



S&P 500
5,304.72
▼ -402.11 -7.06%

AMZN 150.50 ▼ -2.30%
GOOG 505.09 ▼ -12.73 -2.50%
META 180.74 ▼ -9.61 -5.04%
TSLA 412.85 ▼ -2.27%
BRK.B

GLOBAL
MARKETS

EUROPE
-2.91%

ASIA
-2.46%

HONG KONG
-3.24%

TOKYO
-2.62%

Don't panic

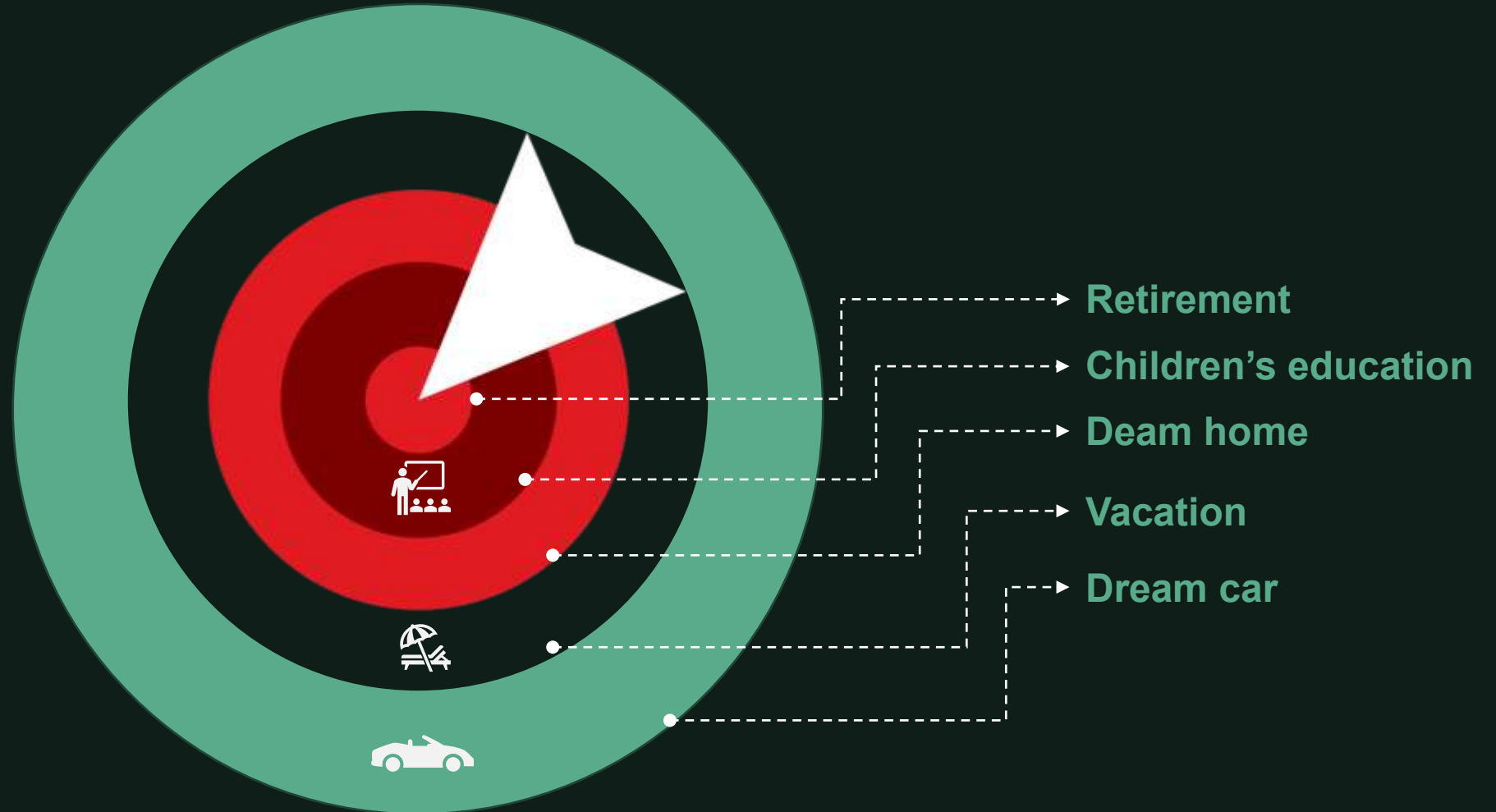
Portfolio management
in crisis times

equilibrium

Outcome-based investing

Begin with the end in mind

equilibrium



Outcome-based investing

A client-centric approach to defining the outcome

equilibrium

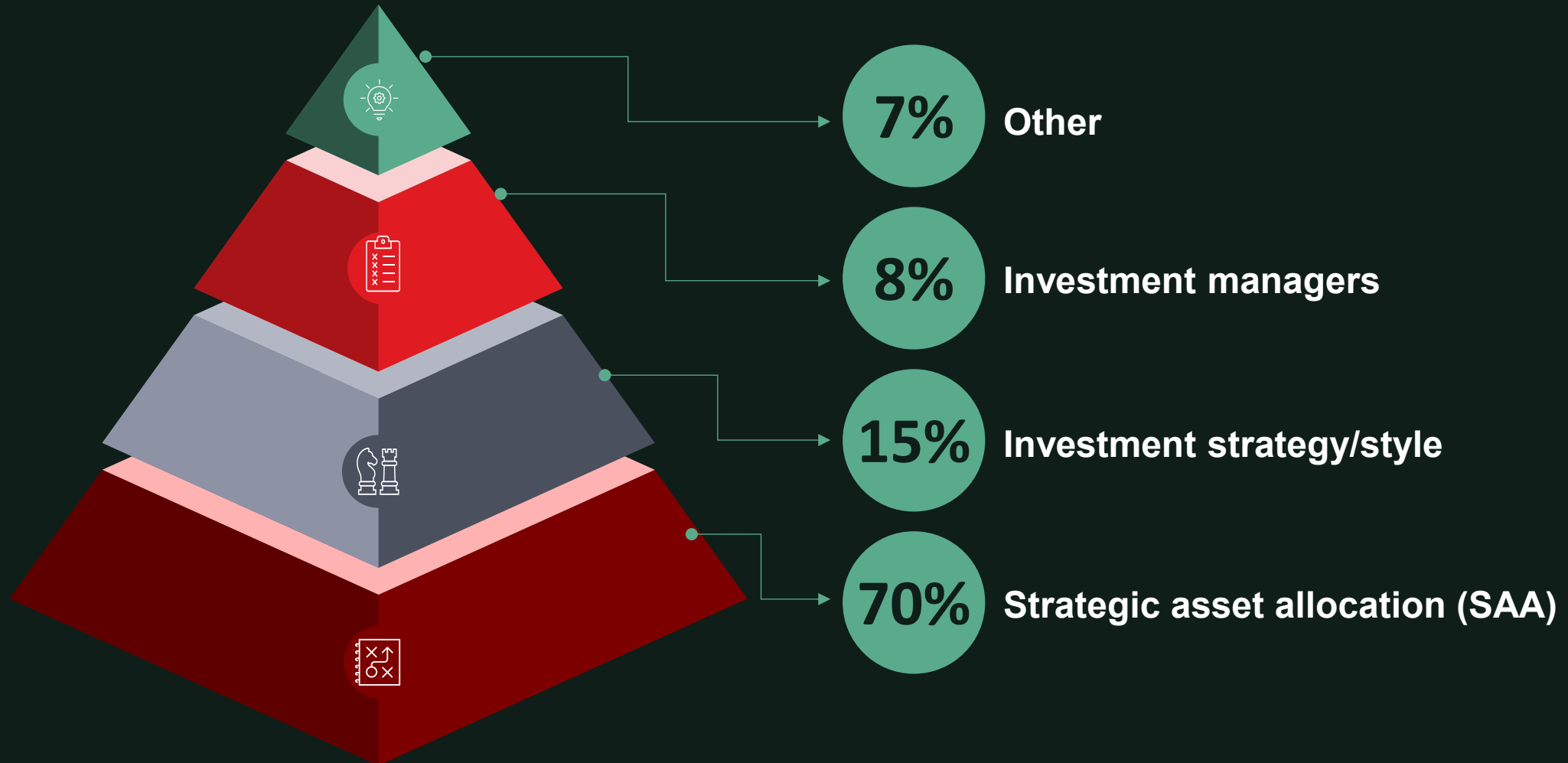


Goal is a function of time horizon, risk appetite and market opportunity set

Fix the **time** frame and the **risk** budget

As a consequence: Establish a range of reasonable expected outcomes within a range of acceptable probabilities, which change as market conditions change

What drives outcome delivery?



