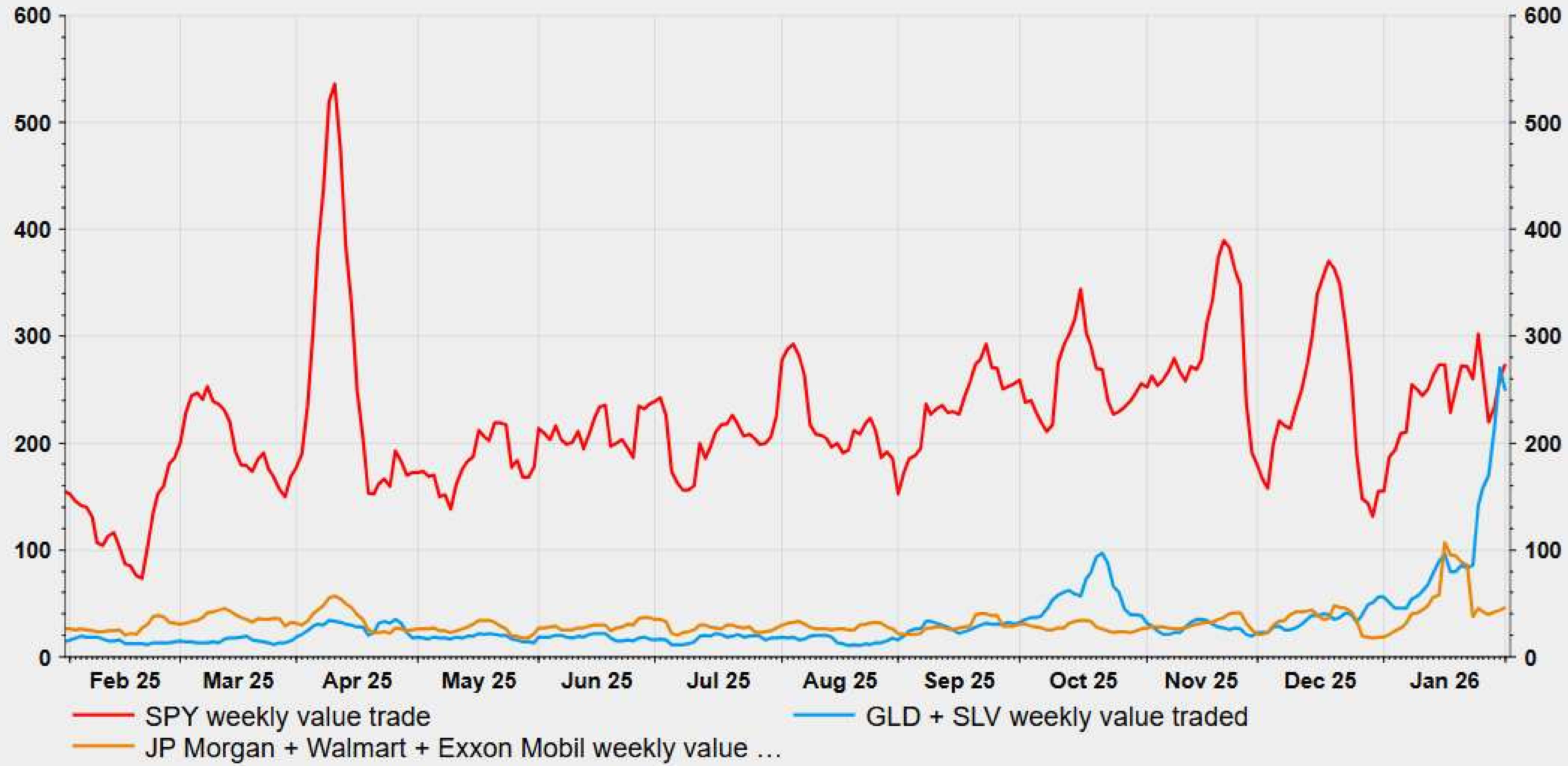
USA Gold & Silver ETF Value Traded Matching S&P 500

