



APEX

Investment Consulting SA

# GLOBAL INVESTMENT STRATEGY

**Boutiques On Wednesdays**

**2<sup>nd</sup> of December 2025**





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## 2025 : WHAT WORKED AND WHAT DID NOT WORK?

1



# KEY MACRO ASPECTS FOR PORTFOLIOS IN 2025



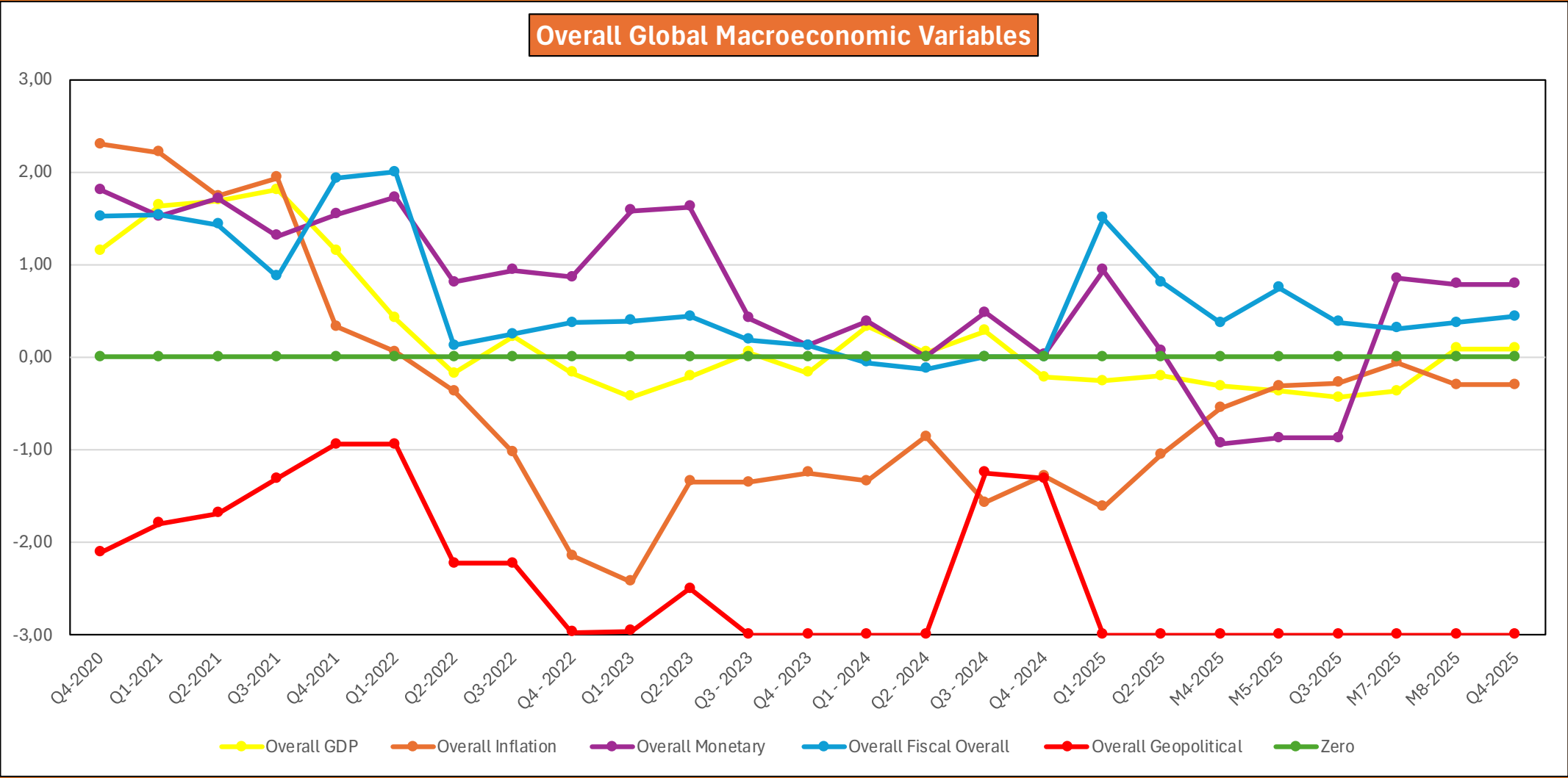
**1. Geopolitical risks / Trump policies**

**2. Inflation, interest rates & yields**

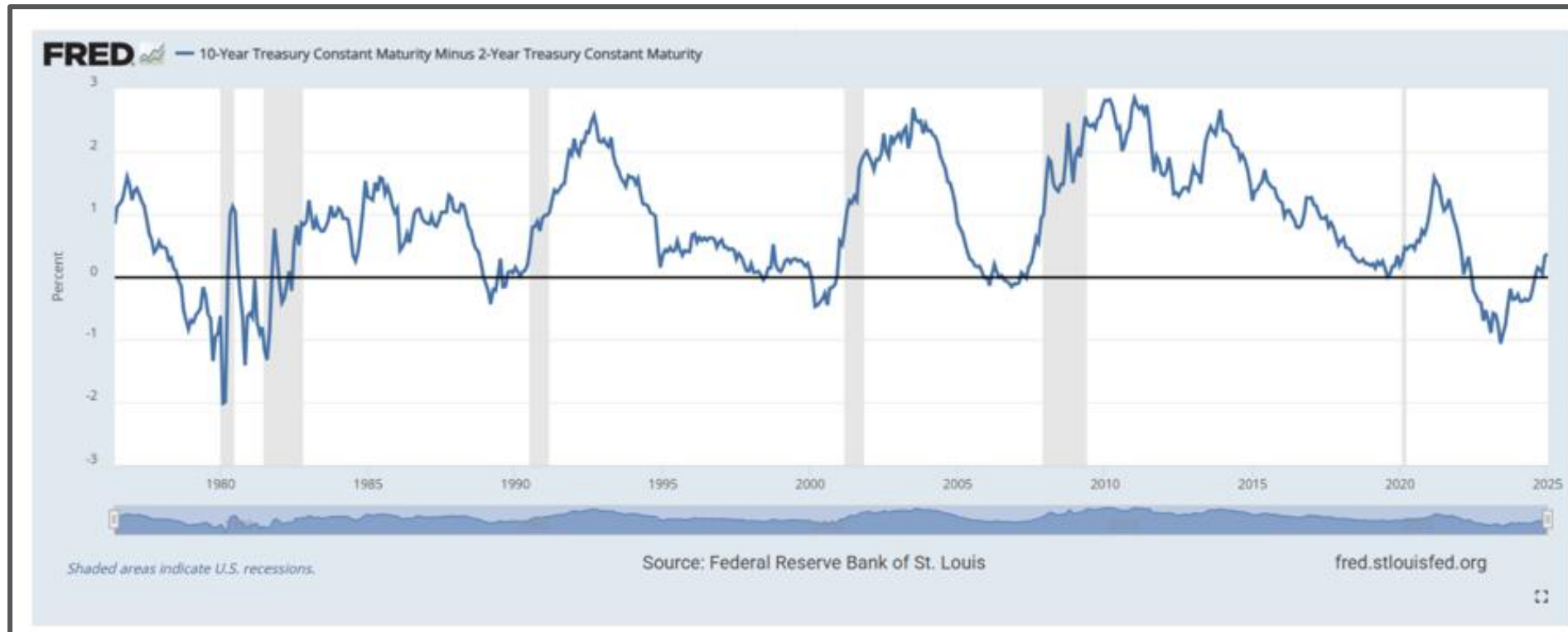
**3. Asset Valuations**

**4. Technological advances / AI**

# GLOBAL MACROECONOMICS



# IN MANY PRIOR REGIMES THE RECESSION OCCURS **SOON AFTER REVERSAL** OF YIELD CURVE INVERSION



- This is one of the main reasons why our process insists that **any reversal be confirmed for two consecutive quarters** before any asset allocation adjustments can be made.



# Q1 2025 – RECOMMENDED POSITIONING



SA Multi Asset Class Mandates - Specialist Building Block Strategy - Full Adjustments For Macro Regime Risks

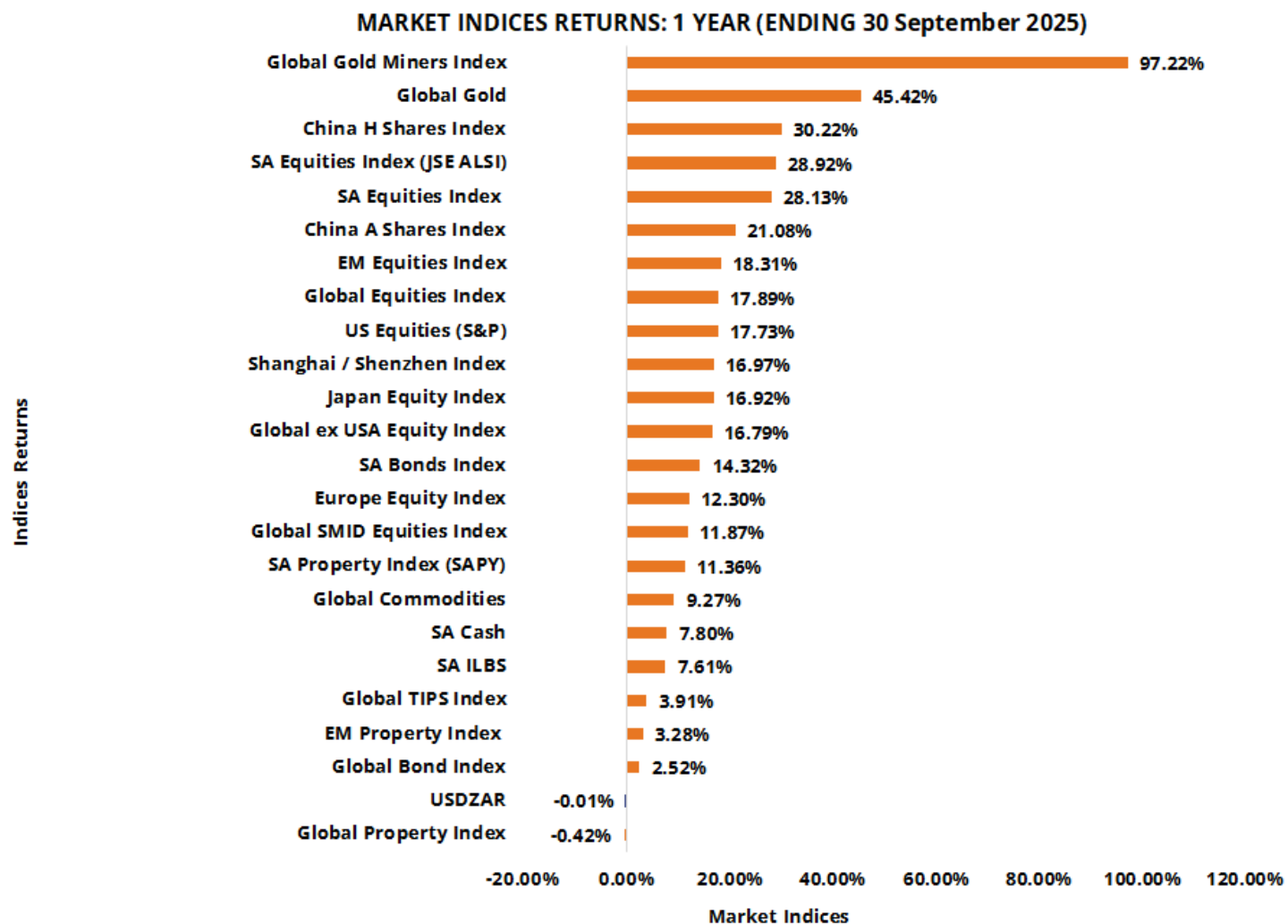
Asset Classes	Strong Underweight	Moderate Underweight	Marginal Underweight	Neutral	Marginal Overweight	Moderate Overweight	Strong Overweight
	Underweight By Between 10% - 15%	Underweight By Between 5% - 10%	Underweight By Between 0% - 5%	No Active Tilts	Overweight By Between 0% - 5%	Overweight By Between 5% - 10%	Overweight By Between 10% - 15%
SA Equities			-2.50%				
SA Real Estate							
SA Inflation Linked Bonds					2.50%		
SA Nominal Bonds					5.00%		
SA Cash / SA Flexible Income			-2.50%				
DM Equities		-7.50%	-5.00%				
EM Equities			-2.50%				
China Equities					5.00%		
DM Real Estate							
DM ILB					2.50%		
DM Nominal Bonds					5.00%		
DM Credit			-5.00%				
DM Cash / DM Flexible Income			-5.00%				
Global Gold					5.00%		

- A little bit more careful towards DM-Equities.
- More convicted towards DM Bonds, DM ILBs and SA ILBs.
- These being our outstanding calls still to deliver value.

- Now risk-neutral for SA Real Estate.
- Now risk-neutral for Global Real Estate.
- Finalising the risk-neutral transition for SA Equities.
- Implementing a global small / mid cap bias within our Equity curve out.

# 1 YEAR REVIEW --- MARKET INDICES

- China Shares are in a pleasing and gradual value unlock process.
- **Our current capital allocation range towards this asset class is 5,0% to 7,50% across all of our mandates.**
- **We remain convicted to adjust this more constructively to 7,5%-10,0% once current 5/year economic plans become clear – likely by March-2026.**



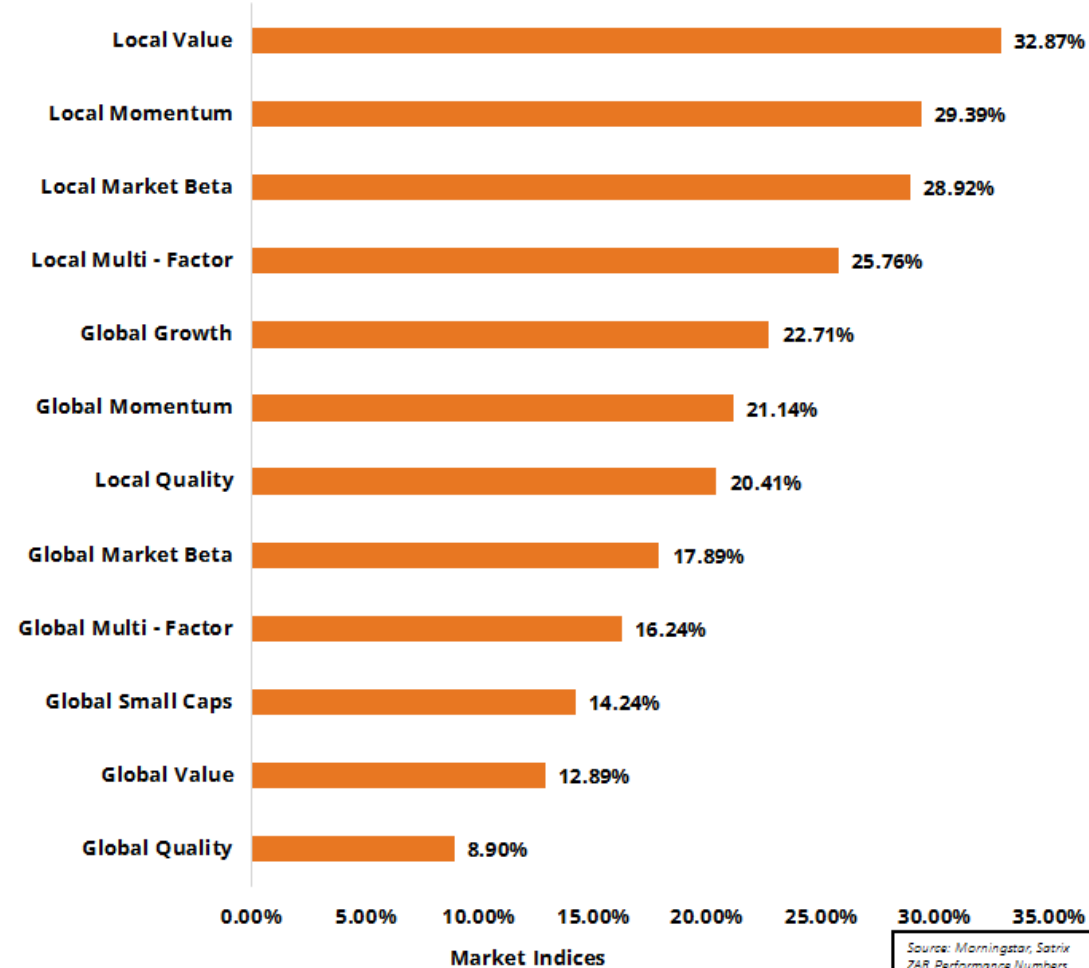
- As expected, the defensive curve out of our portfolios i.e. global fixed income duration risk has lagged over the past year.
- However, given still notable recession risks, this remains a vital capital preservation strategy across all of our mandates.
- **We have opportunistically added to Global Fixed Income (1,5% - 3,0%) and SA ILBs(1,5% - 3,0%) during Q4-2025 as a very opportunistic profit taking trade.**

# 1 YEAR REVIEW --- INVESTMENT STYLES

- Our neutral-risk-posture towards SA-Equities coupled with our underweight DM-Equities stance, appears well rewarded on this basis.

