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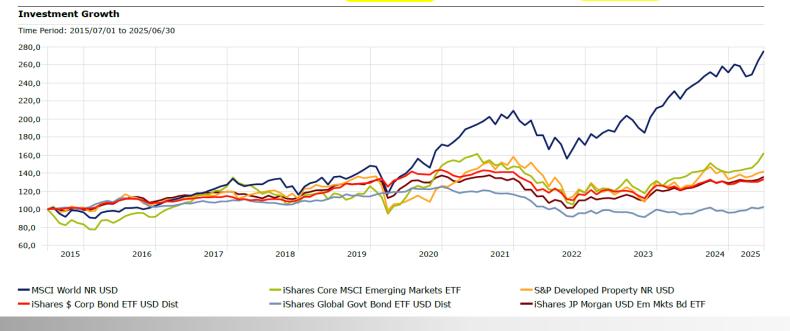
# **LOCAL MARKET PERFORMANCE (2025/06/30)**

Calendar Year Returns										
Data Point: Return										
	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years		
FTSE/JSE All Share TR ZAR	16,70	2,35	10,15	16,70	25,18	17,78	16,42	10,12		
FTSE/JSE SA Listed Property TR ZAR	5,29	-0,87	9,12	5,29	23,95	19,85	16,64	2,99		
FTSE/JSE All Bond TR ZAR	6,62	2,28	5,88	6,62	18,36	13,37	10,89	9,18		
STeFI Call Deposit ZAR	3,66	0,58	1,80	3,66	7,79	7,52	5,97	6,25		
MSCI World NR ZAR	3,10	2,66	7,71	3,10	13,15	21,56	15,07	14,96		



# **GLOBAL MARKET PERFORMANCE (2025/06/30)**

International Market Returns											
Data Point: Return											
	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years			
MSCI World NR USD	9,47	4,32	11,47	9,47	16,26	18,31	14,55	10,66			
iShares Core MSCI Emerging Markets ETF	15,39	6,62	12,19	15,39	15,15	10,00	7,53	4,96			
S&P Developed Property NR USD	6,41	1,18	4,81	6,41	12,09	4,18	5,49	3,55			
iShares \$ Corp Bond ETF USD Dist	4,45	2,14	1,96	4,45	6,78	4,06	-0,55	2,91			
iShares Global Govt Bond ETF USD Dist	6,74	1,76	3,85	6,74	7,79	0,90	-3,00	0,26			
iShares JP Morgan USD Em Mkts Bd ETF	5,44	2,47	3,37	5,44	9,72	8,33	1,43	3,12			
USTREAS T-Bill Auction Ave 3 Mon	2,20	0,37	1,10	2,20	4,72	4,89	3,01	2,08			

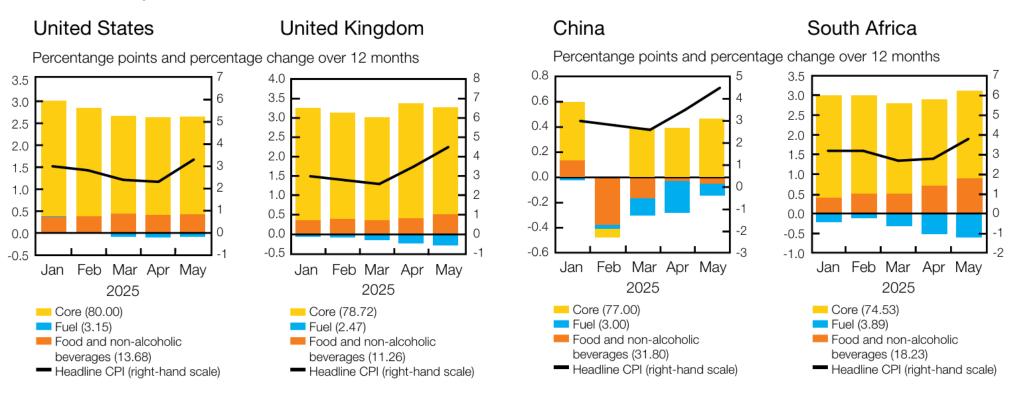




#### **GLOBAL INFLATION**

Global and domestic inflationary pressures have continued to ease in 2025, aided by persistently low international fuel prices. Despite the announcement of new U.S. trade tariffs and retaliatory measures, their inflationary impact has yet to materialize.

#### Consumer price inflation in selected countries in 2025



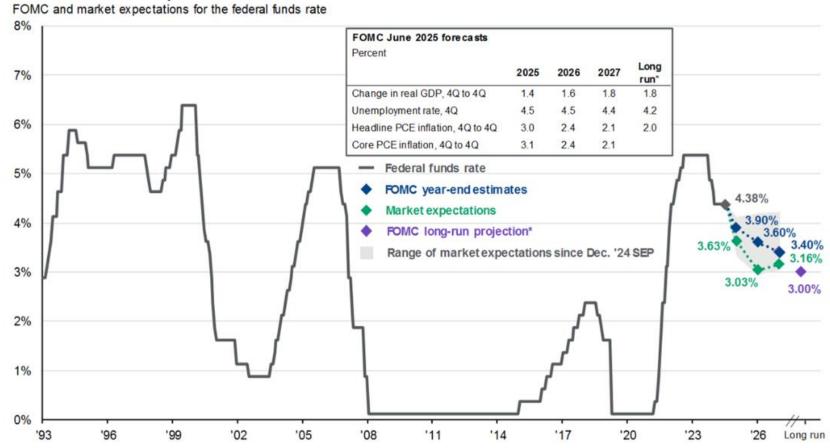
Numbers in brackets denote weights in the respective consumer price indices

Sources: National Bureau of Statistics of China, UK Office of National Statistics, US Bureau of Labour Statistics and Stats SA

#### **RATE CUTS**

They forecast the Fed will begin cutting interest rates in the second half of 2025, likely around September 2025

#### Federal funds rate expectations



#### Why Rate-Cut Expectations Are Rising

**Controlled Inflation:** Tariff-driven price bumps are seen as temporary, with broader inflation continuing to stabilise.

**Weaker Labor Market:** Job growth is slowing and unemployment claims are rising, supporting calls for a potential September cut.

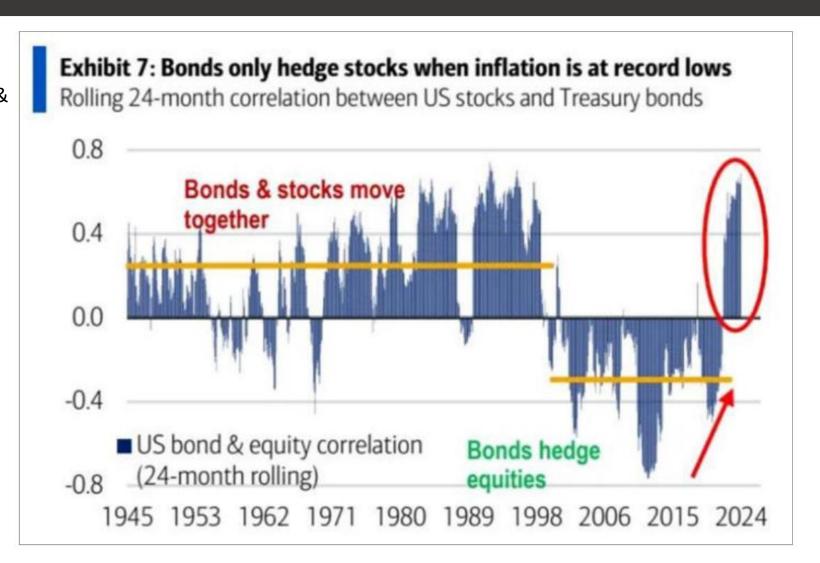
**Fed Signals Openness:** Most Fed officials are open to cuts by year-end if inflation stays subdued or growth weakens.

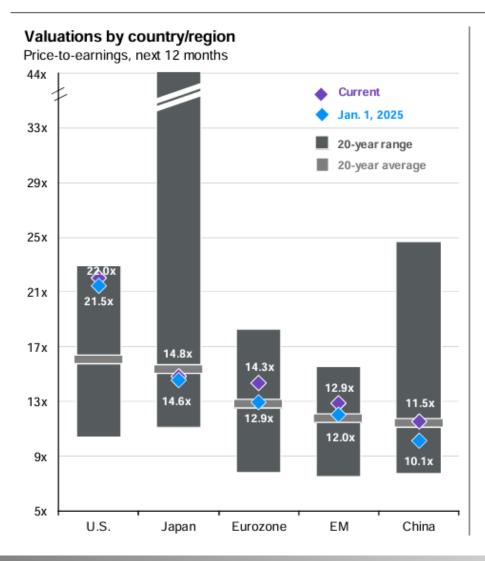
Market Expectations: Futures imply a 70–75% chance of cuts starting in September, with easing financial conditions reinforcing the case.

