PPS FOR PROFESSIONALS SINCE 1941

INVESTMENTS

THE FINAL STRETCH

WHY THE LAST YEARS OF RETIREMENT MATTER MOST

AUGUST 2026

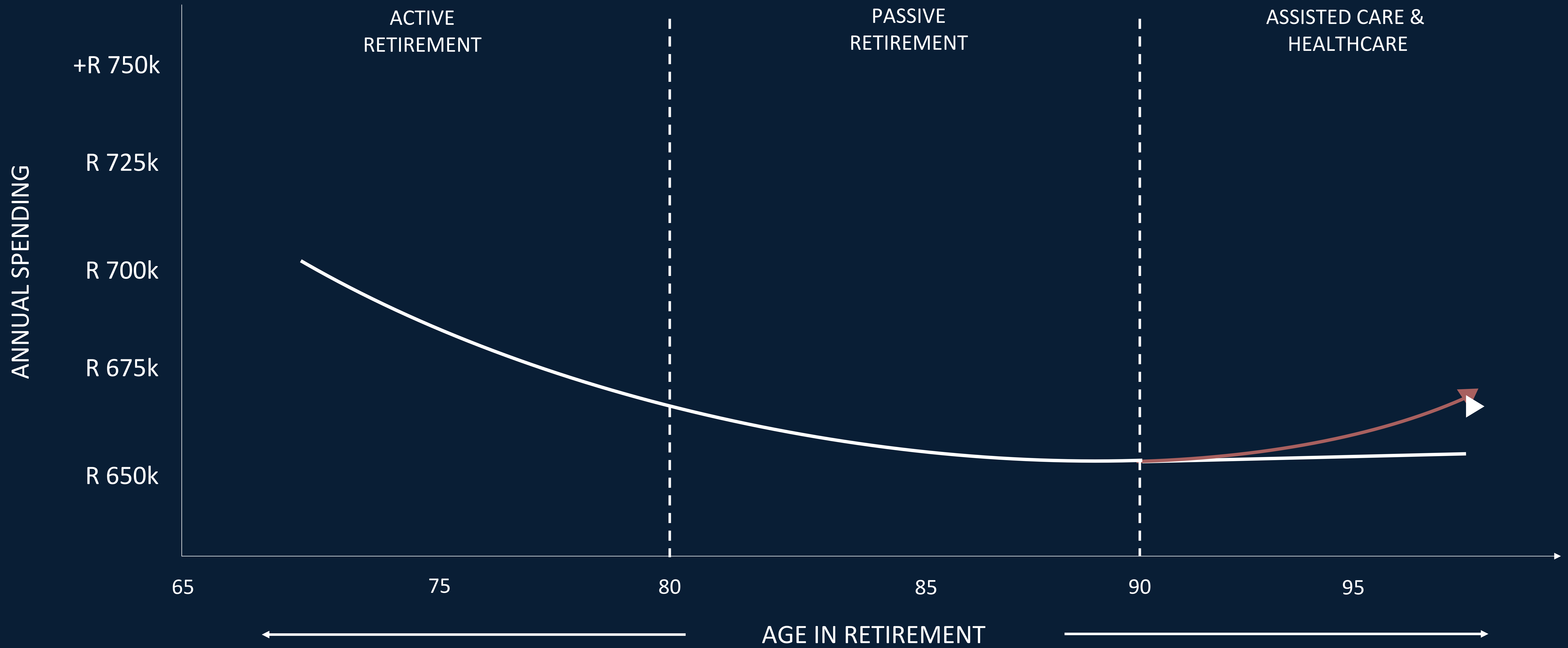
INVESTMENTS

A DYNAMIC RETIREMENT JOURNEY

MANAGING EVOLVING COSTS

Retirement spending smile

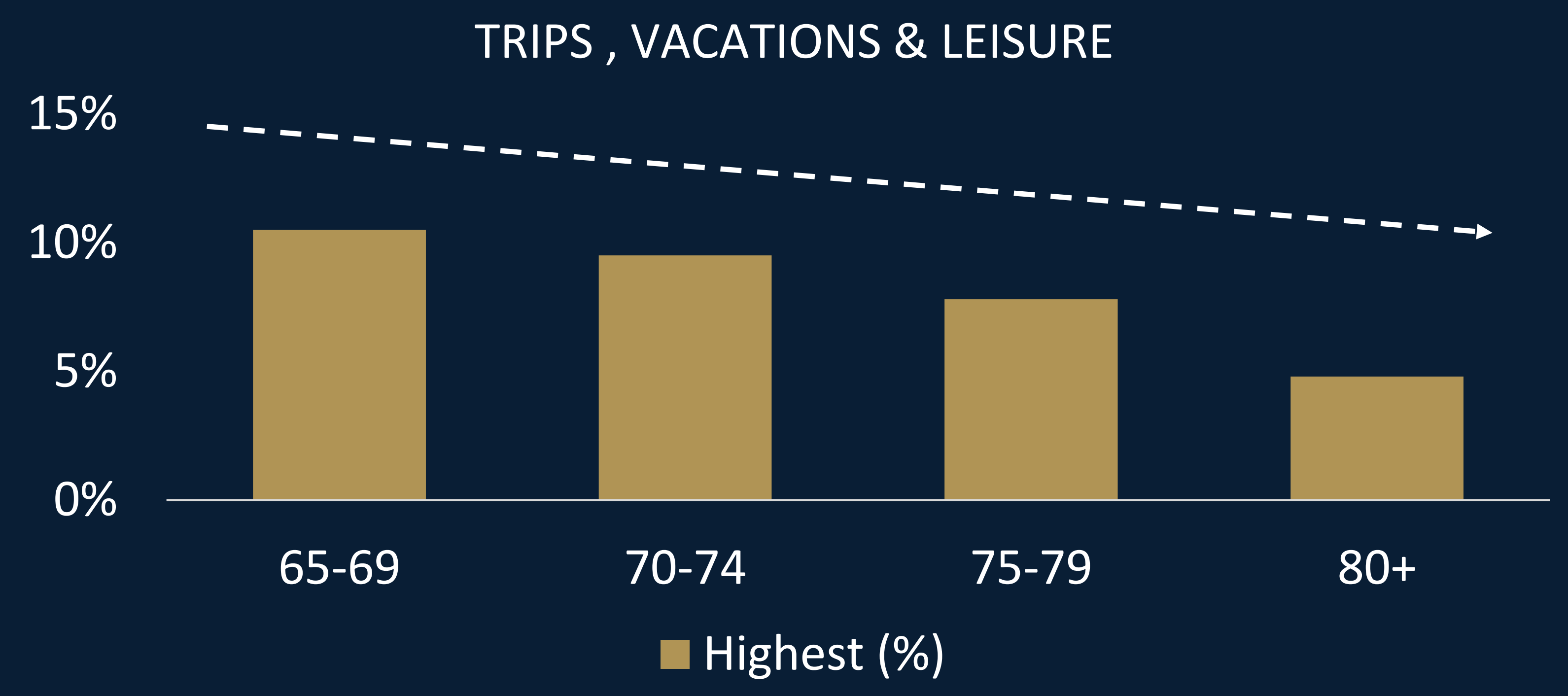
Real spending decrease | Shift of mixture of spending