Indices Returns

## INVESTMENT STYLES: 1 YEAR - (ENDING 30 September 2025)



- Unless we have a notable correction in DM-Equities, we are unlikely to change our positioning over the next 1-year.
- Global Quality Managers have been our most notable pain-trade over the past year.
- **From a capital preservation point of view, quality managers remain a core part (20%-25) of the equity-carve-out of all our strategies.**
- Quality-oriented Global Growth Managers also hurt us the most over the past year.





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WHAT INVESTMENT IDEAS  
CHANGED DURING THE YEAR?

2



# SCORES: Q4, 2025 LONG-TERM VALUATIONS – SA & OFFSHORE



LT Valuation Scores - SA + Offshore						
3.00	2.00	1.00	0.00	-1.00	-2.00	-3.00
Extremely Cheap	Very Cheap	Cheap	Fair value	Expensive	Very Expensive	Extremely Expensive
		SA Mid Caps	SA Equities	SA Large Caps	European Equities	EM Equities
		European Real Estate	SA Property	SA Resources 20	UK Equities	USA Equities
		US Small Caps	SA Small Caps		Japan Equities	DM Equities
			SA Financials			EM Real Estate
			SA Industrials			
			Global Small Caps			
			China Equities			
			Global Property			

Q4 2023 – 2 Years ago

LT Valuation Scores - SA + Offshore						
3.00	2.00	1.00	0.00	-1.00	-2.00	-3.00
Extremely Cheap	Very Cheap	Cheap	Fair value	Expensive	Very Expensive	Extremely Expensive
SA Equities	SA Property	SA Small Caps	SA Resources 20	DM Equities	USA Equities	
SA Large Caps	US Small Caps	SA Mid Caps	EM Equities	European Equities		
SA Industrials	European Real Estate	SA Financials	Japan Equities	UK Equities		
	Global Property	Global Small Caps				
		China Equities				



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HOW DID YOUR HOUSE-VIEW  
DIFFER FROM: (A). ALPINE MACRO;  
(B). THE BCA & (C). THE PEER  
GROUP?

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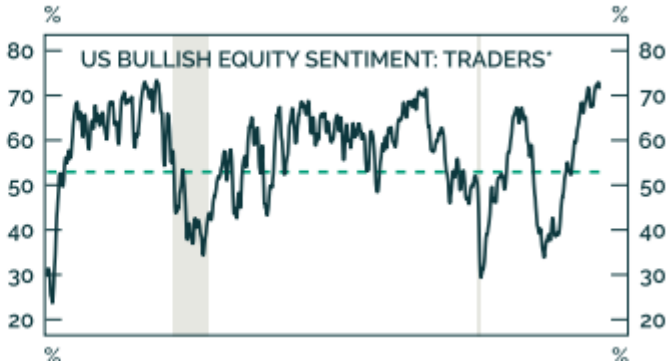
Global Investment Strategy Views						
	1-To-3 Month			6-To-12 Month		
Global Asset Allocation	-	0	+	-	0	+
Equities		■			■	
Fixed Income			■			■
Cash					■	
Global Equities (Region)*	-	0	+	-	0	+
US			■			■
Euro Area		■			■	
UK			■		■	
Canada			■		■	
Australia			■		■	
Japan			■		■	
EM		■			■	
Global Equities (Sectors)*	-	0	+	-	0	+
Communication Services			■		■	
Consumer Discretionary		■			■	
Consumer Staples						■
Energy		■			■	
Financials			■		■	
Health Care			■			■
Industrials		■			■	
Information Technology			■		■	
Materials		■			■	
Real Estate			■		■	
Utilities			■			■
Global Fixed Income**	-	0	+	-	0	+
Government			■			■
Investment Grade		■			■	
High Yield		■			■	
Duration		■				■
Inflation Protection			■		■	
Currencies***	-	0	+	-	0	+
USD			■			■
EUR		■			■	
GBP		■			■	
CHF			■			■
JPY			■			■
CAD		■			■	
AUD		■			■	
EM Currencies		■			■	
Commodities (vs USD)	-	0	+	-	0	+
Energy		■			■	
Base/Bulk Metals		■			■	
Gold			■			■

# The US Stock Market Rally Is Running Out Of Fuel

## Executive Summary

- The US economy is less resilient than widely believed. Any major shock could send it spiralling into a recession. Possible shocks include the “Triple T” of: Tariffs, Taxes, and Treasuries.
- If equity valuations were attractive, stocks could ignore such shocks. But they are not. The S&P 500 trades at 21.6-times forward earnings, 26% above the pre-pandemic average

## Equity Sentiment Is Dangerously Frothy



**ALPINEMACRO**

A Unique Mind On The Markets

**GLOBAL STRATEGY**

January 13, 2025

## Stocks, Bonds And “MAGAnomics”

Our roadmap for equity prices this year is “down first, followed by new highs later.”<sup>1</sup>

In This Report  
U.S. Equities:



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HOW DID YOU NAVIGATE HIGH  
MARKET CONCENTRATION RISK?

4







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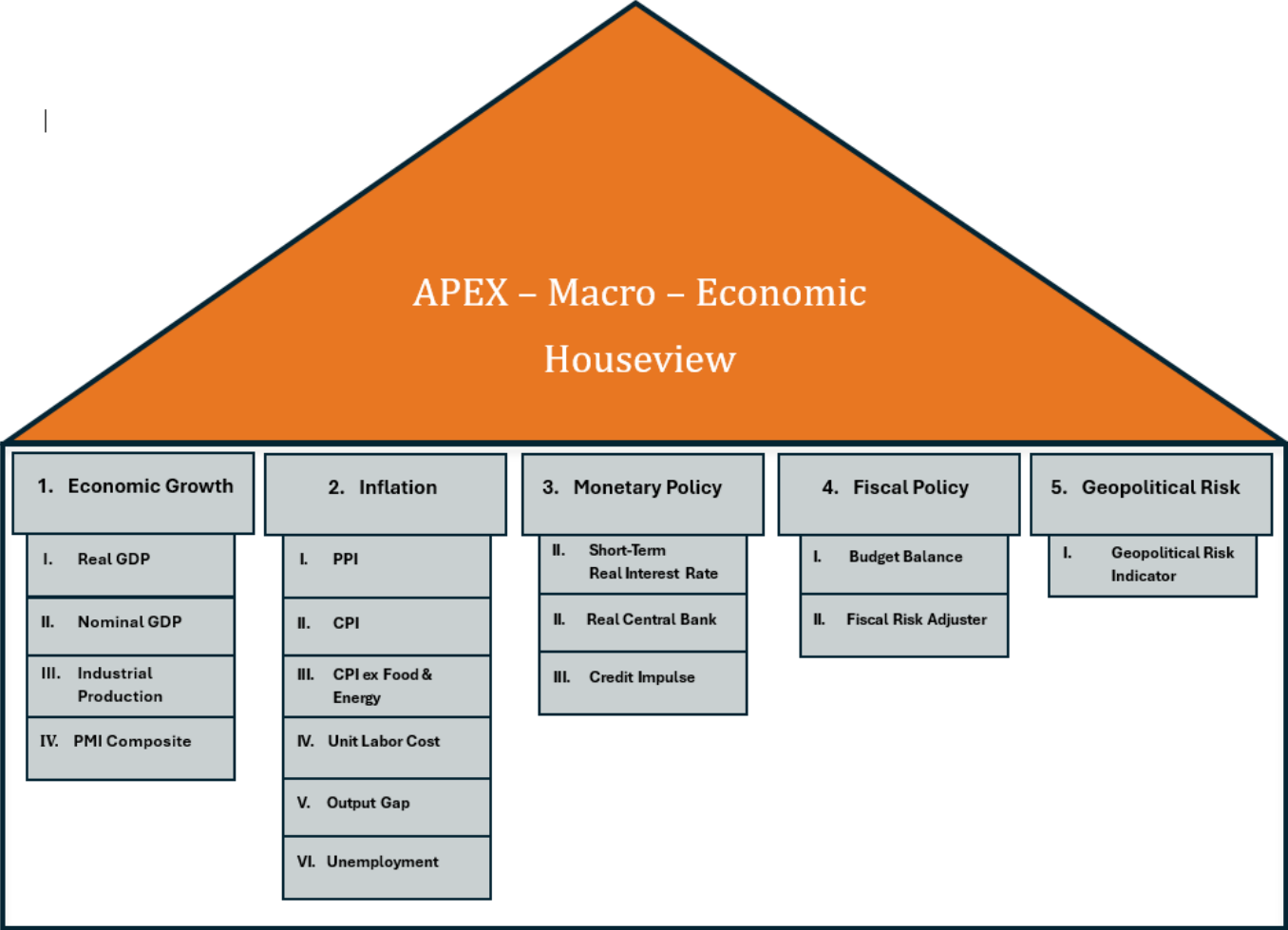
## FORWARD LOOKING VIEWS

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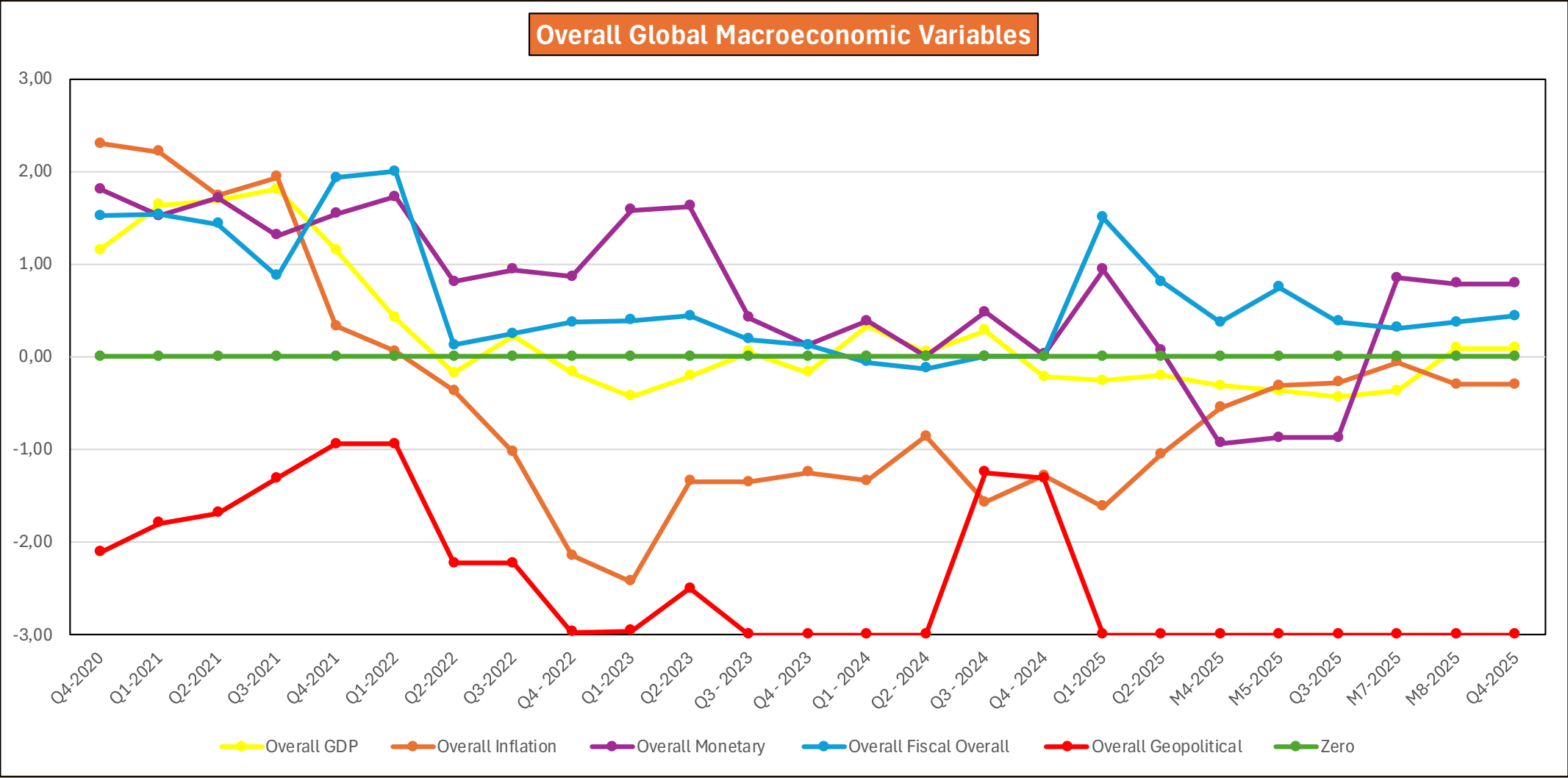