#### **ALTERNATIVES TO THE DOLLAR**

#### Correlations are changing due to;

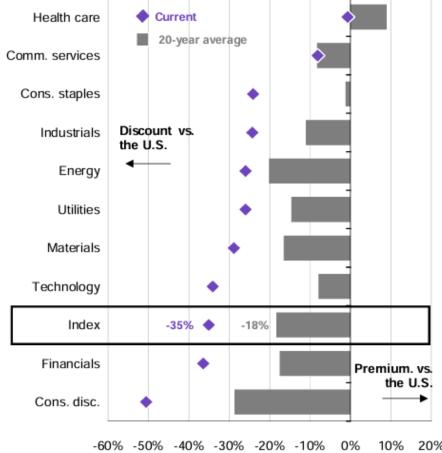
- Supply shocks (including tariffs, trade wars & reduced immigration)
- slow growth & boost inflation



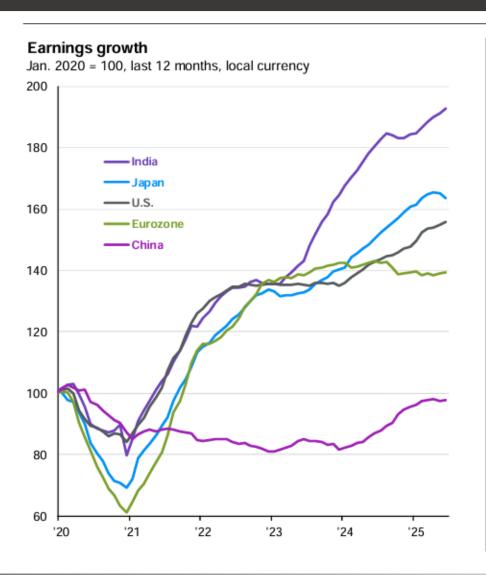


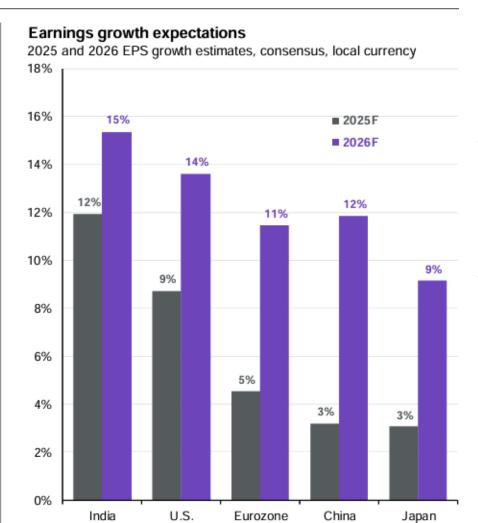
#### Relative valuations by sector





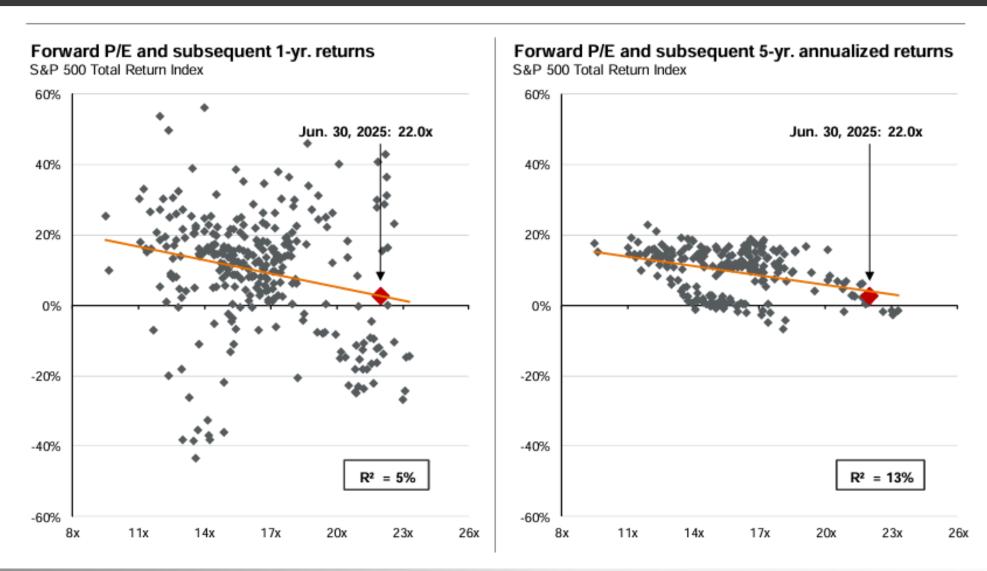
The left chart highlights the significant discount of international stocks compared to U.S. stocks, with every international sector trading at a discount **except Health care.** 





The left chart shows earnings per share growth over the past five years for select markets, with Japan and India outperforming the U.S. in local currency terms.

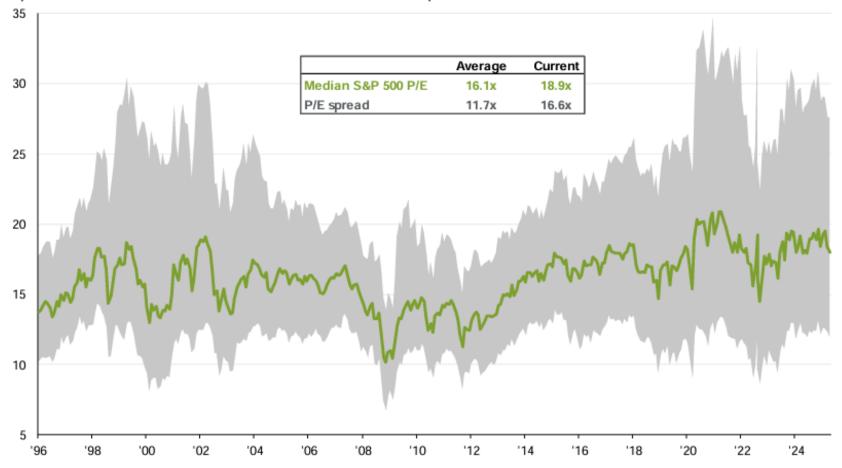
The right chart presents future earnings growth expectations. Downward revisions in 2025 are likely due to slower global growth expectations as a result of trade and policy uncertainty.



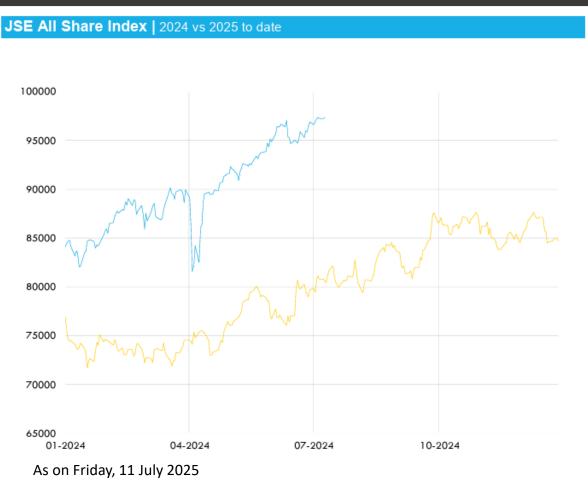
## This elevated dispersion is a tailwind for active managers

#### Valuation dispersion

Dispersion between the forward P/E of S&P 500 stocks in the 20th and 80th percentile



## **SOUTH AFRICA EQUITIES**



#### South Africa Q2 Market Overview:

- South African equities posted strong returns this month (+2.4%), however, they underperformed their Developed Market (DM) and Emerging Market (EM) peers.
- Resources (4.8%) was the best-performing sector this month, driven higher by platinum stocks, which were buoyed by the +26% spike in the price of the underlying metal, its largest monthly rise in more than 30 years.
- The retail sector, however, remains a drag on the overall market, with stocks such as Woolworths (-11.7%), Mr Price (-8.2%), and Pepkor (-6.7%) being among the largest detractors for the month. Despite this, Industrials (+2.5%) performed well over the month, supported by Naspers (+6.8%), Prosus (+7.8%) and MTN (+12.7%).
- Financials (+1.2%) also contributed positively to performance this month. In contrast, Property (-0.9%) posted negative returns this month.

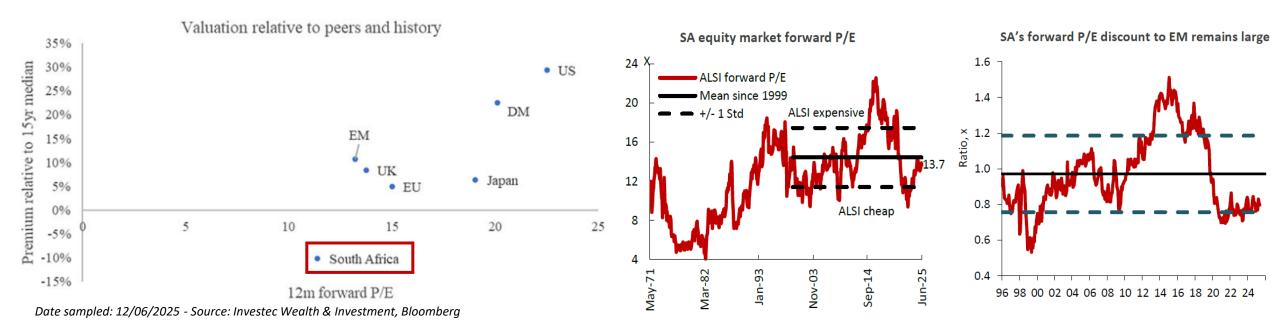
Indices Returns for Q2 (total return in ZAR)						
FTSE JSE All Share Index	10.2%					
FTSE/JSE Financials Index	5.6%					
FTSE/JSE Industrials Index	2.5%					
FTSE/JSE Resources Index	8.7%					
FTSE/JSE ALBI	5.9%					
STEFI	1.9%					

Source: Bloomberg as at 30 June 2025.

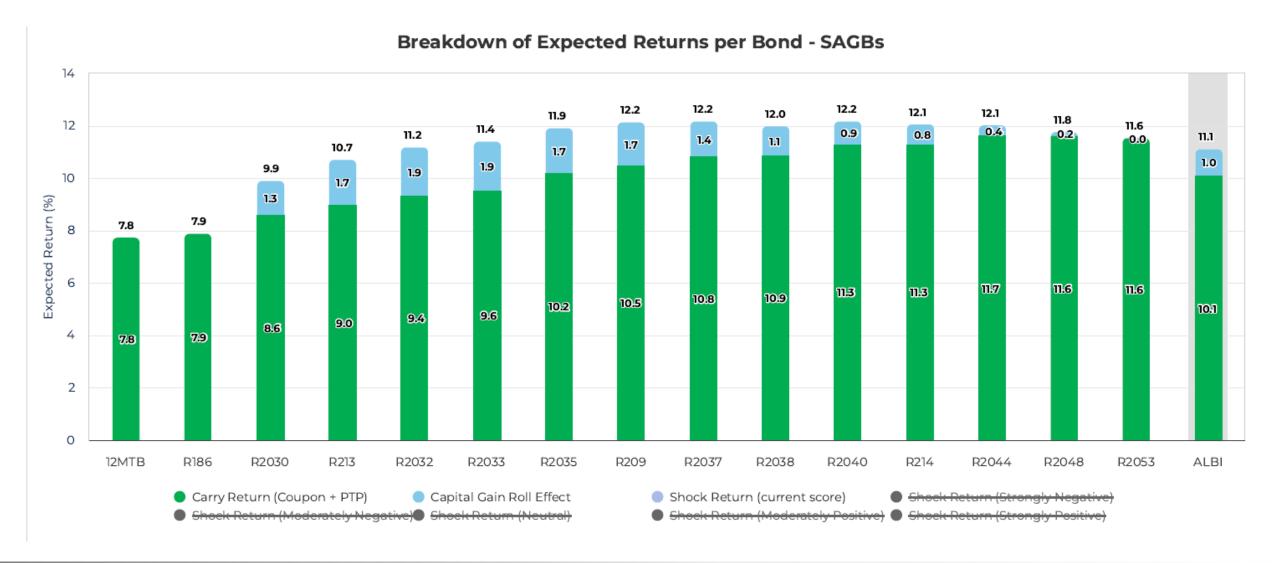
## **SOUTH AFRICA EQUITIES**

#### **SA Equities Valuations relative to Peers**

The JSE is trading at around a 10% discount to its historic mean forward price-earnings ratio. A reversion back to the mean suggests that the wealth of households exposed to equity markets would increase by 10%, or more, if South African equities start to trade at a premium.