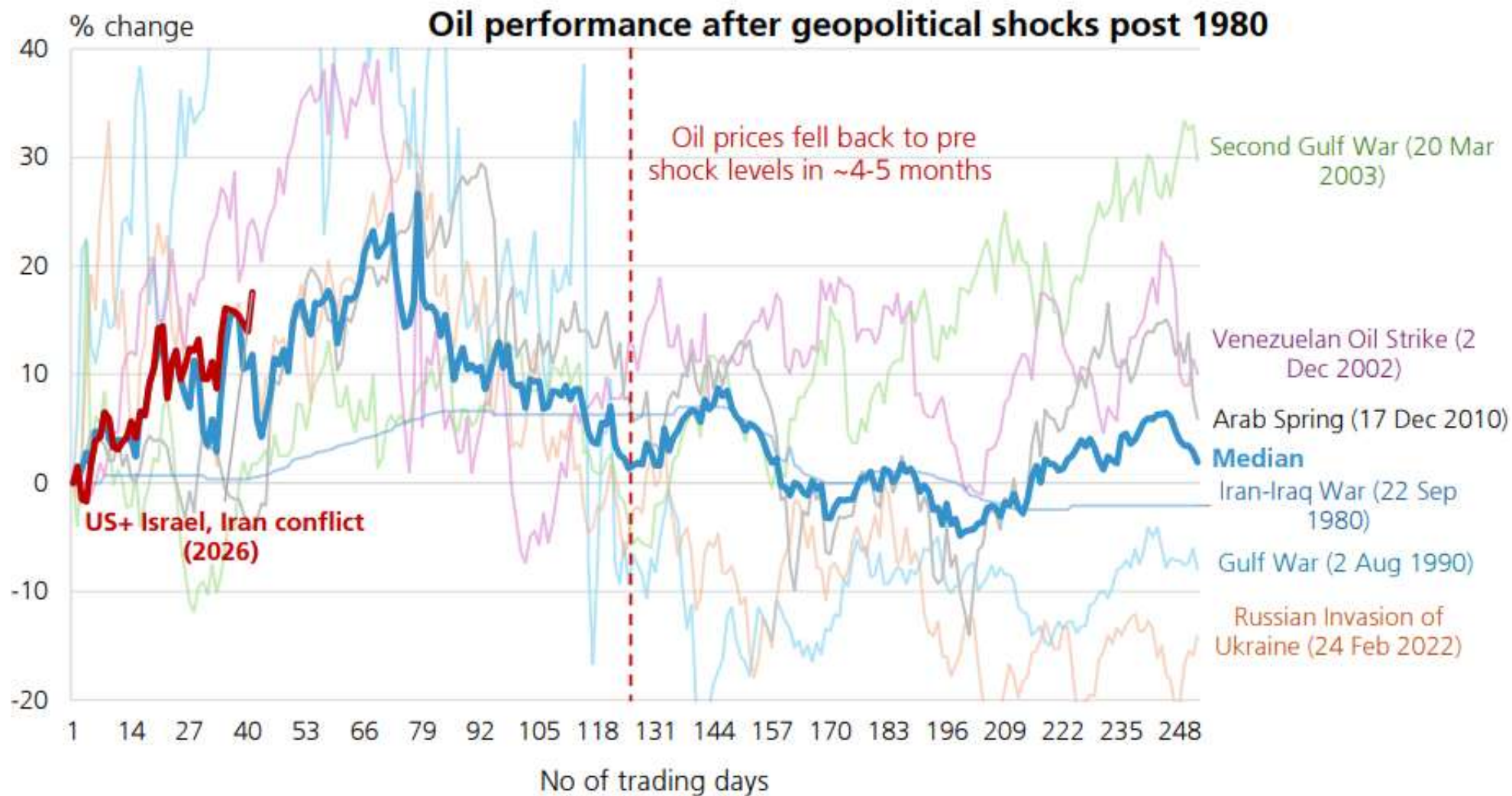
The background is a dark, composite image of a financial market scene at night. It features a large red circle in the center, a teal triangle at the bottom, and a silhouette of a person in the bottom right. The background includes a city street with 'WALL ST' and 'BROAD ST' signs, and several digital displays showing stock market data. The displays include NASDAQ, S&P 500, NYSE, and a list of individual stocks like AAPL, MSFT, NVDA, AMZN, GOOG, META, TSLA, and BRK.B. The text 'This time is different' is centered in the red circle.

**This time is
different**

equilibrium

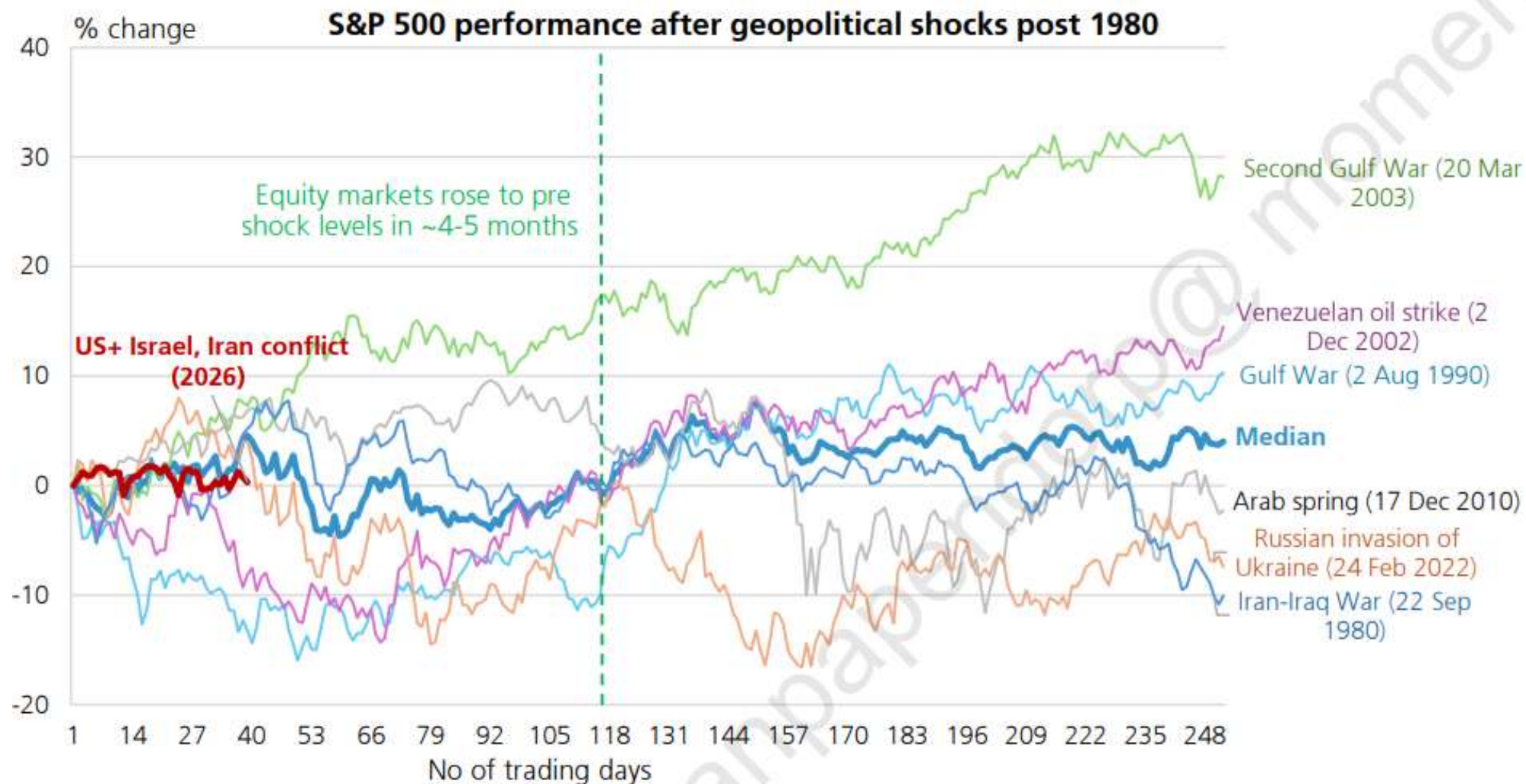
Iran war implications: UBS ...1

Oil price typically normalised in less than six months, with median oil price spike of 25%



Iran war implications: UBS ...2

US equities also normalised after about five months, with median market decline 5% and max 15%



Iran war implications: UBS ...3

When there was no associated US recession, the US equity effect was typically limited