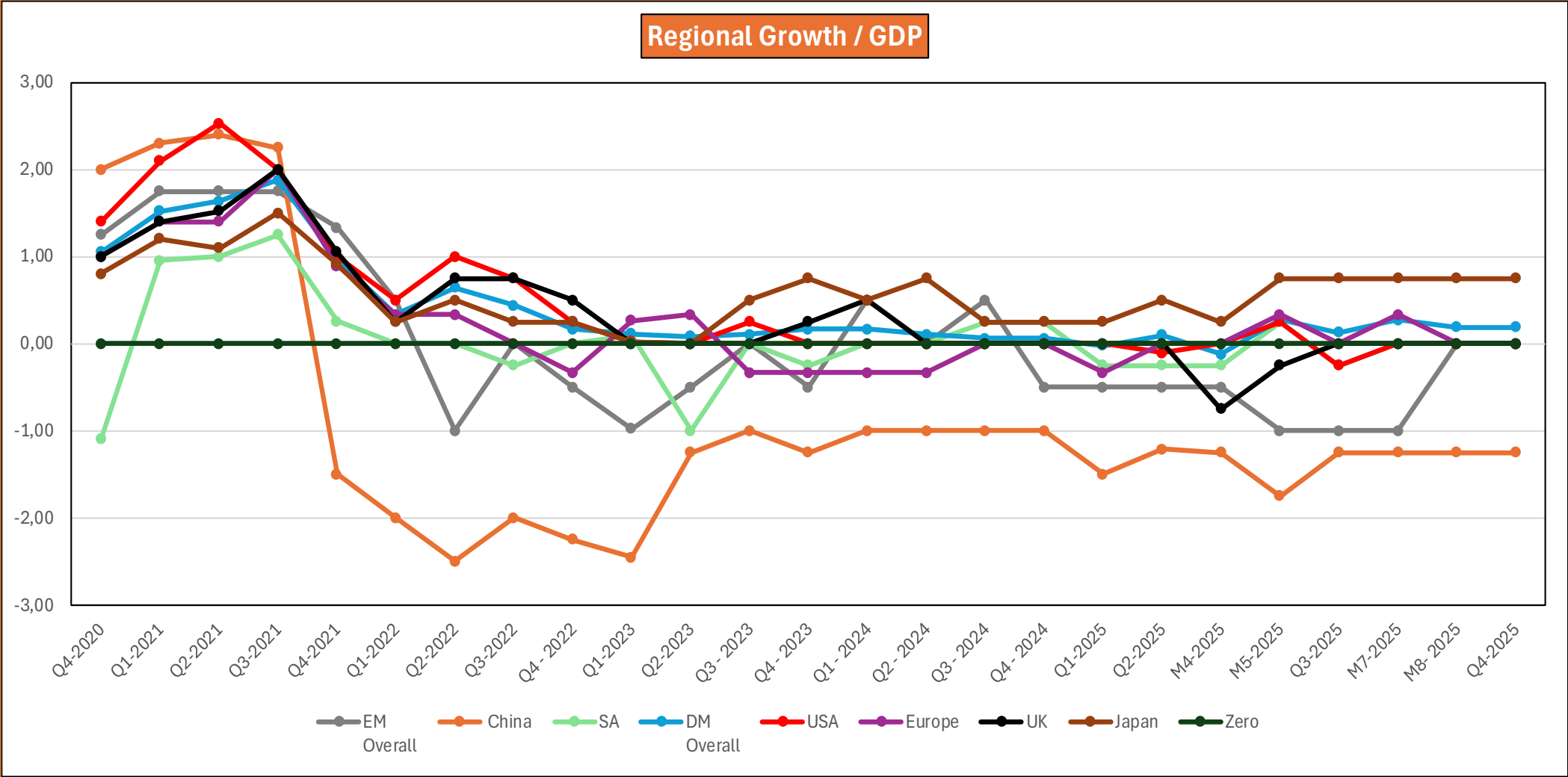
# GLOBAL MACRO RISK EVALUATION



# GLOBAL MACROECONOMICS PILLAR – INFLATION IS STICKY



# GROWTH ACROSS ALL REGIONS EXCLUDING CHINA NOW AT LEAST NEUTRAL



# CHINA 15<sup>TH</sup> 5-YEAR PLAN (2026 – 2030):

## Emerging Markets & China Strategy

### China: Five-Year Plan, Three Key Words

- **China's 15th Five-Year Plan centers on three mutually reinforcing strategic pillars: Development, Security, and Domestic Demand. Growth remains the top priority, security ensures stability and resilience, and expanding domestic demand both supports growth and underpins security.**
- **Beijing remains decisively pro-growth and aims to shift the economy to knowledge-based and innovation-driven. Household consumption is a key policy focus, with measures aimed at boosting income, reducing precautionary savings, upgrading consumption, and coordinating with supply-side reforms.**
- **These pillars guide long-term policy, structural reforms, and investment priorities, highlighting opportunities in high-tech industries, domestic consumption, and strategic self-sufficiency initiatives.**



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# INVESTMENT IDEAS THAT STAND OUT

## GLOBAL INVESTMENT STRATEGY

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# SCORES: Q4, 2025 LONG-TERM VALUATIONS – SA & OFFSHORE



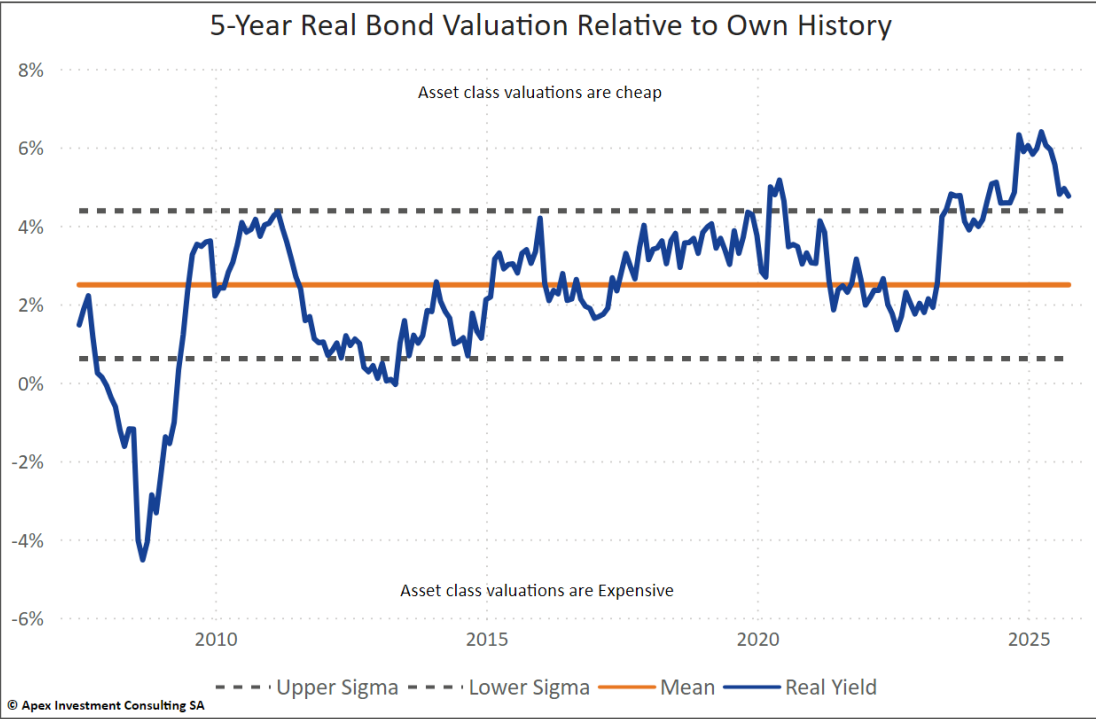
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			SA Industrials			
			Global Small Caps			
			China Equities			
			Global Property			

Q4 2023 – 2 Years ago

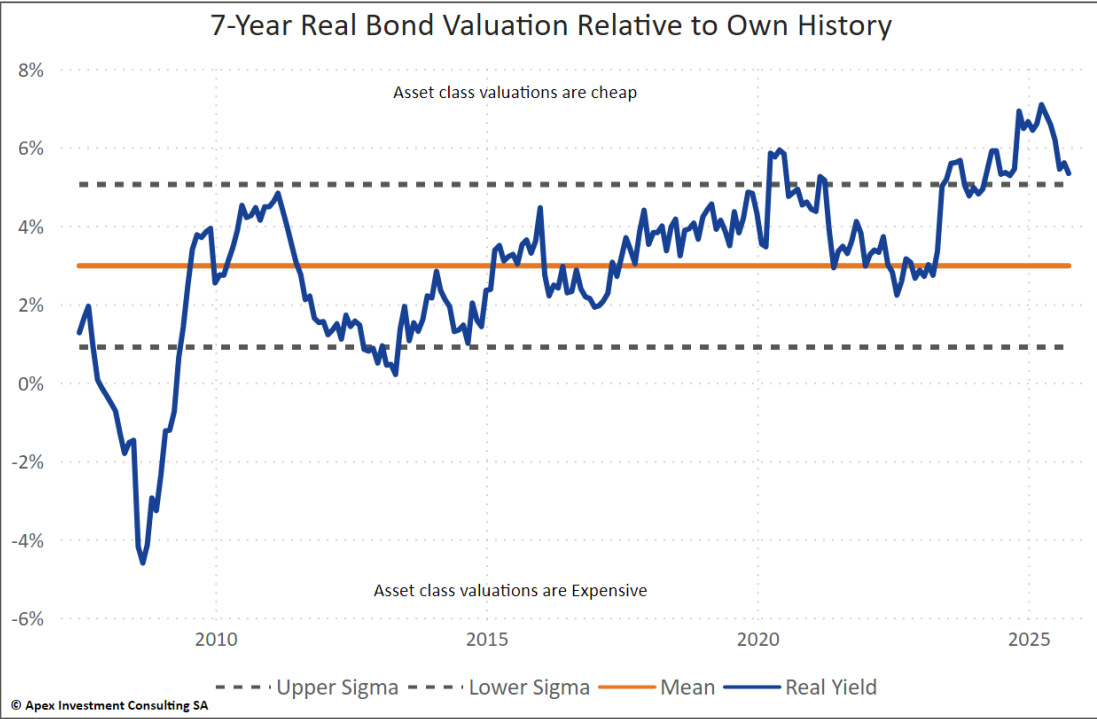
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SA Industrials	European Real Estate	SA Financials	Japan Equities	UK Equities		
	Global Property	Global Small Caps				
		China Equities				



# SA BONDS: 5-YEAR & 7-YEAR

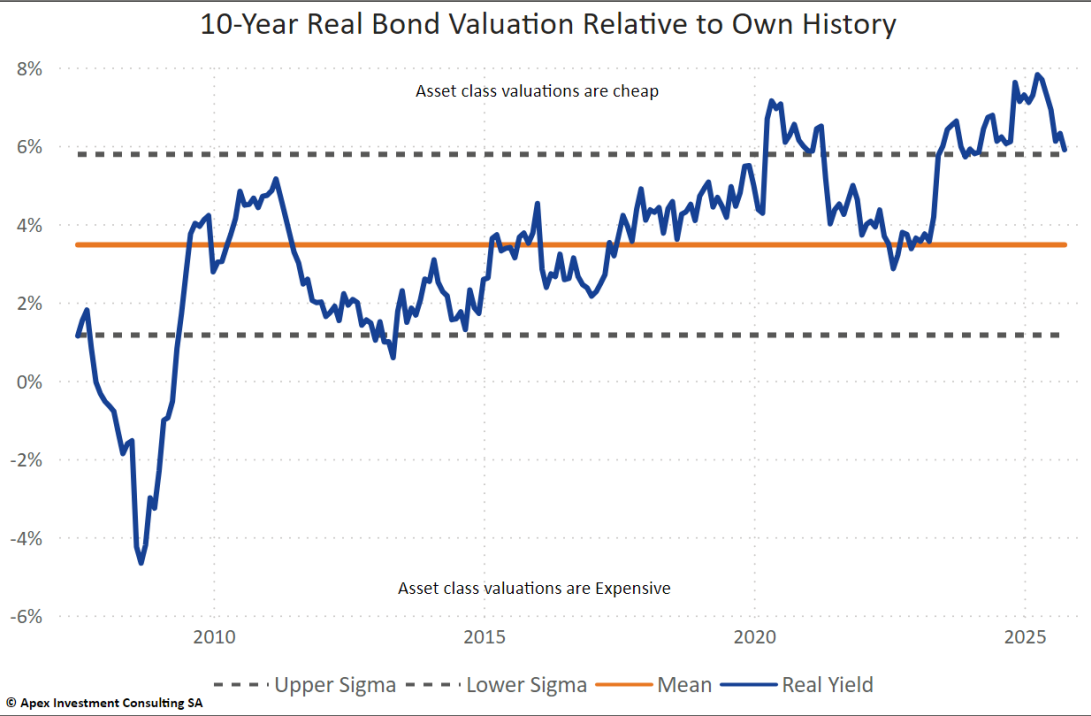


Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	2,49%	4,38%	0,61%	1,20	2	Very Cheap
2025/08/31	2,49%	4,38%	0,61%	1,30	2	Very Cheap
2025/07/31	2,49%	4,38%	0,61%	1,22	2	Very Cheap
2025/06/30	2,49%	4,38%	0,61%	1,62	3	Extremely Cheap

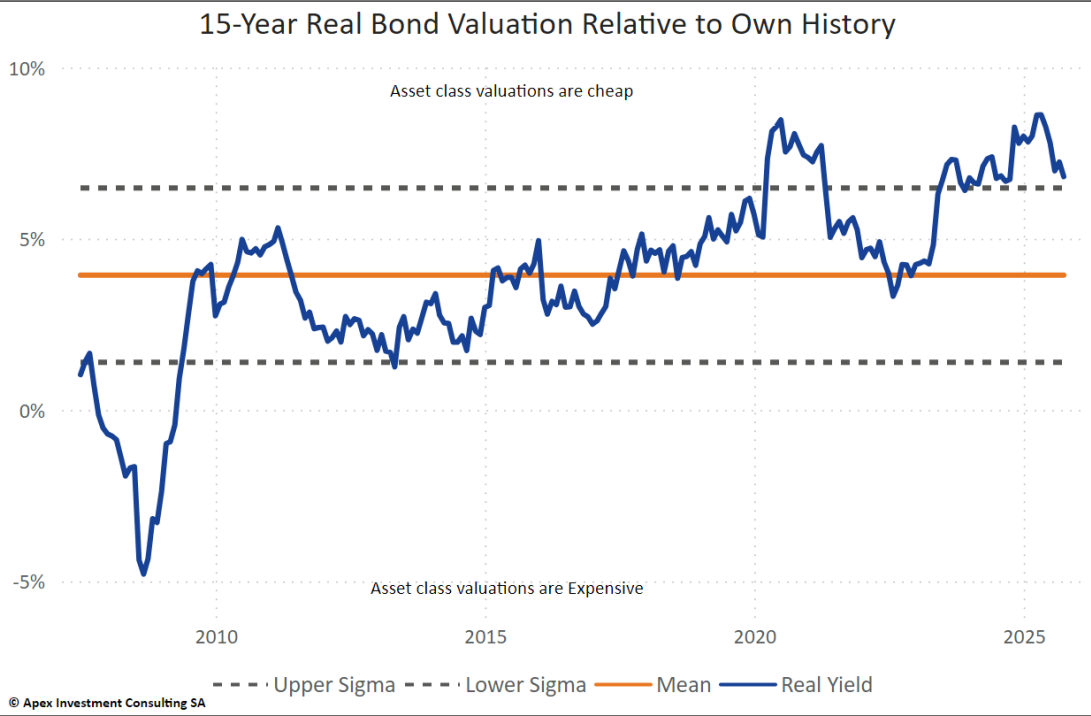


Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	2,98%	5,05%	0,90%	1,13	2	Very Cheap
2025/08/31	2,98%	5,05%	0,90%	1,26	2	Very Cheap
2025/07/31	2,98%	5,05%	0,90%	1,19	2	Very Cheap
2025/06/30	2,98%	5,05%	0,90%	1,55	3	Extremely Cheap