## **SOUTH AFRICA BONDS**





A recipe for sustainable return with just the right blend of risk.



## **OUR PHILOSOPHY – THE METHOD**



"THREE-PHASE PROCESS" like a baking method: Mix  $\rightarrow$  Rest  $\rightarrow$  Bake





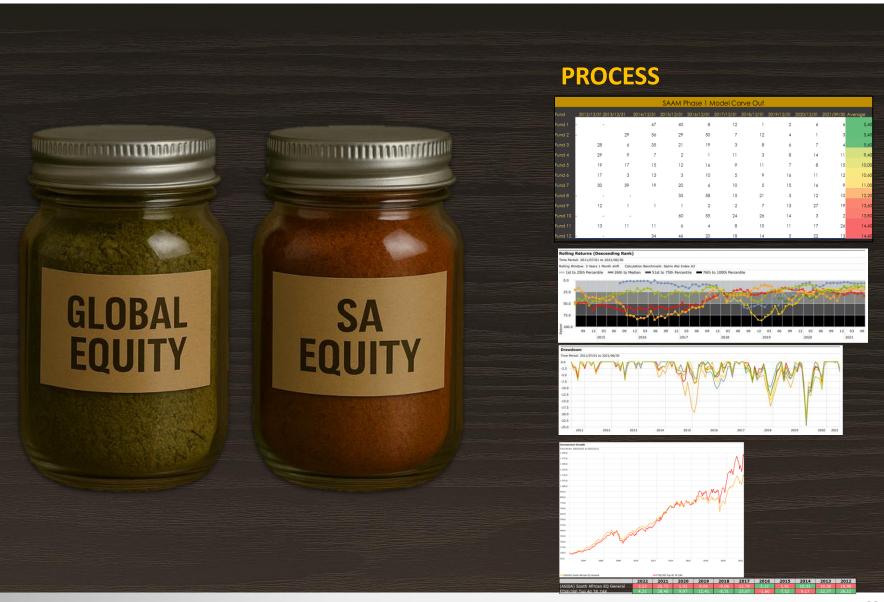


**Methodical Systematic Fund Selection Specialist** 

**Three Phase Process** 

I

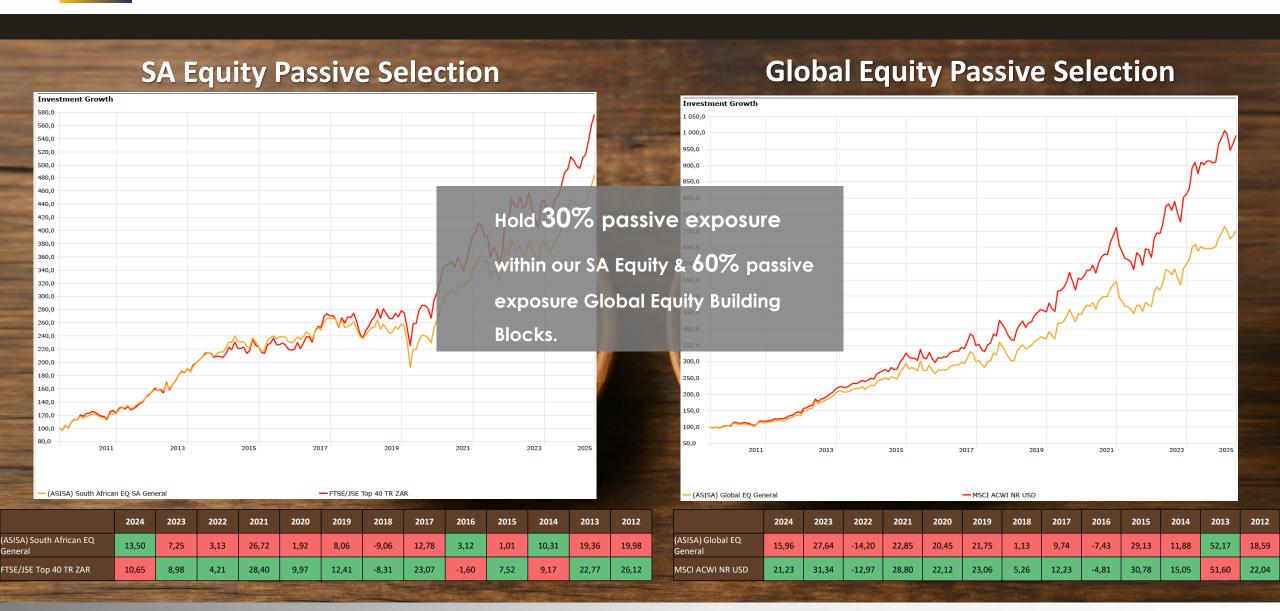
Passive & Active Selection Blend







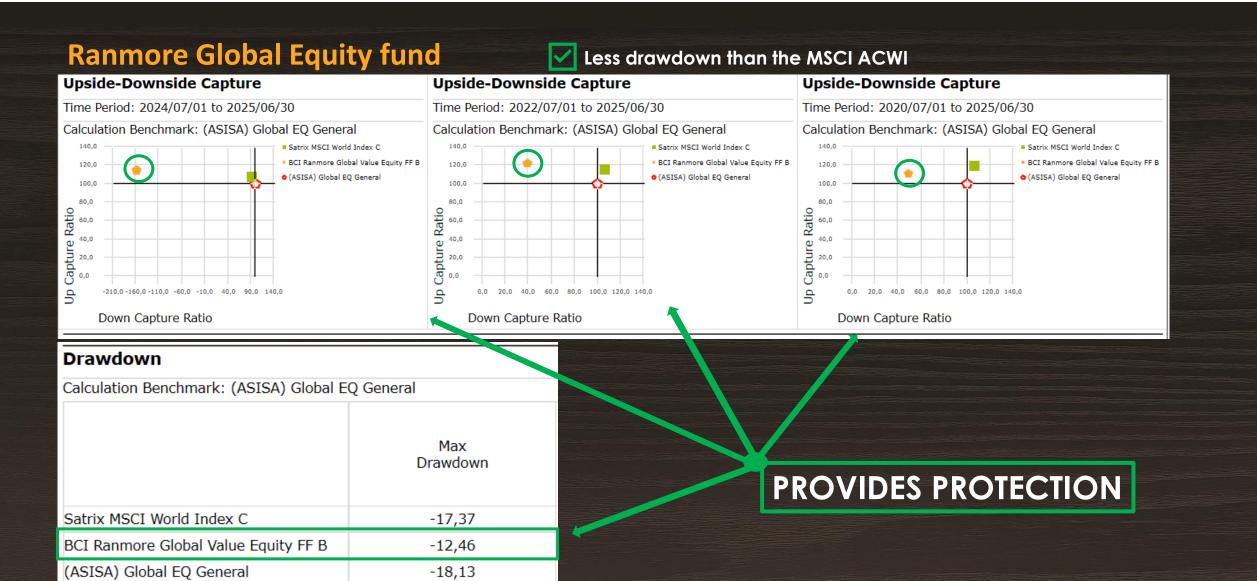










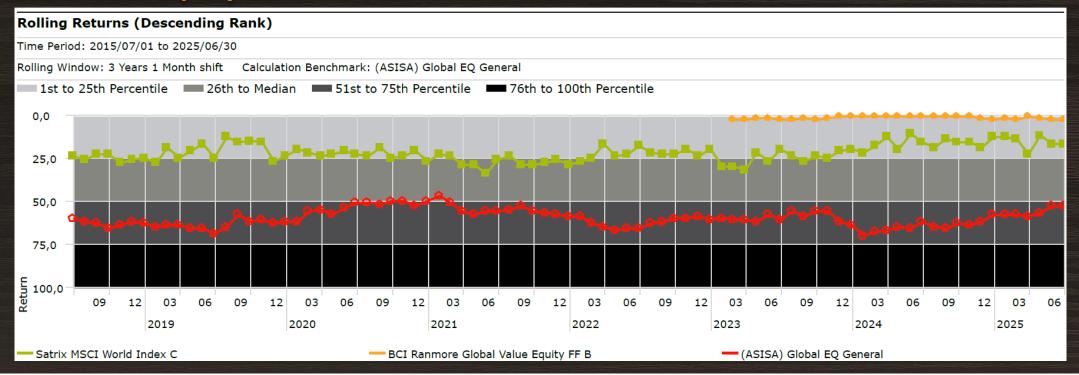




# **Ranmore Global Equity fund**



Top Quartile performance compared to the MSCI ACWI and ASISA Global Equity Category



Calendar Year Returns											
Data Point: Return Calculation Benchmark: (ASISA) Global EQ General											
	YTD	2024	2023	2022	2021	2020	2015	2014	2013	2012	2011
Satrix MSCI World Index C	3,08	22,36	33,00	-12,74	32,13	20,71	23,85	5,06	10,49	-5,73	31,91
BCI Ranmore Global Value Equity FF B	18,61	15,39	39,39	8,94	33,89	_	_	_	_	_	_
(ASISA) Global EQ General	3,73	15,96	27,64	-14,20	22,85	20,45	21,75	1,13	9,74	-7,43	29,13