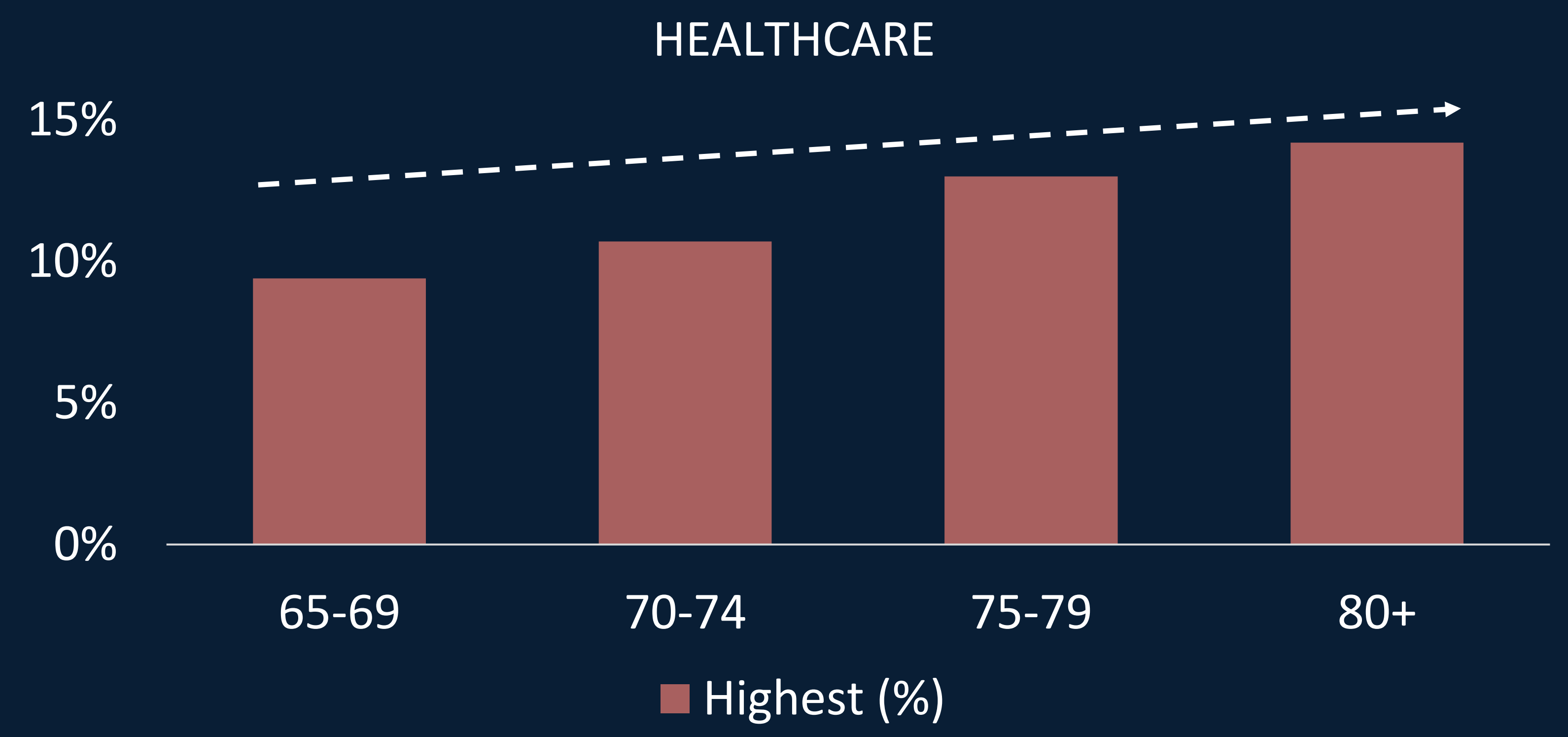


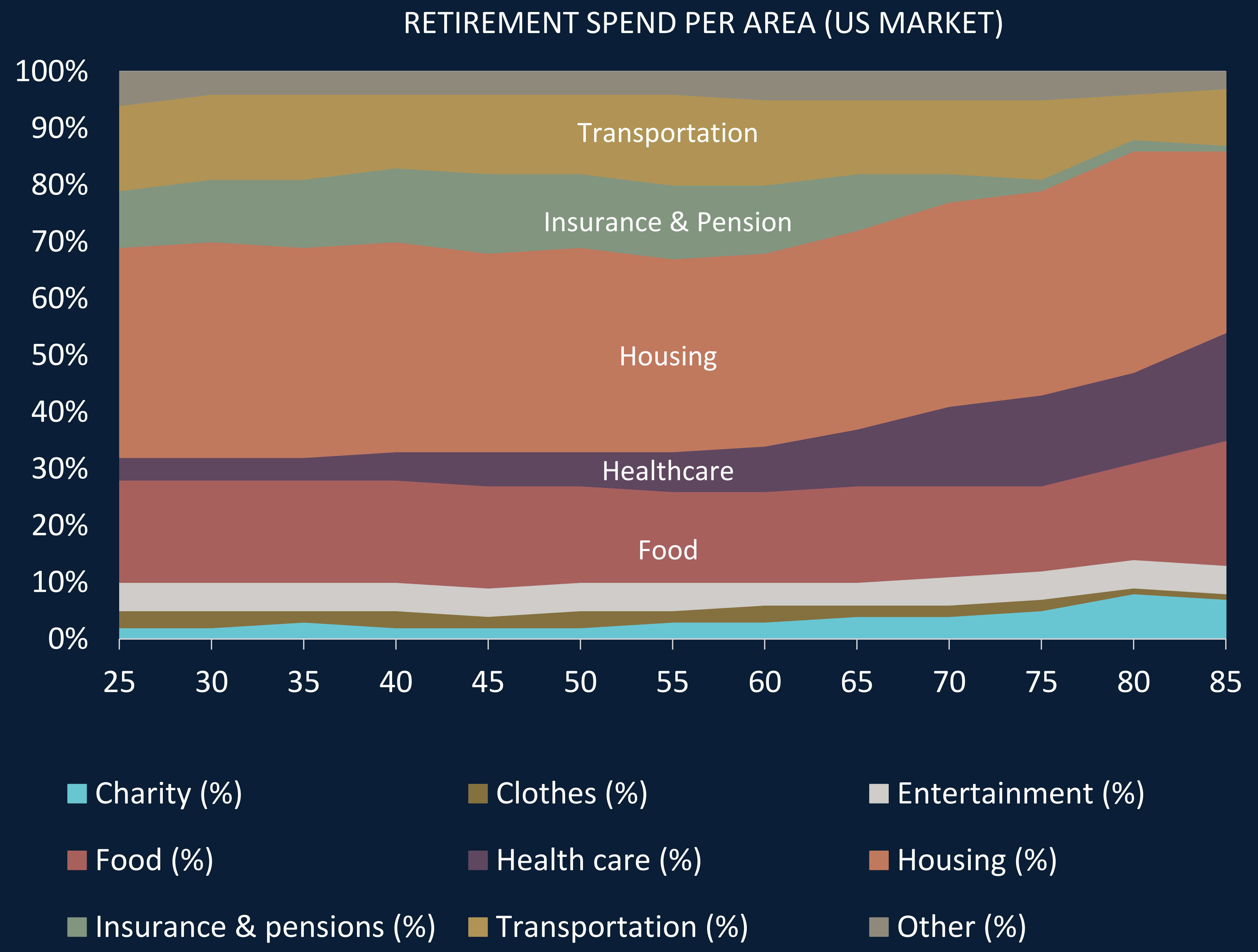
Source: OurWorldinData.org, Retirementresearcher.com