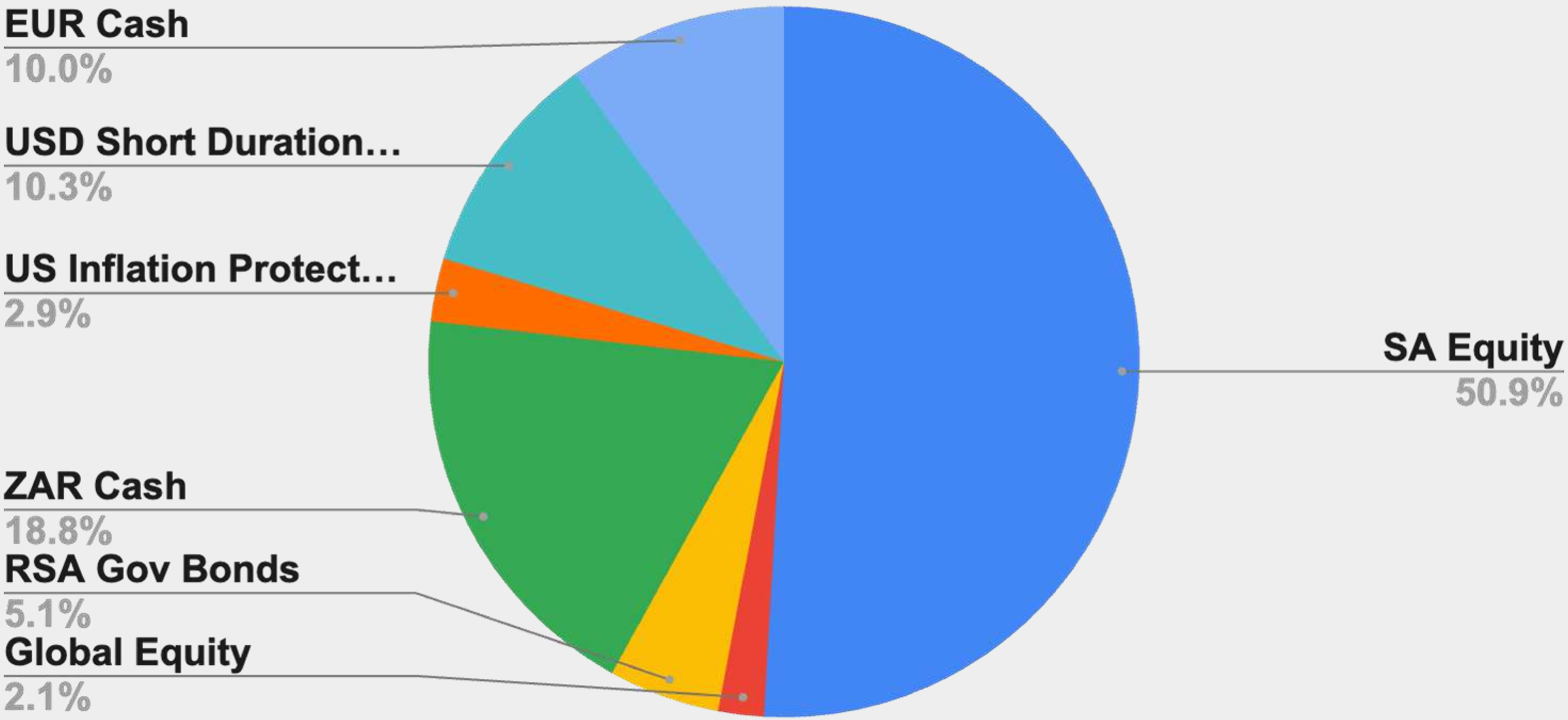
Precious Metals have become a Casino!



Source: LSEG Datastream / Rezco

Rezco Value Trend

Risk Budget applied to SA, Offshore Cash to Diversify



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