

MARRIOTT
INVESTMENT MANAGERS

A MEMBER OF  **OLD MUTUAL** INVESTMENTS
Licensed Financial Services Provider

Intelligent Income

Lourens Coetzee

2026

**MEET + THE
Managers**



MARRIOTT

INVESTMENT MANAGERS

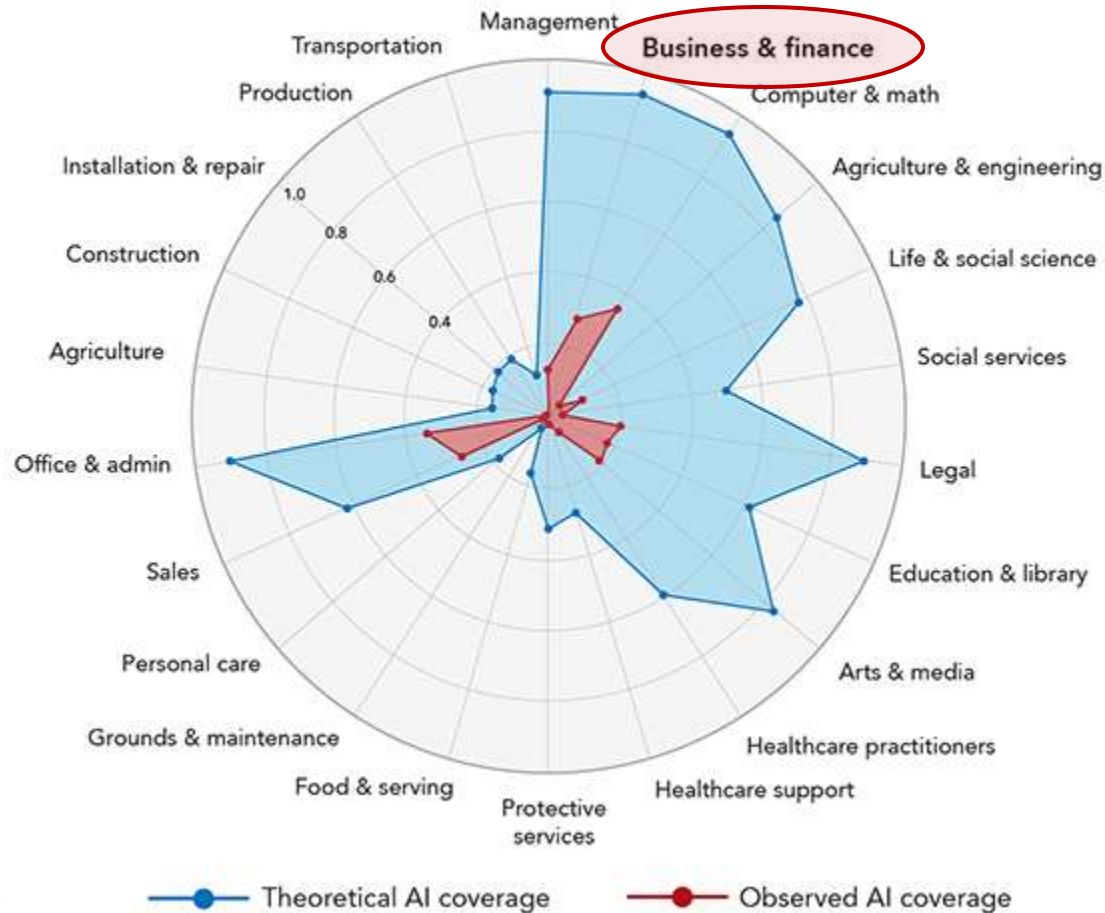
A MEMBER OF  **OLDMUTUAL** INVESTMENT GROUP



Intelligent Income

How Marriott is using AI to navigate tight markets and deliver more secure outcomes

Theoretical capability and observed usage by occupational category



Top 10 AI Agents

From

Mar 20

Claude

First release
Constitution

May 2026

Introducing Opus 4.8

Intelligence, honesty & reliability focus

	Opus 4.8	Opus 4.7	GPT-5.5	Gemini 3.1 Pro
Agentic coding SWE-Bench Pro	69.2%	64.3%	58.6%	54.2%
Agentic terminal coding Terminal-Bench 2.1	74.6%	66.1%	78.2%	70.3%
Multidisciplinary reasoning Humanity's Last Exam	49.8% no tools	46.9% no tools	41.4% no tools	44.4% no tools
	57.9% with tools	54.7% with tools	52.2% with tools	51.4% with tools
Agentic computer use OSWorld-Verified	83.4%	82.8%	78.7%	76.2%
Knowledge work GDPval-AA	1890	1753	1769	1314
Agentic financial analysis Finance Agent v2	53.9%	51.5%	51.8%	43.0%

COGNITIVE ARCHETYPE

AGI ARCHITECTURE

SYNTHETIC CONSCIOUSNESS



 Claude
MYTHOS

HYPER-INTELLIGENCE

NEURAL HARMONY

KNOWLEDGE NEXUS



- 
1. Credit Analysis
 2. Interest Rate Outlook
 3. South African Risk Analysis
 4. Strategic Positioning

How credit earns its score

AI does the heavy lifting; the framework keeps it honest.



Run on two engines

ChatGPT + Claude, cross-checked to catch hallucinations



STEP 1 · KILL-FLAG SCREEN

Fraud, governance failure, or a liquidity crisis stops the analysis immediately — no score is given.

