



The Illusion of Diversification

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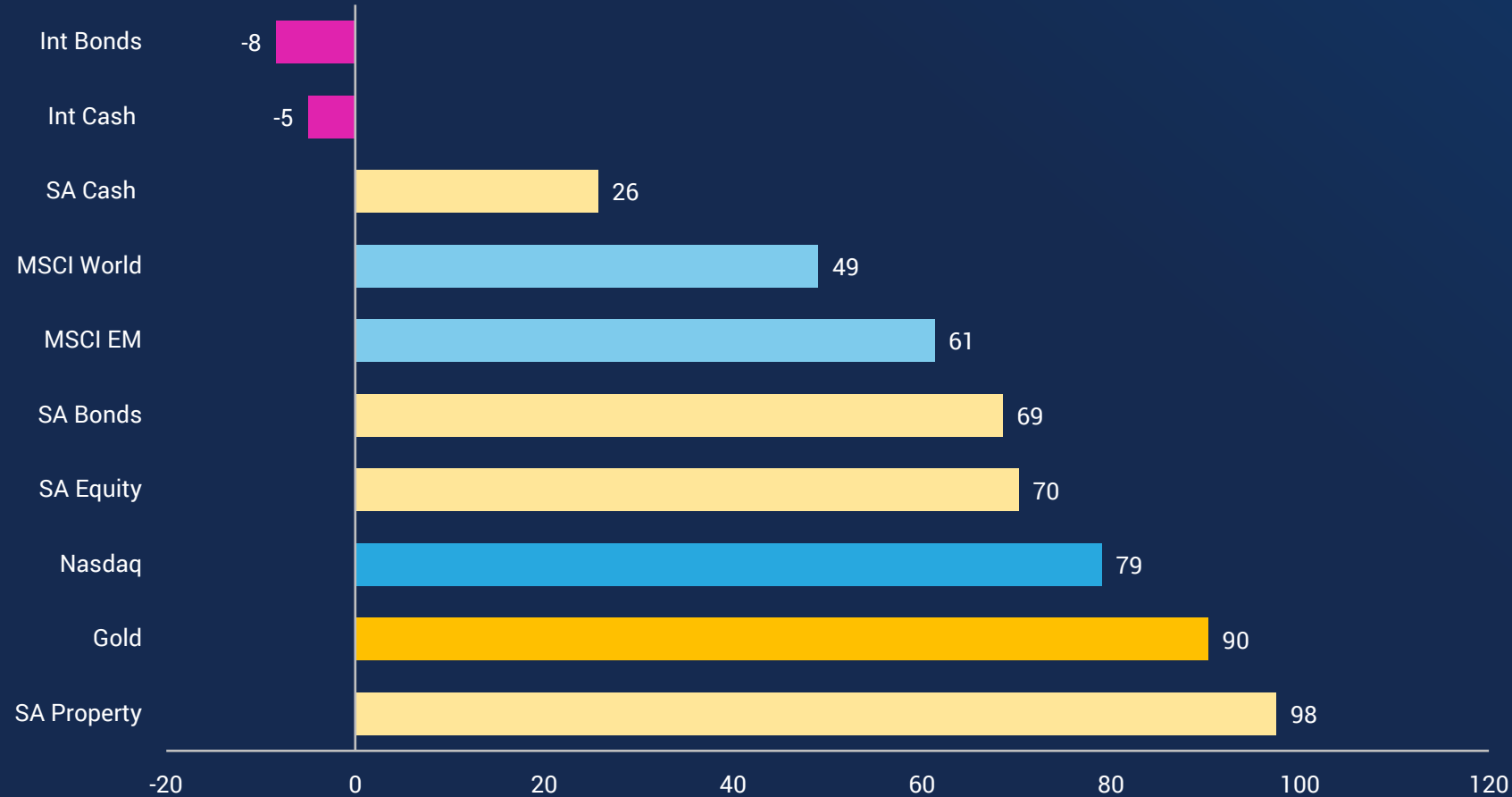
2026

MEET THE
Managers



Almost everything has worked

Three-year total returns in ZAR, May 2023 – May 2026. Almost every asset class delivered.



Rand Impact -18%

The rand **strengthened 18%** over three years – so offshore cash and bonds lost money in ZAR.