Event	Date	Recession?	One month	Three months	Six months	One year
Cuban missile crisis	16/10/1962	No	5.4%	13.3%	21.1%	27.8%
Gulf of Tonkin resolution	05/08/1964	No	0.8%	3.7%	6.3%	4.5%
Six-day war	05/06/1967	No	3.3%	6.5%	7.7%	13.0%
October War	06/10/1973	Yes	-4.5%	-10.0%	-15.3%	-43.2%
Iranian Hostage Crisis	04/11/1979	No	4.2%	11.6%	3.0%	25.9%
Soviet Invasion of Afghanistan	24/12/1979	Yes	5.6%	-7.8%	6.9%	26.2%
Bombing of Libya	15/04/1986	No	-1.4%	-1.7%	0.5%	19.6%
First Gulf War	02/08/1990	Yes	-8.2%	-11.3%	-2.4%	10.2%
Kosovo Bombing	22/03/1999	No	4.8%	3.0%	1.0%	15.7%
9/11 Attacks	11/09/2001	Yes	0.4%	4.0%	6.9%	-16.8%
Iraq War	20/03/2003	No	2.0%	13.7%	18.3%	26.7%
Arab Spring	25/01/2011	No	2.2%	3.4%	3.6%	2.7%
Ukraine Conflict	14/03/2014	No	-0.6%	5.2%	7.8%	11.5%
Airstrike on Syria Airbase	07/04/2017	No	1.9%	3.0%	8.2%	10.6%
North Korean Missile Crisis	29/07/2017	No	-1.1%	4.4%	16.2%	14.0%
Saudi oil struck by drones	14/09/2019	No	-1.4%	5.4%	-9.9%	12.5%
Russia invasion of Ukraine	24/02/2022	No	7.0%	-6.7%	-2.0%	-6.0%
Average			0.6%	2.3%	4.6%	9.1%
Median			0.0%	3.7%	6.3%	12.5%

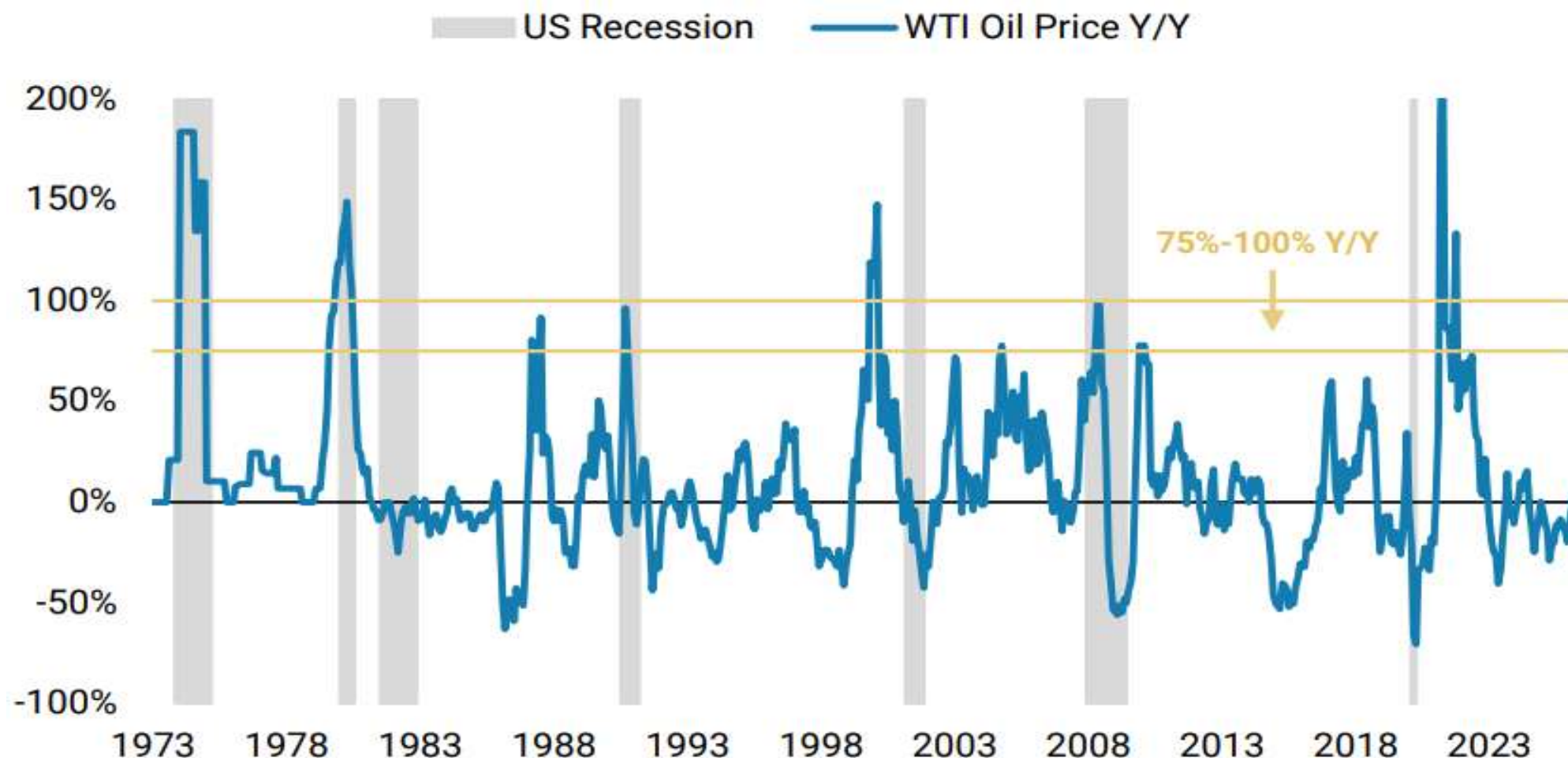
Iran war implications: Morgan Stanley ...1

S&P500 returns: Geopolitical events don't cause a sustained decline in US equities, unless...

	Date	One week	One month	Three months	Six months	One year
Korean War	June-50	-7.6%	-10.0%	1.5%	4.9%	11.2%
Vietnam	Nov-55	4.4%	7.3%	4.1%	13.9%	10.0%
Suez Crisis	Oct-56	2.6%	-4.4%	-3.6%	-1.4%	-12.3%
Cuban Missile Crisis	Oct-62	-6.3%	5.4%	13.3%	21.1%	27.8%
Six-Day War	Jun-67	4.1%	3.3%	6.5%	7.7%	13.0%
Yom Kippur War	Oct-73	1.4%	-4.5%	-10.0%	-15.3%	-43.2%
Iran Hostage Crisis	Nov-79	-1.0%	4.2%	11.6%	3.0%	25.9%
Soviet-Afghan War	Dec-79	0.3%	5.6%	-7.8%	6.9%	26.2%
Iram-Iraq War	Sep-80	-5.3%	1.2%	4.1%	2.8%	-10.5%
US Action in Libya	Apr-86	2.0%	-1.4%	-1.7%	0.5%	19.6%
US Action in Panama	Dec-89	1.7%	-1.1%	-0.4%	4.7%	-3.7%
Gulf War	Aug-90	-3.3%	-8.2%	-11.3%	-2.4%	10.2%
Croatian War	Mar-91	0.0%	0.0%	-1.1%	3.4%	7.6%
Kosovo War	Feb-98	0.6%	4.4%	4.6%	-2.1%	18.0%
War in Afghanistan	Oct-01	1.9%	4.1%	8.7%	4.8%	-26.7%
Iraq War	Mar-03	-0.8%	2.0%	13.7%	18.3%	26.7%
Russia/Ukraine	Feb-22	1.7%	5.4%	-8.1%	-3.4%	-7.4%
Median		0.6%	3.0%	3.1%	4.1%	10.7%

Iran war implications: Morgan Stanley ...2

....oil prices rise sustainably by >75% Y/Y (ie to \$100 to \$120) and threaten the economic growth cycle