STEP 2 · THE THREE GATES



GATE 1

Liquidity

Survival check

Can it survive a 12-month market freeze? Coverage below 1.0x fails.



GATE 2

Solvency

Quantitative score

Sector ratios, each with the maths and a red / amber / green verdict.



GATE 3

Break-Point

What would kill it

Stress to the breaking point, then measure the distance to it.



STEP 3 · THE QUALITATIVE VETO

Management, governance, moat & ESG

A “smoke detector” scans for warning signs — a CFO exit, an auditor change, related-party deals — and docks the score where it finds them.



STEP 4 · SCORE & RECOMMENDATION

50% Quant + 50% Qual → Final score / 10

The gatekeeper: if Quant is below 4.0 the final score is capped at 4.0 — strategy cannot fix insolvency.

8–10 Approve — Core

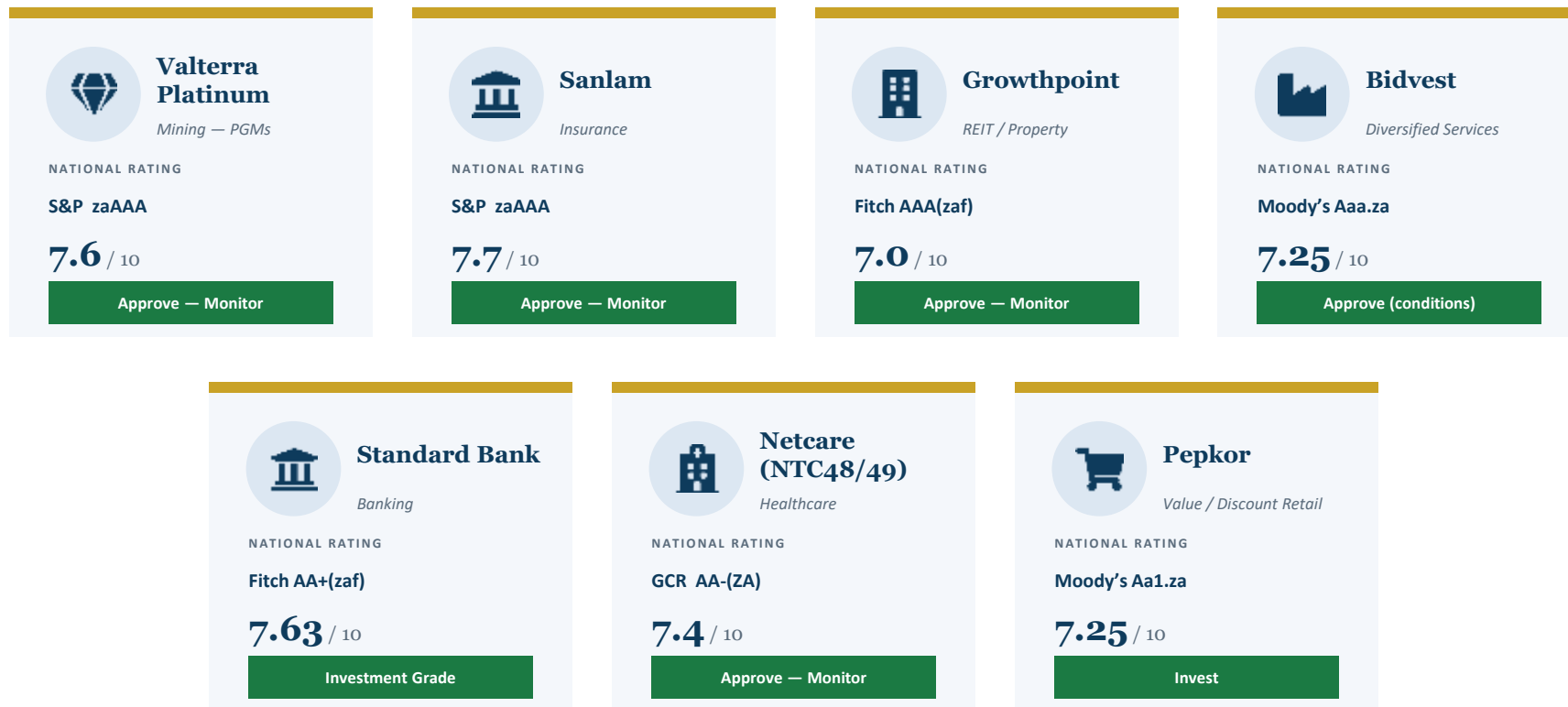
6–7.9 Approve — Monitor

4–5.9 Hold

2–3.9 Reduce

0–1.9 Reject

Seven issuers. Six sectors. One discipline.



National-scale ratings shown — relative standing within South Africa, not global default risk. Every issuer cleared all three gates; scores reflect the internal Marriott Fortress assessment, independent of the agency rating.

Bidvest — can it survive a market freeze?

LIQUIDITY COVERAGE = (CASH + COMMITTED FACILITIES) ÷ SHORT-TERM DEBT

R6.19bn

Cash & equivalents

+

R5.00bn

Committed facilities

R11.19bn available liquidity

R6.22bn

Short-term debt due

=

1.8x

Liquidity coverage

THE MATURITY-WALL CHECK

R6.22bn short-term + **R8.60bn** Eurobond

R14.82bn ÷ R39.09bn total debt = **38%**










Above the 20% threshold — a maturity wall is flagged for monitoring, not an automatic fail.