Retirement squeeze

Real spending decrease | Shift of mixture of spending



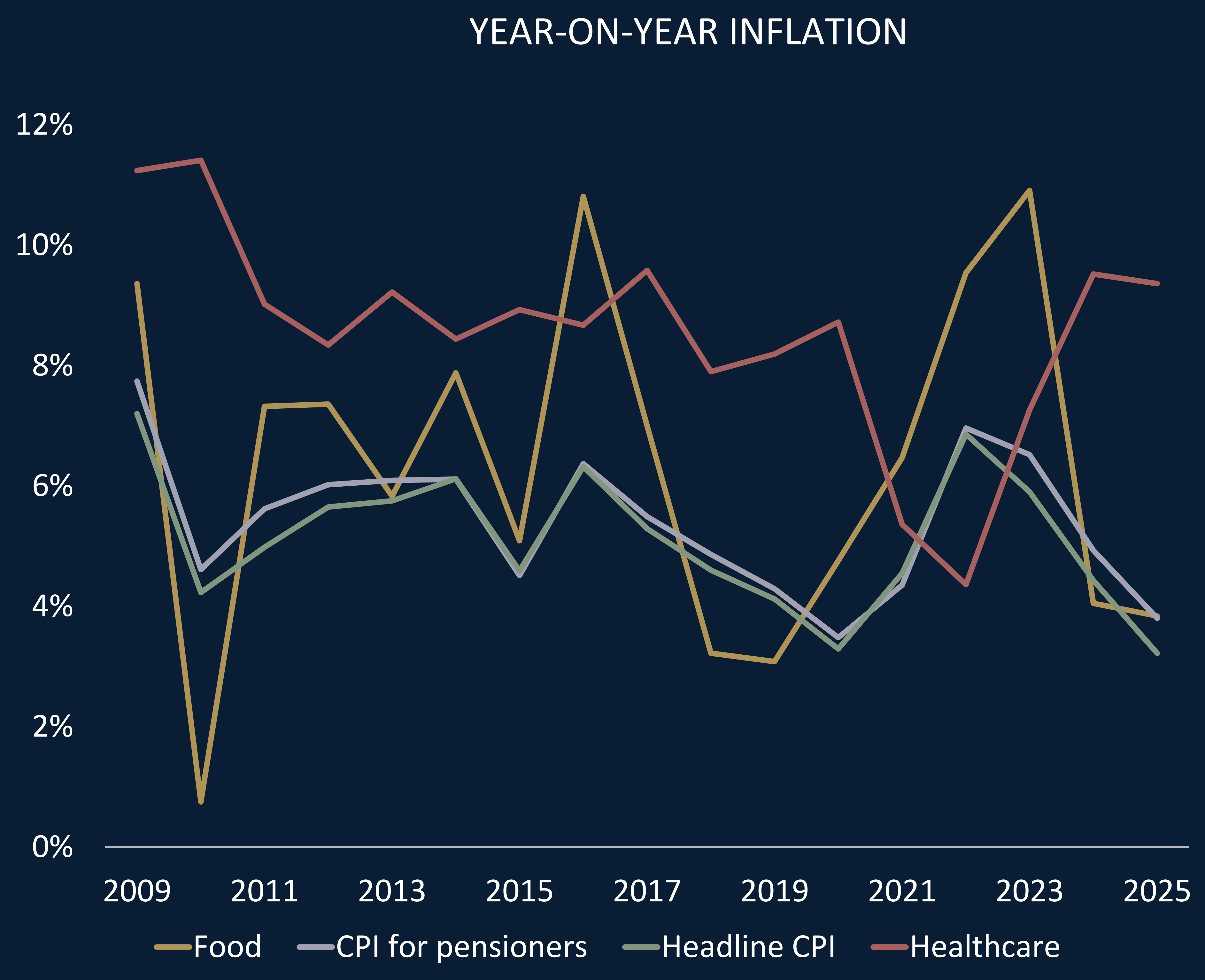


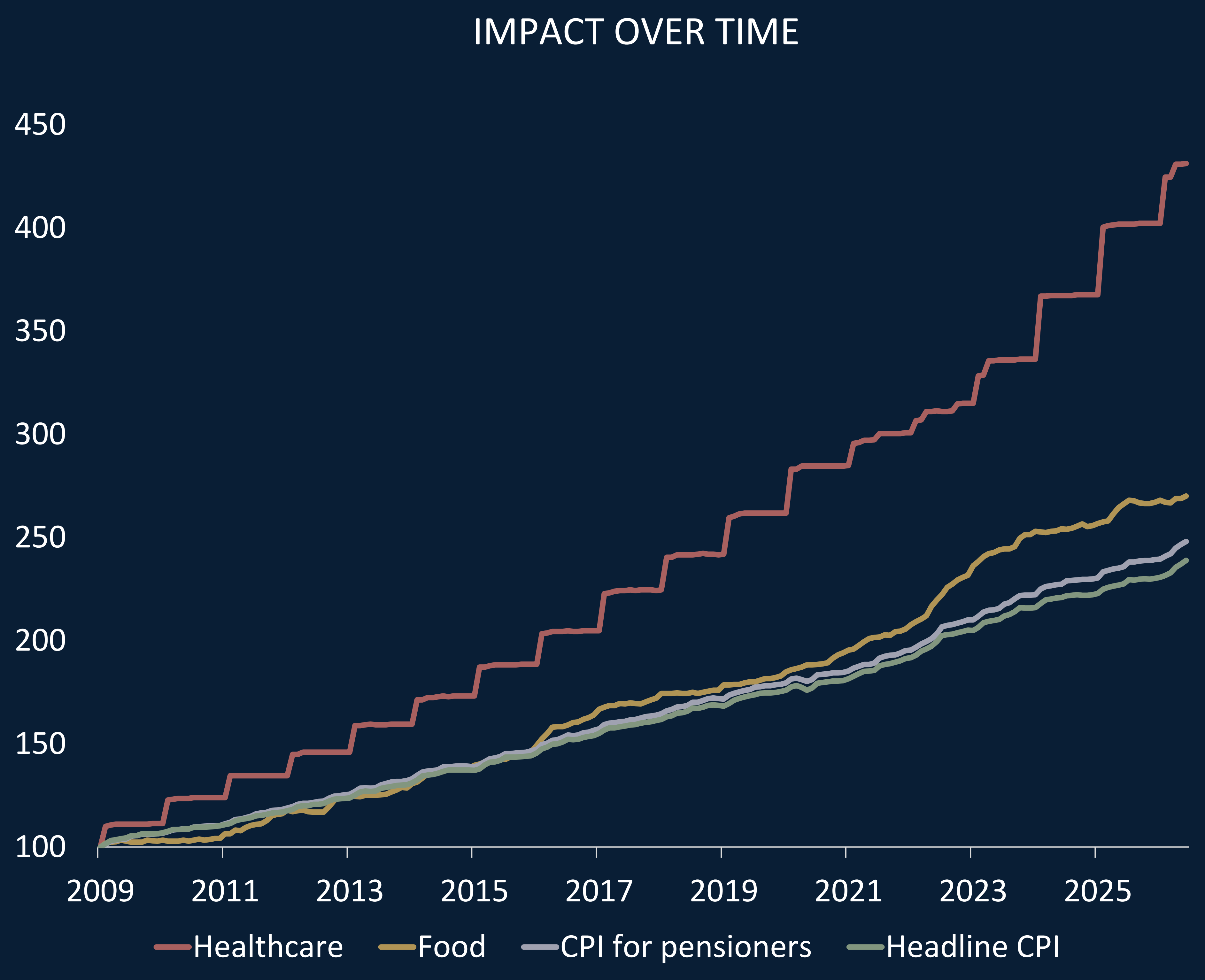


Source: Bureau of Labor Statistics; Exploring the Retirement Consumption Puzzle by David Blanchett, CFP®, CFA; Spending Trajectories After Age 65: Variation by Initial Wealth - Michael D. Hurd, Susann Rohwedder

Retirement squeeze

Real spending decrease | Shift of mixture of spending