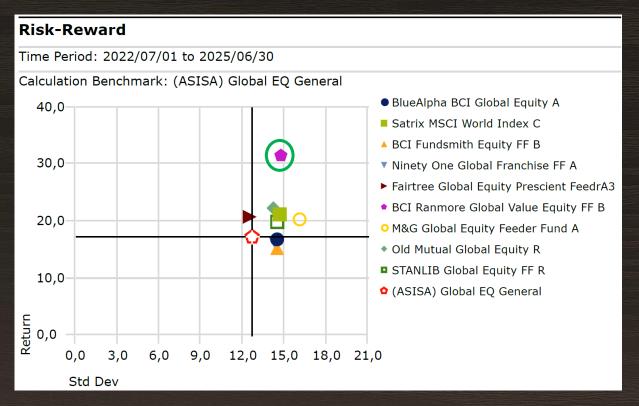


# Ranmore Global Equity fund

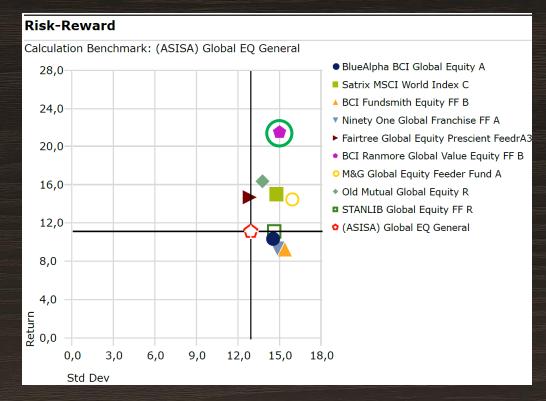


The same degree of risk compared to growth funds but provides higher returns

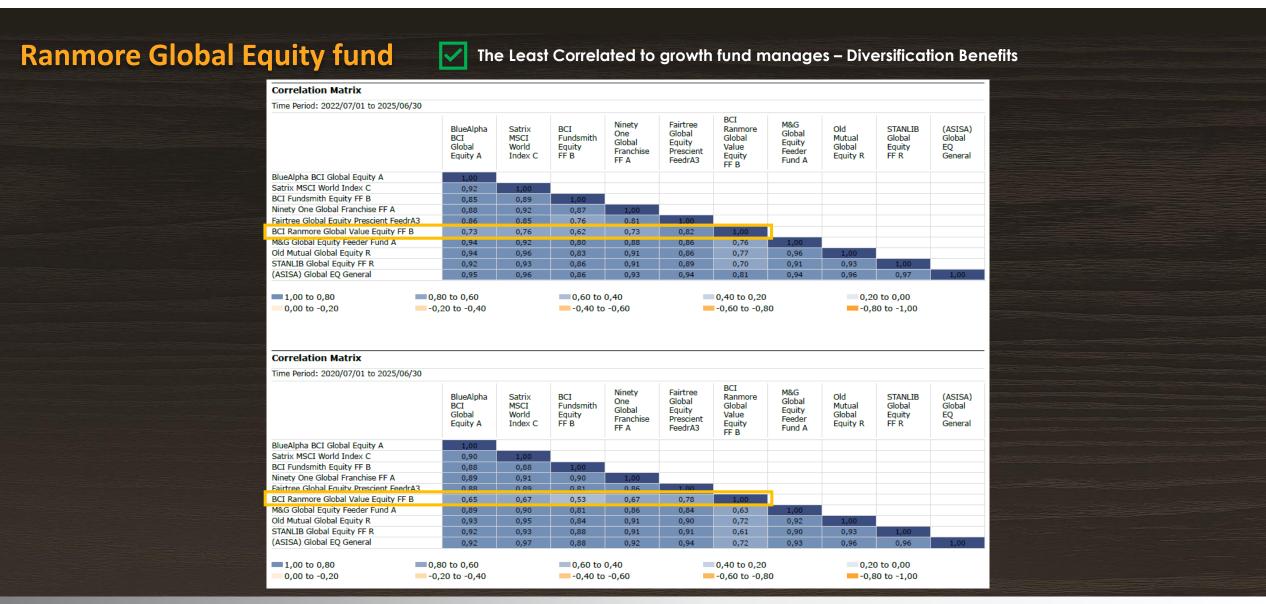
#### 3 Years



#### 5 Years







#### WHY THE RECEIPT WORKS – BALANCING FLAVOURS

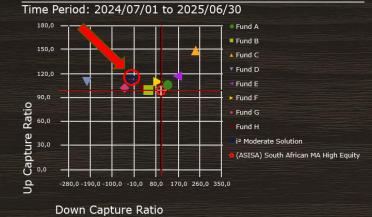


# "Balancing Sweet, Sour, and Savory"

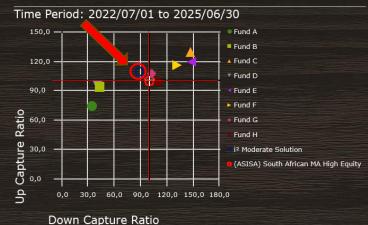
- Mild enough to protect
- Spicy enough to perform
- Well-balanced flavour



#### Upside-Downside Capture 1 Year



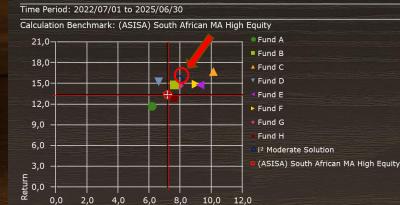
#### Upside-Downside Capture 3 Year



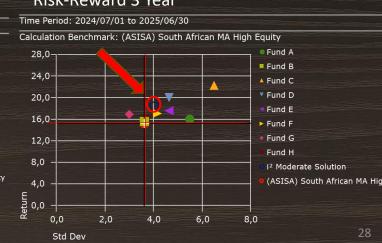
The i<sup>2</sup> Moderate Solution strikes an excellent balance between growth and capital preservation. Its consistent downside protection and strong participation in up markets over 1, and 3 years sets it apart from peers, making it a resilient core holding in uncertain markets.