VERDICT: PASS




Coverage 1.8x, well above the 1.0x floor

Why this matters: Gate 1 is a survival test, not a scoring exercise. Bidvest passes — it could meet a year of obligations with no new funding — but the concentrated maturity wall is surfaced honestly and carried into the final recommendation as a condition. Operating cash flow of R14.7bn covers short-term debt 2.4x over.

Growthpoint — the quantitative score

Metric	Value	Math	Assessment
Group LTV	40.8%	60,356 / 147,798	 Adequate; 14pts below 55% covenant
SA LTV (incl GIP)	34.6%	disclosed	 Strong
Group ICR	2.7x	NPI / net finance	 Adequate; above 2.0x covenant; improving
SA ICR	3.2x	disclosed	 Strong; up from 2.9x
FFO growth	+16.8%	2,491 vs 2,132	 Strong
Distribution payout	87.5%	guided	 Adequate; retains ~12.5%
Occupancy	92.5%	100% – 7.5% vacancy	 Adequate; improving
% debt fixed (SA)	73.6%	disclosed	 Limits interest-rate sensitivity
Cost-to-income	44.9%	3,471 / 7,730	 Efficient

HOW THE LIGHTS ADD UP

-  **6** Green — strong
-  **4** Amber — adequate
-  **0** Red — weak

QUANTITATIVE SCORE

6.5 / 10

No tripwire breached; amber on LTV, ICR and payout keeps it adequate rather than strong.

Why this matters: every ratio is shown with its maths and a red / amber / green light against a sector benchmark — nothing is asserted. The amber cluster (LTV, ICR, payout) is exactly why Growthpoint scores a defensible 6.5, not an inflated 8.

Pepkor — what would it take to break it?

We don't apply a generic stress — we hunt for the break. How far must earnings fall before Pepkor trips a debt covenant?

Covenant	Limit	Current	Break-point
Net Debt / EBITDA	< 3.0x	0.77x	EBITDA would have to fall 74% (or debt rise 4x)
Interest Cover	> 3.5x	7.28x	EBIT would have to fall 52% to breach

AND UNDER REAL SCENARIOS

Mild — consumer slowdown	-5% rev	ICR ~5.5x	No breach
Severe — SA recession + ZAR	-15% rev	ICR ~3.9x	Approaching, no breach
Extreme — systemic collapse	-25% rev	ICR ~2.4x	ICR breach possible

Why this matters: Gate 3 asks the question a ratings table never does — not 'is it healthy?' but 'what would actually kill it?' For Pepkor the covenant only trips if earnings roughly halve, so the honest verdict is robust. Quantifying that distance is what turns a gut feel into a defensible call.



THE BREAK-POINT

-52%

EBIT before the first covenant trips

Earnings would have to halve before interest cover breaches — and even a 25% revenue collapse keeps leverage under the 3.0x limit. A R63bn equity buffer absorbs the rest.

Sanlam — all three gates to a recommendation

GATE 1
Liquidity

PASS · wall flag

R11.9bn cash + short-term investments cover near-term term finance 2.0x. Front-loaded maturity flagged; asset-matched.

GATE 2
Solvency

QUANT 7.5 / 10

Group economic solvency 183%, inside the 150–190% target. Capital is 91% Tier 1; Tier 1 alone covers the SCR ~1.5x.

GATE 3
Break-Point

FORTRESS

Under a severe combined shock cover still holds at 169%. A breach needs ~4.8x that shock — implausible.

50% Quant **7.5** + 50% Qual **7.8** → Final **7.7 / 10**

Gatekeeper: Quant 7.5 is well above 4.0, so no cap applies. A fortress balance sheet backed by an S&P zaAAA rating; the one watch item is the year-on-year solvency trend, not the level.

8–10 Approve — Core

6–7.9 Approve — Monitor

4–5.9 Hold

2–3.9 Reduce

0–1.9 Reject

The point: three gates, each shown with its own maths and verdict, combine into one defensible score and a clear action — APPROVE. Every figure is cross-checked across two AI engines before it reaches this slide.

1. Credit Analysis - Improving our process

No Credit Concerns

Marriott Core Income Fund Exposures to higher risk credit instruments													
Debt	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxi Industry Linked Debt	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
African Bank	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Land Bank	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Enable Capital	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SOE Debt (non-Government Guaranteed)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Subordinated (jnr) Debt AT1 banks debt	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tier 2 bank debt	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Non-investment grade credit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Instruments that defaulted (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

2. Interest Rate Outlook

WHAT THE ANALYSIS DOES

- Reads the last three Reserve Bank statements
- Tracks how the Bank's language is changing
- Identifies where rates are headed next
- Estimates the odds of the next decision
- Flags the early warning signs to watch

Five MPC analyses completed
South African Reserve Bank | September 2023 – May 2024

Market MPC Capsule
8 May 2024

5 ANALYSES

Reserve Bank statements reworded and flagged for language drift, the rate path and early warnings.

Executive summary

Language drift analysis

Next decision probability

Tripwires & early warning signs

Market MPC Capsule | Investment Committee Deliberation

The big picture

The South African interest rate cycle has turned.

On 28 May 2026, the Reserve Bank raised its policy rate by 0.25% to 7.00% — the first hike in three years.