Source: StatsSA | From Jan 2008 to June 2026

Monthly care costs in late retirement

R8k – R18k+

ASSISTED LIVING

R10k – R35k+

FRAIL CARE

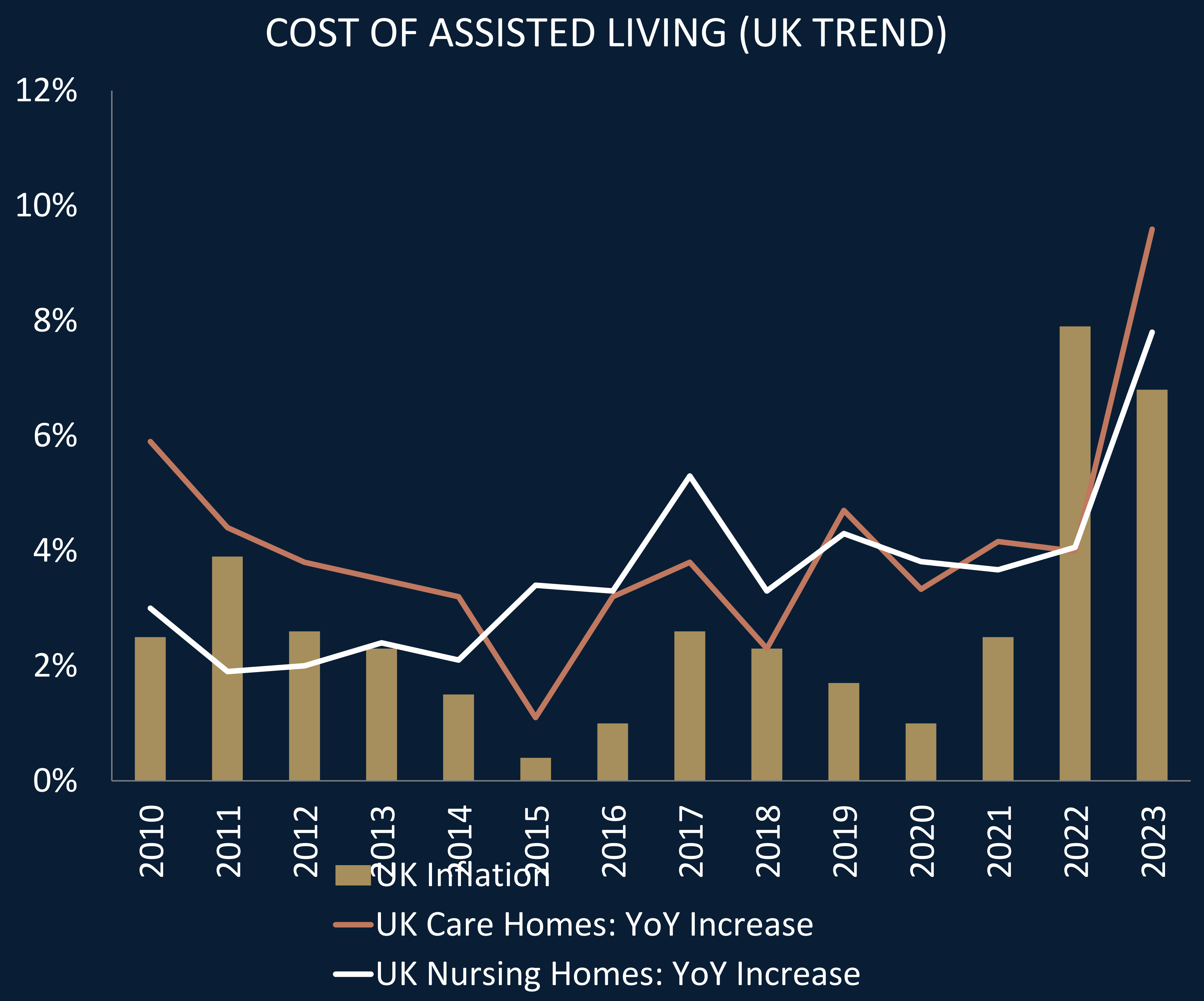
R25k – R70k+

DEMENTIA CARE

R3k – R10k

VILLAGE LEVIES

(Lifelong Access)



Source: CareMap 2026 Old Age Home Price Guide for South Africa (caremap.co.za)., Medwell SA (medwell.co.za); https://go.laingbuisson.com/care-home-report-36