# SA BONDS: 10-YEAR & 15-YEAR

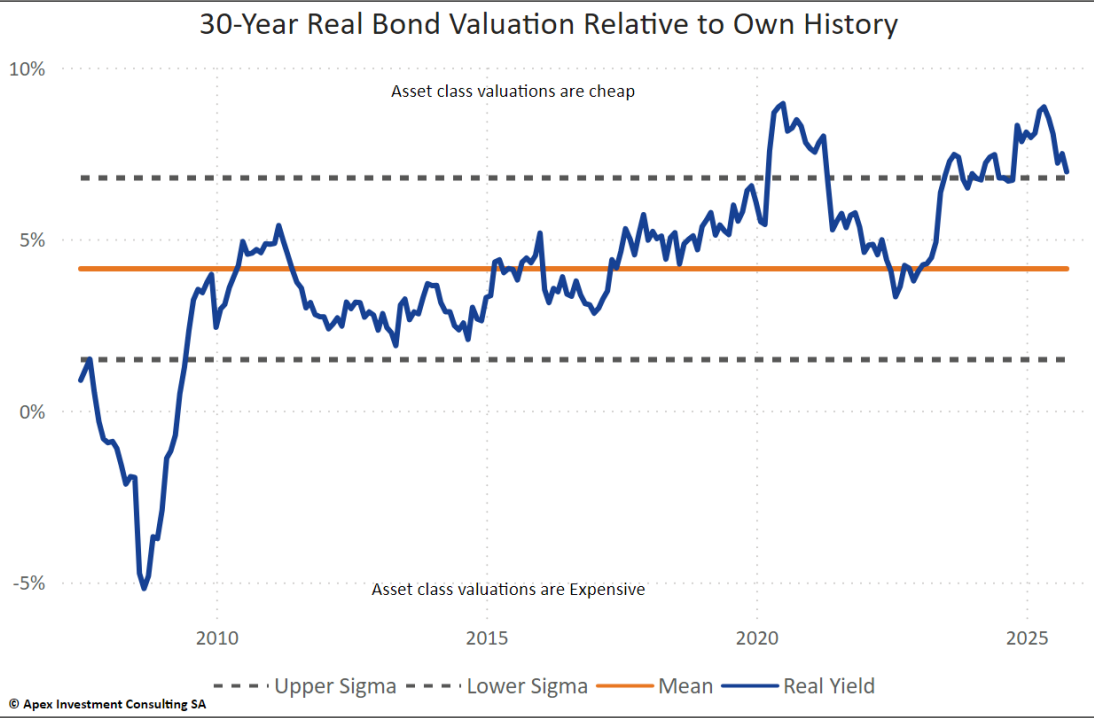
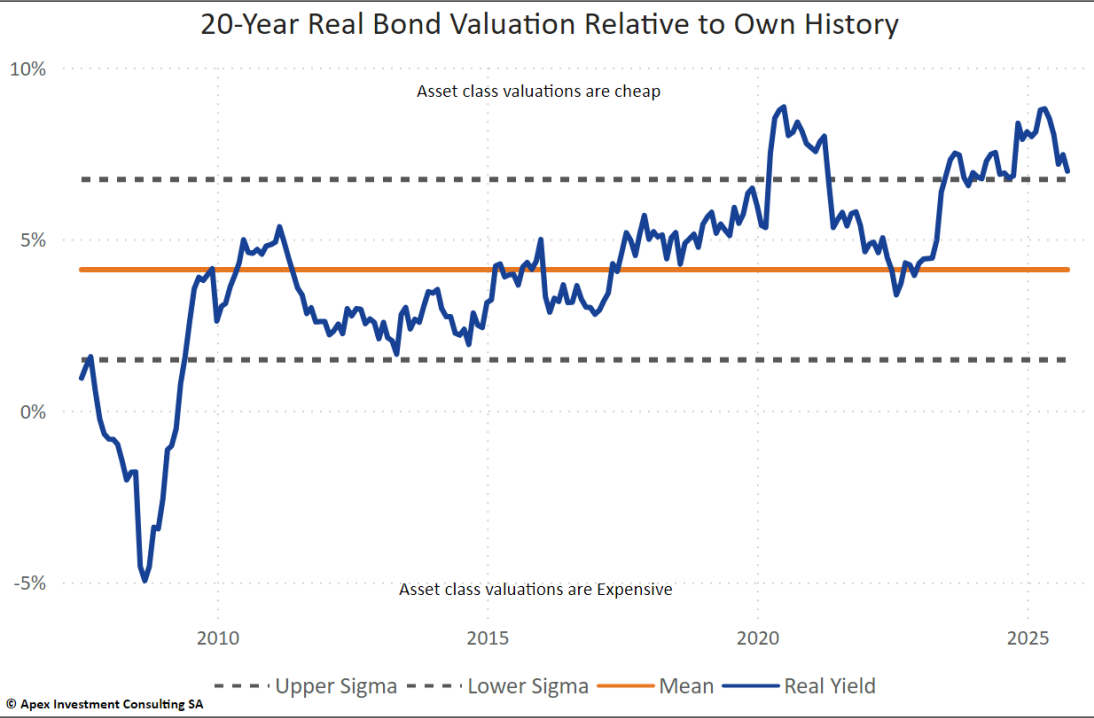


Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	3,47%	5,78%	1,16%	1,05	2	Very Cheap
2025/08/31	3,47%	5,78%	1,16%	1,23	2	Very Cheap
2025/07/31	3,47%	5,78%	1,16%	1,15	2	Very Cheap
2025/06/30	3,47%	5,78%	1,16%	1,50	2	Very Cheap



Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	3,93%	6,48%	1,39%	1,13	2	Very Cheap
2025/08/31	3,93%	6,48%	1,39%	1,30	2	Very Cheap
2025/07/31	3,93%	6,48%	1,39%	1,20	2	Very Cheap
2025/06/30	3,93%	6,48%	1,39%	1,52	3	Extremely Cheap

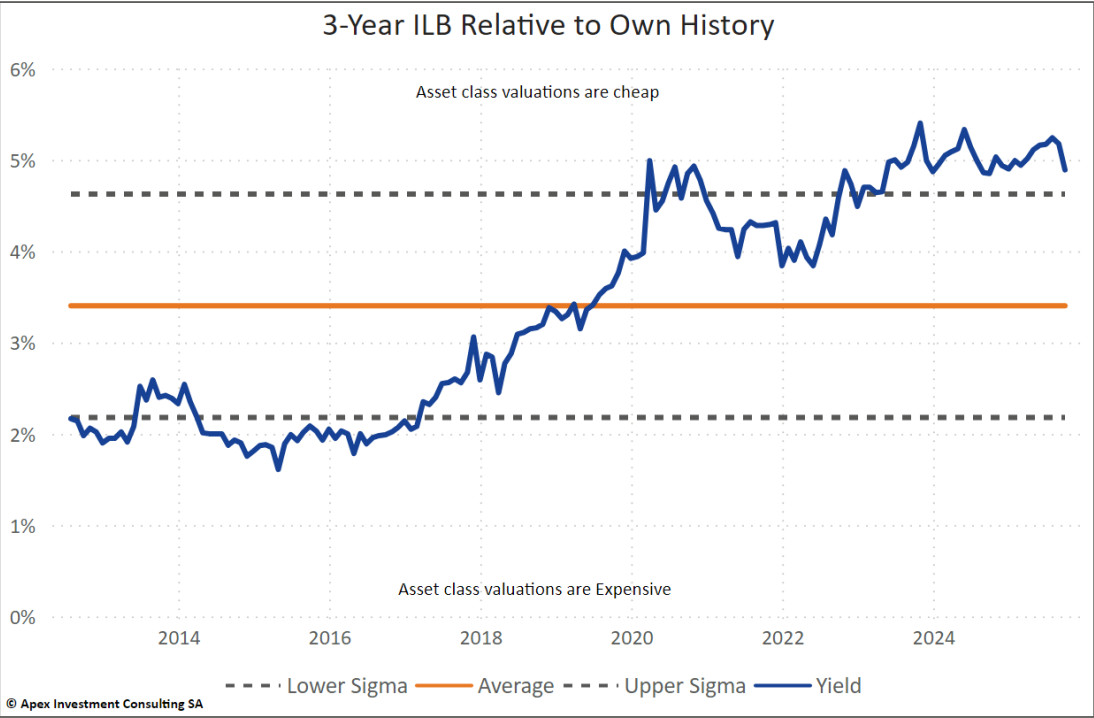
# SA BONDS: 20-YEAR & 30-YEAR



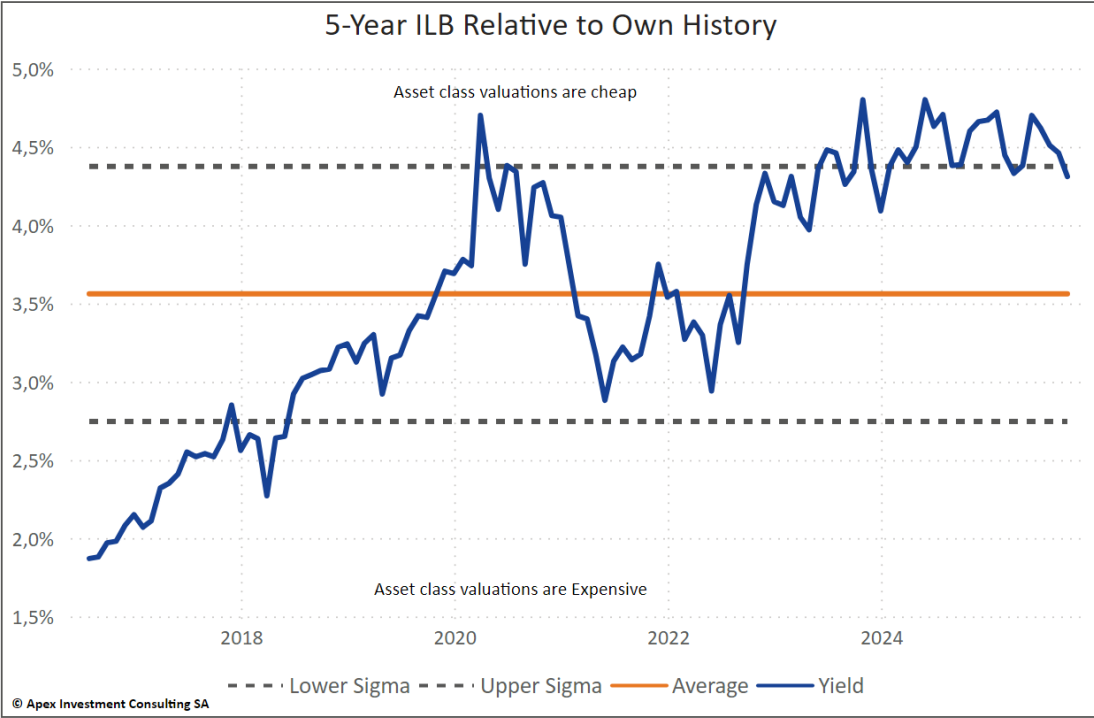
Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	4,11%	6,74%	1,48%	1,09	2	Very Cheap
2025/08/31	4,11%	6,74%	1,48%	1,28	2	Very Cheap
2025/07/31	4,11%	6,74%	1,48%	1,17	2	Very Cheap
2025/06/30	4,11%	6,74%	1,48%	1,50	2	Very Cheap

Date	Average	Upper Sigma	Lower Sigma	Dispersion	Score	Rating
2025/09/30	4,13%	6,78%	1,49%	1,07	2	Very Cheap
2025/08/31	4,13%	6,78%	1,49%	1,27	2	Very Cheap
2025/07/31	4,13%	6,78%	1,49%	1,16	2	Very Cheap
2025/06/30	4,13%	6,78%	1,49%	1,49	2	Very Cheap

# SA INFLATION-LINKED BONDS: 3-YEAR & 5-YEAR

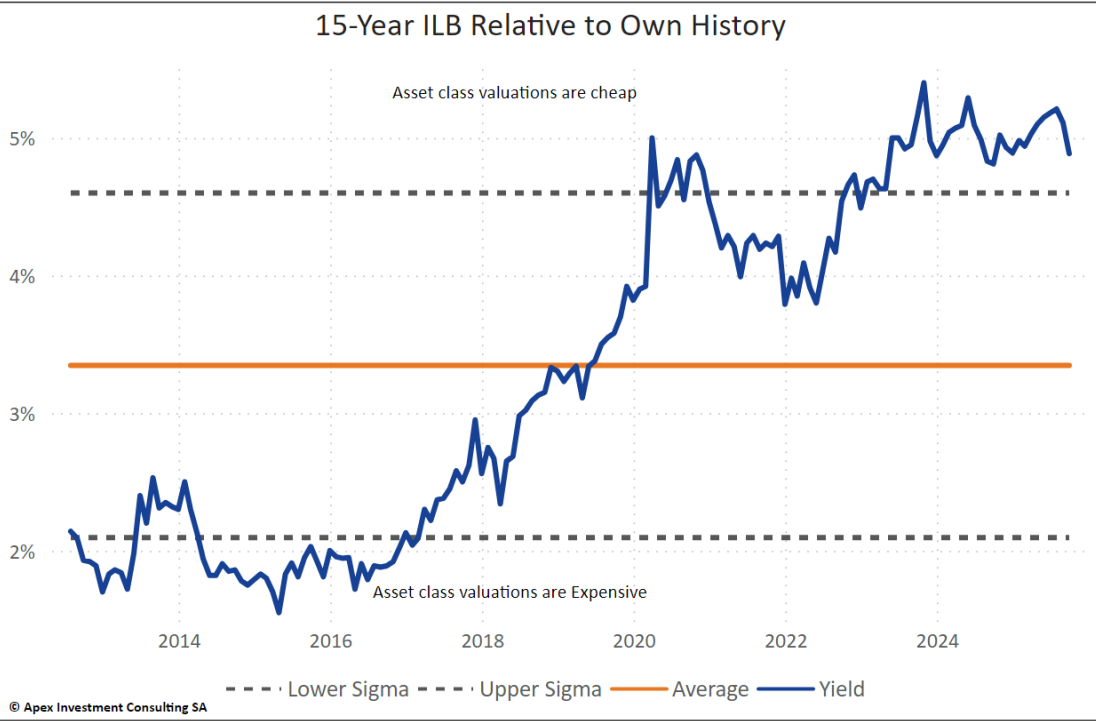
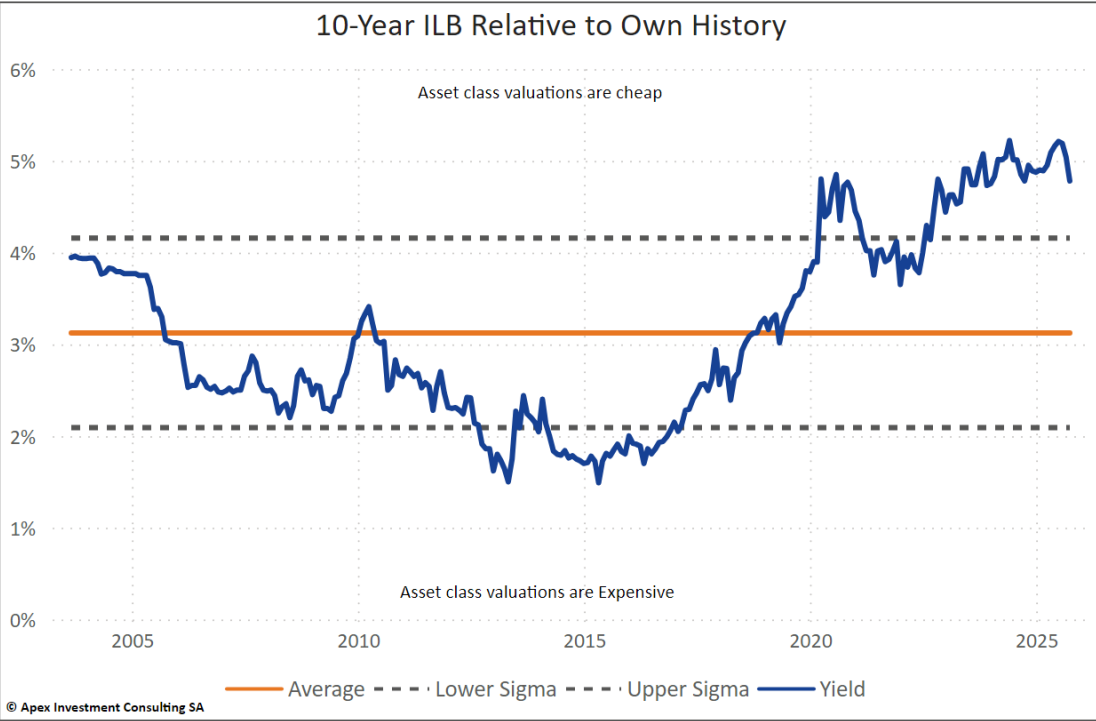


Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	3,40%	2,18%	4,62%	1,22	2	Very Cheap
2025/08/31	3,40%	2,18%	4,62%	1,45	2	Very Cheap
2025/07/31	3,40%	2,18%	4,62%	1,50	3	Extremely Cheap
2025/06/30	3,40%	2,18%	4,62%	1,45	2	Very Cheap



Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	4,54%	2,75%	4,37%	0,92	1	Cheap
2025/08/31	4,54%	2,75%	4,37%	1,11	2	Very Cheap
2025/07/31	4,54%	2,75%	4,37%	1,17	2	Very Cheap
2025/06/30	4,54%	2,75%	4,37%	1,30	2	Very Cheap

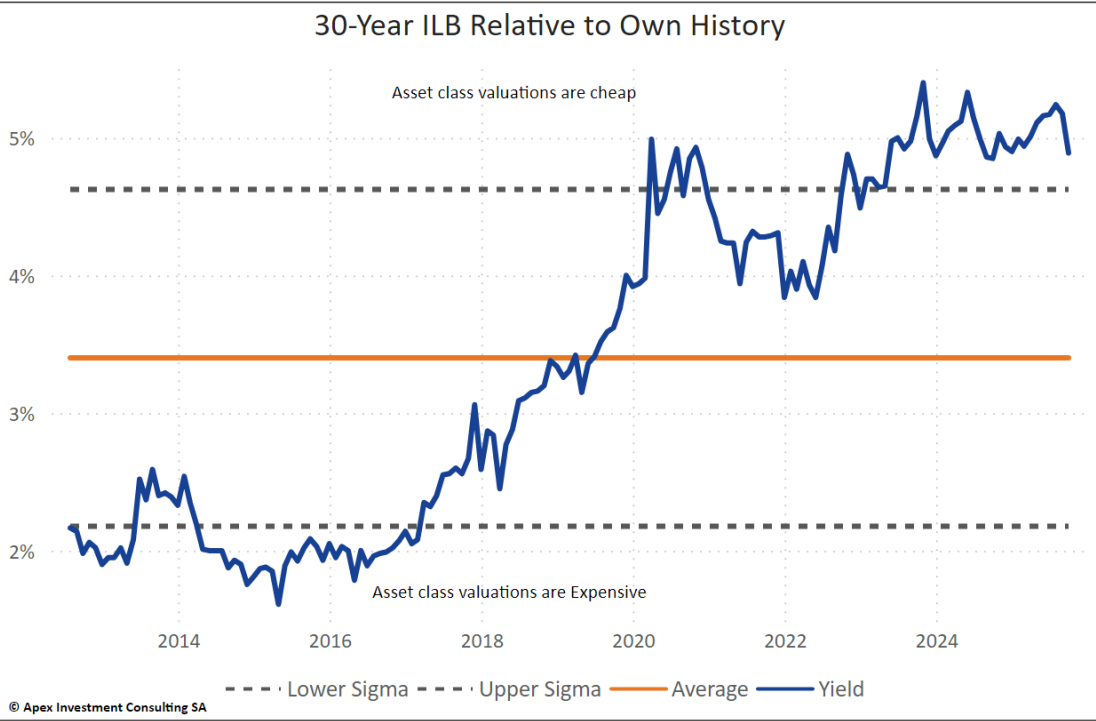
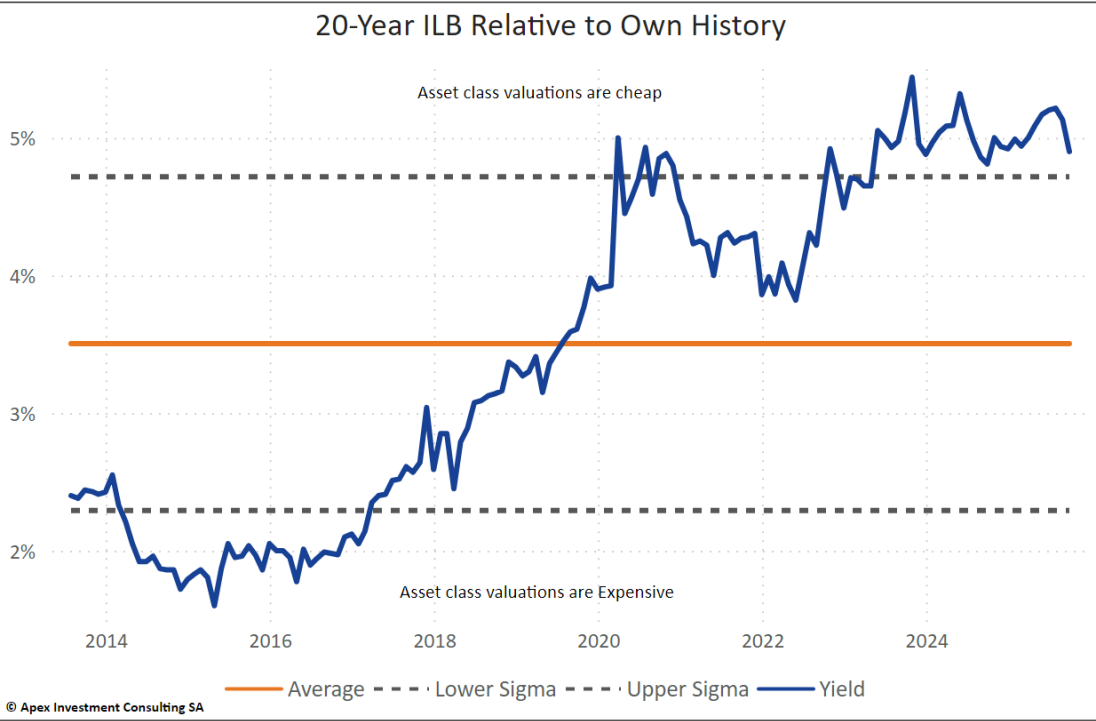
# SA INFLATION-LINKED BONDS: 10-YEAR & 15-YEAR



Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	3,12%	2,09%	4,16%	1,60	3	Extremely Cheap
2025/08/31	3,12%	2,09%	4,16%	1,85	3	Extremely Cheap
2025/07/31	3,12%	2,09%	4,16%	2,00	3	Extremely Cheap
2025/06/30	3,12%	2,09%	4,16%	2,02	3	Extremely Cheap

Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	3,35%	2,09%	4,60%	1,23	2	Very Cheap
2025/08/31	3,35%	2,09%	4,60%	1,41	2	Very Cheap
2025/07/31	3,35%	2,09%	4,60%	1,49	2	Very Cheap
2025/06/30	3,35%	2,09%	4,60%	1,46	2	Very Cheap

# SA INFLATION-LINKED BONDS: 20-YEAR & 30-YEAR

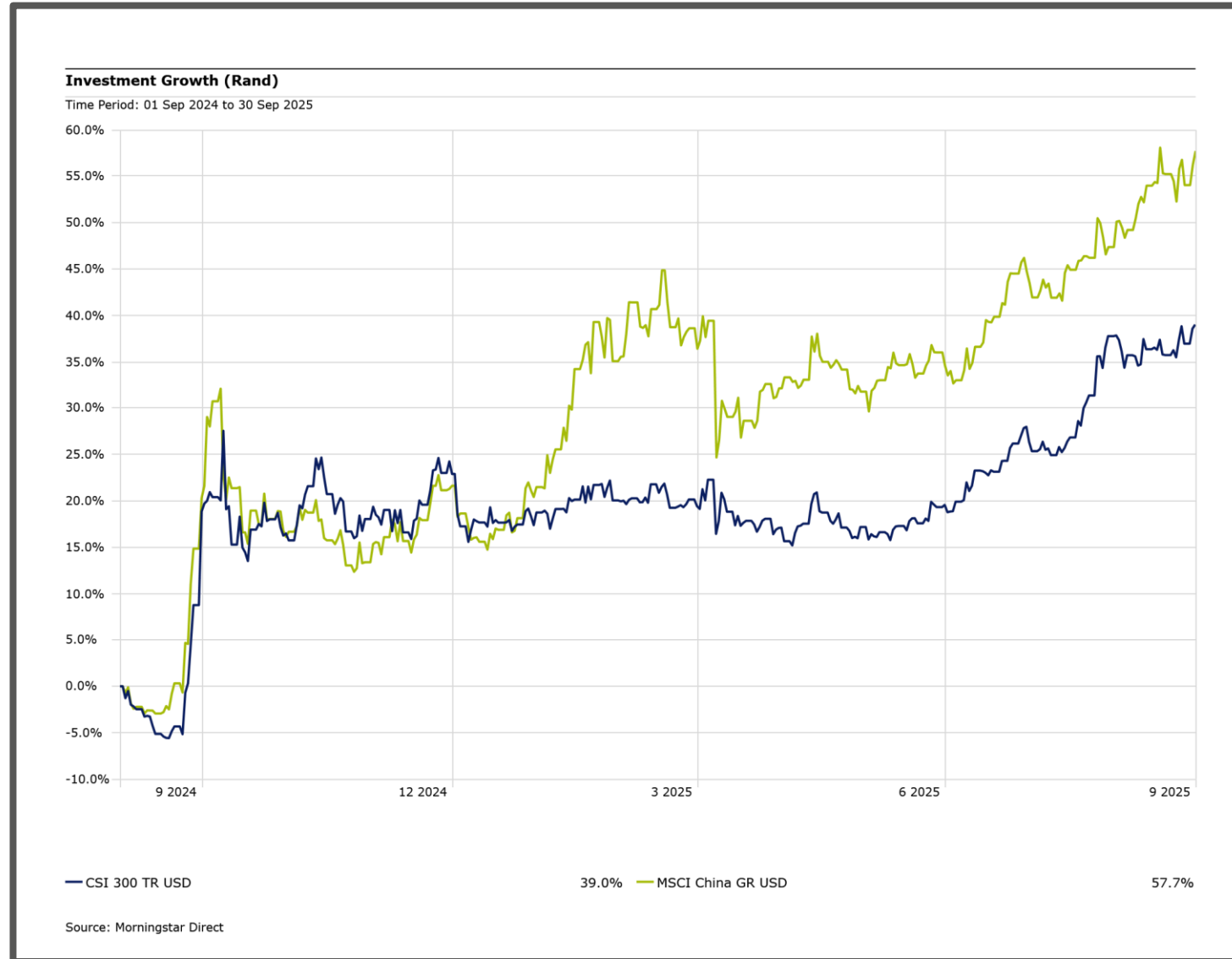


Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	3,50%	2,29%	4,72%	1,15	2	Very Cheap
2025/08/31	3,50%	2,29%	4,72%	1,34	2	Very Cheap
2025/07/31	3,50%	2,29%	4,72%	1,41	2	Very Cheap
2025/06/30	3,50%	2,29%	4,72%	1,40	2	Very Cheap

Date	Average	Lower Sigma	Upper Sigma	Dispersion	Score	Rating
2025/09/30	3,40%	2,18%	4,62%	1,22	2	Very Cheap
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2025/07/31	3,40%	2,18%	4,62%	1,50	3	Extremely Cheap
2025/06/30	3,40%	2,18%	4,62%	1,45	2	Very Cheap



# CHINA NOW FIRMLY IN BULL-MARKET-TERRITORY (ZAR-TERMS)



**Bull Market:**  
- Gains of at least 20%  
from inflection point.

# FIVE HIGH CONVICTION IDEAS TO WHICH WE ARE INDIFFERENT



- 1. SA Equities.
- 2. SA Bonds.
- 3. China Equities (a blend of A-Shares and H-Shares).
- **4. SA Inflation Linked Bonds**
- **5. Global Inflation Linked Bonds.**

All else equal, OUR DEFAULT POSITION is to construct highly diversified portfolios which depend on many drivers of performance.



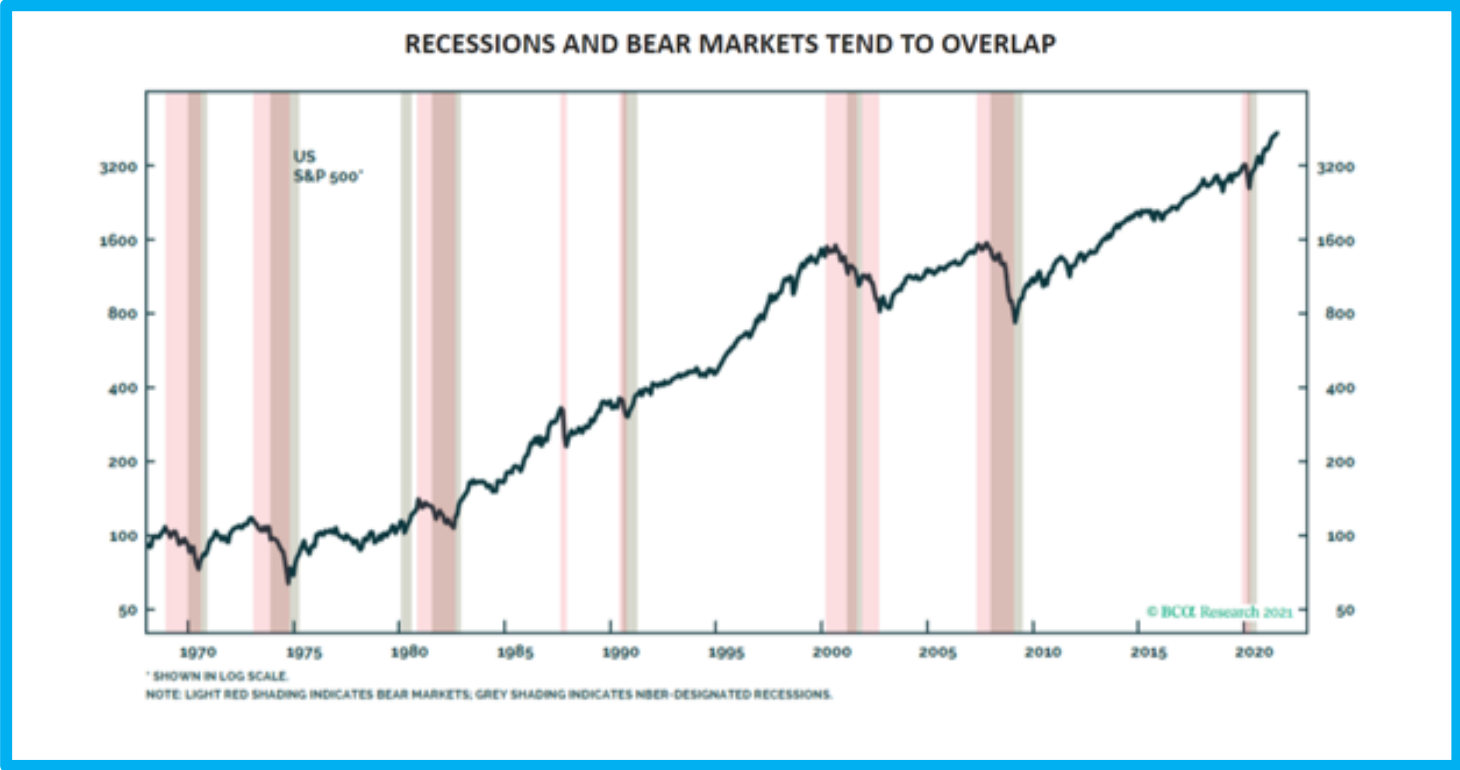
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# US RECESSION RISK? GLOBAL INVESTMENT STRATEGY