HOW WE GOT HERE

Three meetings, three different tones

29 JAN 2026

COMFORTABLE

HOLD at 6.75%

Vote: **4-2** (2 wanted a CUT)

Inflation low; talking about easing

26 MAR 2026

CONCERNED

HOLD at 6.75%

Vote: **6-0** (unanimous)

Iran war hits; caution sets in

28 MAY 2026

DEFENSIVE

HIKE to 7.00%

Vote: **4-2** (2 wanted a HOLD)

Pre-emptive action taken

KEY TAKEAWAYS

1 The easing cycle is over

Rate cuts are off the table for at least the next 12 months. The Reserve Bank is now defending against inflation, not supporting growth.

2 A second hike is plausible — not certain

The Bank's own model contemplates one more 0.25% hike this quarter, taking the rate to 7.25%. The July meeting is genuinely live.

3 Inflation expectations are the issue

The Bank acted pre-emptively to protect its new 3% target. The June inflation survey is the single biggest signal to watch.

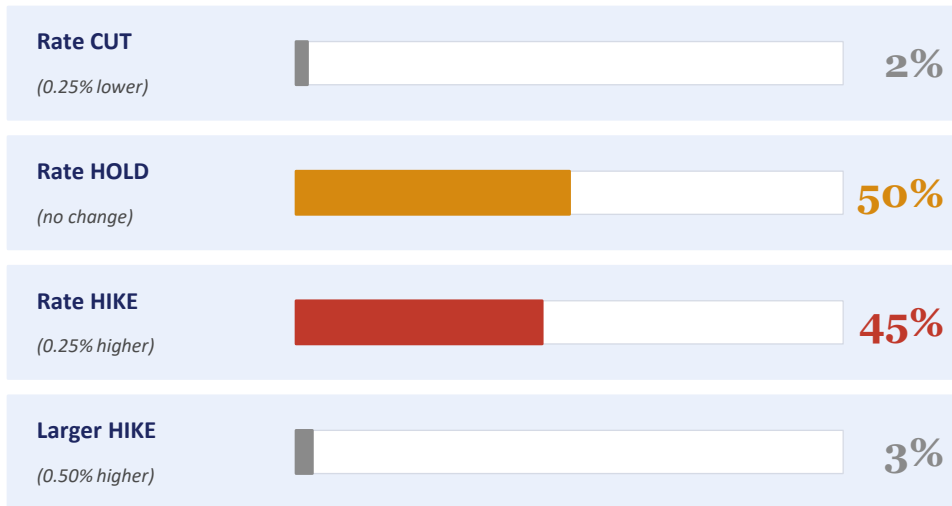
4 Path is data-dependent

The Bank voted 4-2 to hike and explicitly rejected a larger move. The next decision is genuinely live — neither a hold nor a hike is pre-committed.

What happens next

NEXT MEETING — 30 JULY 2026

Probability of each outcome



12-MONTH OUTLOOK

Where rates are likely to be

CENTRAL CASE

7.25%

One more 0.25% hike to a peak of 7.25%, then rates held steady well into 2027. No cuts inside the next year.

REASONABLE RANGE

If shocks fade

6.75%

One cut by year-end (low probability)

If shocks deepen

7.75%

Three hikes under worst-case scenario

WATCH THIS

The June inflation expectations survey is the single biggest signal between now and the July meeting. If it rises sharply, a hike becomes near-certain.

CYCLE SIGNAL: The easing cycle is over. The Reserve Bank has begun tightening to defend its new 3% inflation target — the path from here depends on the data, not a pre-set plan.

The risk that moves SA most right now is external: Iran / oil.

SIGNAL
ELEVATED

Direction STABLE · Expected 12m +9 bps · Tail @ND 2.20 ~49 bps

#1 · DOMINANT RISK

Iran / Oil / Hormuz

The single external shock that transmits straight to SA bond yields.



Brent

Below the v6.2 level, but Hormuz risk is unresolved

Why it dominates

Direct line into fuel → CPI → SARB → yields

Tail cost

Up to +150–220 bps on 10Y in the severe scenario

ACTIVE NOW — DOMESTIC *the inflation / SARB channel keeping the signal Elevated*

2 Inflation / SARB hike channel is live

Headline CPI 4.0%, core 3.6%; SARB hiked +25 bp to 7.00%. Rules out a clean low-risk call.

3 Breakevens are the cleanest forward signal

5Y breakeven 4.19%, still above the ~4.0% ceiling. Below 4.0% confirms calm; above 4.6% flags de-anchoring.

OFFSETS — WHAT'S HELPING *support that softens the signal but doesn't remove it*

1 Moody's positive outlook (fiscal offset)

Outlook to positive, Ba2 affirmed — first since 2007. SA the only G20 sovereign on a positive Moody's outlook.

4 Market pricing has improved

10Y ~8.66%, USDZAR 16.30, 5Y CDS 128.5 bps — all better than v6.2, with a fiscal-credibility component.

ON THE RADAR — WATCH *lower-probability calendar and political tails*

5 GNU & fiscal calendar

Appropriation Bill (23 Jun), LGE and coalition friction remain despite a modestly better GNU outlook.

6 US–SA relations tail

Section 122 (~24 Jul) and AGOA Dec 2026 review unresolved; G20 and tariff exposure persist.