In USD, the move was even bigger

Nasdaq	+118%
MSCI World	+81%
Global Bonds	+10%

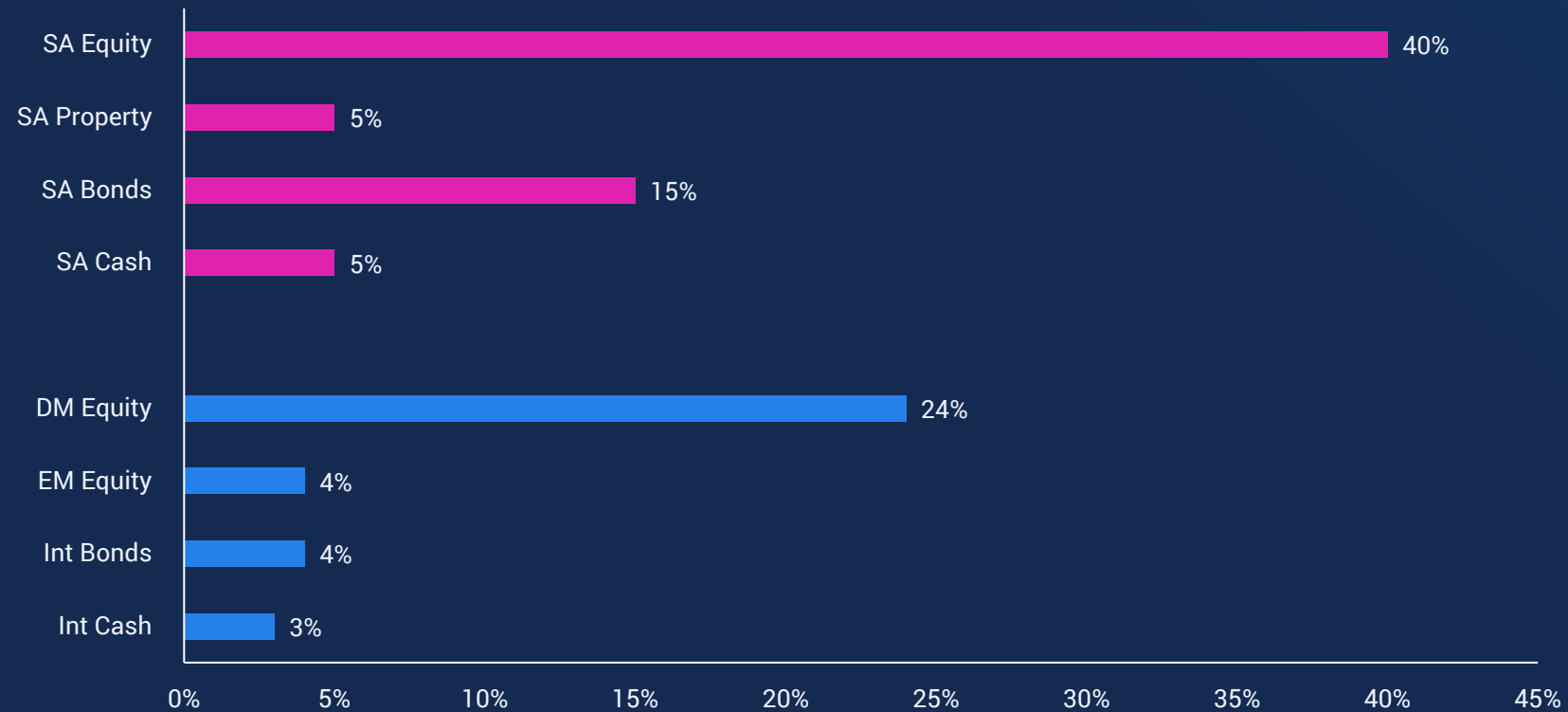
In ZAR, the rand clipped it back

Nasdaq	+79%
MSCI World	+49%
Global Bonds	-8%

The diversified SA Balanced Fund

SA Balanced Fund effective asset allocation – Alexander Forbes LMW BIV

Average SA Balanced Fund Asset Allocation



Source: Alexander Forbes LMW BIV effective asset allocation simplified

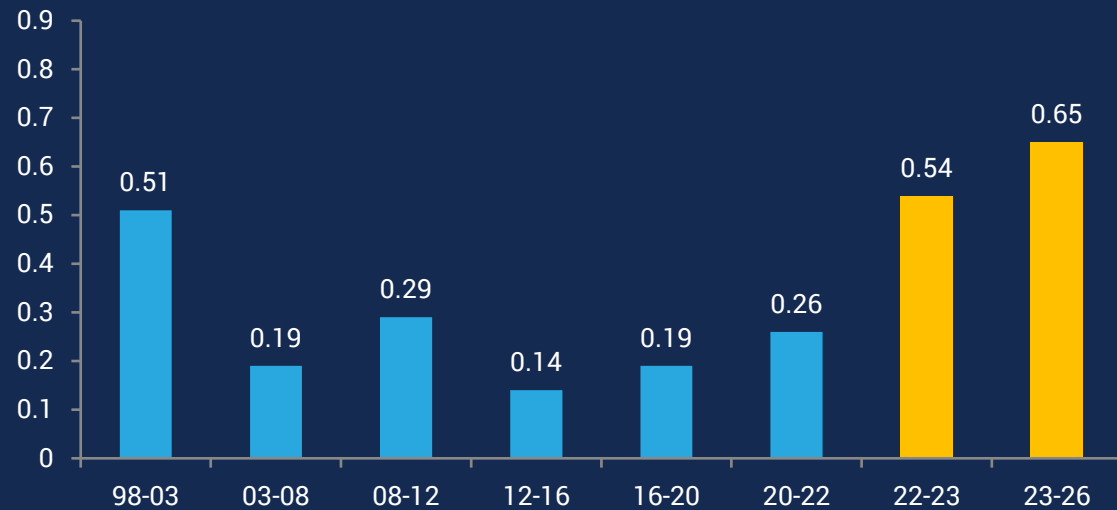


SA Equity – The gold engine

SA Equity link to gold is growing

SA equity correlation with gold, by era