pps
FOR PROFESSIONALS
SINCE 1941

INVESTMENTS

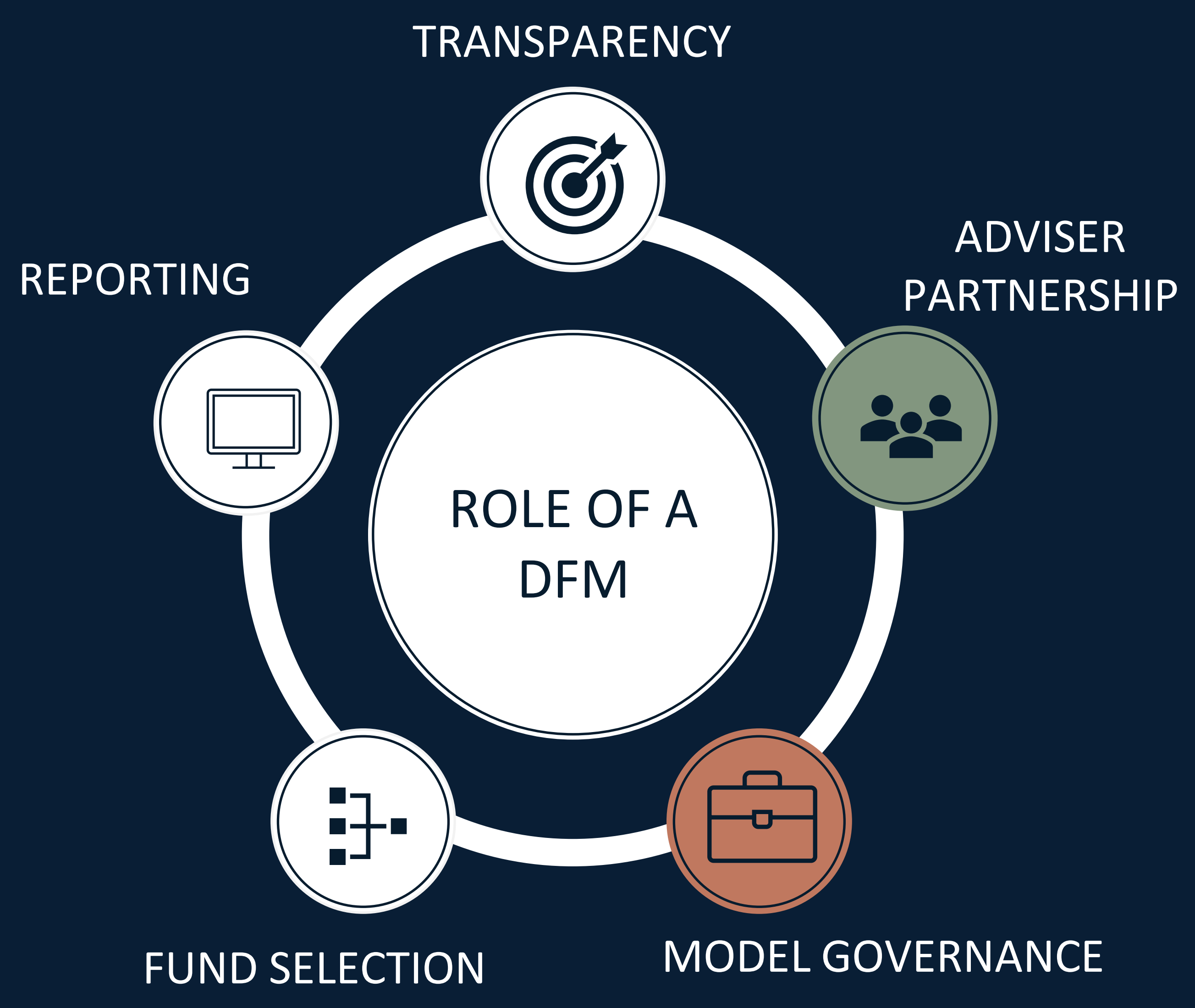
REGULATORY IMPACT

CLIENT NEEDS & OUTCOME-FOCUSED SOLUTIONING

COFI | Focus on clients and evidence

The need to deeply understand target market

FRAMEWORK TO ADDRESS COFI



OUTCOMES FOR CLIENTS AND YOUR PRACTICE

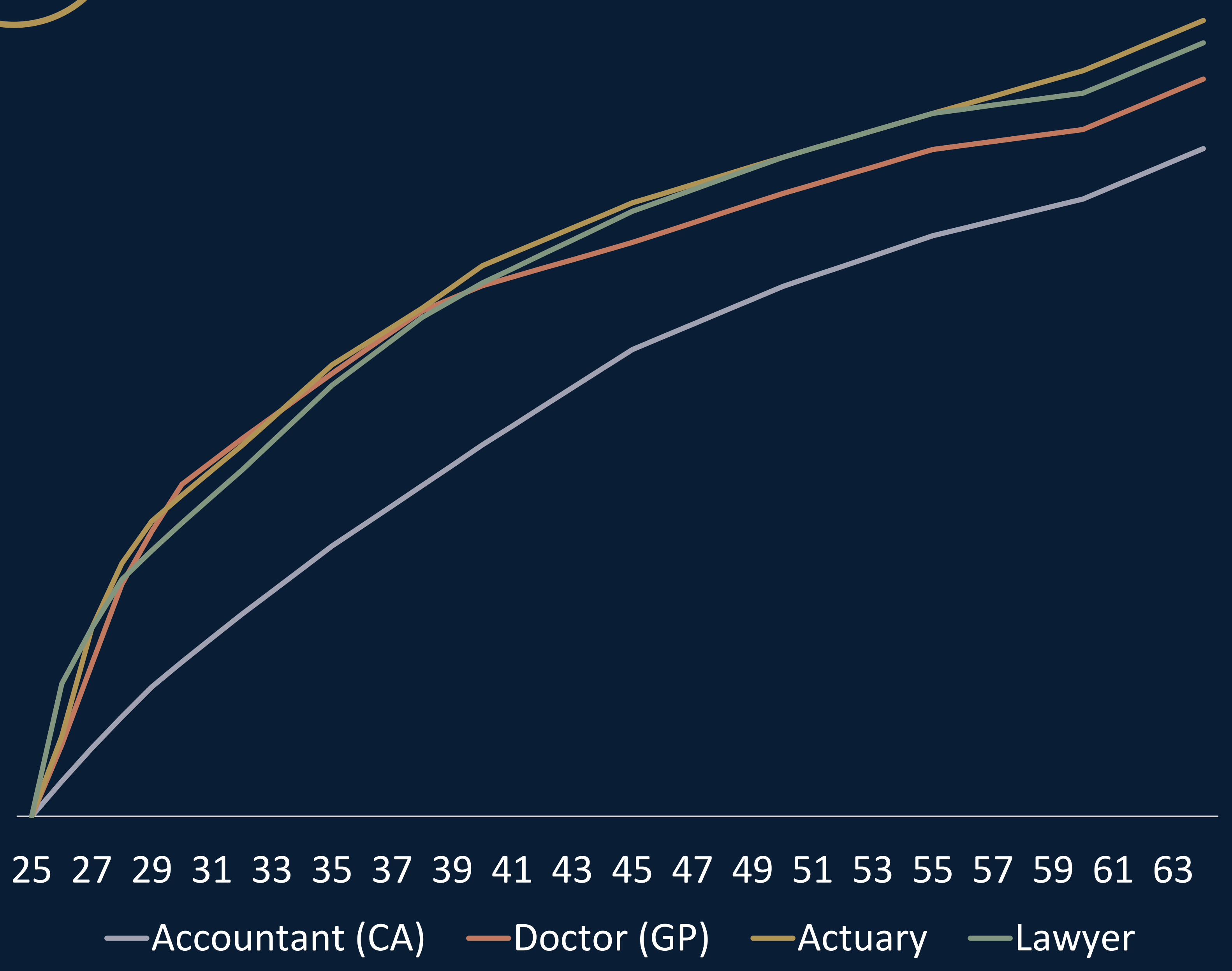
1. Client needs are embedded into product design
2. Formally written mandates, SLAs and data sharing
3. DFM acts as compliance enabler for partner advisers
4. Models have defined target market, risk profile & outcome-based goals
5. Ongoing reviews and evidence back to adviser