#### Risk-Reward 1 Year

Std Dev

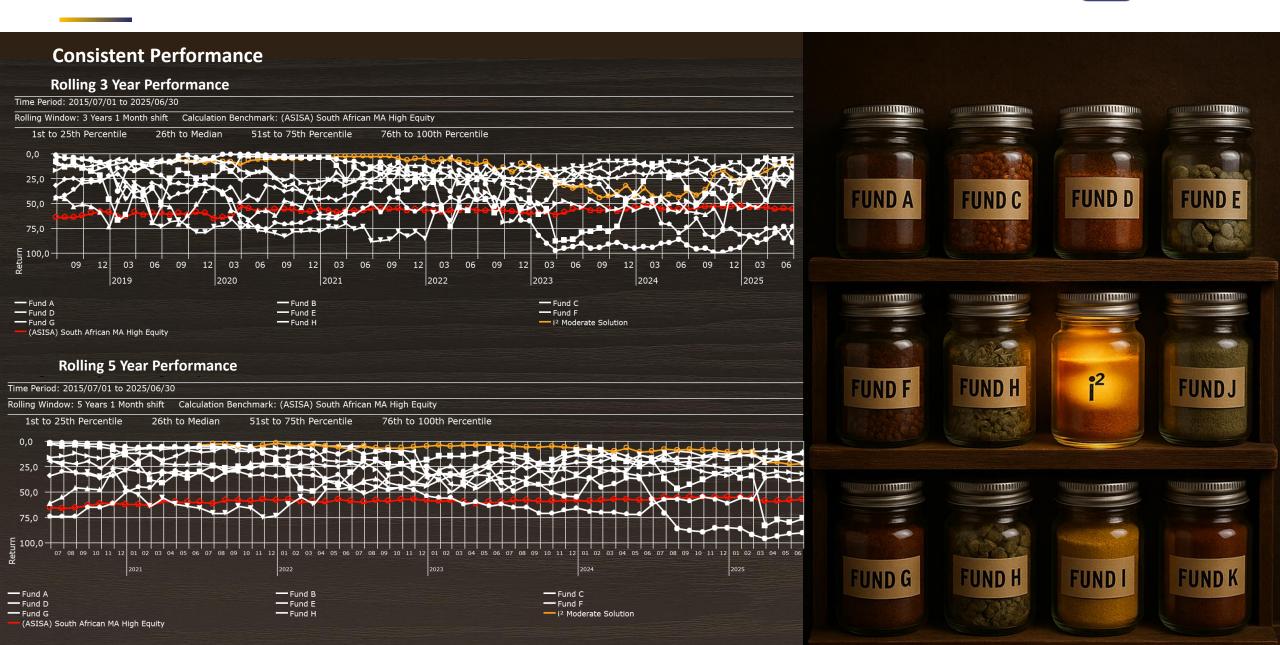


#### Risk-Reward 3 Year



## I<sup>2</sup> MODERATE SOLUTION vs PEERS







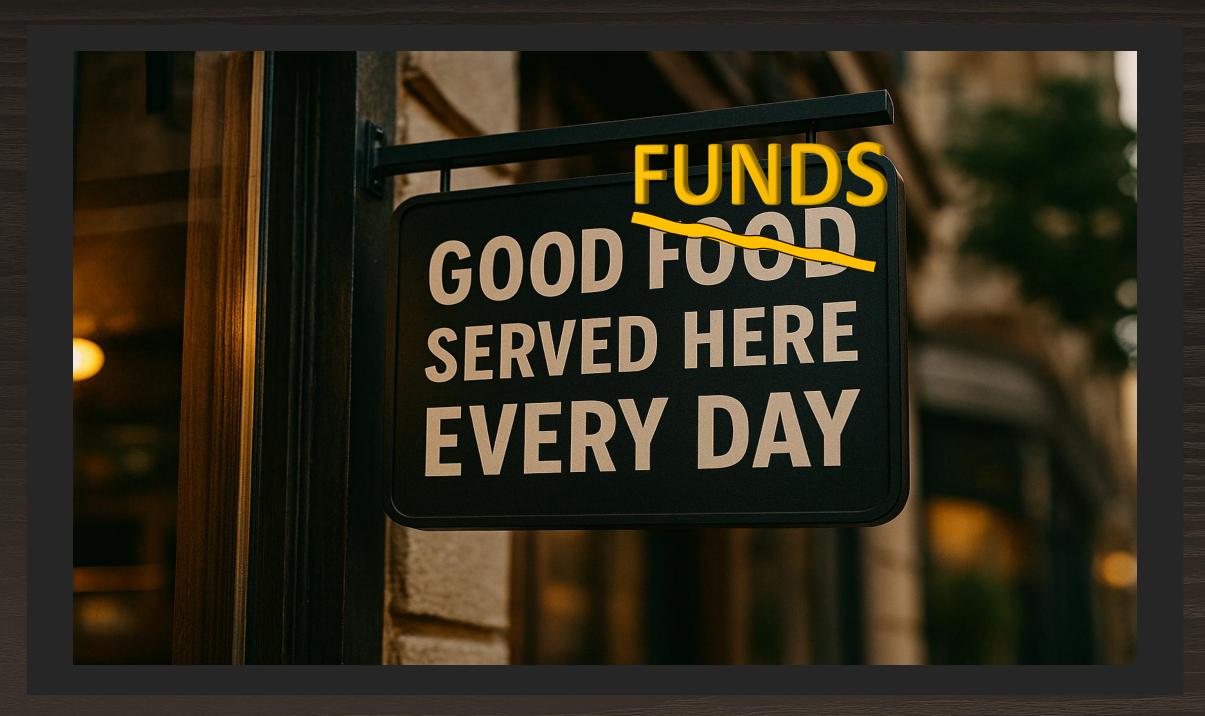
# i<sup>2</sup> SOLUTIONS PERFORMANCE – TASTE TEST RESULTS



# LOCAL PERFORMANCE



Performance - 2025/06/30	3 Months	6 Months	1 Year	3 Year	5 Year
i <sup>2</sup> Income Solution	3,14%	4,39%	11,40%	10,66%	8,64%
(ASISA) South African MA Income	2,50%	4,11%	10,14%	9,33%	7,99%
i <sup>2</sup> Cautious Solution	5,22%	6,67%	14,18%	12,75%	11,15%
(ASISA) South African MA Low Equity	4,65%	5,70%	13,35%	11,56%	9,66%
i <sup>2</sup> Moderate Solution	7,05%	9,45%	18,50%	15,58%	13,52%
(ASISA) South African MA High Equity	6,35%	7,08%	15,15%	13,35%	11,93%
i <sup>2</sup> Growth Solution	8,72%	12,91%	21,50%	16,77%	16,34%
i <sup>2</sup> TFSA Solution	8,72%	12,91%	21,50%	16,78%	16,52%
(ASISA) South African EQ General	8,26%	10,33%	18,72%	13,51%	14,23%
i <sup>2</sup> Global Feeder Solution	4,71%	4,20%	10,20%	12,82%	6,37%
(ASISA) Global MA High Equity	5,06%	3,07%	11,56%	13,36%	8,16%