Correlation of monthly returns, Apr 1998 – May 2026



SA equity correlation with gold, by era

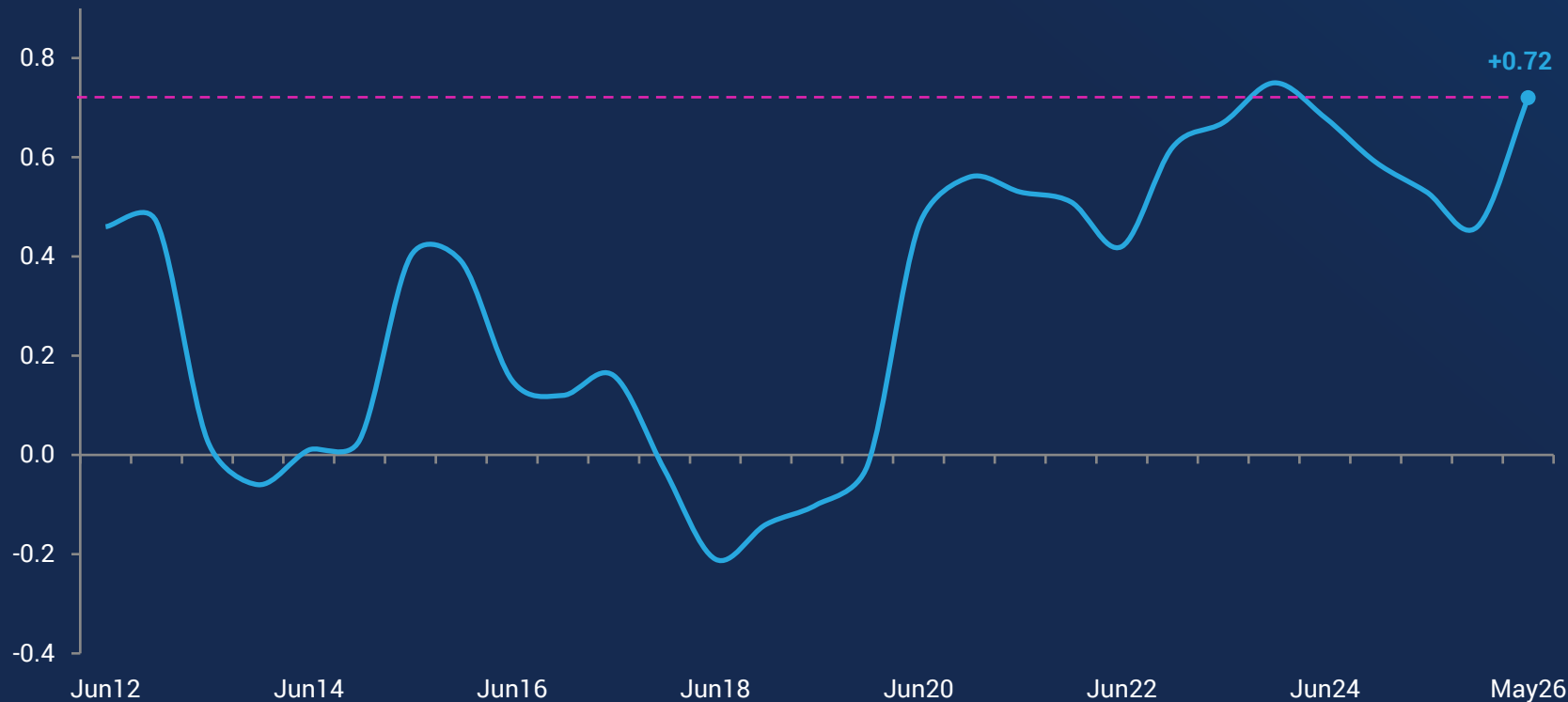
Correlation of monthly returns, Apr 1998 – May 2026



SA bonds **are not a cushion** for SA equity

Provided diversification during the 2010s, but not anymore as both share a link to precious metals

SA equity vs SA bonds – rolling 24-month correlation



2013 – 2019

~0.0

Diversified – bonds and equity moved independently.

Today

+0.72

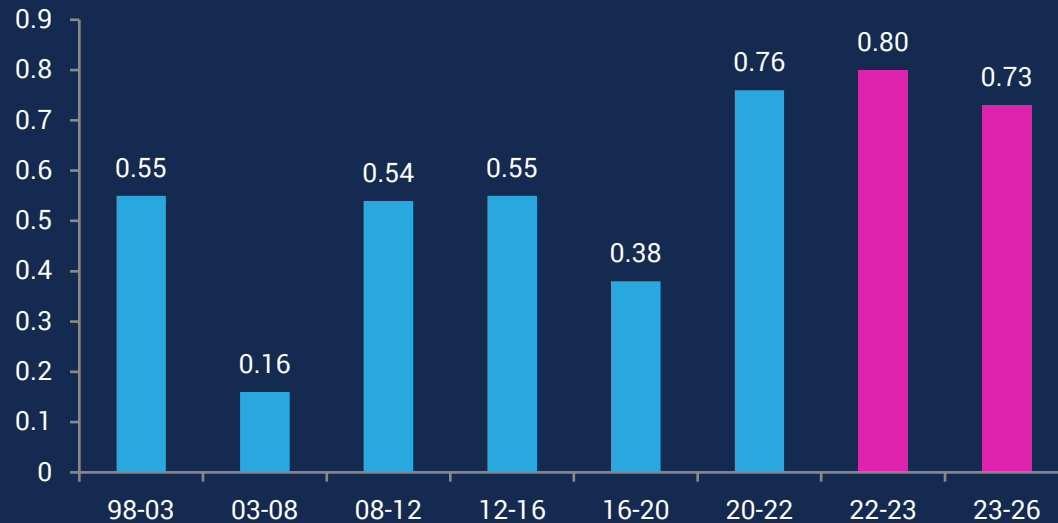
They now move together – the SA sleeve diversifies itself less than it used to.