Source: PPS Investments

COFI | The need to deeply understand clients

The need to deeply understand target market

SALARY CURVES



AVERAGE PPS MEMBER LONGEVITY

+27 years

MALE
Aged 65

+33 years

FEMALE
Aged 65

Source: PPS Investments

pps

FOR PROFESSIONALS

SINCE 1941

INVESTMENTS

SOLUTIONING FOR RETIREMENT

AN OUTCOME-BASED PROCESS

Alignment of advice process and investment process

Solutions constructed with key risks in mind

1

LONGEVITY RISK

OUTLIVING YOUR MONEY

2

INFLATION RISK

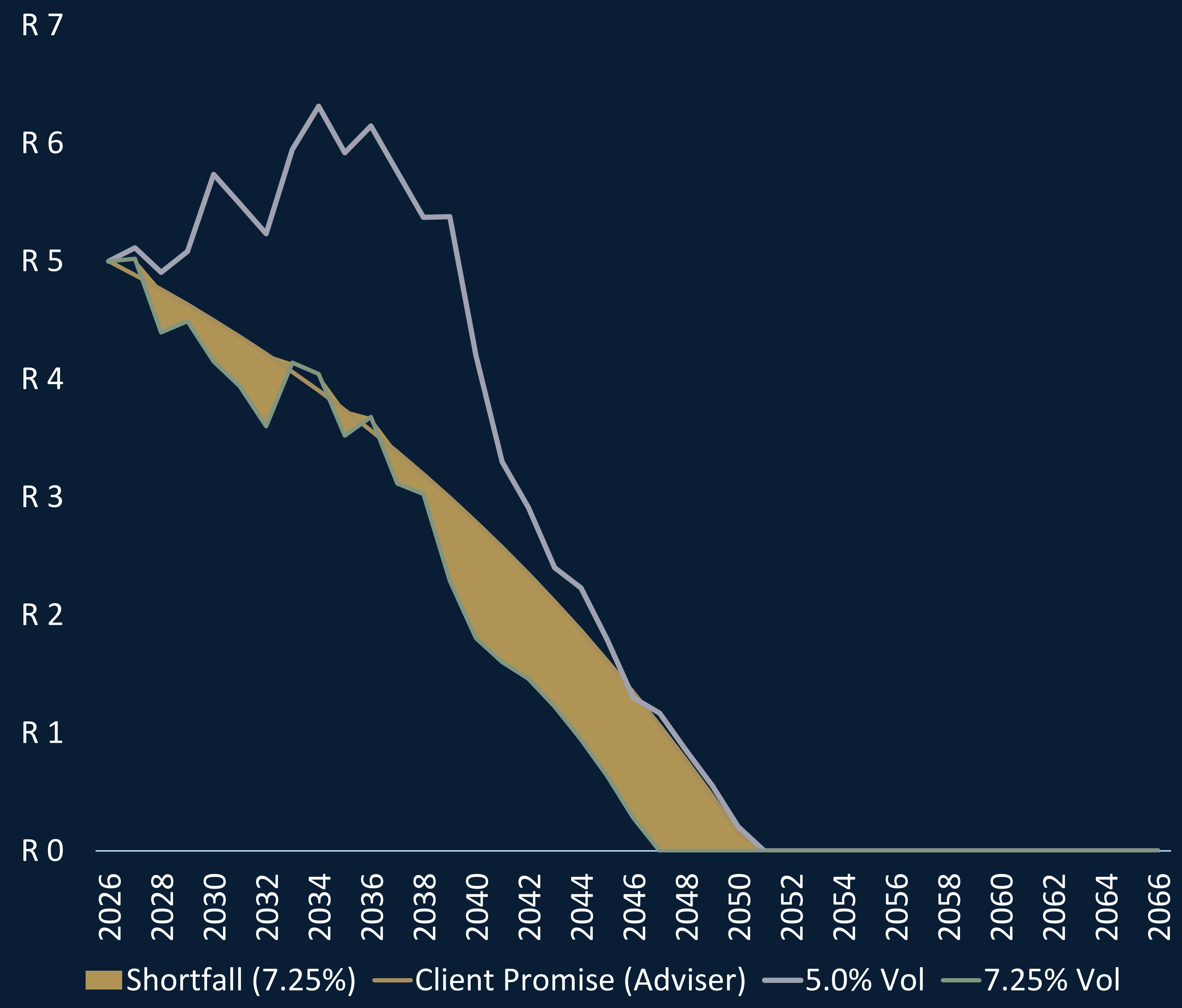
INSUFFICIENT REAL INCOME

3

MARKET RISK

UNDESIRABLE SEQUENCE

ALL CONTRIBUTE TO SHORTFALL RISK



Source: PPS Investments

Outcome-oriented portfolio construction

CAPITAL ANCHOR

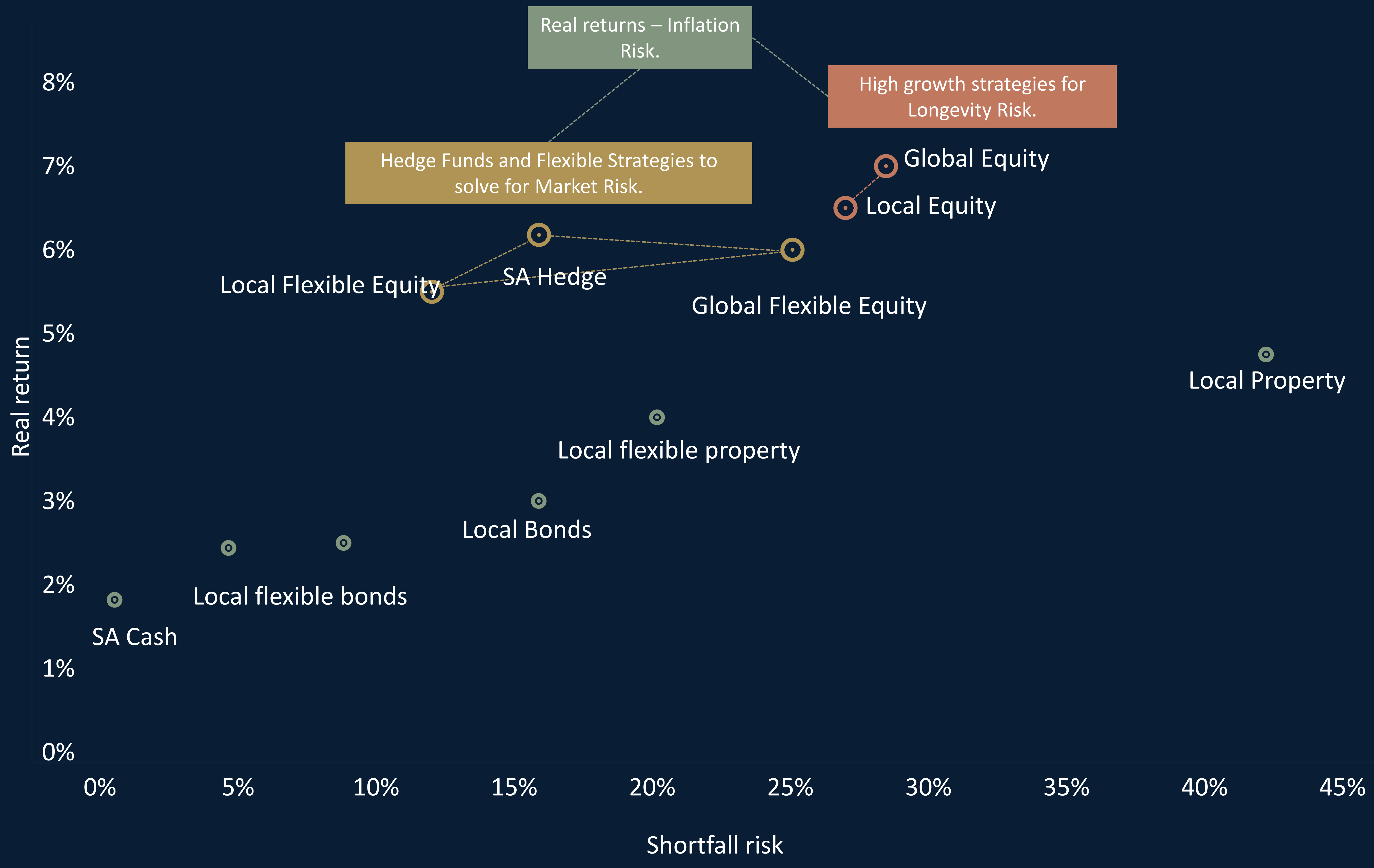
CPI+ and Capital Preservation

OBJECTIVE
Preserve capital & pursuing growth above inflation

KEY RISK
Capital impairment through excessive drawdown

PRIMARY TOOL