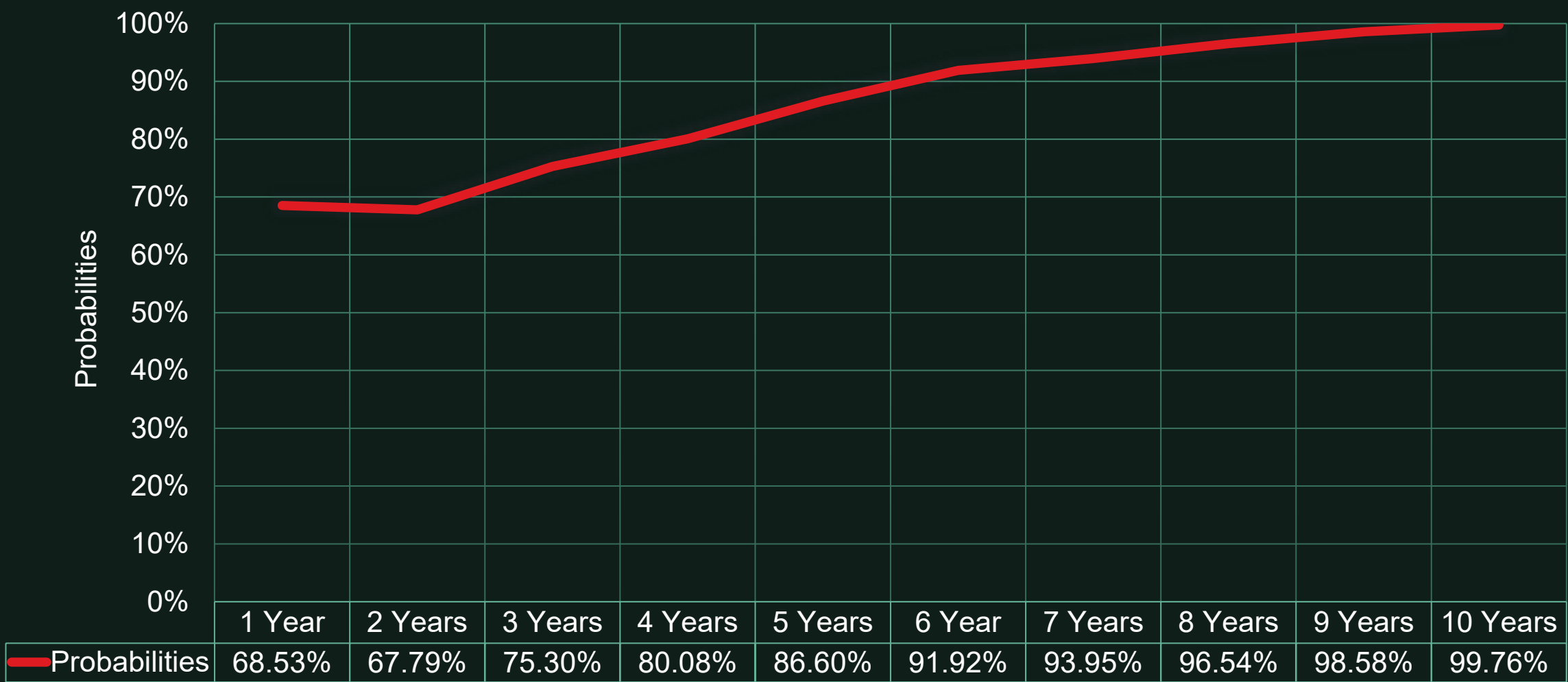




**Time in the
market**

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EQ Moderate Portfolio: Probabilities of meeting CPI + 3% over various terms



Source: Equilibrium Investment Management, 2026

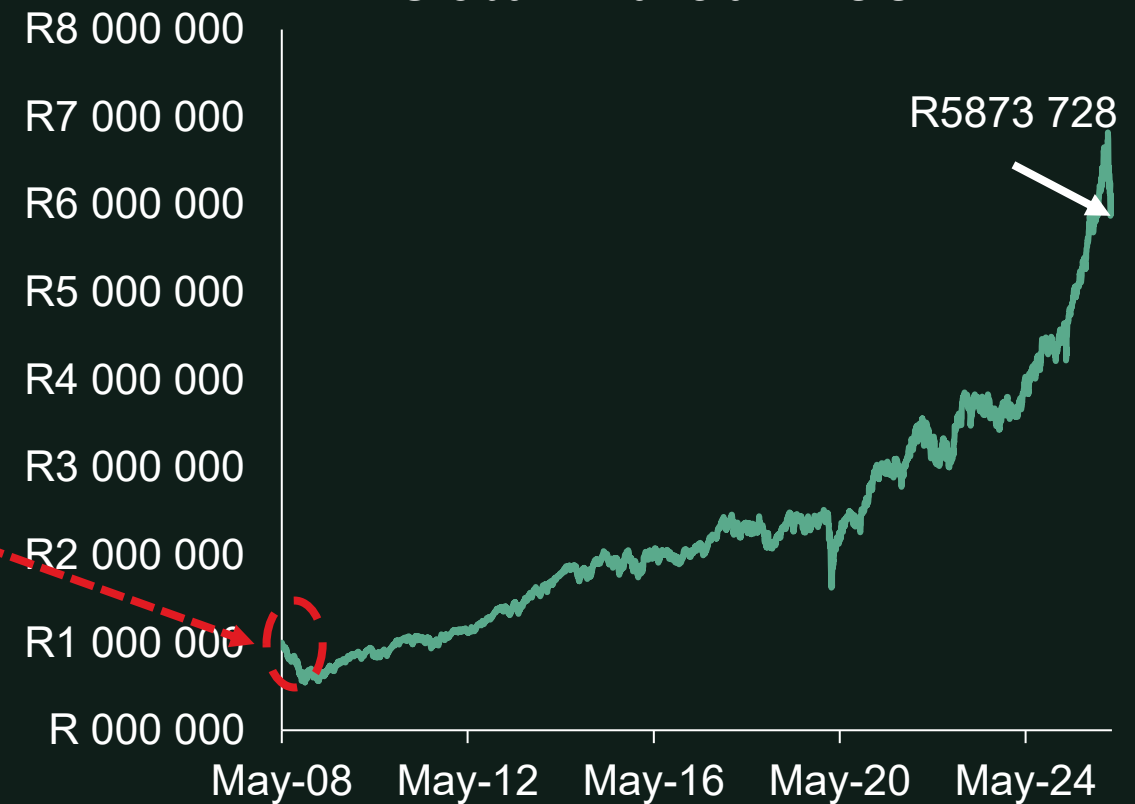
Value of R1mil invested before the GFC vs now