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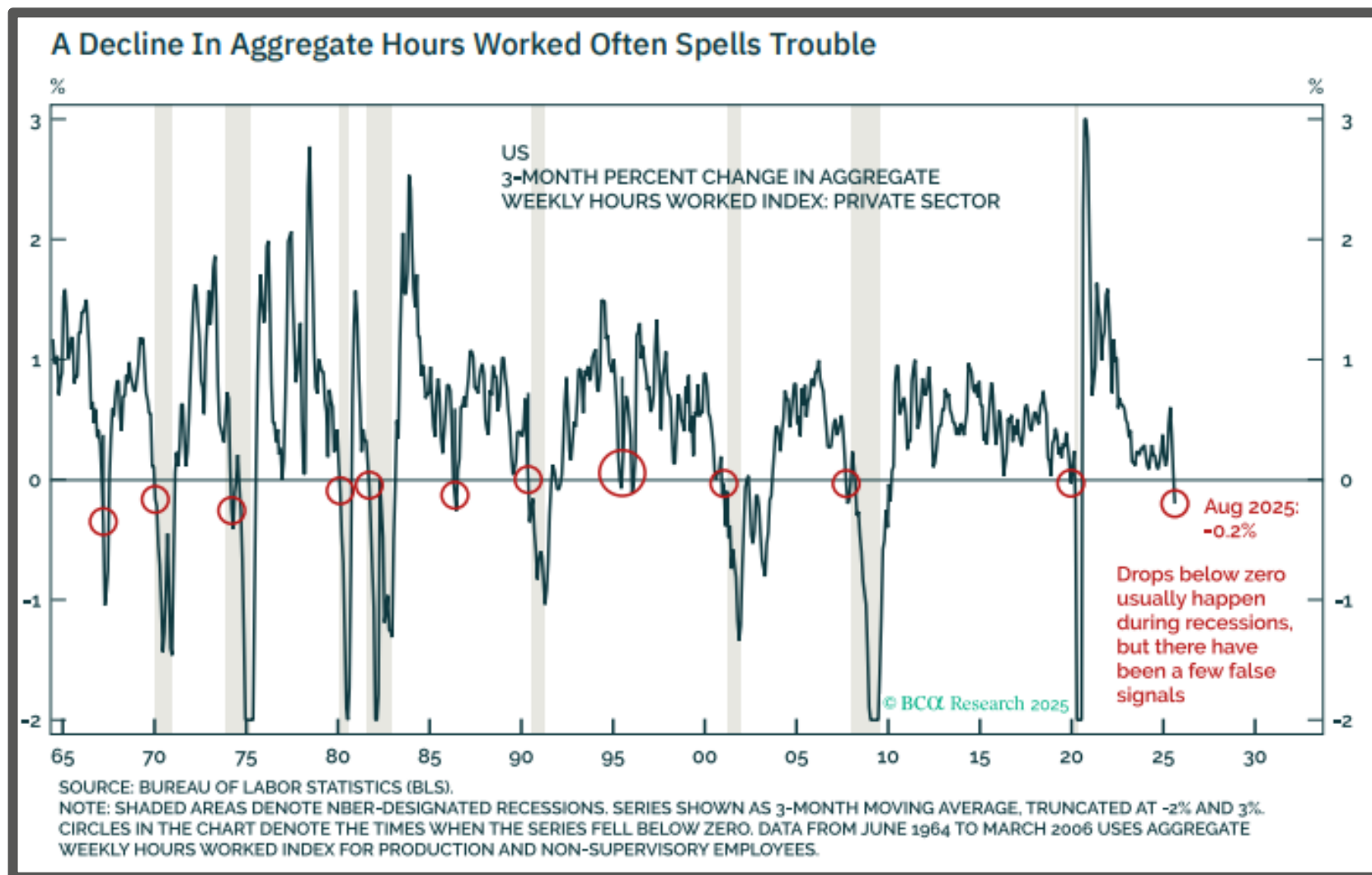


# THROUGH THE CYCLE OUR PROCESS IS **AT LEAST GROWTH** **ASSETS NEUTRAL** UNLESS RECESSION RISK RISES NOTABLY

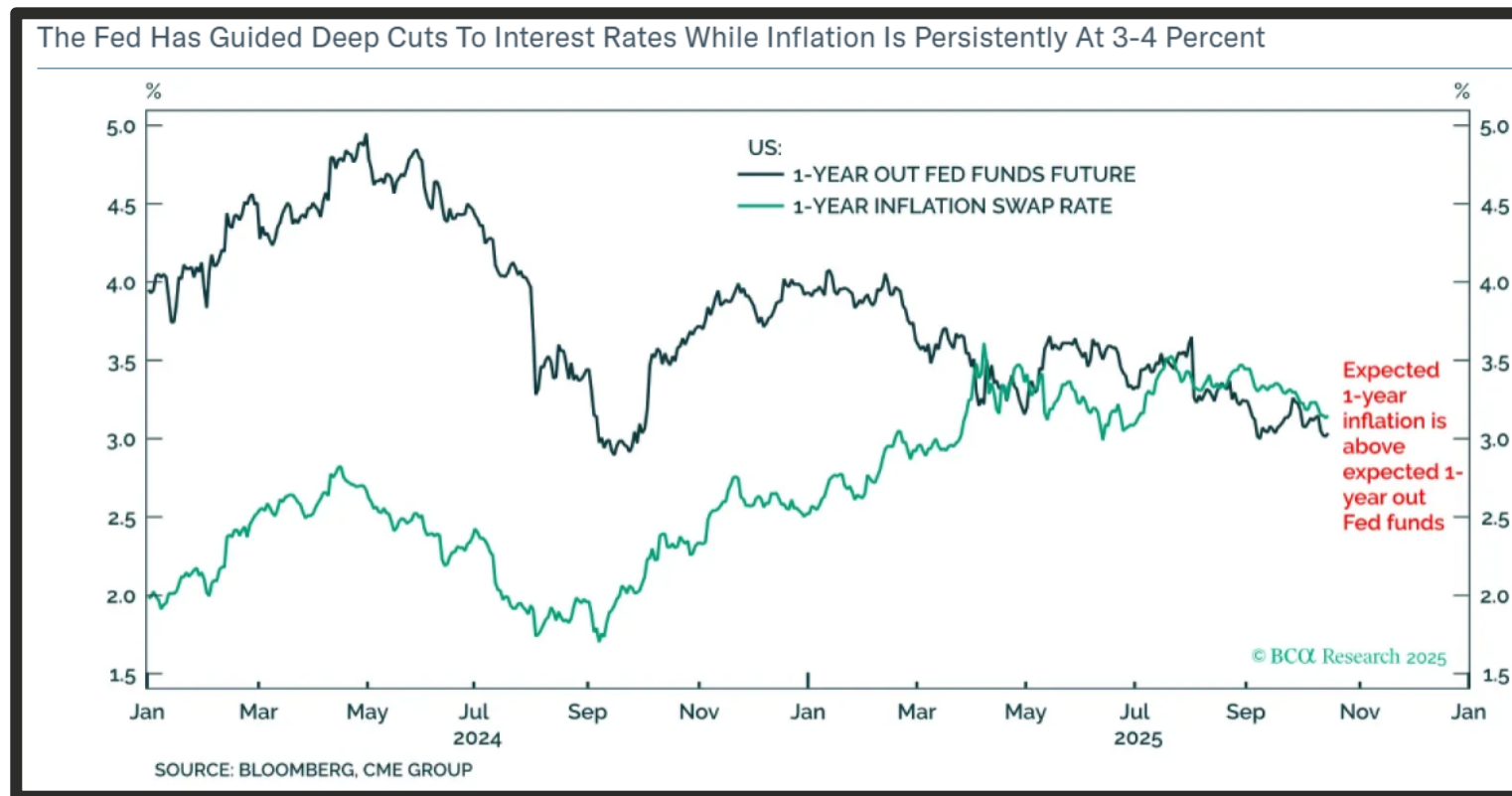


Bear Market Characterisation	Typical Decline	Duration of Decline In Months	Typical Earnings Contraction
Non-recessionary bear market	-20.00%	7months	10% to 20%
Recession bear market	-35.00%	17months	15% to 45%

# RECENT USA LABOUR MARKET DEVELOPMENTS ARE A CONCERN TO THE FED



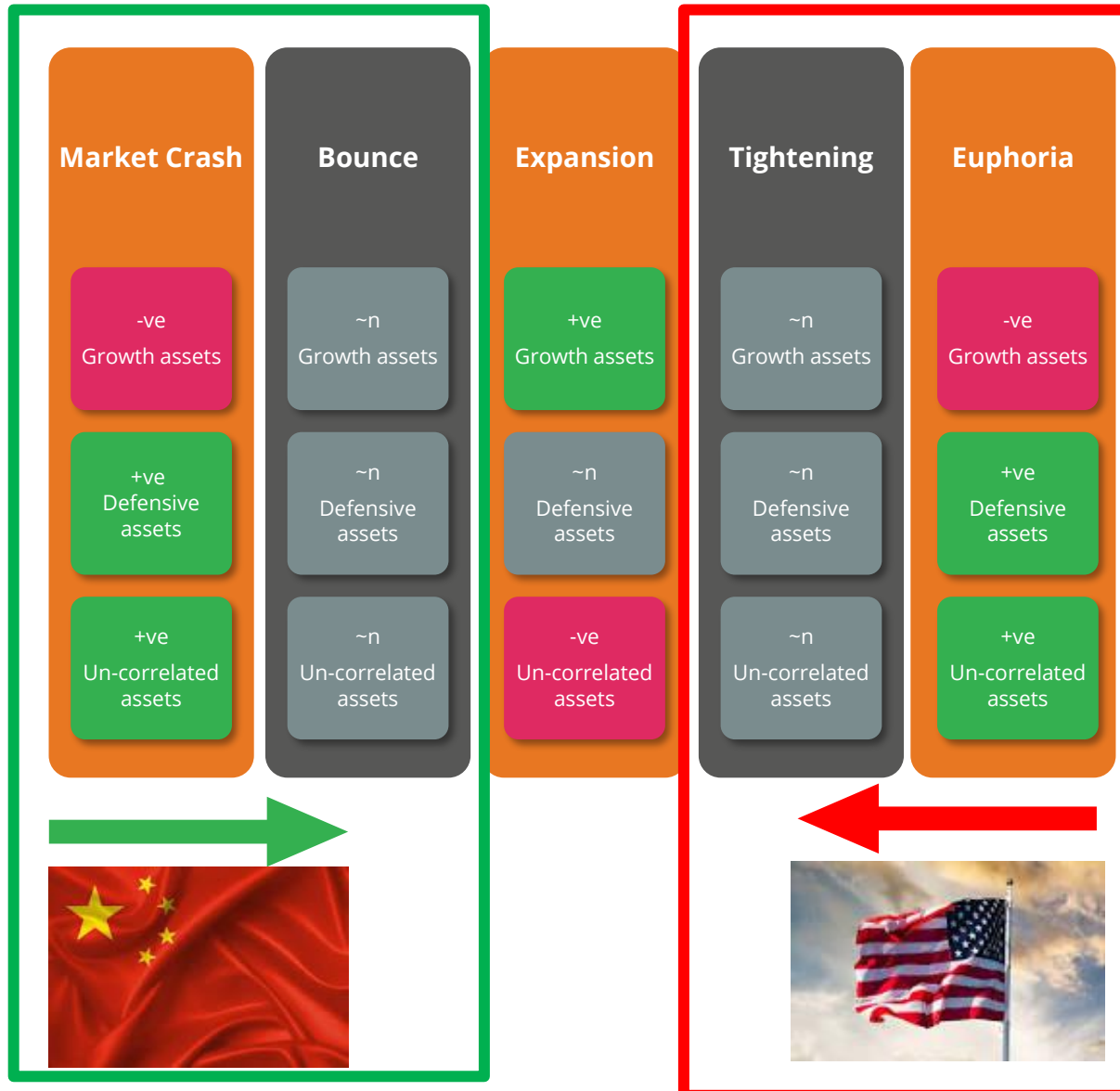
# EFFECTIVE JULY-2025, THE FED HAS IN RESPONSE STARTED TO GUIDE FOR NEGATIVE REAL RATES



- If FED guidance becomes stronger on this front, this will be bullish for asset classes with presently elevated real yields such as Global ILBs, SA ILBs & DM Real Estate.
- We have responded by adjusting our asset allocation in order to **fully utilise our strategic risk budget towards local and global inflation linked bonds.**

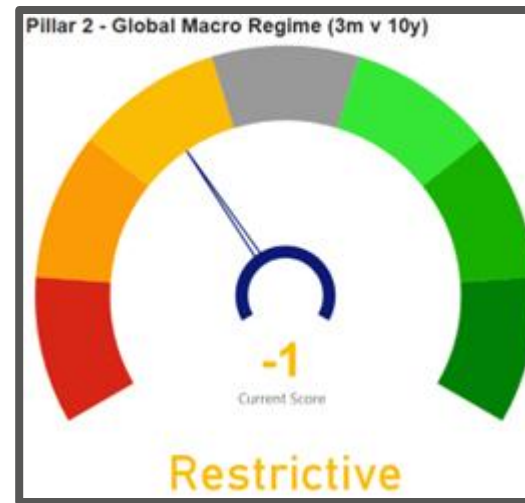
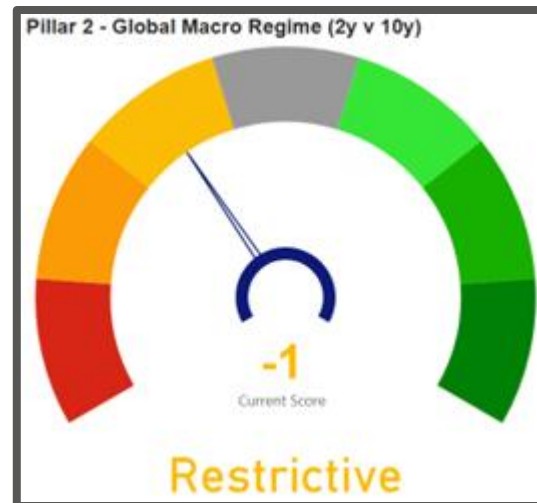
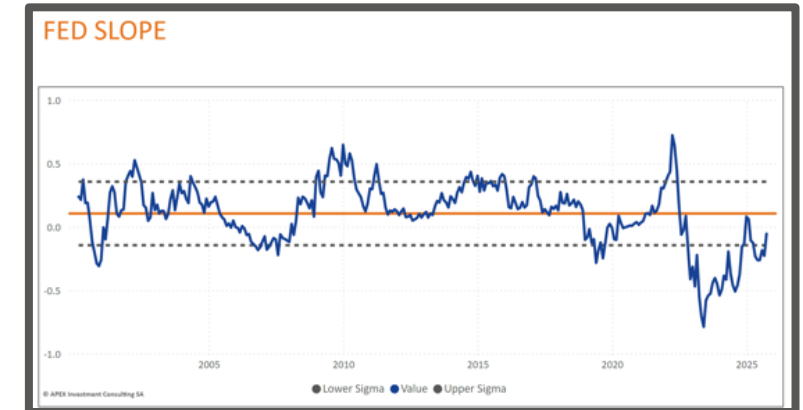
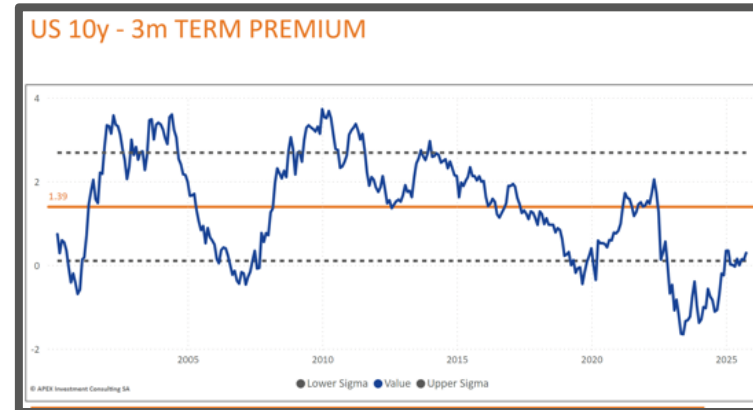
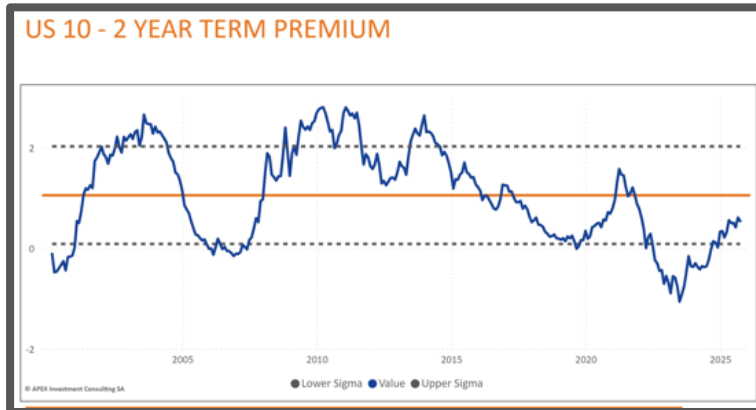