Downside protection — defensive assets, overlays

DESIGN LOGIC
Manages journey risk and drawdown severity



Source: PPS Investments

Portfolio construction

Goals-based approach

SPECIALIST MANAGERS

Addresses longevity risk & inflation targets

FLEXIBLE MANAGERS

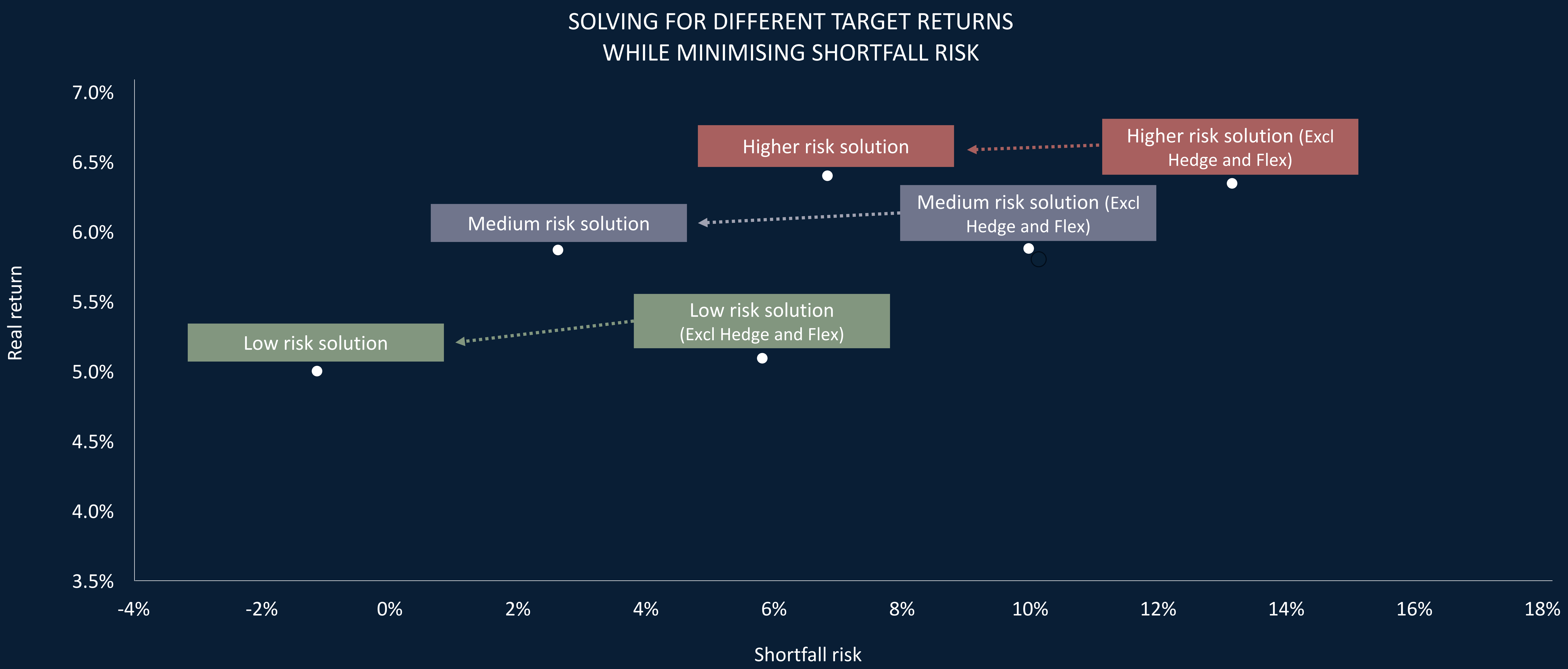
Provides flexibility & nimbleness

HEDGE FUNDS

Uncorrelated returns which address sequencing risk

Source: PPS Investments

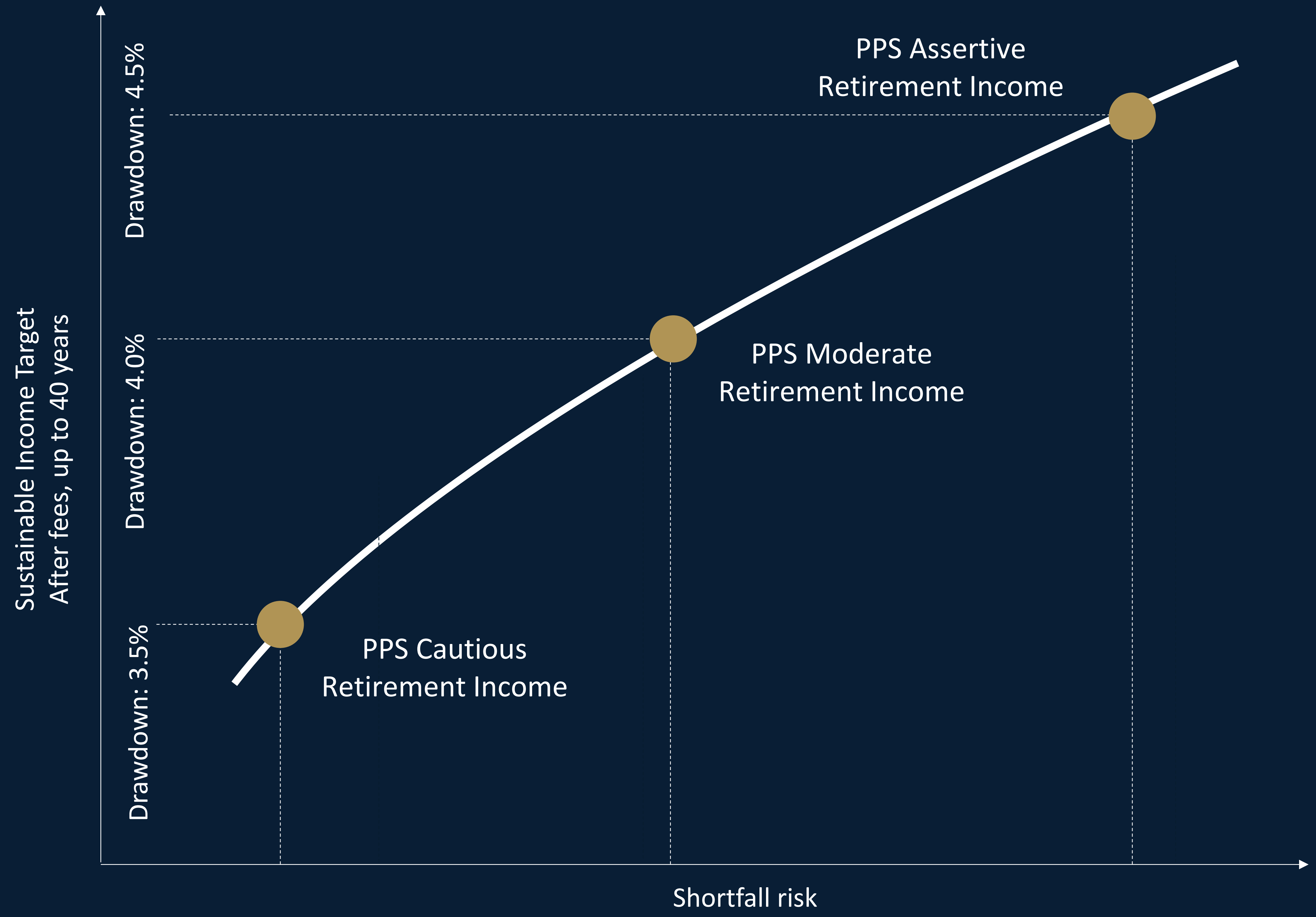
Portfolio construction considerations



Source: PPS Investments

The solution range

Delivering as designed



SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
Cautious Solution	101	93
ASISA peers	100	100

SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
Moderate Solution	100	87
ASISA peers	100	100

SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
Assertive Solution	98	84
ASISA peers	100	100

Source: PPS Investments | Data from 1 March 2016 to 30 June 2026. Data prior to 1 April 2025 is simulated.