equilibrium

Global Financial Crisis

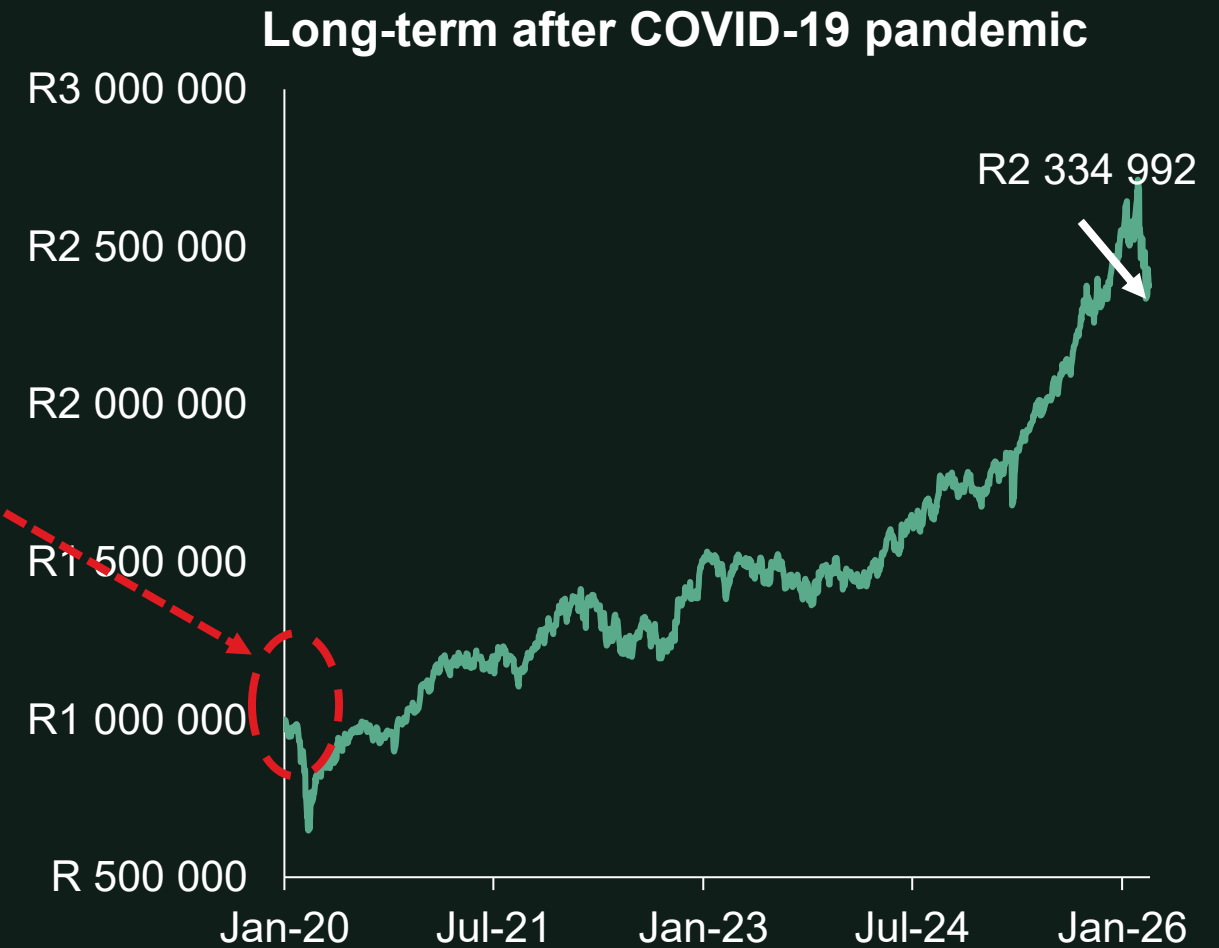
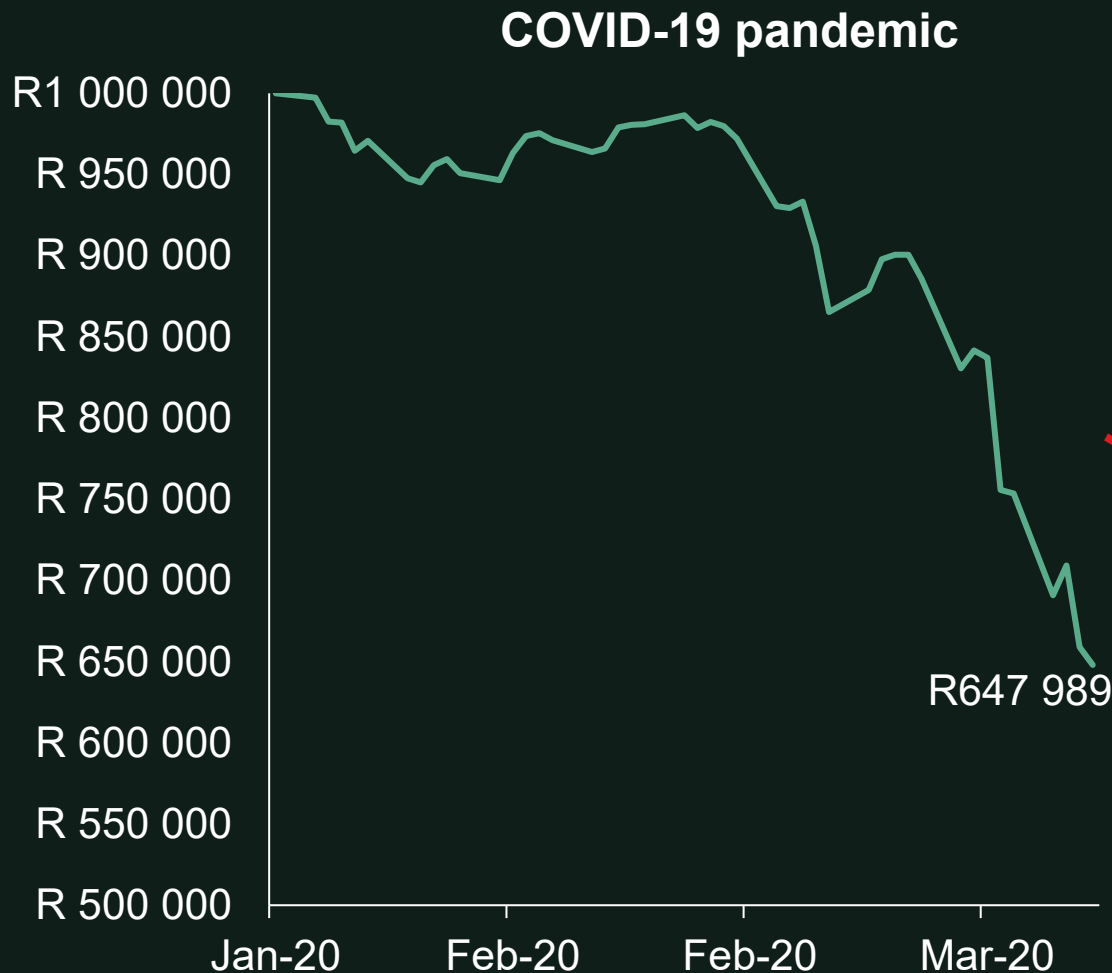


Long-term after the Global Financial Crisis



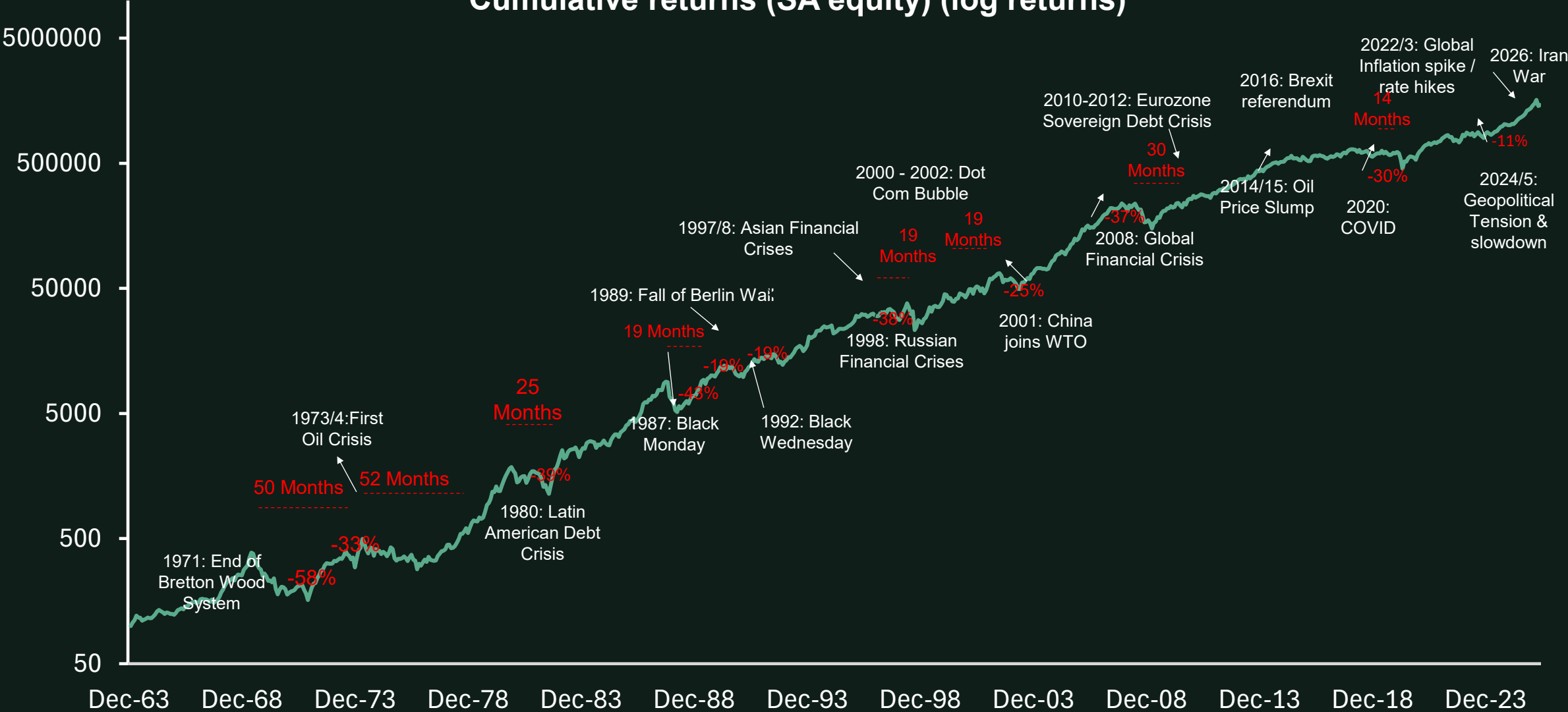
Value of R1mil invested before COVID-19 vs now

equilibrium



SA Equity: Timeline of global events

Cumulative returns (SA equity) (log returns)