# US NEGOTIATES A RECESSION, AS CHINA NEGOTIATES A BOUNCE



- The USA is negotiating a recession / soft landing, with recent FED guidance targeting to depress real rates back into a negative-real-rates-regime.
- China is negotiating a “Bounce” and has been fighting hard to push the economy into an “Expansion” since 2022.

# OVERALL RECESSION RISK SCORE SUGGESTS A DEFENSIVE ALLOCATION OF NO MORE THAN 5%



- Our recession-risk signals currently suggest that the **probability of a recession is 33%**. This is lower than the same estimate by one of our external global investment strategists the **BCA who currently estimate the probability of the risk of a recession as 50%**.



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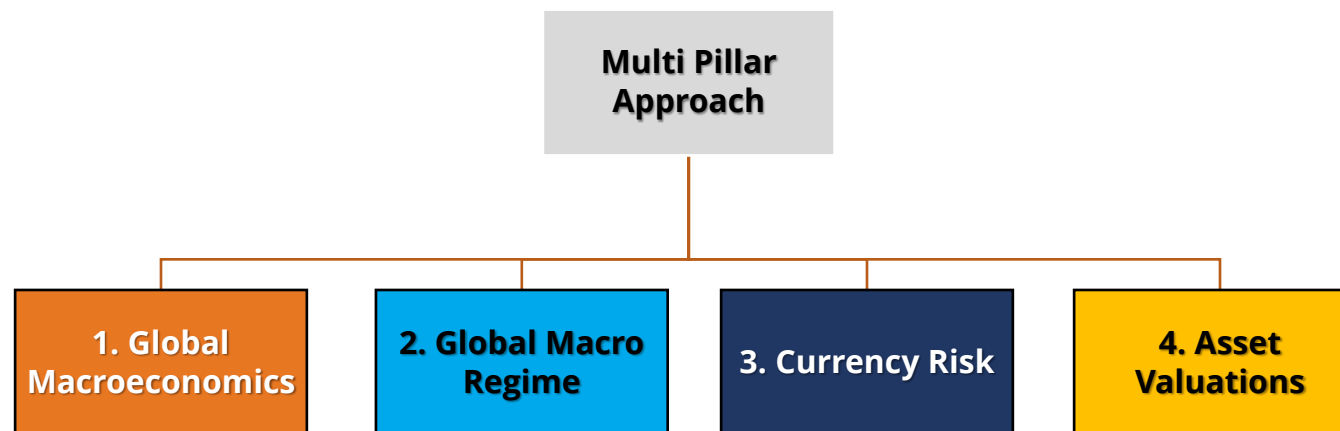
# CURRENT AA POSITIONING

## GLOBAL INVESTMENT STRATEGY

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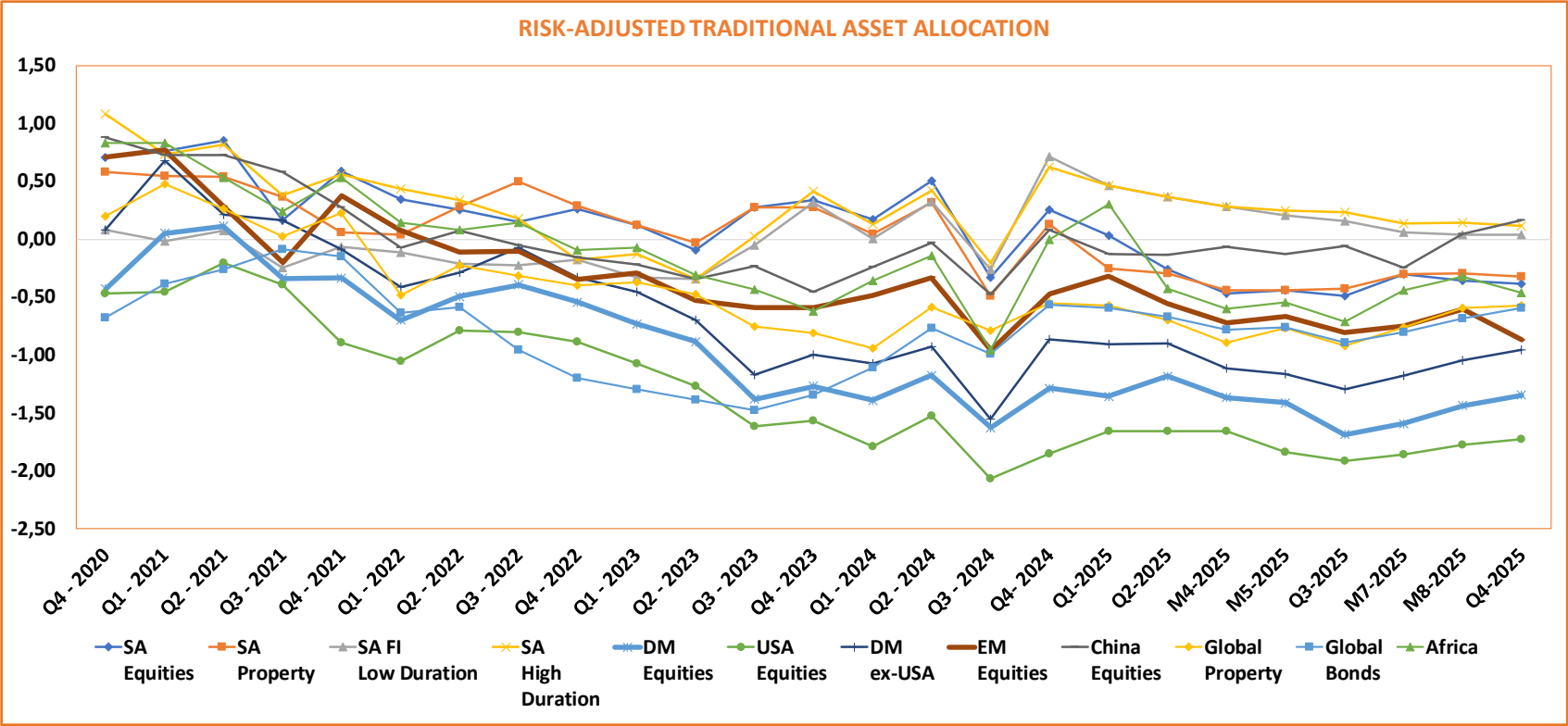


# MULTI PILLAR APPROACH TO RISK MANAGEMENT

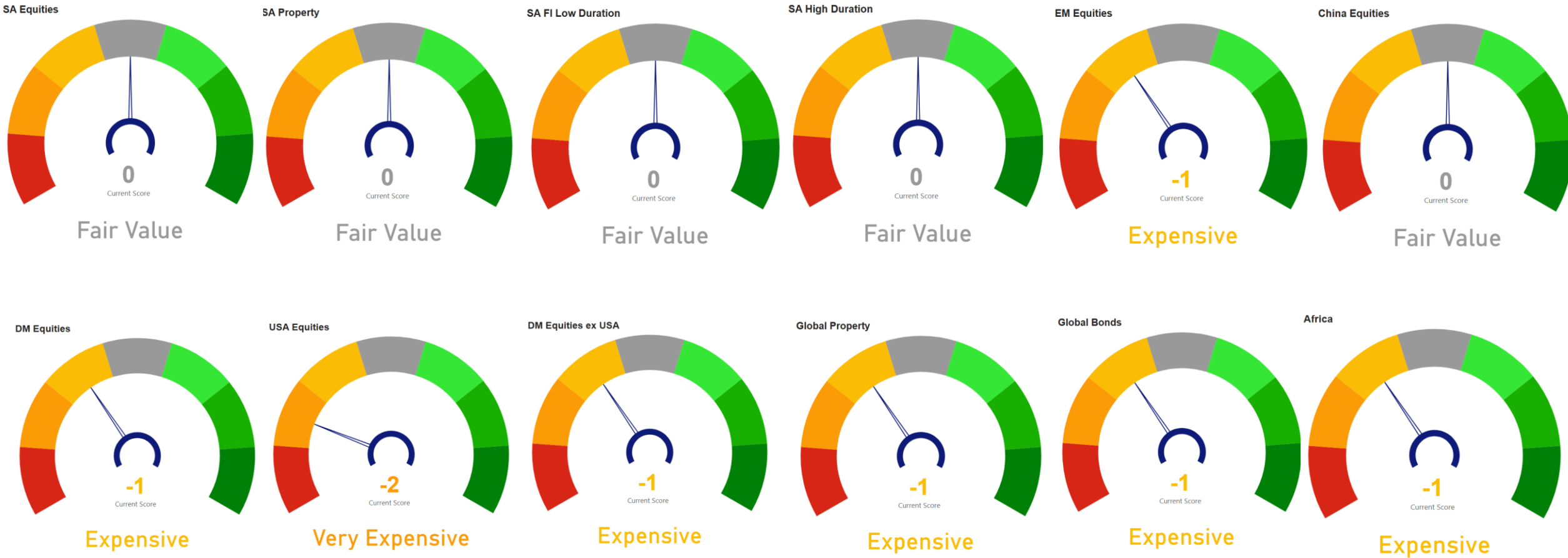


Risk Factor	SA Equities	SA Property	SA FI Low Duration	SA High Duration	DM Equities	USA Equities	DM ex-USA	EM Equities	China Equities	Global Property	Global Bonds	Africa
Macroeconomics	-0,54	-0,54	-0,54	-0,54	-0,76	-1,07	-0,66	-0,60	-0,70	-0,68	-0,76	-0,60
Macro Regime	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00
Valuations Score	0,00	0,25	1,71	2,00	-3,00	-3,00	-1,63	-1,63	0,13	0,00	0,00	0,00
Currency Risk	0,00	0,00	0,00	0,00	-0,62	-1,83	-0,55	-0,25	2,25	-0,62	-0,62	-0,25
Q4-2025	-0,39	-0,32	0,04	0,11	-1,34	-1,73	-0,96	-0,87	0,17	-0,57	-0,59	-0,46
M8-2025	-0,35	-0,29	0,04	0,15	-1,43	-1,78	-1,04	-0,60	0,05	-0,59	-0,68	-0,32
M7-2025	-0,30	-0,30	0,06	0,14	-1,59	-1,86	-1,17	-0,75	-0,25	-0,76	-0,80	-0,44
Q3-2025	-0,49	-0,42	0,16	0,23	-1,69	-1,91	-1,29	-0,81	-0,06	-0,92	-0,89	-0,71