Successfully navigating retirement

Impact of a well-constructed portfolio

SUCCESS RATE OF AN AVERAGE BALANCED FUND

YEARS IN RETIREMENT

INCOME AFTER FEES	20 years	30 years	40 years
3.5%	99	95	92
4%	97	90	84
4.5%	93	82	74
5%	87	73	62
5.5%	78	61	50
6%	69	49	39
6.5%	57	38	28

SUCCESS RATE ADDING HEDGE AND FLEXIBLE FUNDS

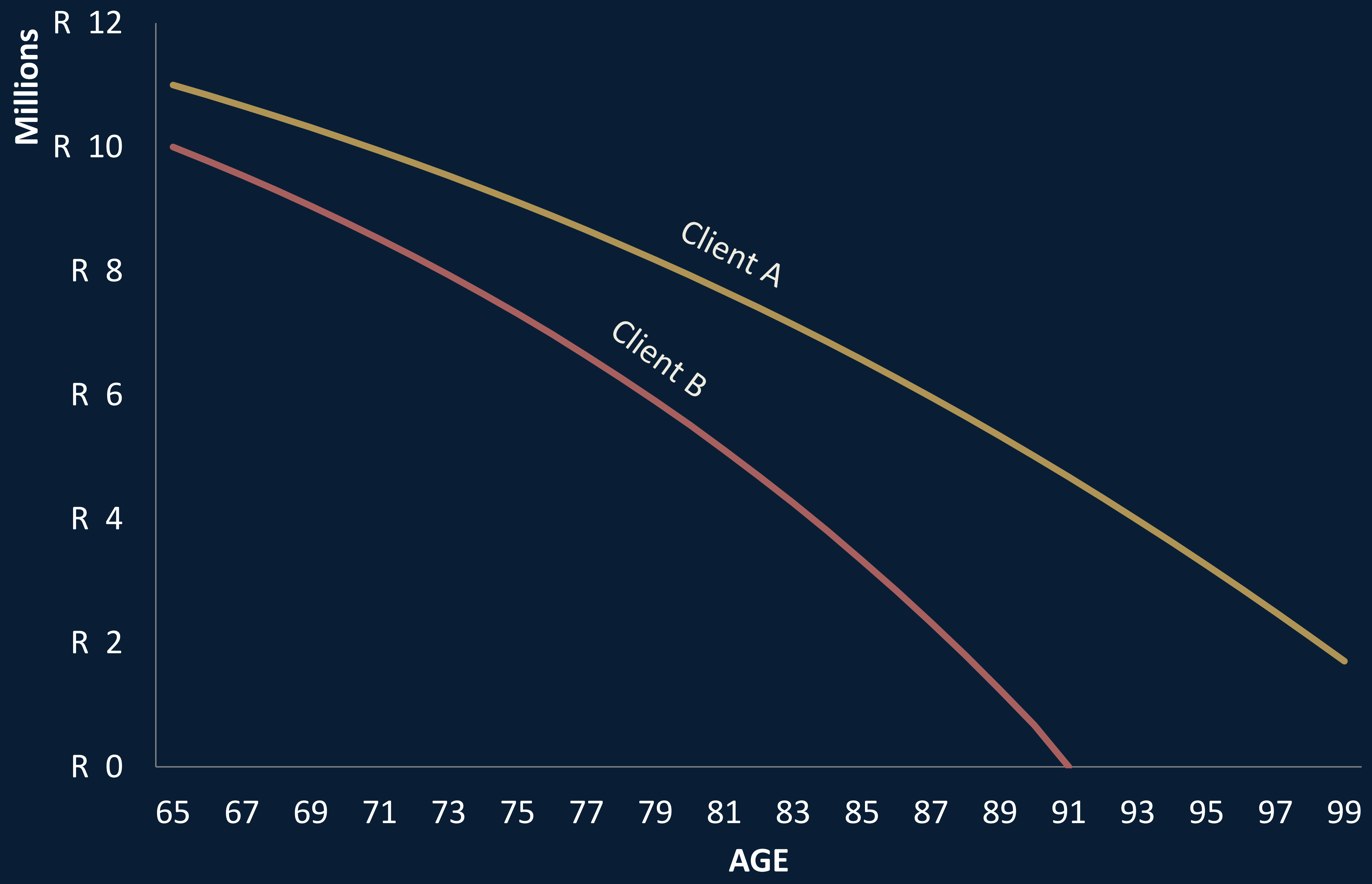
YEARS IN RETIREMENT

INCOME AFTER FEES	20 years	30 years	40 years
3.5%	100	99	97
4%	100	97	92
4.5%	100	93	83
5%	99	86	70
5.5%	96	74	55
6%	91	60	40
6.5%	84	46	29

Source: PPS Investments

The benefit of a little extra

TWO JOURNEYS WITH DIFFERENT CLIENT OUTCOMES



ASSUMPTIONS

Savings:	R10m
Growth:	CPI +4% (after fees)
Initial drawdown:	R600 000 p.a.
Drawdown increase:	6%

THE DIFFERENCE

Client A has R1 million extra at retirement
Client A earns R20 000 p.a. in retirement

Source: PPS Investments

THANK YOU

INVESTMENTS