DM Equity – a tech play since 2020

DM equity has been a structural tech play over time

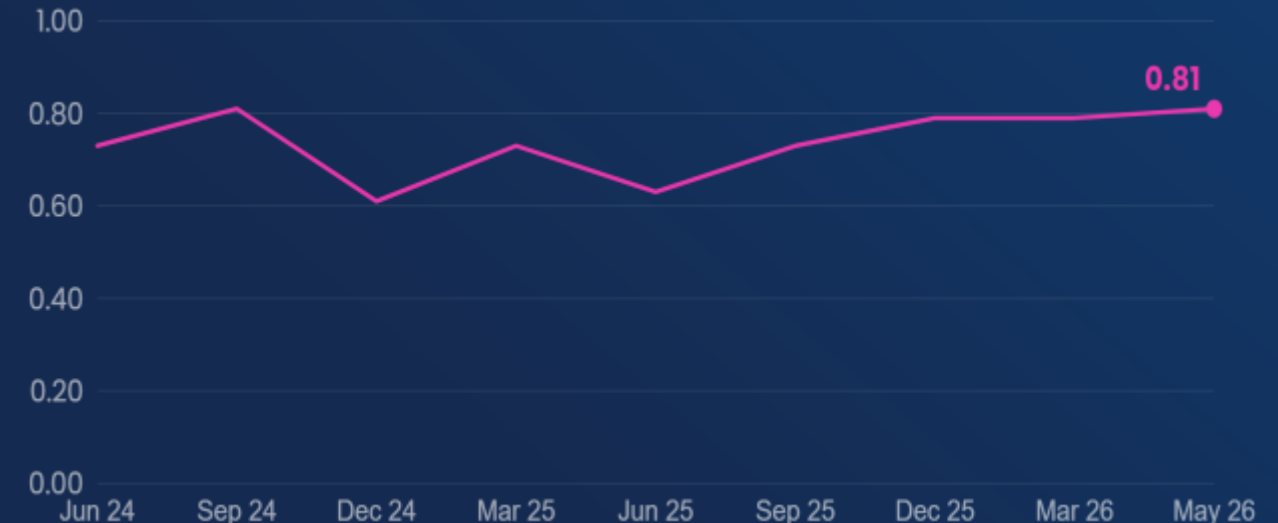
DM equity correlation with Nasdaq, by era

Correlation of monthly returns, Apr 1998 – May 2026



Last 12 months – consistently high

Rolling 12-month correlation

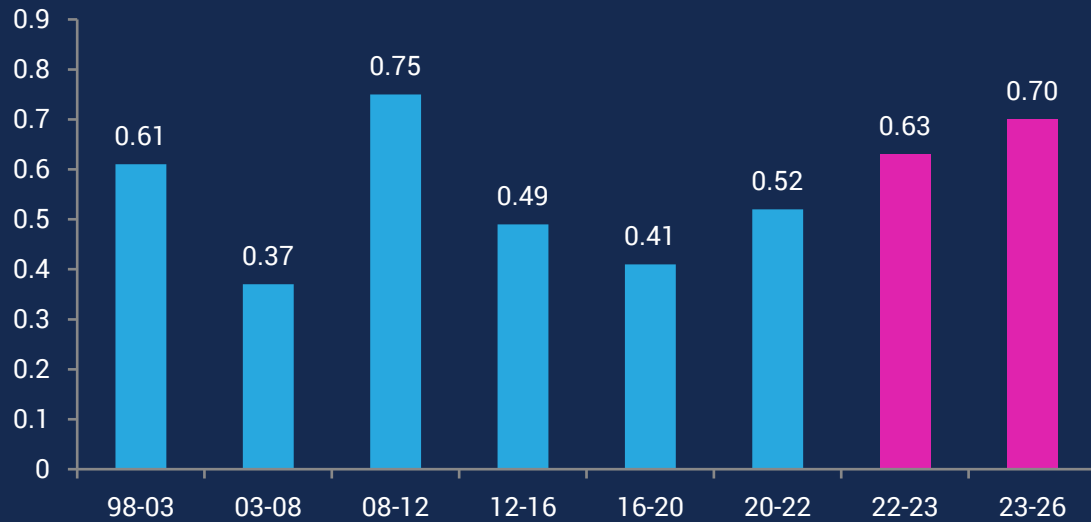


EM Equity is now an **AI beneficiary**

EM equity increasingly moves with global tech

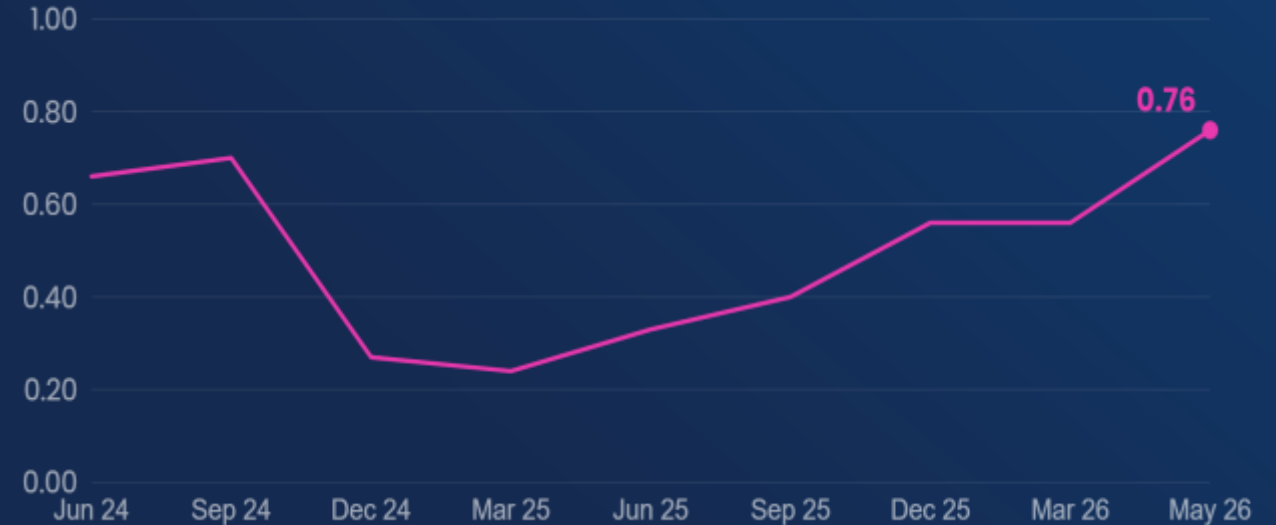
EM equity correlation with Nasdaq, by era