Source: Equilibrium Investment Management, 2026

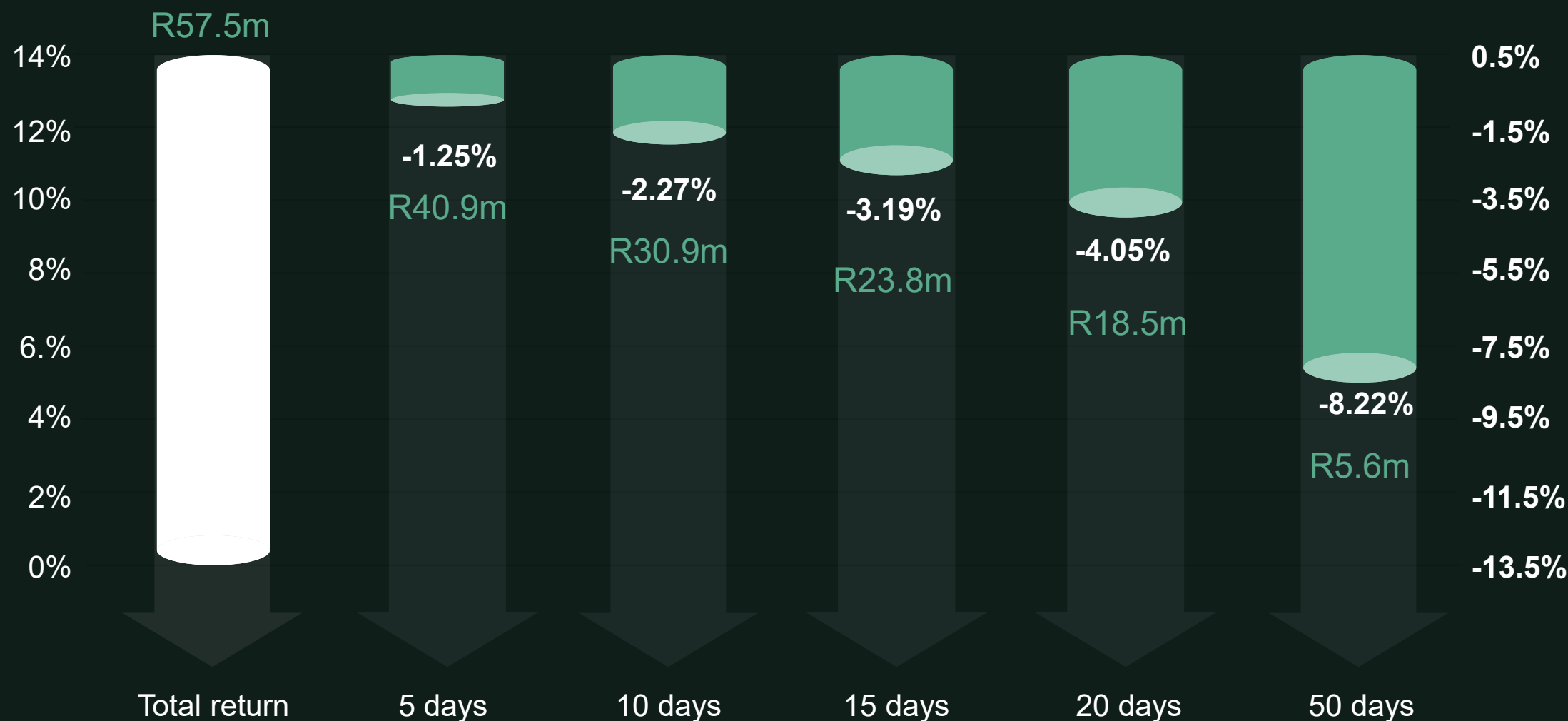


**Don't time
the market**

equilibrium

Market timing is dangerous

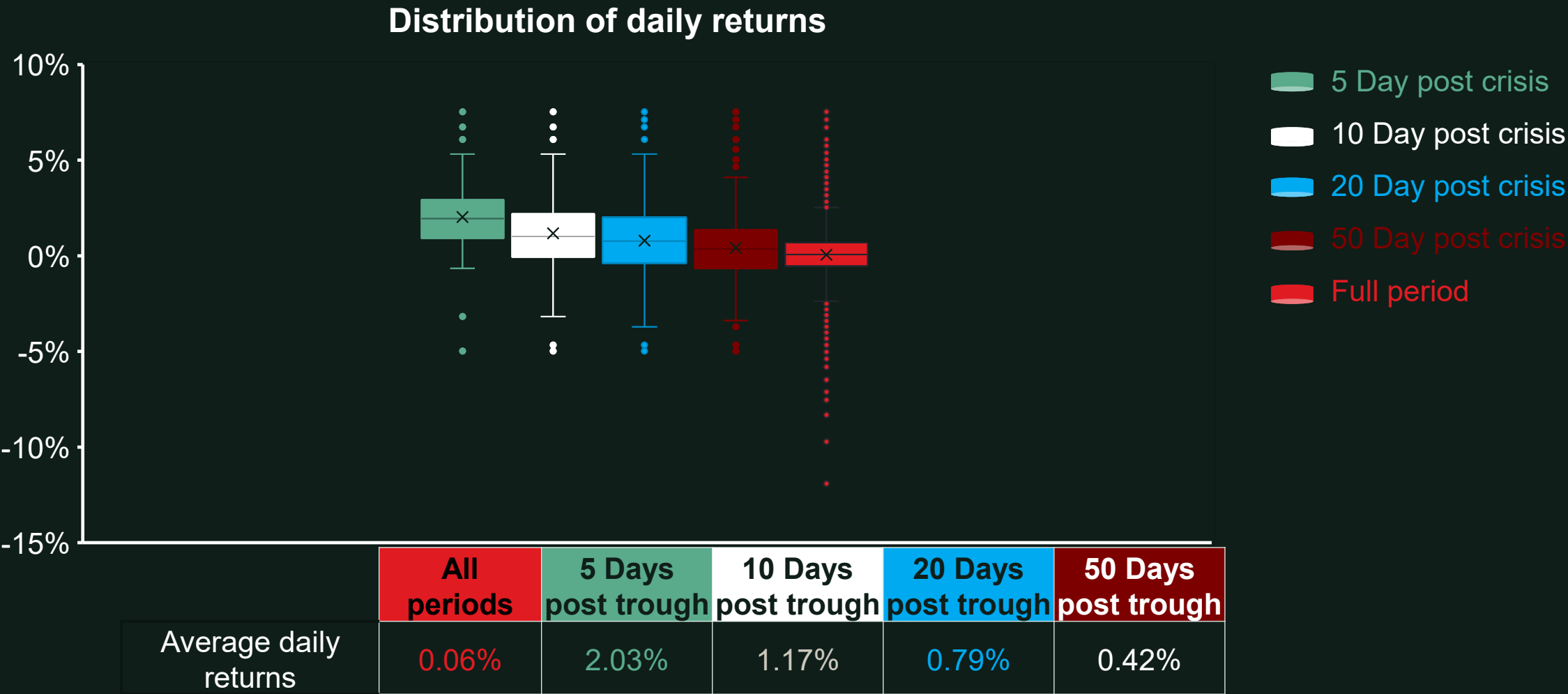
Effect on long-term returns if largest return days are missed: SA equity (1995 to 2026)



Source: Equilibrium Investment Management, 2026

Distribution of daily returns

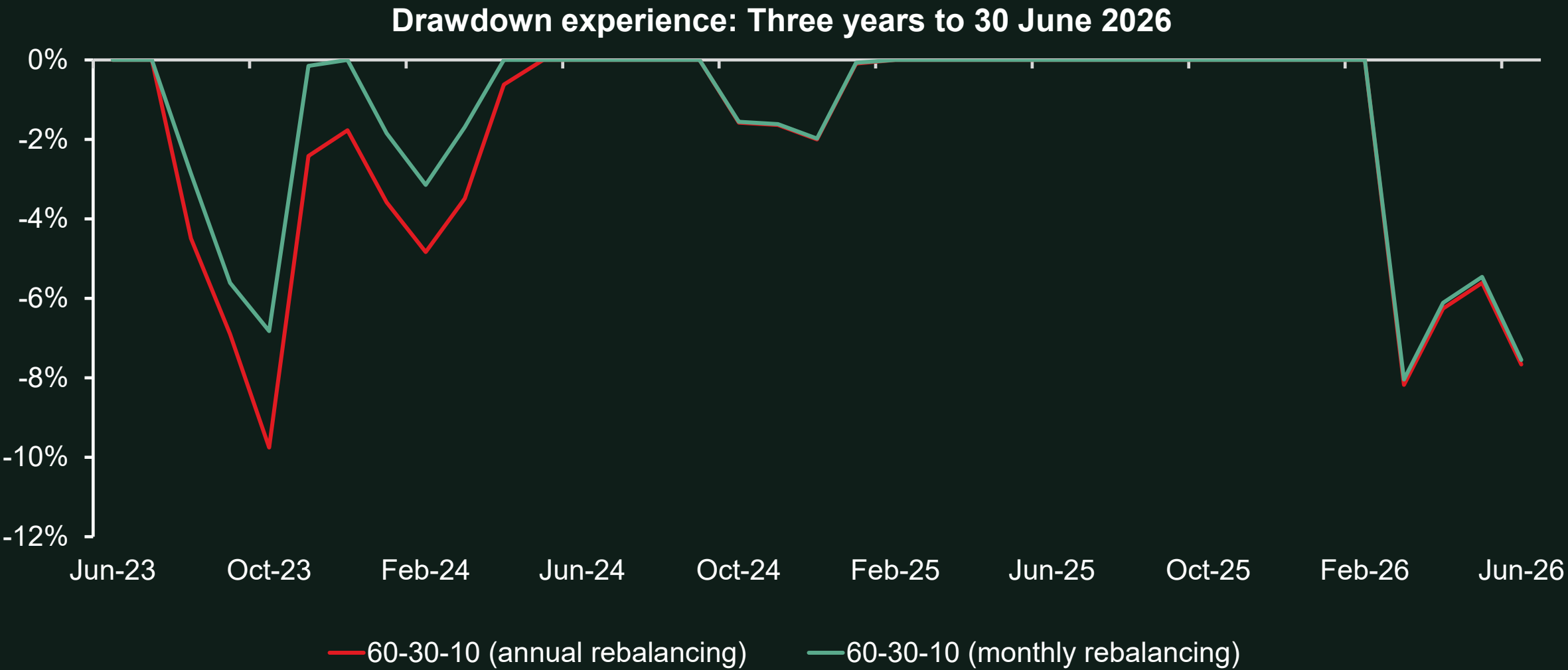
Daily returns after the bottom of a crisis period