# Know Your Heat Preference Before You Start Cooking





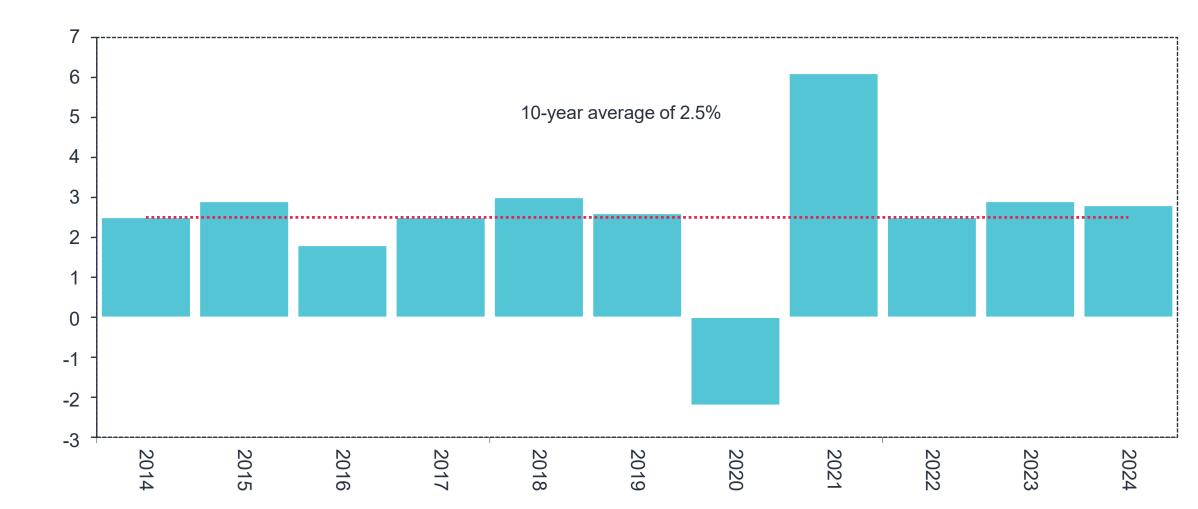
# **STANLIB**

# **Invest in**

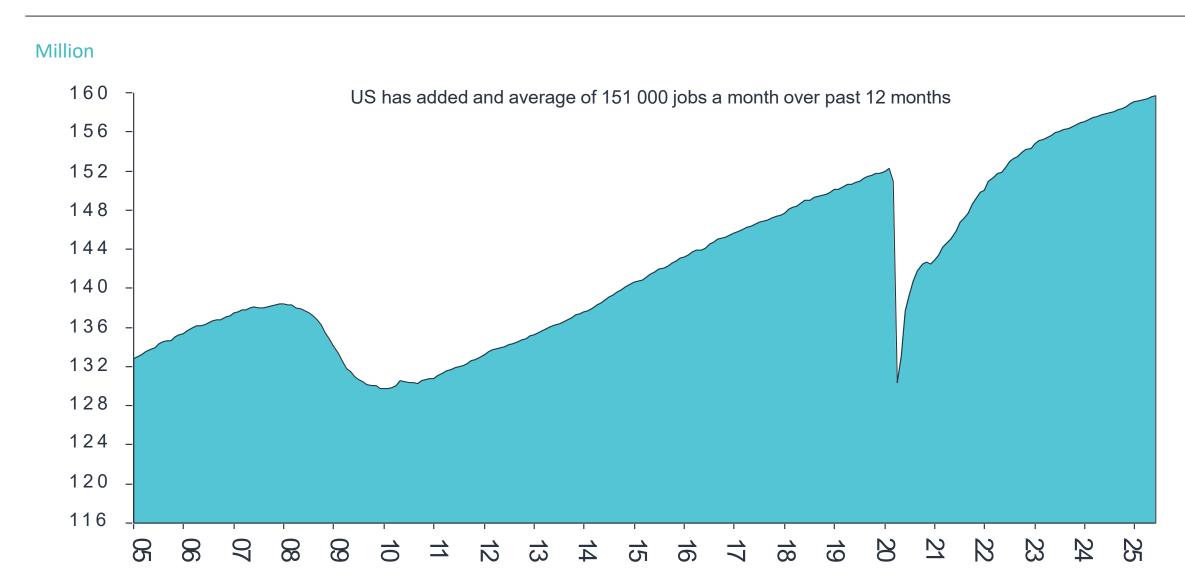
**Economic Insights** 

# US real annual GDP growth forecast





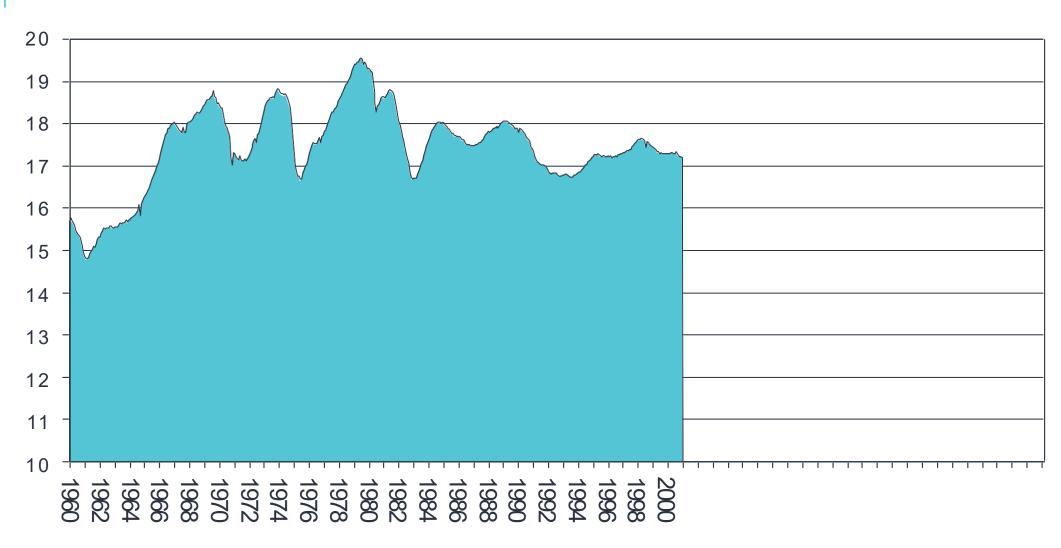
# United States employment



Source: US Bureau of Labor Statistics

### US manufacturing employment

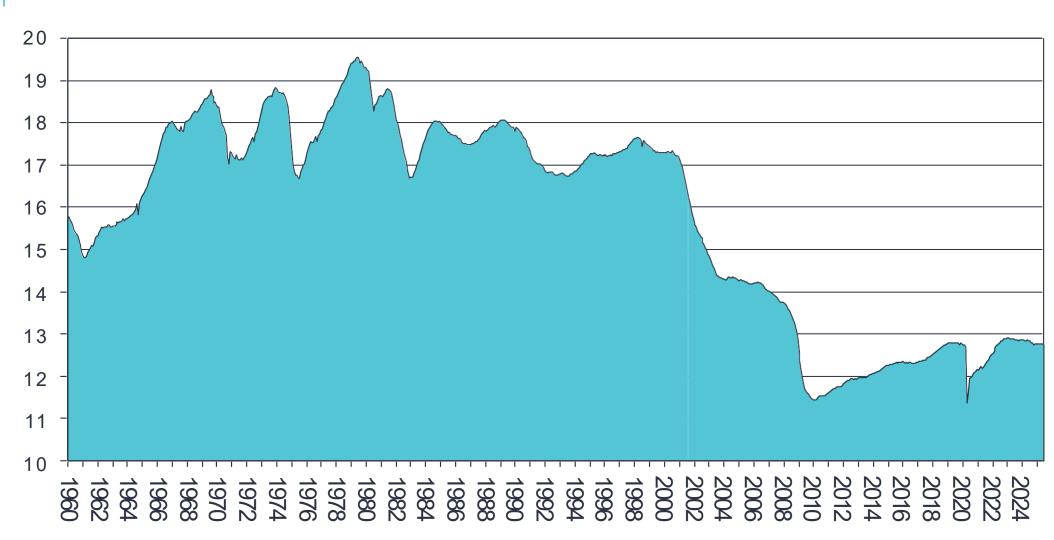
#### Million



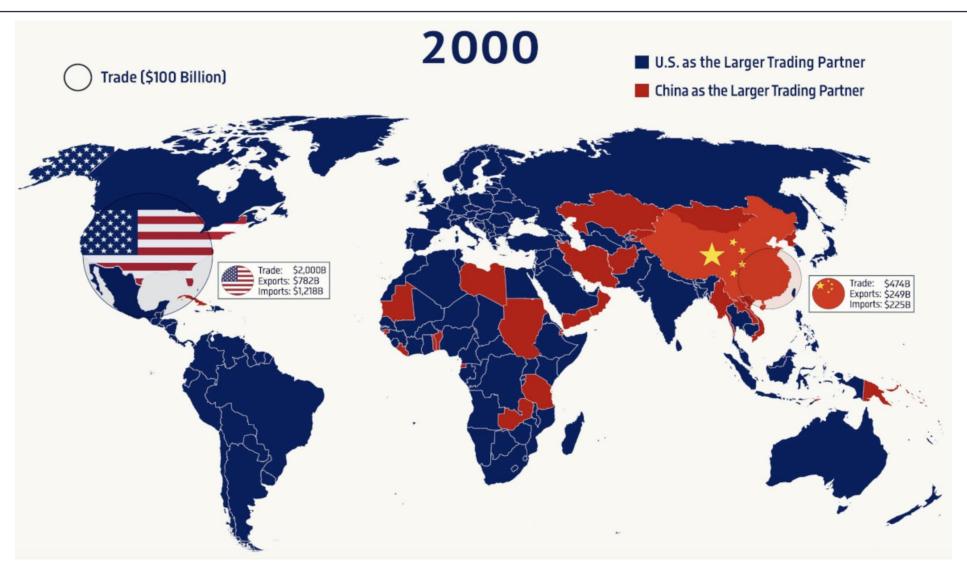
Source: US Bureau of Labor Statistics

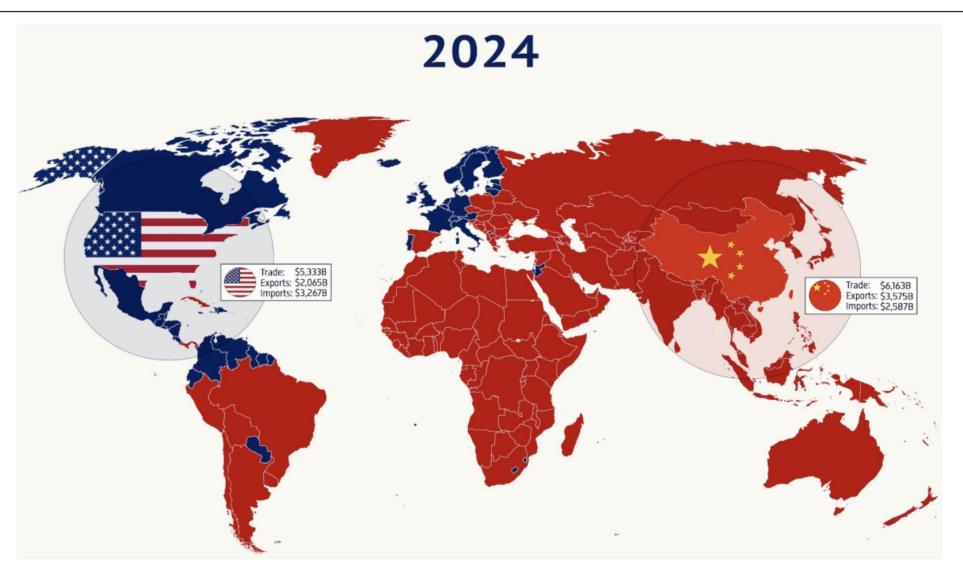
#### US manufacturing employment

#### Million

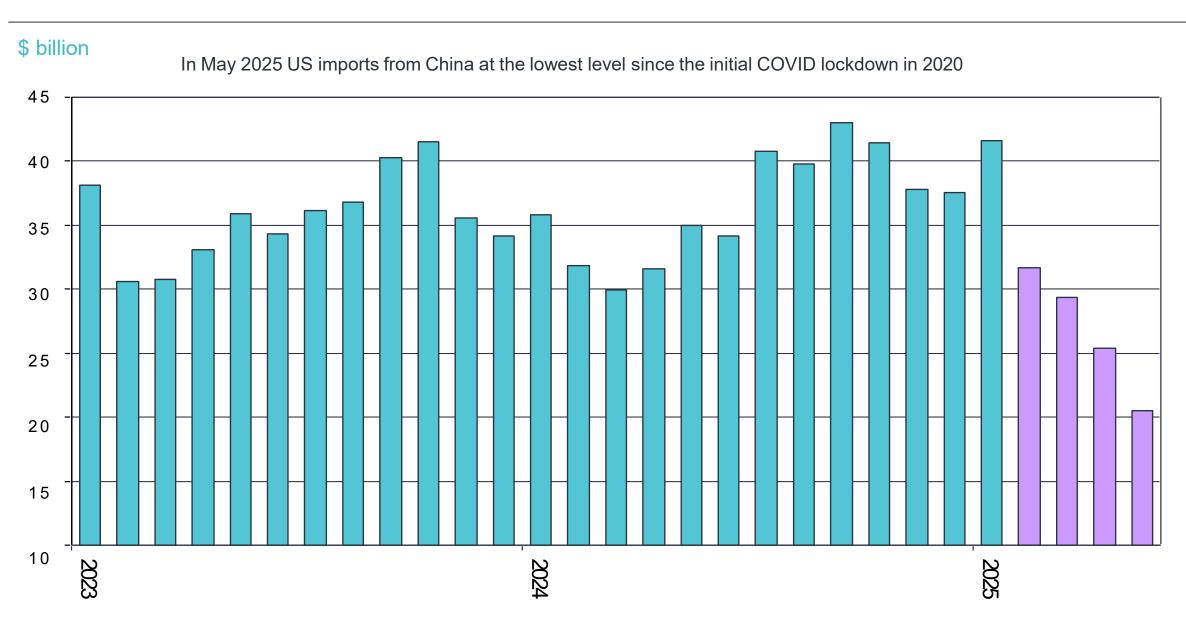