Scenario Matrix — Iran / Oil / SARB Channel

Five scenarios spanning constructive resolution to combined regime breach. Probabilities sum to 100%. Yield/FX/CDS ranges anchored to historical base rates (Nenegate, COVID, GNU formation). Bold row = BASE.

TAIL COST (D + E)

~49 bps

at ND 2.20 · Expected 12m: +9 bps

Scenario	Prob	10Y bps	10Y range	USDZAR	CDS	Conf
A Resolution + disinflation / reform credibility <i>Iran/Hormuz improves; Brent \$80–90; CPI confirms limited second-round effects; Moody's positive outlook reinforced by incoming fiscal data.</i>	23%	-40 to -70	7.96–8.26%	15.60–16.10	-20 to -40	M
B Slow resolution + priced policy path (BASE) <i>Oil \$90–100; CPI ~4%; SARB 25 bp delivered; one further hike optional; ratings momentum supportive of SAGBs.</i>	40%	-10 to +10	8.56–8.76%	16.10–16.70	±10	M-H
C Sticky inflation + bounded SARB response <i>May/June CPI confirms fuel pass-through; SARB hikes again but growth cap limits terminal rate.</i>	20%	+10 to +35	8.76–9.01%	16.80–17.40	+20 to +40	M
D Escalation / hawkish surprise <i>Hormuz deteriorates; Brent >\$115; SARB signals sustained tightening; 5Y breakeven re-anchors above 4.6%.</i>	12%	+50 to +90	9.16–9.56%	17.40–18.50	+60 to +100	M-L
E Combined regime breach <i>Wage-price spiral + ZAR shock + fiscal slippage + ratings/AGOA shock occur simultaneously.</i>	5%	+150 to +220	10.16–10.86%	18.50–21.00+	+150 to +250	L

Confidence: H high · M medium · L low. Iran/oil channel transmits to SA via fuel → CPI → breakevens → SARB → SAGB yields. CDS impacts mirror 10Y directionally and are not additive to yield impact for portfolio calculations.

A person's hands are shown typing on a laptop. The scene is overlaid with a futuristic digital interface. A large, glowing circular graphic with a central chip-like pattern is prominent. Various icons representing technology, AI, and business are scattered around, including a lightbulb, a gear, a globe, and a brain. Vertical lines of blue light connect the bottom of the screen to the text area. The overall aesthetic is high-tech and professional.

Critically Investment Professionals make all decisions while using AI as a partner and a sounding board.

South African Government Bond Yield (10yr)

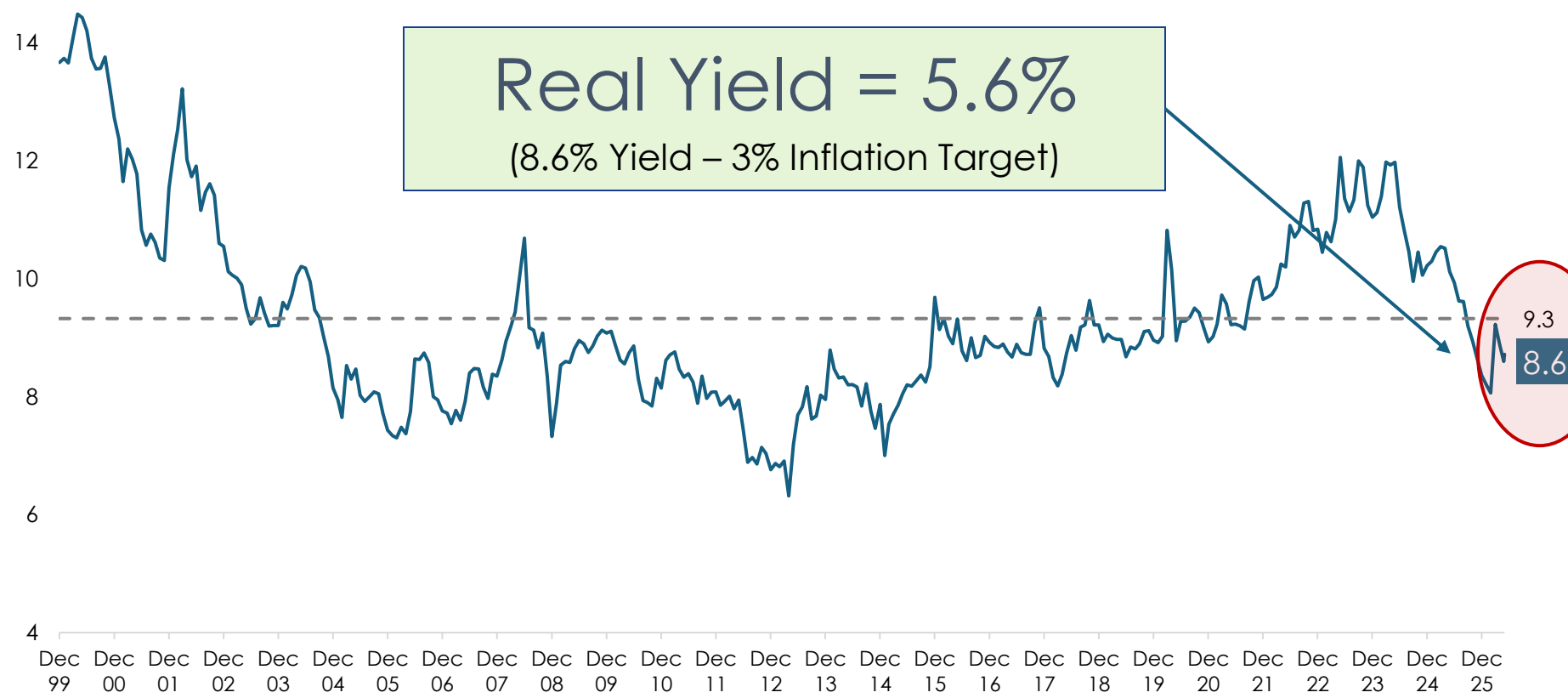
16
14
12
10
8
6
4

Real Yield = 5.6%
(8.6% Yield – 3% Inflation Target)