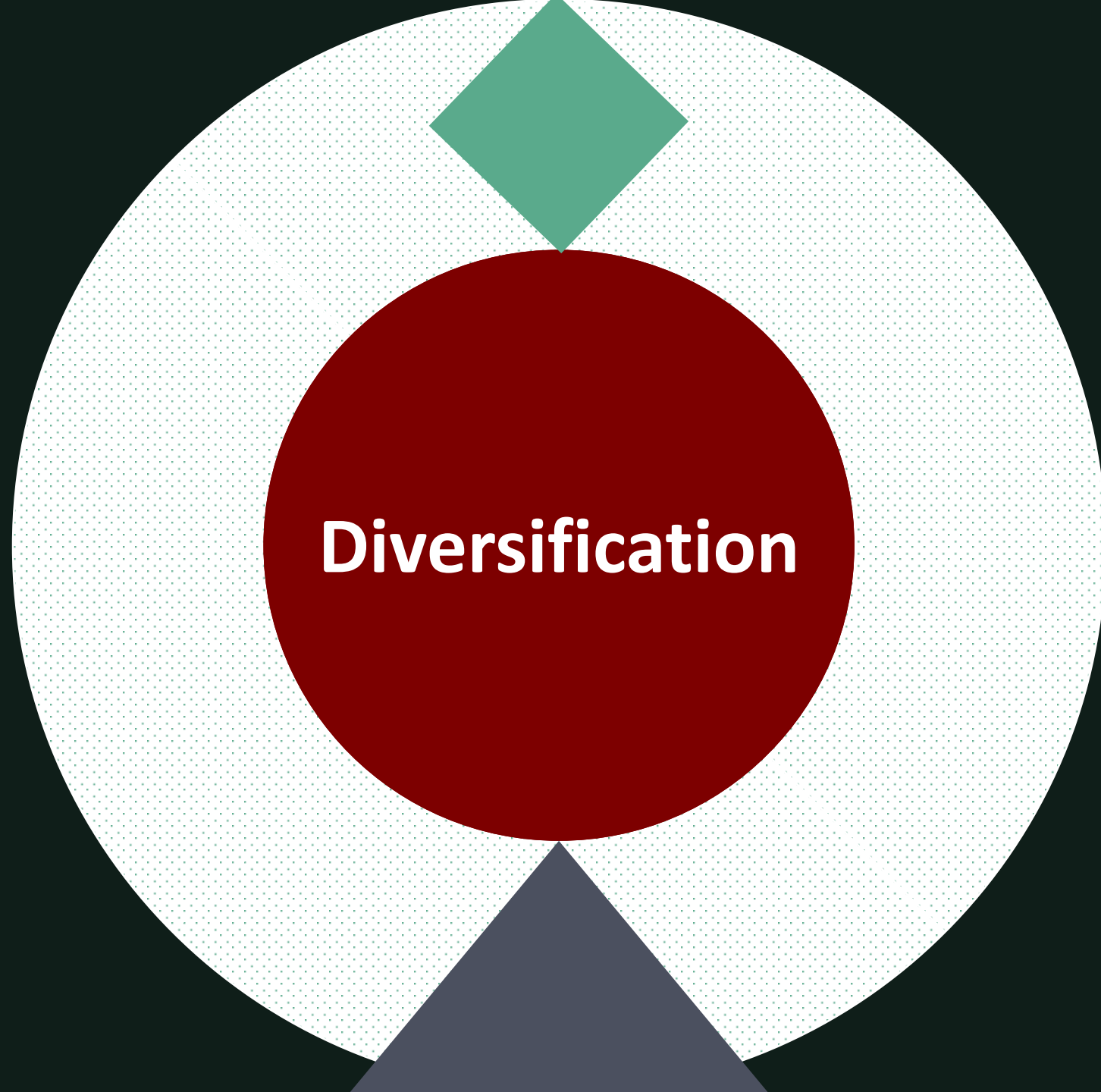
Major crises periods included in the analyses as per the previous slides

Disciplined rebalancing adds value

Buy into weakness, sell into strength



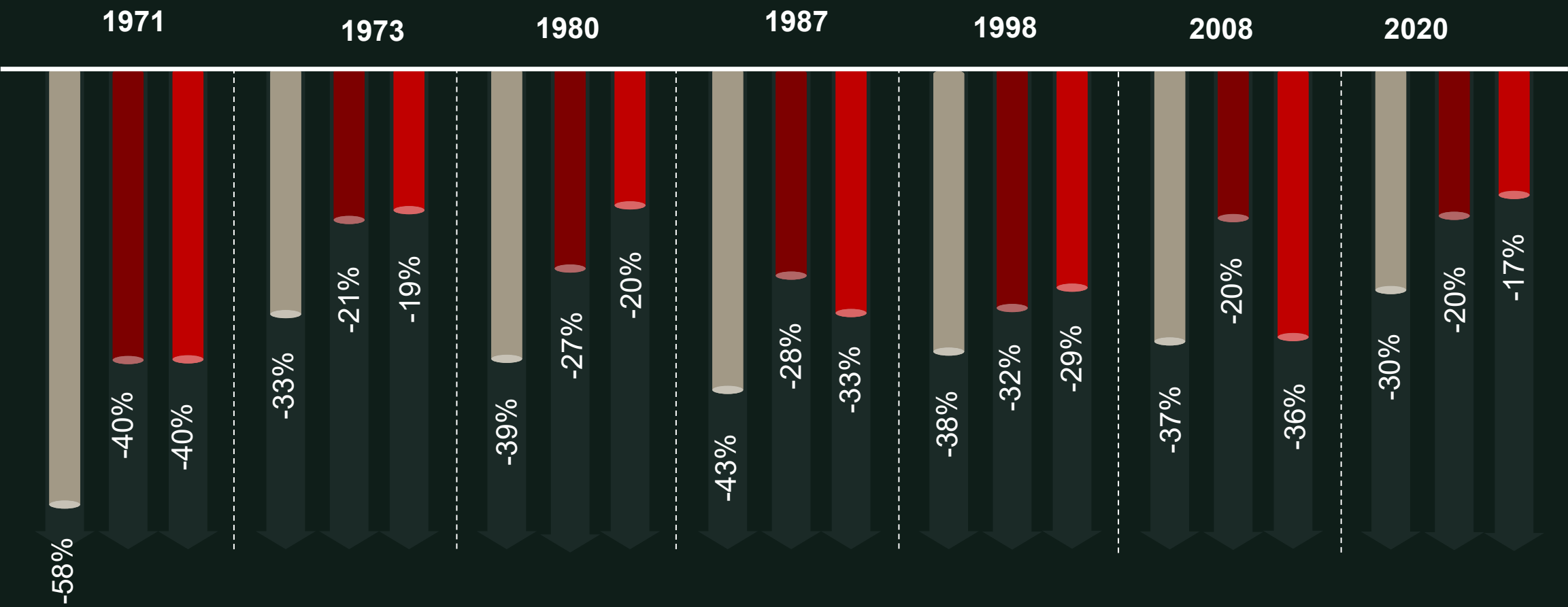
Source: Equilibrium Investment Management, 2026



Diversification reduces pain

Drawdown of SA equity vs 60/40 SA vs global equity combo (60% SA equity and 40% Global equity)