Correlation of monthly returns, Apr 1998 – May 2026



Last 12 months – surging

Rolling 12-month correlation

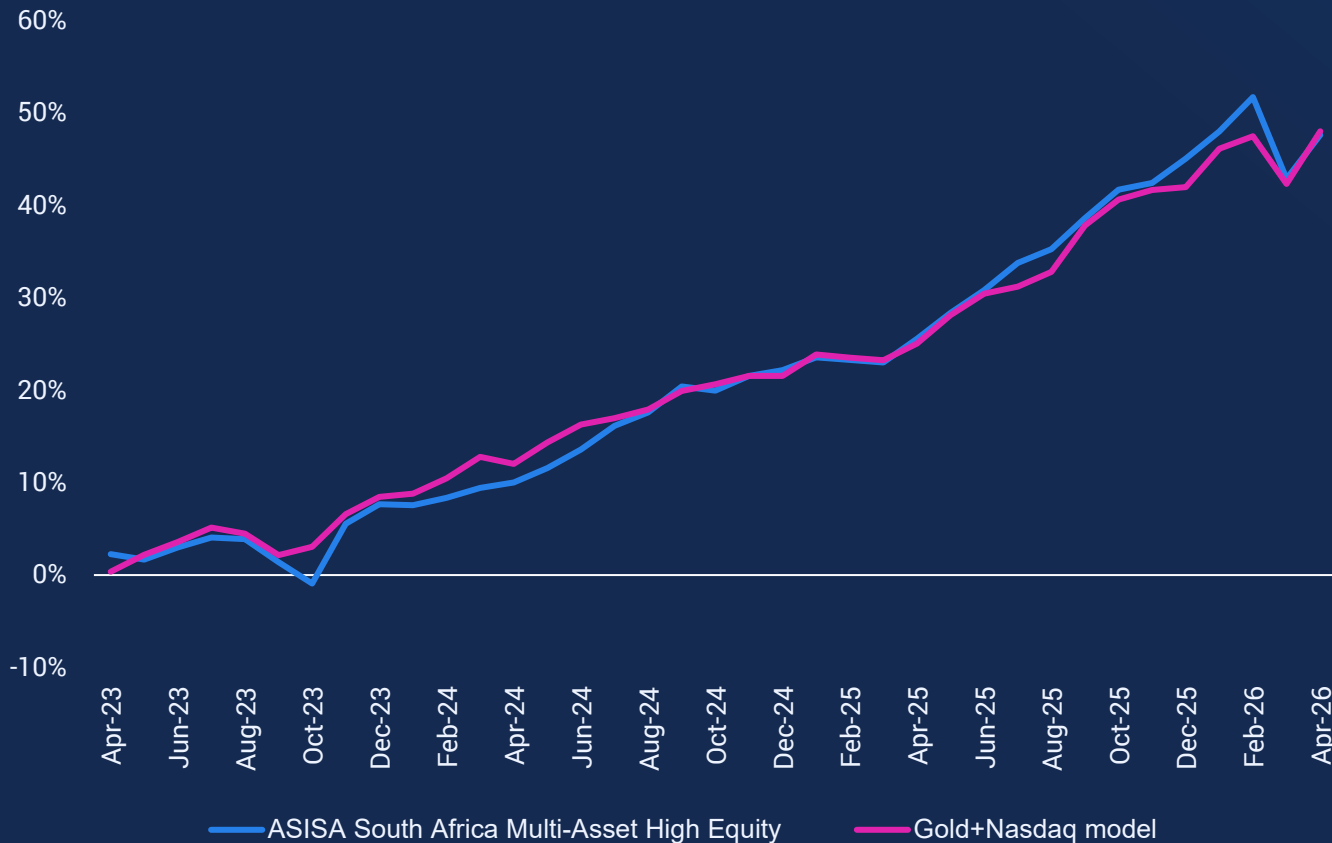


Two return engines

Two factors – gold and AI/tech track the high equity category average closely

SA High Equity Balanced fund vs simple Gold + Nasdaq model

Cumulative monthly return (%), Apr 2023 – Apr 2026



45% Gold

The SA Channel

55% NASDAQ

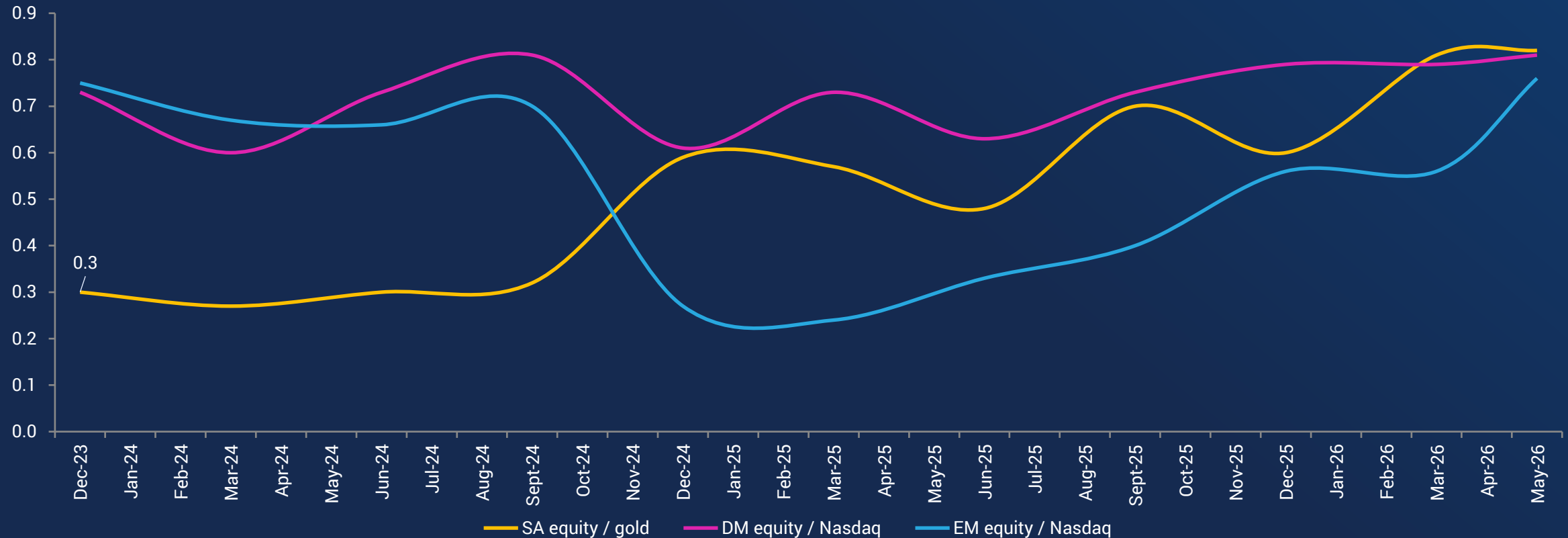