Dec 99 Dec 00 Dec 01 Dec 02 Dec 03 Dec 04 Dec 05 Dec 06 Dec 07 Dec 08 Dec 09 Dec 10 Dec 11 Dec 12 Dec 13 Dec 14 Dec 15 Dec 16 Dec 17 Dec 18 Dec 19 Dec 20 Dec 21 Dec 22 Dec 23 Dec 24 Dec 25

— SA Government Bond Yield (10yr) - - - Average

9.3
8.6



South African Government Bond Yield (10yr)

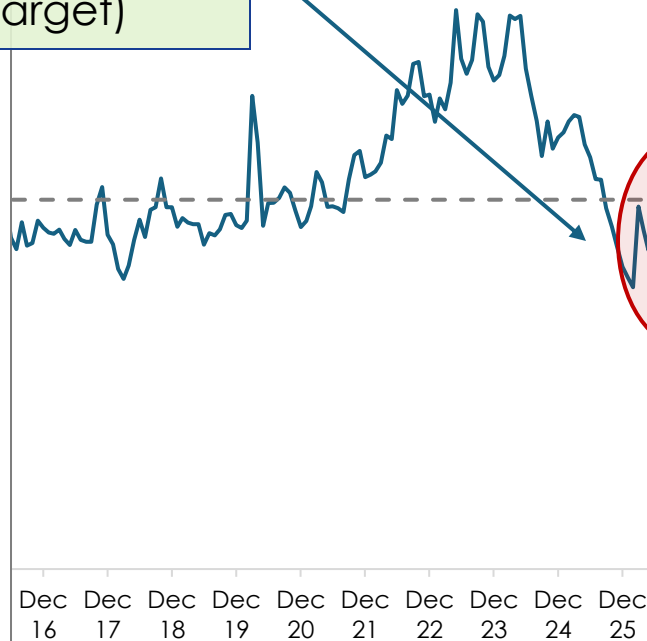
South Africa officially has a new inflation target

Real Yield = 5.6%

(8.6% Yield – 3% Inflation Target)



South Africa will have an official new inflation target of 3% following repeated calls from the South African Reserve Bank (SARB).



— SA Government Bond Yield (10yr)

- - - Average

South African Government Bond Yield (10yr)

16

14

12

10

8

6

4

Real Yield = 5.6%

(8.6% Yield – 3% Inflation Target)