# US vs China as the larger trading partner: 2000



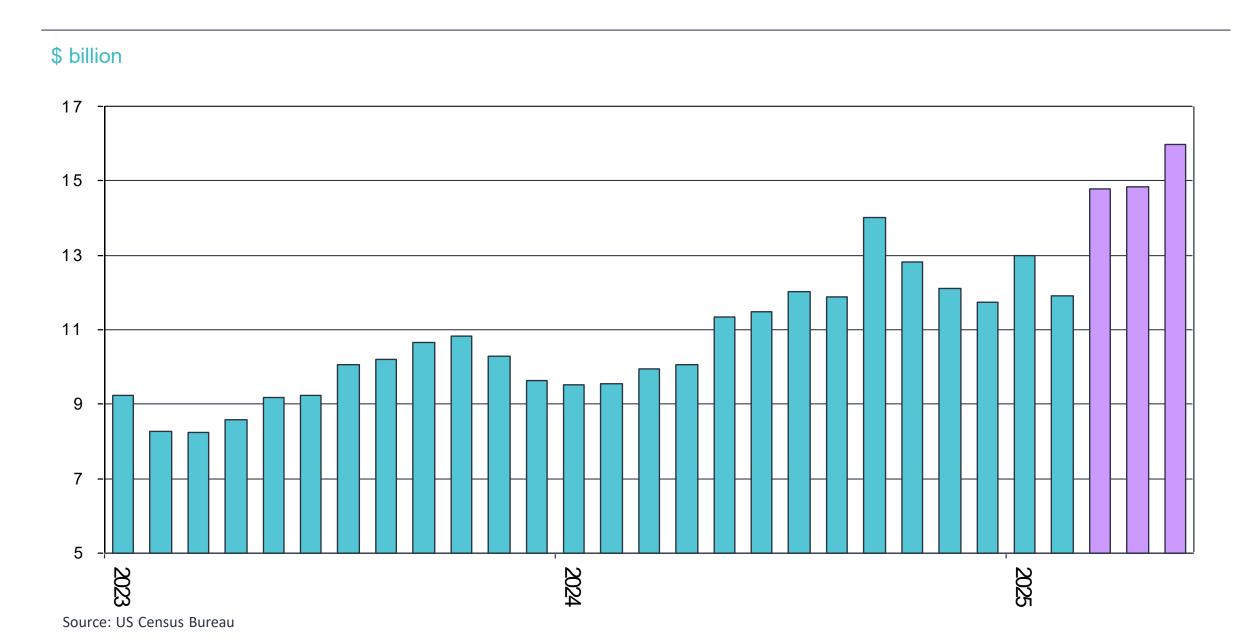


# US imports from China



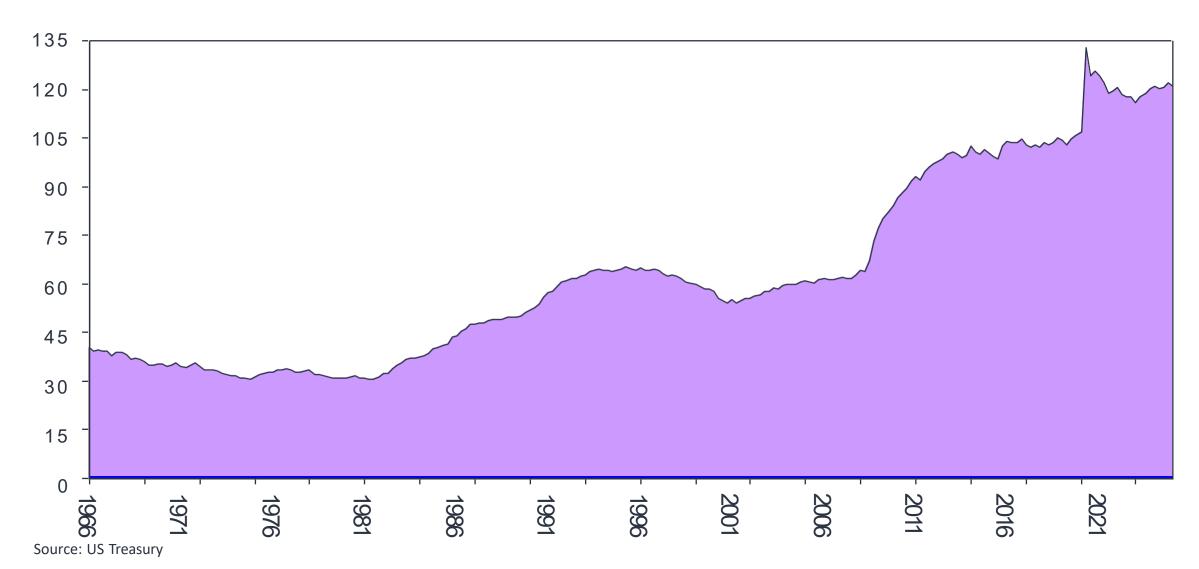
Source: US Census Bureau

# US imports from Vietnam



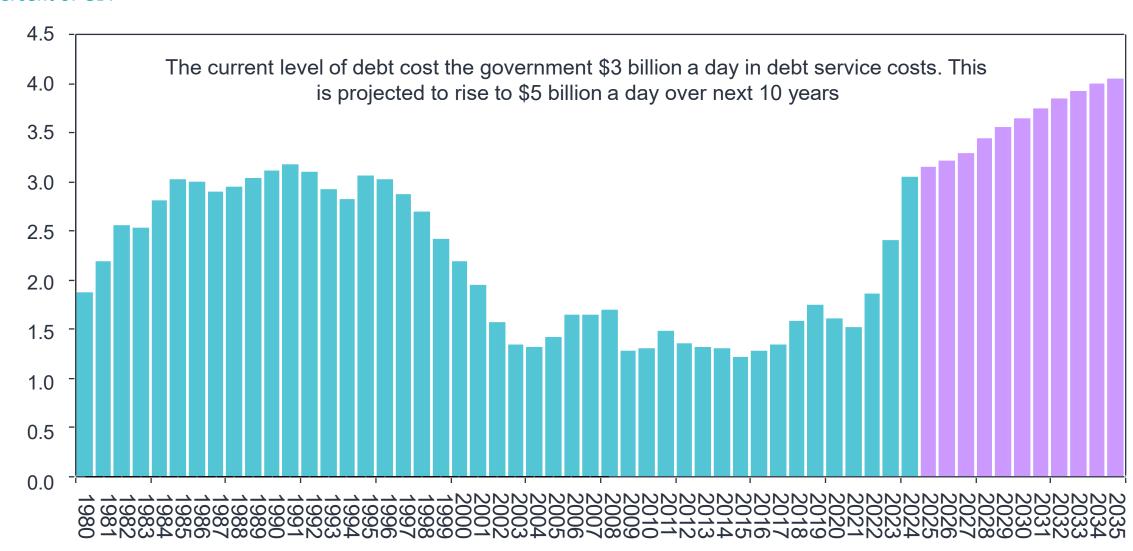
# US Federal Debt held by the Public

#### **Percent of GDP**



#### US debt service costs as a percent of GDP

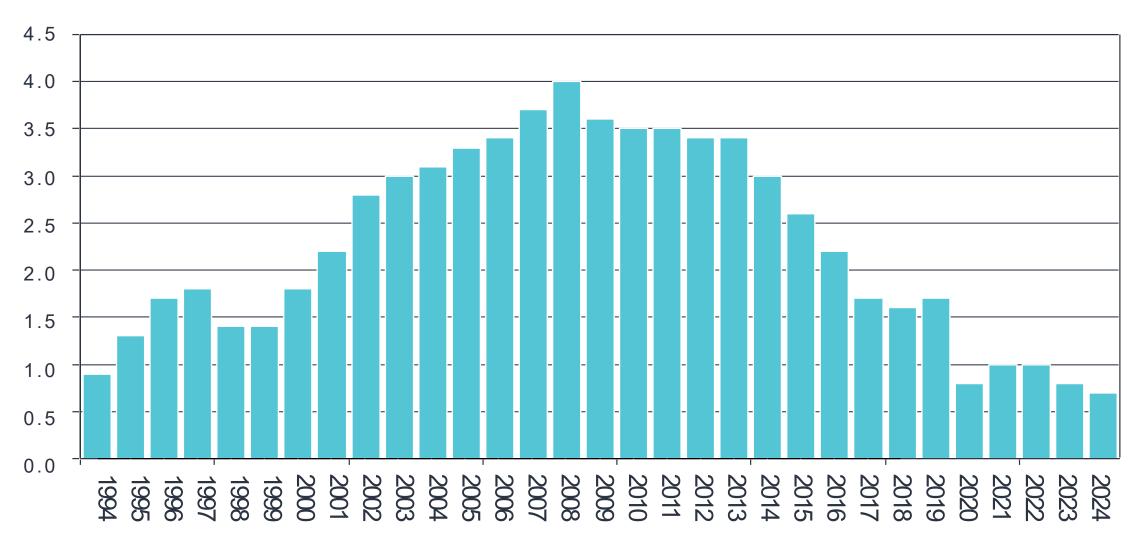
#### Percent of GDP



Source: US Treasury

#### South Africa 10-year average GDP growth

%y/y, ten year rolling average

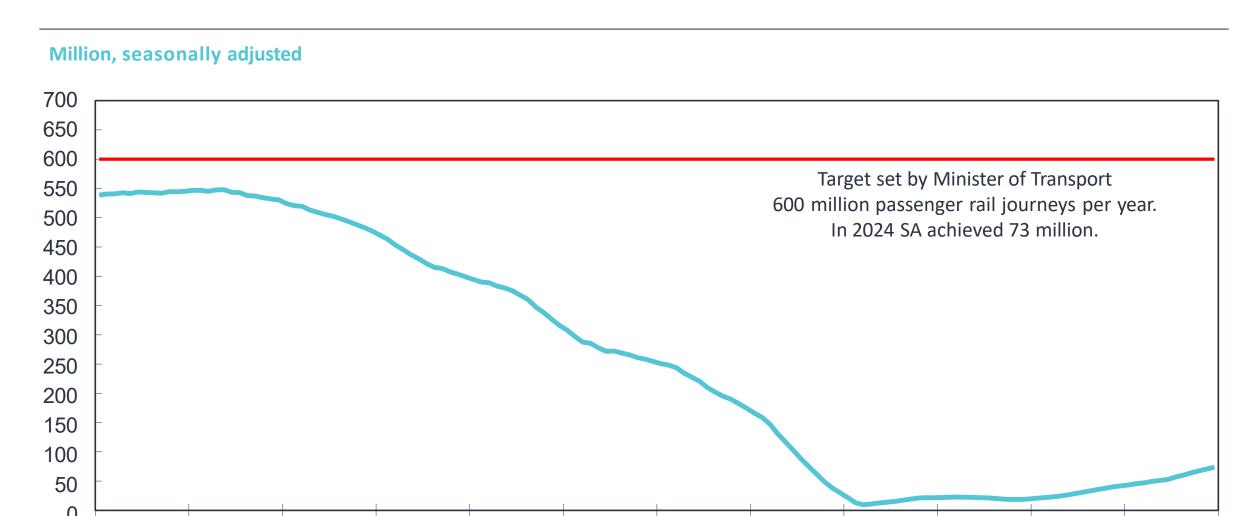


Source: South African Reserve Bank

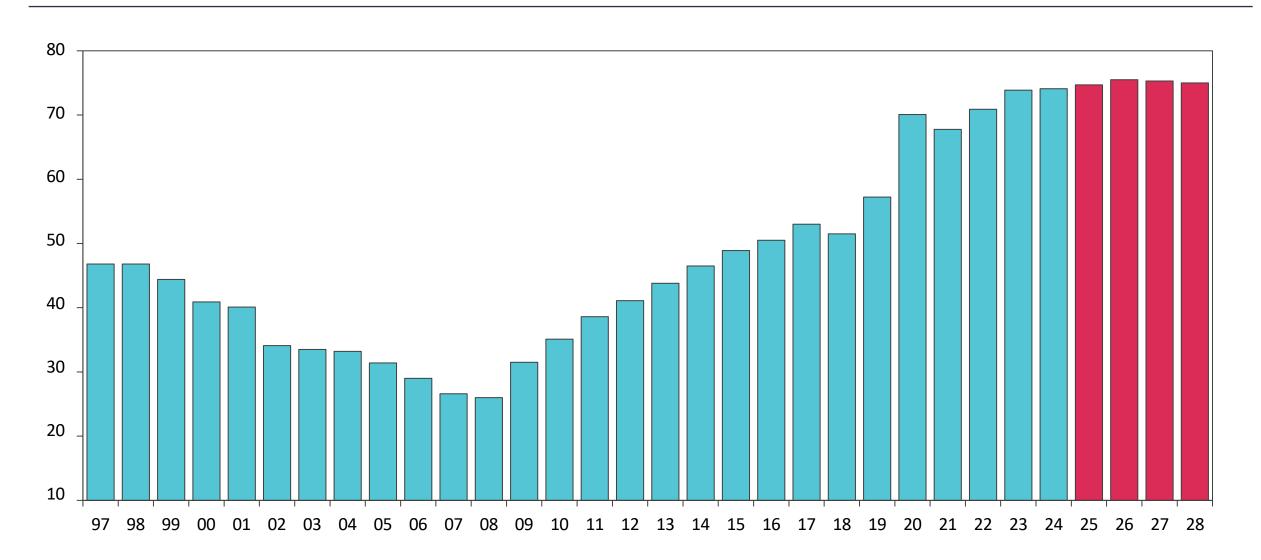
#### South Africa's infrastructure scorecard: 2022