The Global Channel

The diagnostic explains **~60% of monthly moves**. The numbers are approximate. The direction is not.

Both channels elevated – and still intensifying

Diverse drivers all converging today

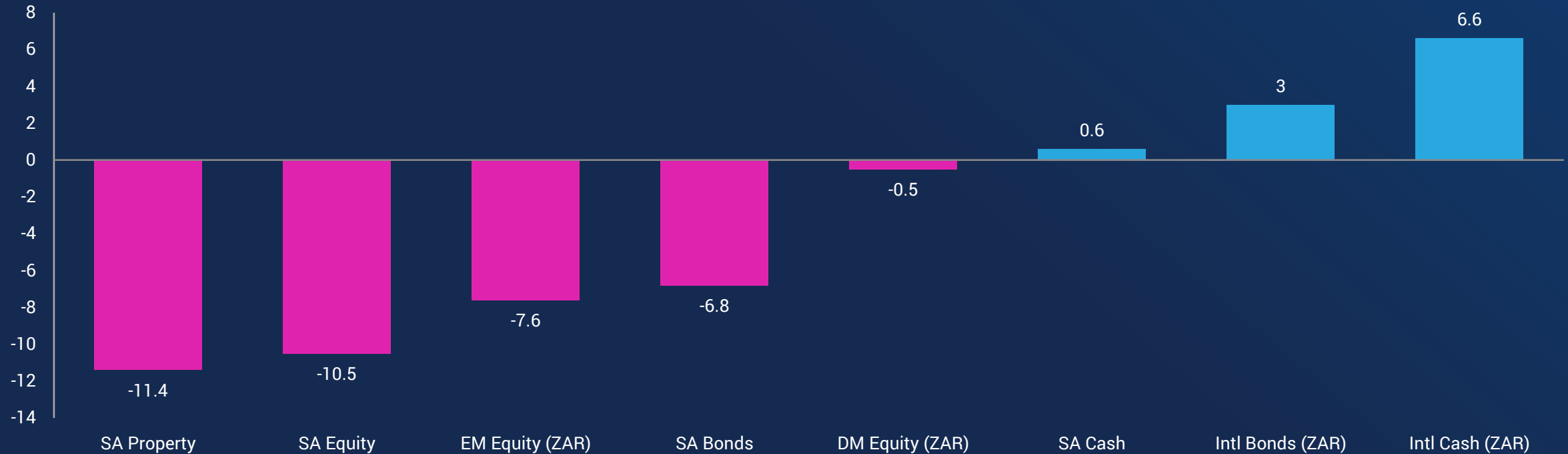
Rolling 12-month correlations



March tested **the gold channel**

Gold has started trading like a risk asset and March saw SA assets come under pressure