9.3

8.6

GNU remains stable

Higher Resource Prices

No more loadshedding

Off the Grey List

Improved Credit Outlook

Inflation Target = 3%



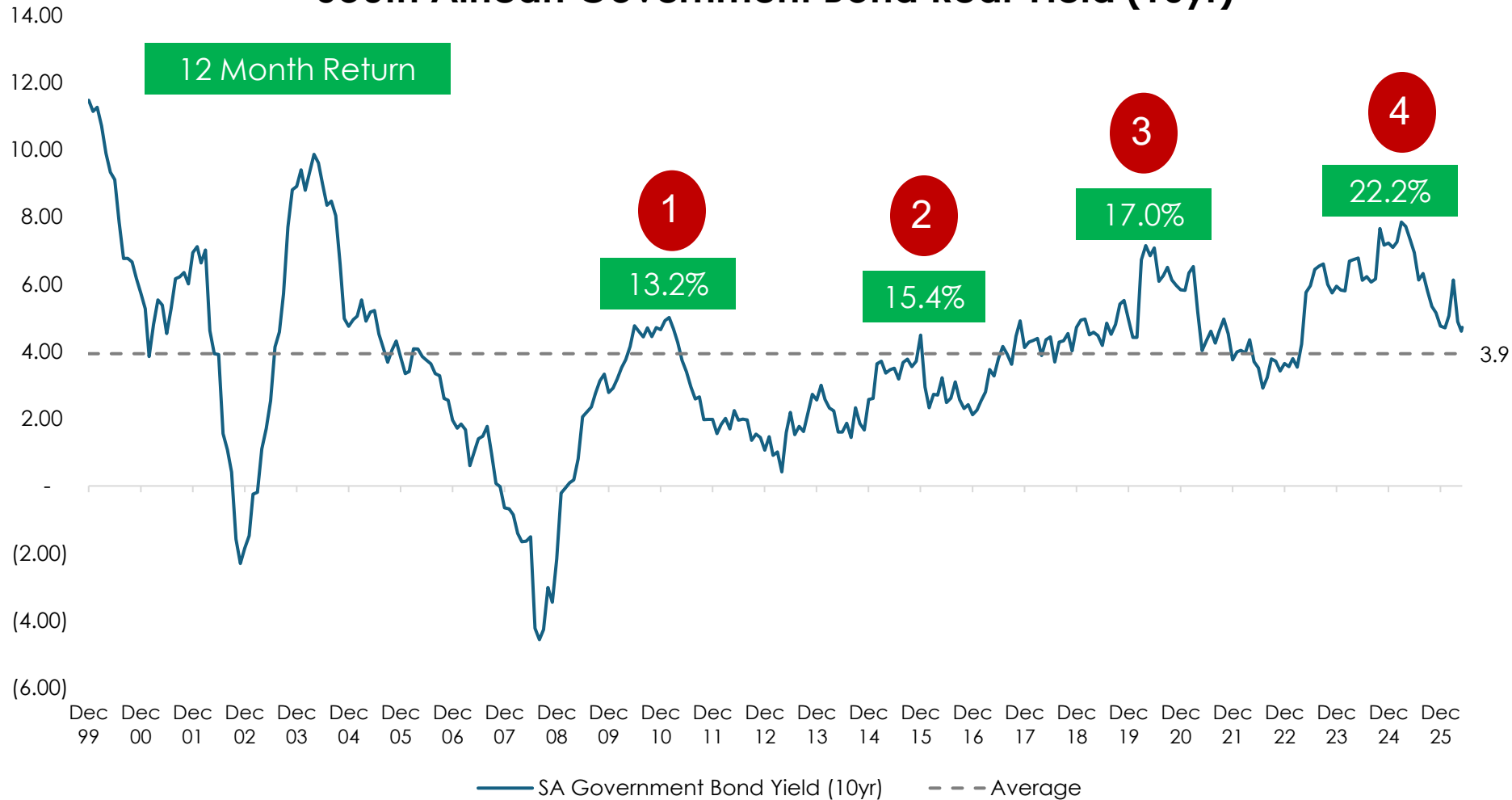
Dec 99 Dec 00 Dec 01

Dec 24 Dec 25

— SA Government Bond Yield (10yr)

- - - Average

South African Government Bond Real Yield (10yr)



Global economic outlook weakens amid energy shock and rising inflationary pressures

The evolving conflict in the Middle East has become the dominant force shaping global economic prospects, prompting an energy shock that is driving inflationary pressures and is projected to have adverse impacts on growth.

Explore the digital report 

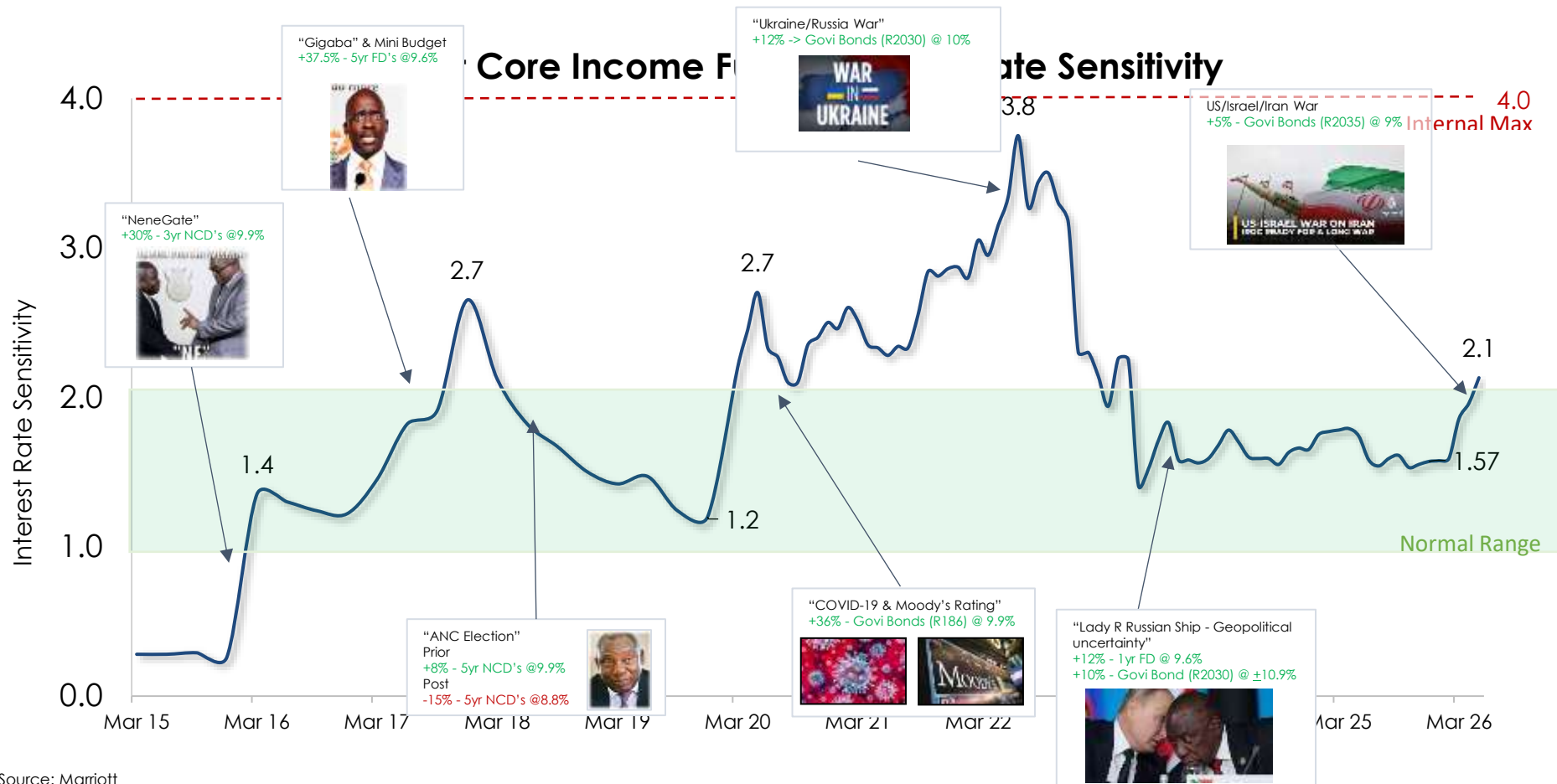
Slower growth will ultimately mean lower interest rates