SA equity drawdown Balanced drawdown Global equity combo* drawdown

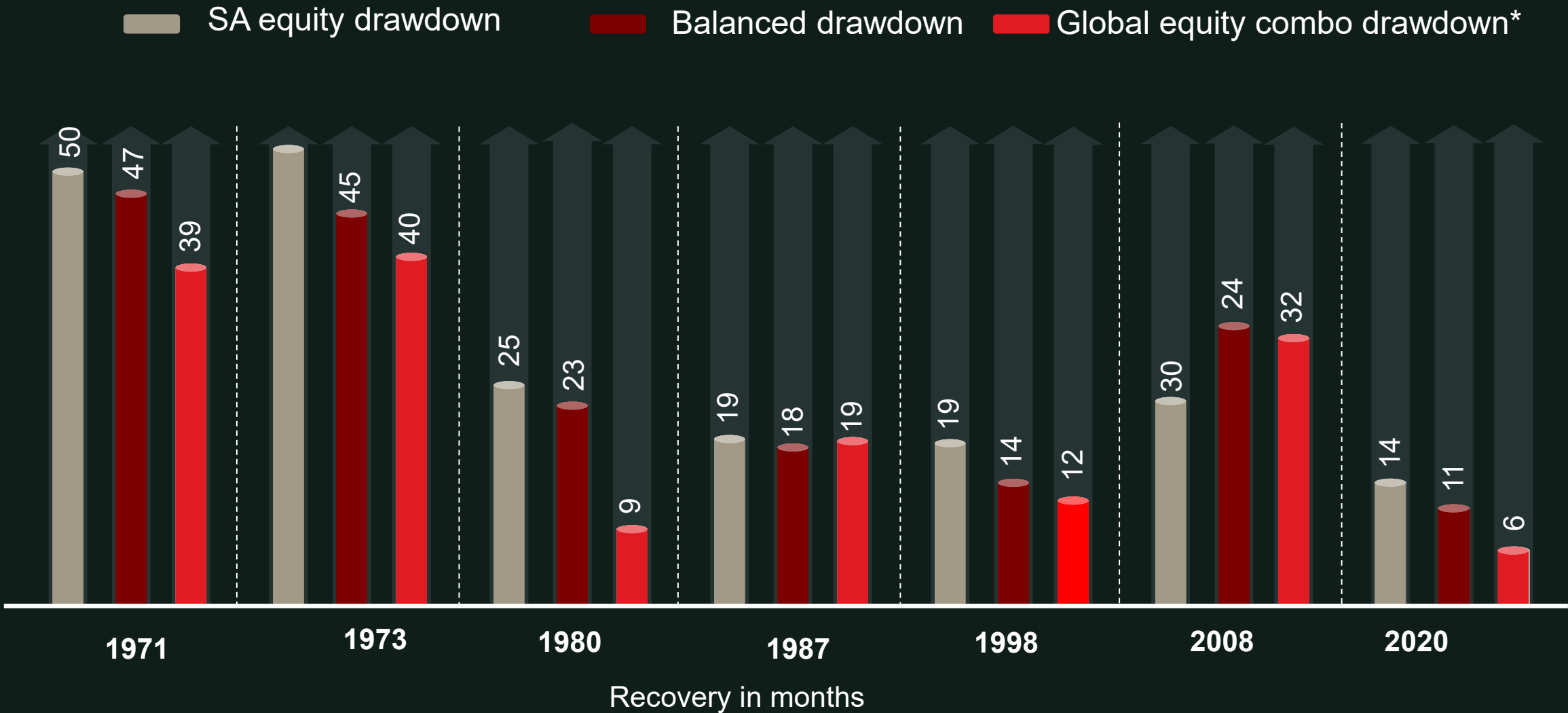


Source: Equilibrium Investment Management, 2026

*Global equity combo consists of 60% SA equity and 40% global equity.

Diversification reduces pain

Time period from peak to recovery in each crisis period



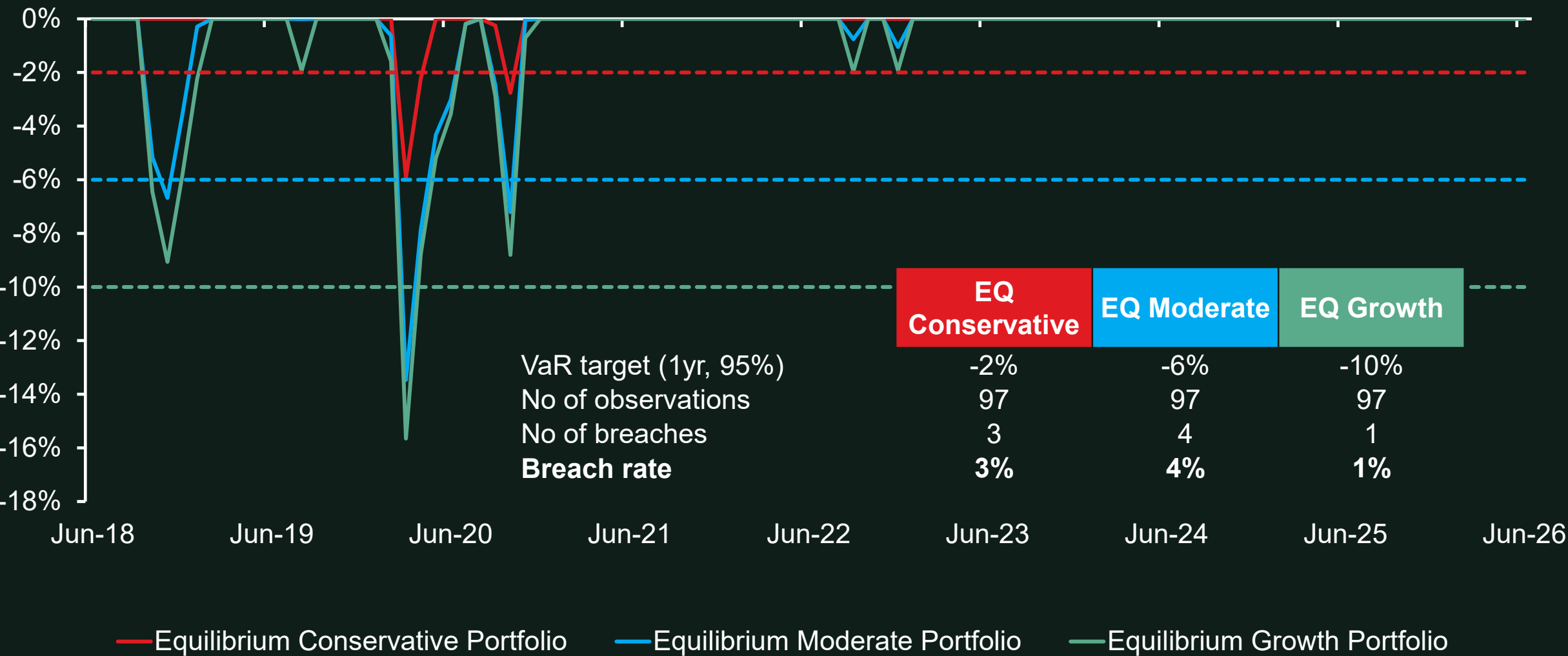
Source: Equilibrium Investment Management, 2026

*Global equity combo consists of 60% SA equity and 40% global equity

Navigating crises, delivering on outcomes



Rolling one-year negative returns: Nine years to 30 June 2026



Source: Equilibrium Investment management, 2026

Navigating crises, delivering on outcomes

equilibrium

	One year	Three years	Five years	Seven years	Since launch
EQ Conservative Portfolio	12.46%	12.67%	10.56%	9.39%	8.89%
<i>CPI + 1%</i>	5.51%	5.17%	6.06%	5.64%	5.59%
<i>CPI + 2%</i>	6.51%	6.17%	7.06%	6.64%	6.59%
(ASISA) SA MA Low Equity	11.96%	11.72%	9.87%	9.04%	8.40%
EQ Moderate Portfolio	13.06%	13.45%	11.46%	10.31%	9.25%
<i>CPI + 3%</i>	7.51%	7.17%	8.06%	7.64%	7.59%
<i>CPI + 4%</i>	8.51%	8.17%	9.06%	8.64%	8.59%
(ASISA) SA MA Medium Equity	12.52%	12.15%	10.45%	9.70%	8.78%
EQ Growth Portfolio	13.28%	14.00%	11.97%	10.84%	9.56%
<i>CPI + 5%</i>	9.51%	9.17%	10.06%	9.64%	9.59%
<i>CPI + 6%</i>	10.51%	10.17%	11.06%	10.64%	10.59%
(ASISA) SA MA High Equity	12.32%	12.58%	10.96%	10.27%	9.13%

Sources: Equilibrium Investment Management, Morningstar Direct at 30 June 2026

Recap



Don't panic! Stick to the investment strategy



Portfolio risk should match client risk tolerance



Investing is a long-term game, the factors for success are consistent



Things do change, monitor and make considered changes when evidence warrants



Asset allocation
is the main
driver of



Spend time in the
market (timing the
market is



Diversification
matters

Important notes

Peer group composed of: (1) global category - moderate allocation for managed portfolio; (2) global category - cautious allocation for cautious portfolio (3) global category - aggressive allocation for growth portfolio global cash comprises two components: i) prior to 01.01.2022 global cash was A composite of 50% ICE LIBOR 3M USD; 25% ICE LIBOR 3M EUR; 10% ICE LIBOR 3M GBP; 15% ICE LIBOR 3M JPY; ii) from 01.01.2022 to present global cash is A composite of 50% ICE boia 3M US treasury bill index; 25% ICE boia 3M German treasury bill index; 10% ICE boia 3M sterling government bill index; 15% ICE boia Japan treasury bill index.

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