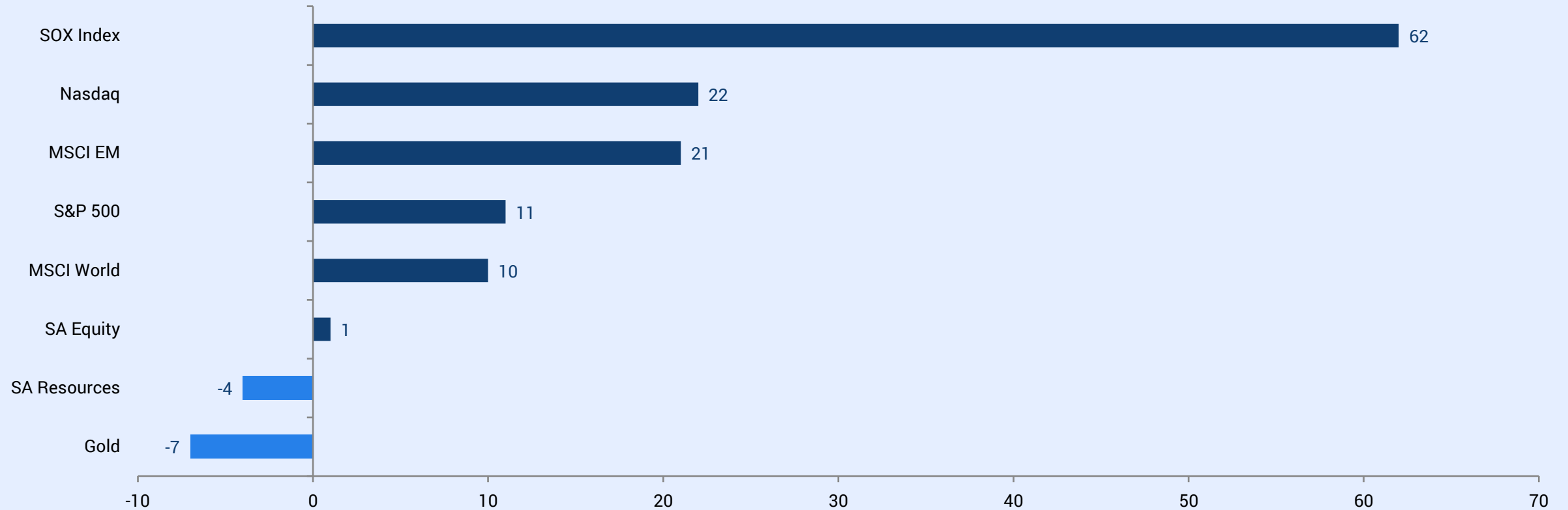
March 2026 asset class returns in Rand



The AI bet recovered. SA didn't.

Asset class returns over the rebound since March

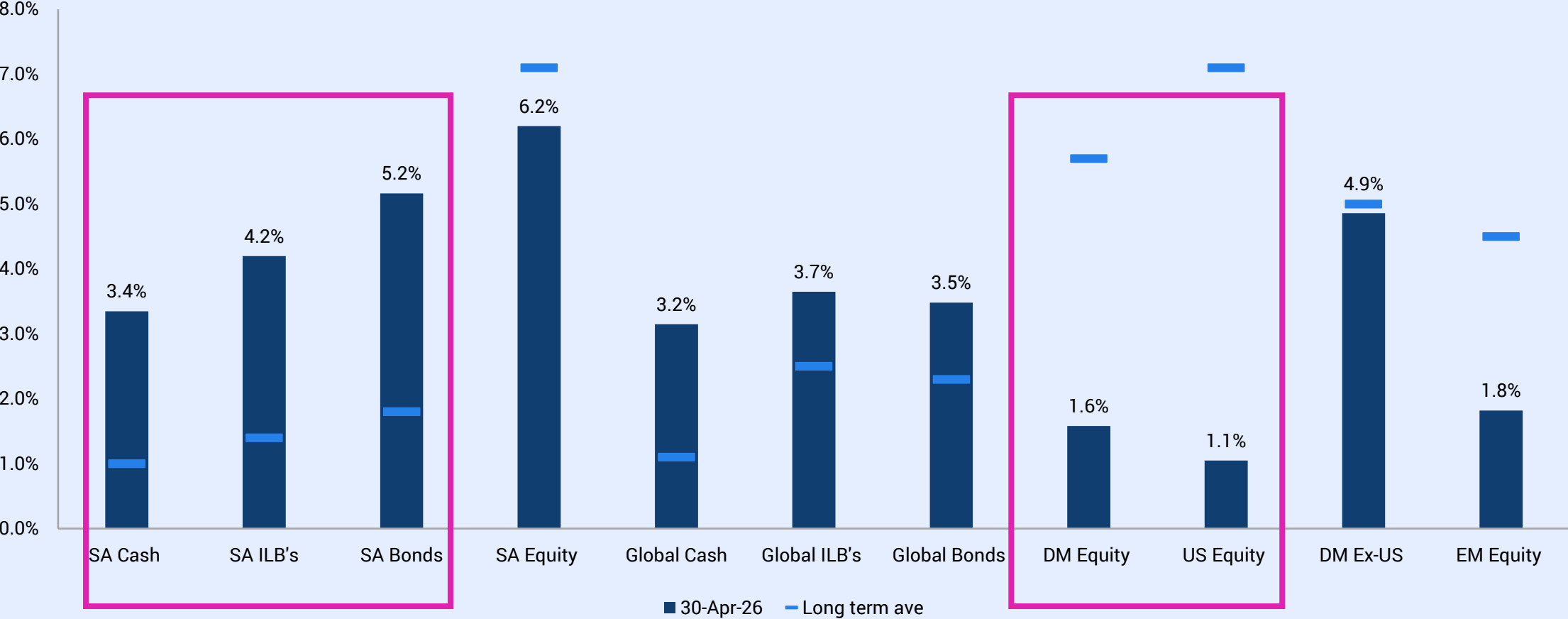
Total returns in ZAR 31 March 2026 to 31 May 2026