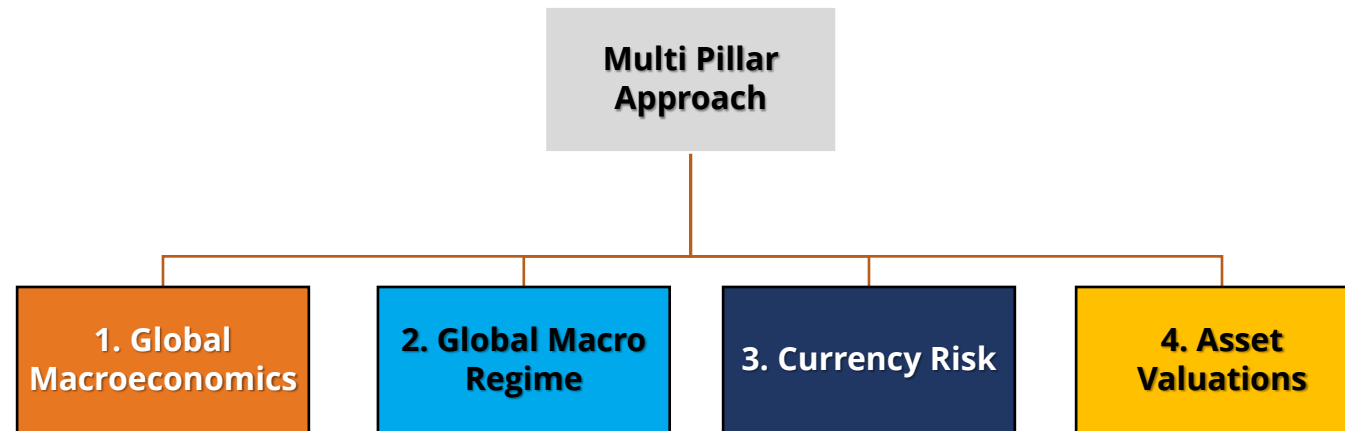
# TRADITIONAL ASSET ALLOCATION POSITIONING GUIDANCE



# RISK-ADJUSTED ASSET ALLOCATION POSITIONING GUIDANCE



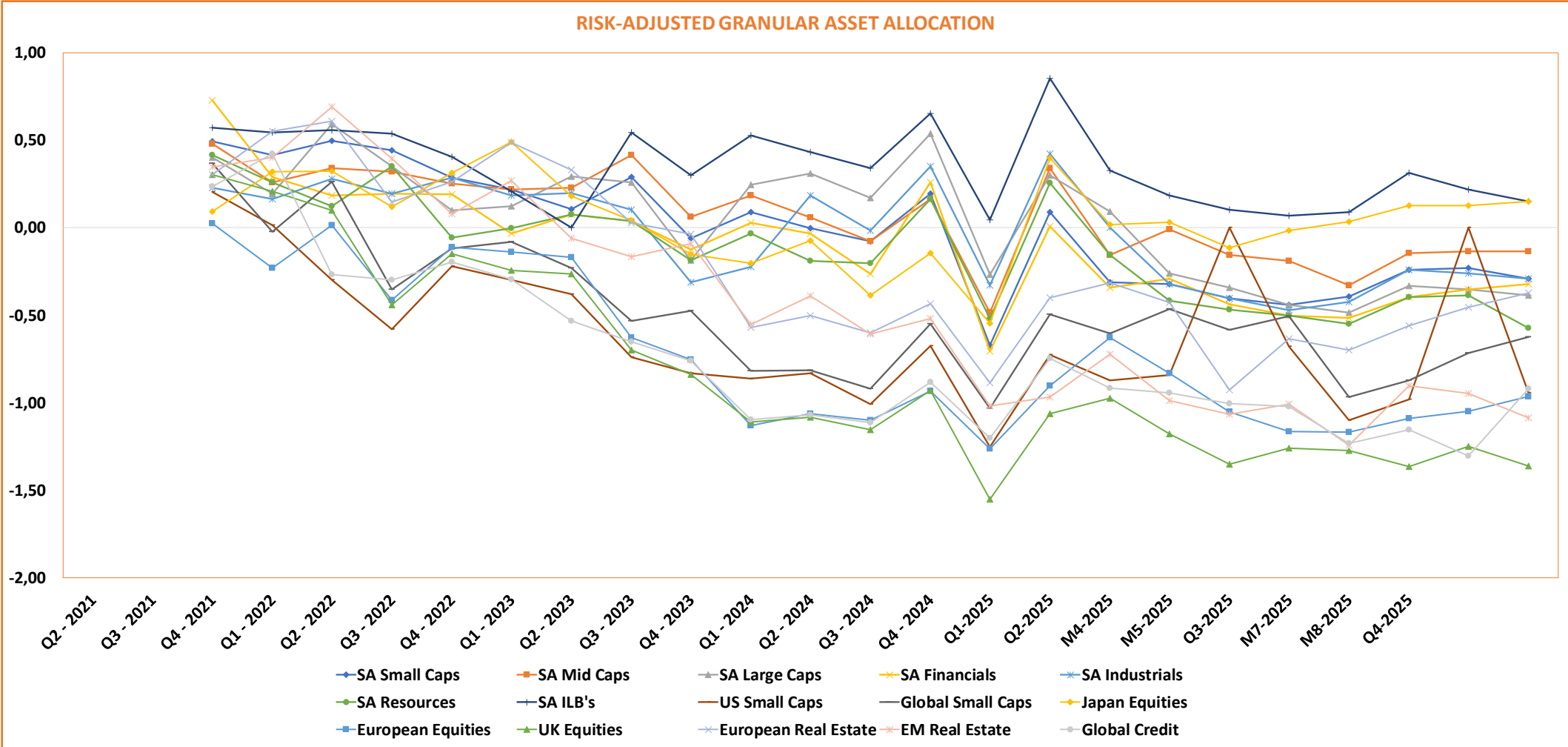
# MULTI PILLAR APPROACH TO RISK MANAGEMENT



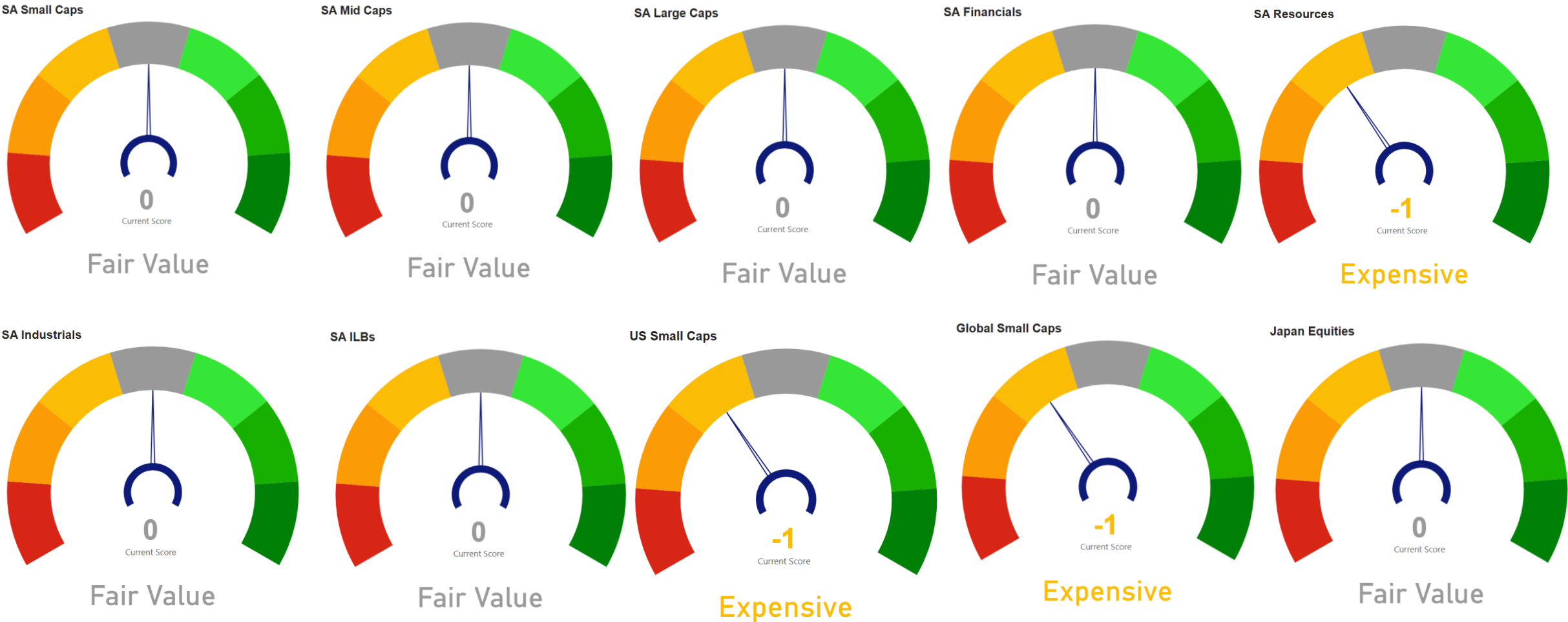
k Factor	SA Small Caps	SA Mid Caps	SA Large Caps	SA Financials	SA Industrials	SA Resources	SA ILB's	US Small Caps	Global Small Caps	Japan Equities	European Equities	UK Equities	European Real Estate	EM Real Estate	Global Credit
Macroeconomics	-0,54	-0,54	-0,54	-0,54	-0,54	-0,54	-0,54	-1,07	-0,76	-0,35	-0,77	-0,85	-0,77	-0,60	-1,07
Macro Regime	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00	-1,00
Valuations Score	0,38	1,00	0,00	0,25	0,38	-0,75	2,14	0,13	-0,13	-0,38	-1,38	-1,63	1,00	-2,50	-1,00
Currency Risk	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-1,83	-0,62	2,33	-0,72	-1,97	-0,72	-0,25	-0,62
I-2025	-0,29	-0,14	-0,39	-0,32	-0,29	-0,57	0,15	-0,94	-0,63	0,15	-0,97	-1,36	-0,37	-1,09	-0,92
M8-2025	-0,23	-0,14	-0,35	-0,35	-0,26	-0,39	0,22	#DIV/0!	-0,71	0,13	-1,05	-1,25	-0,46	-0,95	-1,30
M7-2025	-0,24	-0,15	-0,33	-0,40	-0,24	-0,40	0,31	-0,98	-0,87	0,13	-1,09	-1,36	-0,56	-0,90	-1,16
Q3-2025	-0,39	-0,33	-0,49	-0,52	-0,42	-0,55	0,09	-1,10	-0,97	0,03	-1,17	-1,27	-0,70	-1,24	-1,23



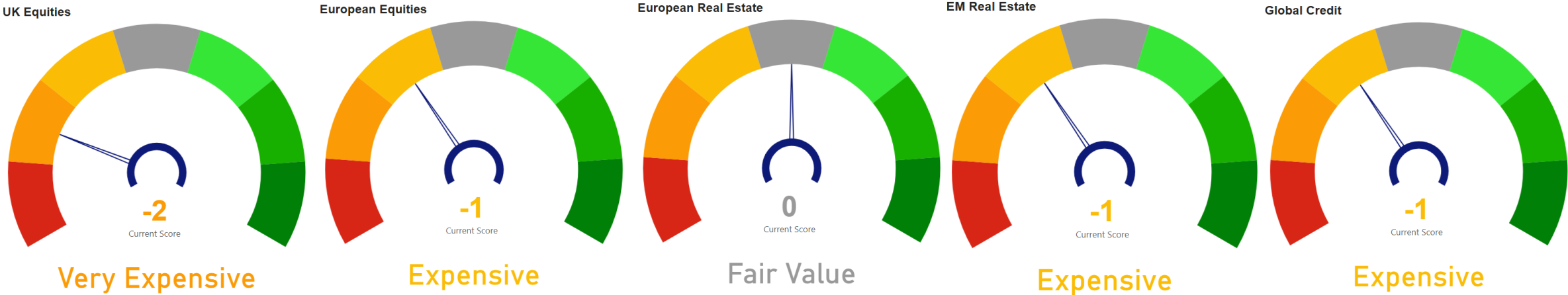
# GRANULAR ASSET ALLOCATION POSITIONING GUIDANCE



# RISK-ADJUSTED ASSET ALLOCATION POSITIONING GUIDANCE



# RISK-ADJUSTED ASSET ALLOCATION POSITIONING GUIDANCE



# AA POSITIONING: SPECIALIST BUILDING BLOCK

SA Multi Asset Class Mandates - Specialist Building Block Strategy - Full Adjustments For Macro Regime Risks							
Asset Classes	Strong Underweight	Moderate Underweight	Marginal Underweight	Neutral	Marginal Overweight	Moderate Overweight	Strong Overweight
	Underweight By Between 10% - 15%	Underweight By Between 5% - 10%	Underweight By Between 0% - 5%	No Active Tilts	Overweight By Between 0% - 5%	Overweight By Between 5% - 10%	Overweight By Between 10% - 15%
SA Equities							
SA Real Estate							
SA Inflation Linked Bonds					2.50%		
SA Nominal Bonds					2.50%		
SA Cash / SA Flexible Income	<b>APEX IC SA:</b> 1. Added 2,5% into Q2:2025 weakness. 2. Following strong run in DM-Equities, this has been moved into Japan & Global SMID for Q3:2025. 3. No changes for Q4:2025 despite marginal profit taking.		-2.50%				
DM Equities			-5.00%				
EM Equities							
China Equities					5.00%		
DM Real Estate							
DM ILB							
DM Nominal Bonds							
DM Credit			-5.00%			<b>APEX IC SA:</b> We introduced a formal profit taking plan out of Gold in April 2025. We reduced this from 5% to 3,5% in April.	
DM Cash / DM Flexible Income			-5.00%				
Global Gold					3.50%		



APEX

Investment Consulting SA

# OUR MACRO REGIME- BASED-AA PHILOSOPHY AND PROCESS

## GLOBAL INVESTMENT STRATEGY

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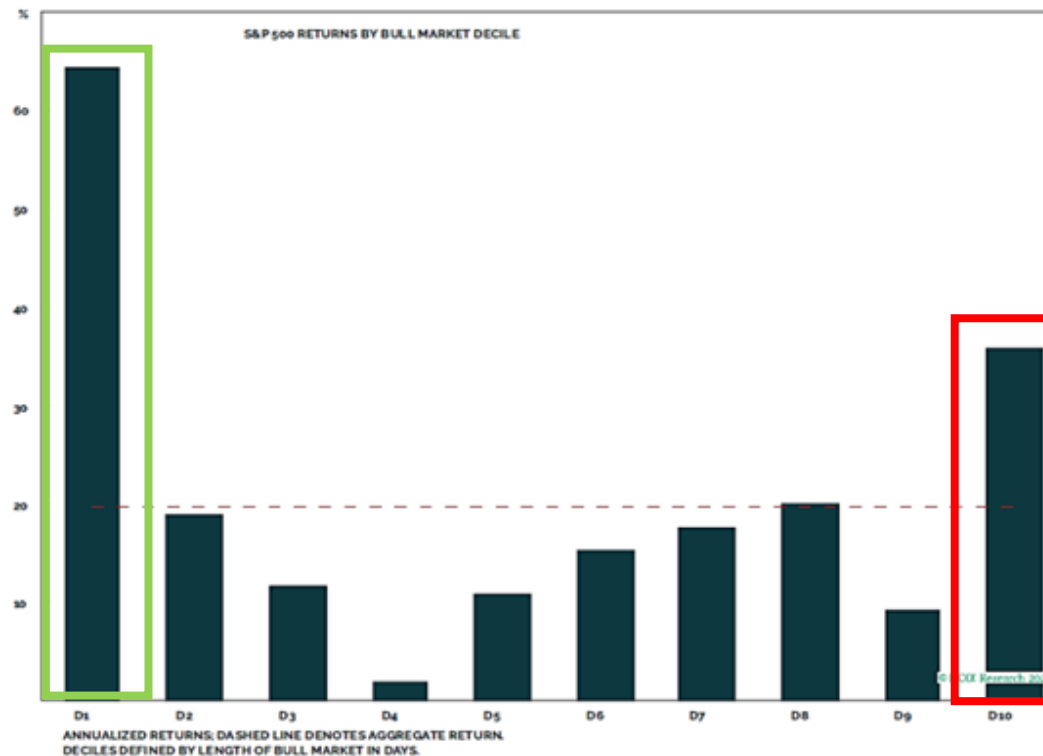


# OUR CURRENT MACRO-REGIME RISK PROFILE Q4-2025



- SA Equity
- China Equity
- EM Equity
- SA & Global Property
- SA Unconstrained Fixed Income.
- SA & Global Bonds
- SA & Global ILB's
- EM Currencies
- Global Commodities
- Yen
- Global ex-USA

## Bull Markets Are The Most Potent At The Start And The Finish



- DM Credit
- DM Equity (USA)
- Global Technology (USA)
- DM-Growth (USA)
- DM-Quality (USA)
- DM Cash
- USD\$

Gold, SA Property & Japan

# OVERALL, WE CAN STILL IDENTIFY A NUMBER OF RISK-CONSTRUCTIVE REGIMES



## Global Growth Tax Regime

Alpine's measure of growth stimulus (Oil Price, USD, Credit Spreads, Financial Conditions, and Bond Yields) is supportive.



## Gold Regime

Structurally well supported by central bank purchases and geopolitical risk backdrop.



## Duration Risk Regime

Well supported in SA, especially on the back of great valuations, grey listing improvements, and a potential revised inflation target.



## USD Cycle

USD has started to show signs of mean reversion, which has historically been exceptional for EM, China and SA risk assets.



## Global Commodity

Years of under-investment into supply side along with a weakening USD sets commodities up for a nice macro regime bounce.



## Major Technology

Well supported in both EM and DM, but appears to be far younger in EM (especially China tech).



## SA Terms of Trade

Linked to gold cycle, duration risk regime, and global commodity cycle which all seem to be turning positive.



## China Consumer Cycle

Chinese consumers are sitting on massive piles of savings, and low confidence. Once this confidence is unlocked, the economy has the potential to soar.

# OVERALL, WE CAN STILL IDENTIFY A NUMBER OF RISK-CONSTRUCTIVE REGIMES



## Value/SMID Cycle

Linked to China stabilisation and recovery, as well as the USD cycle. These businesses are most likely to benefit from continued USD weakness.



## Real Estate Cycle

Has started off well in SA, but has been nascent in DM, ultimately it is linked to the global duration cycle. Once the Fed cuts rates more meaningfully, we are likely to see a bounce.

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