South African Government Bond Real Yield (10yr)



Active Duration Management

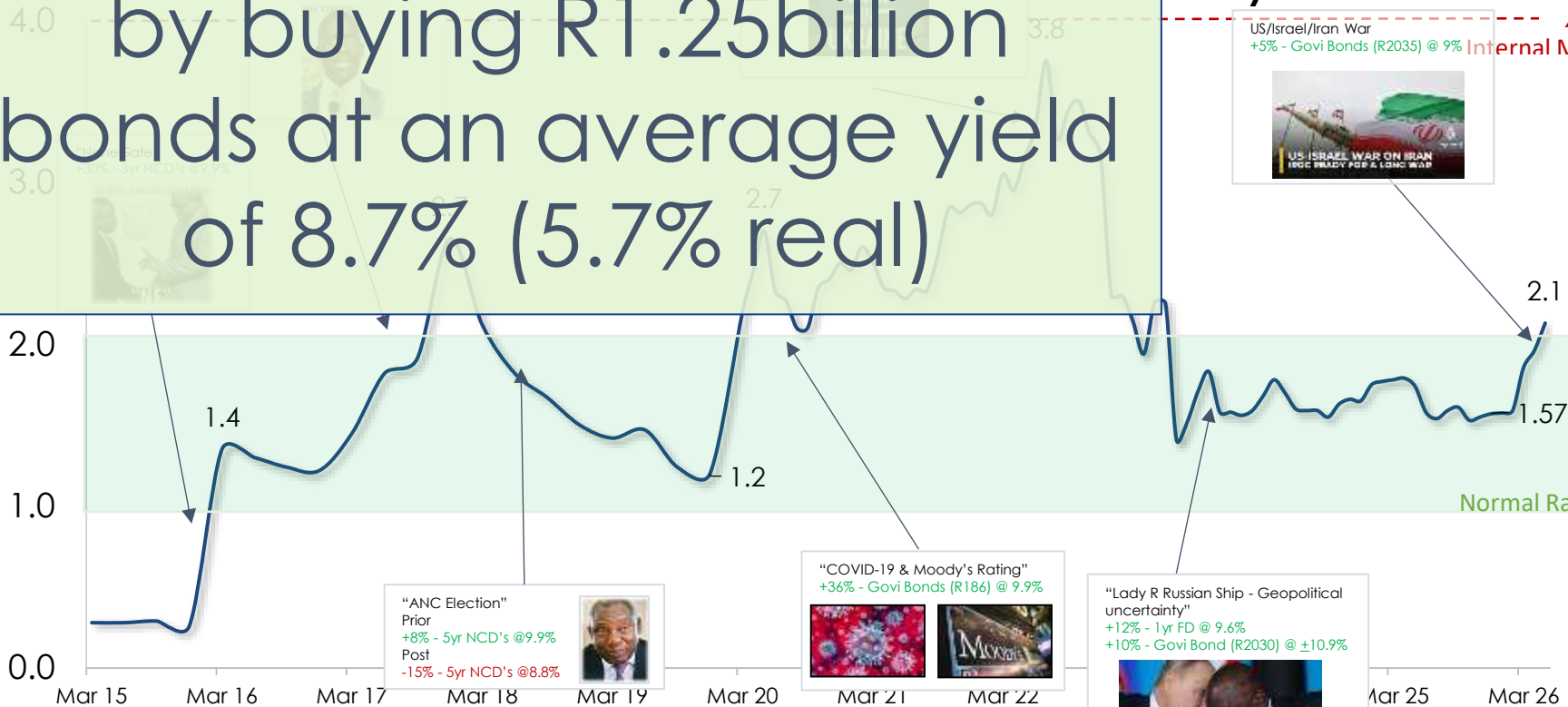


Source: Marriott

Active Duration Management

Increased Duration to 2.2 by buying R1.25billion bonds at an average yield of 8.7% (5.7% real)

Interest Rate Sensitivity



Sensitivity

4.0

Normal Range

AI

AI range for the strategic positioning for duration is between 1.9 - 2.3 ✓

Marriott Core Income Funds

Annualised Total Return (31 May 2026)

Instruments	1yr	3yrs	5yrs	7 yrs	10 yrs
Marriott Core Income Fund Class C	11.8%	11.9%	9.3%	9.0%	8.9%
SA Multi Asset Income Sector Average	11.2%	10.8%	8.8%	8.1%	8.0%
SA Interest Bearing Money Market Sector Average	7.5%	8.1%	6.7%	6.6%	6.8%
Inflation (CPI)	4.0%	4.1%	5.0%	4.6%	4.6%

Thank You





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2026

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Managers