The compensation **has changed**

SA Bonds attractive, US Equities expensive

5-10 year expected real returns in Rands as at 30 April 2026



Source: 10X Investments, Bloomberg



Defensively positioned for where we paid

Portfolio remains defensively positioned

10X Your Future - 31 May 2026			
	Benchmark	Portfolio	Relative
SA Equity	35%	38%	+3%
SA Bonds	10%	7%	-3%
SA ILB's	5%	9%	+4%
SA Cash	5%	6%	+1%
DM Equity	31%	17%	-14%
EM Equity	4%	8%	+4%
Global Bonds	10%	11%	+1%
Global Cash	0%	4%	+4%

Growth Assets	70%	63%	-7%
Defensive Assets	30%	37%	+7%

Onshore Assets	55%	60%	+5%
Offshore Assets	45%	40%	-5%

Rand	60%	58%	-2%
Non-Rand	40%	42%	+2%



Overweight defensive assets

- Defensive assets attractive to fair value, offering real returns
- Growth assets fair value to expensive



Growth asset exposure

- Underweight global equity with diversification away from concentrated US mega-cap tech
- Overweight SA Equity, EM (China) and ex-US DM equity
- Downside protection via options where diversification is challenged



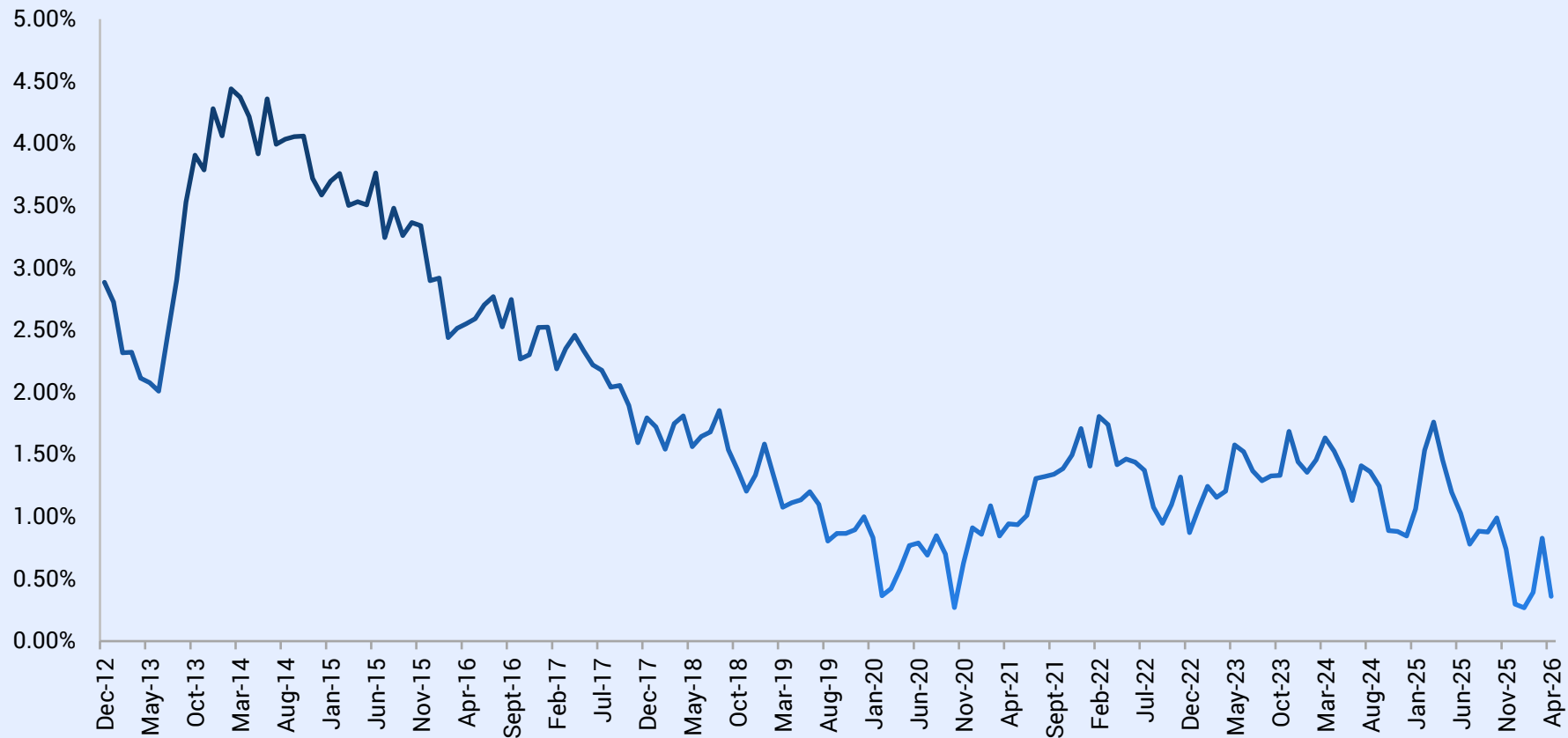
Defensive asset exposure

- Shorter-dated ILB exposure
- Overweight global ILBs as term premium returns into the asset class and real yields highest in 20 years

Consistency through the cycle

Rolling 5-year active return – 162 5-year periods of outperforming the peer group

10X Your Future vs ASISA SA MA High Equity. Always positive.



✓ Always positive

Every 5-year window

✳ Margin narrowing

Concentrated trades rewarded

✓ Still positive

Even at both channels' peaks

10X Multi-Asset Funds Range



LISP mgmt. fee:
0.25%+vat

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