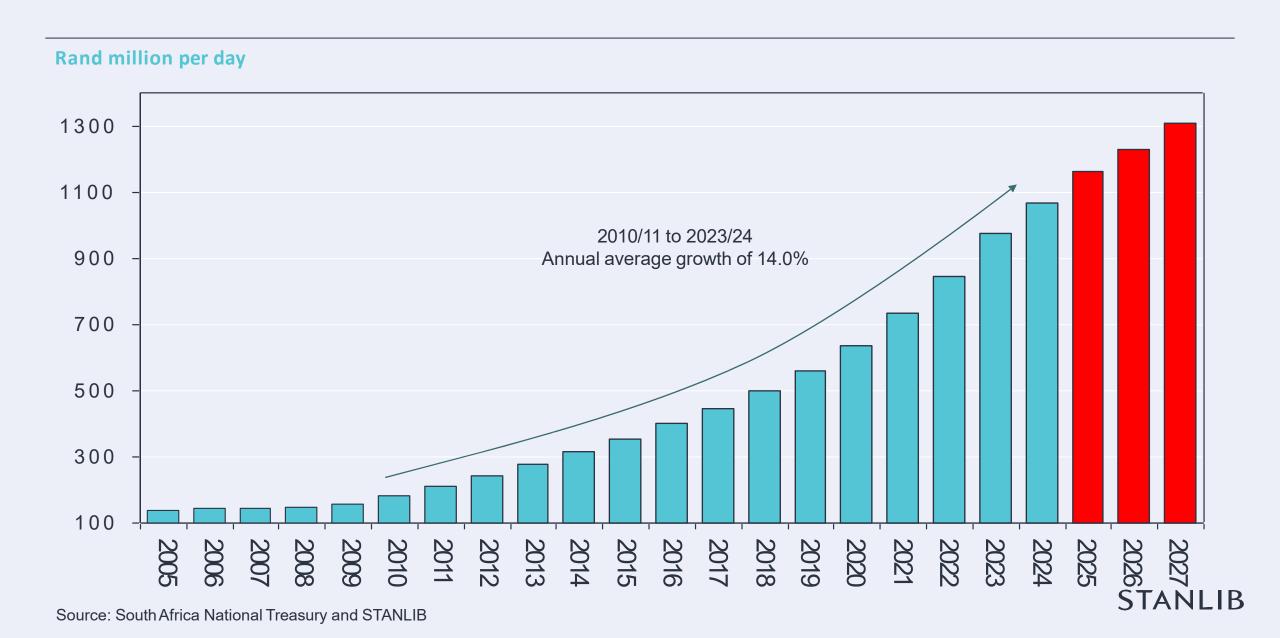
#### South Africa passenger rail journeys



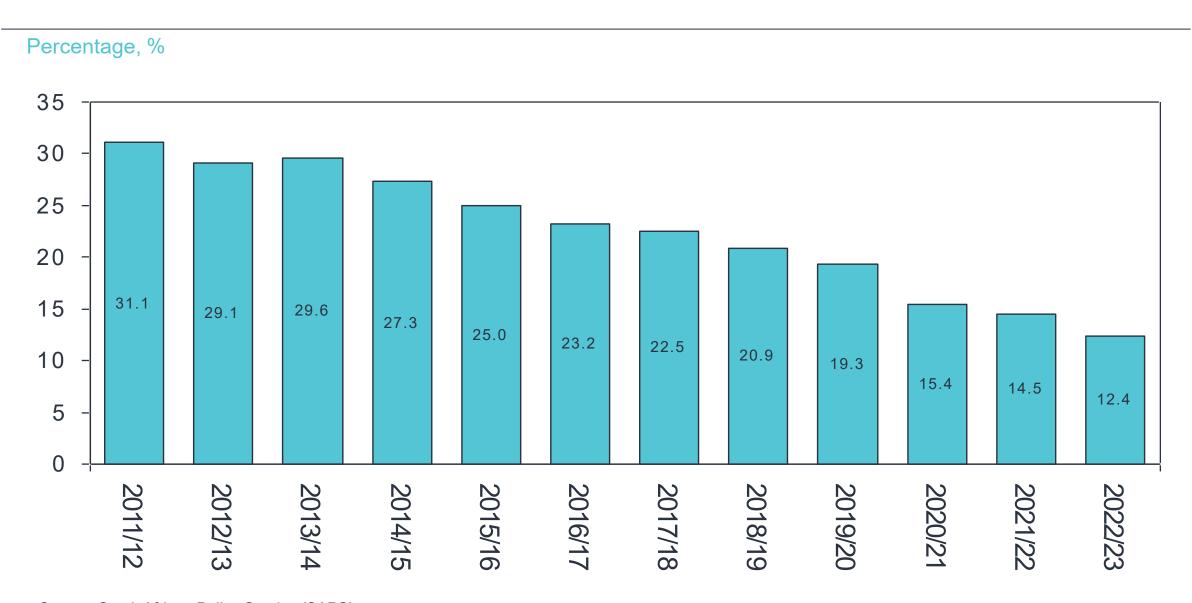
Source: Statistics South Africa



#### Daily interest cost of SA government debt



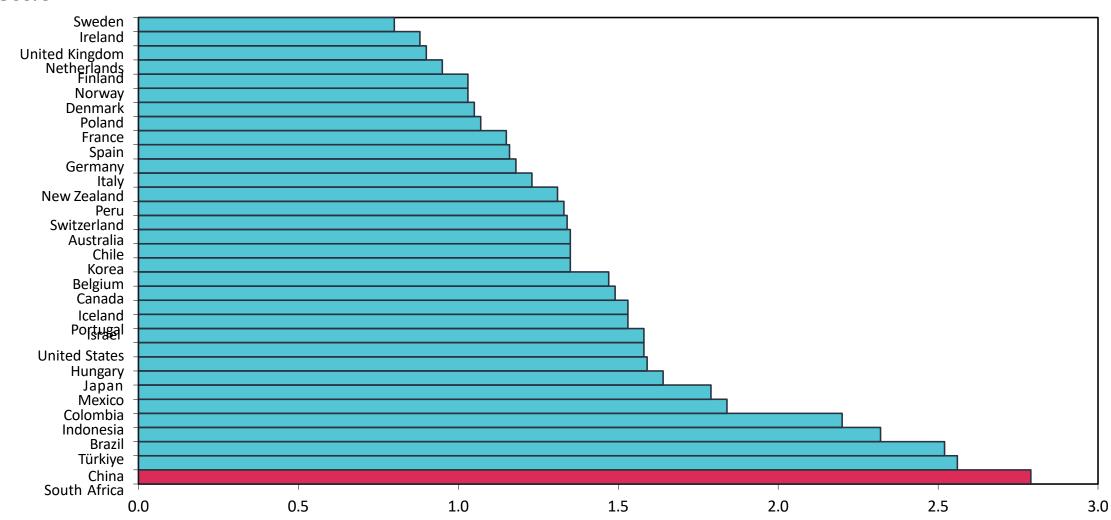
#### South Africa Police Service (SAPS) detection rate for murder



Source: South African Police Service (SAPS)

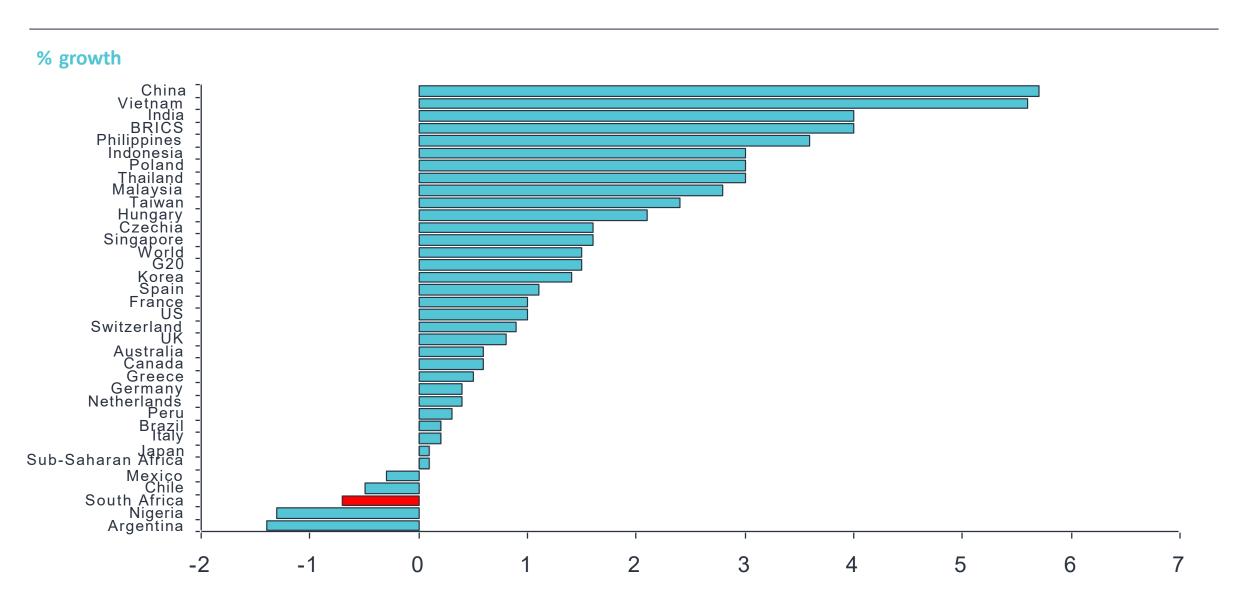
#### Business regulation: higher score equates to more regulation





Source: International Monetary Fund

### Growth in labour productivity (2015 to 2024 – adjusted for impact of COVID)



Source: International Labour Organisation

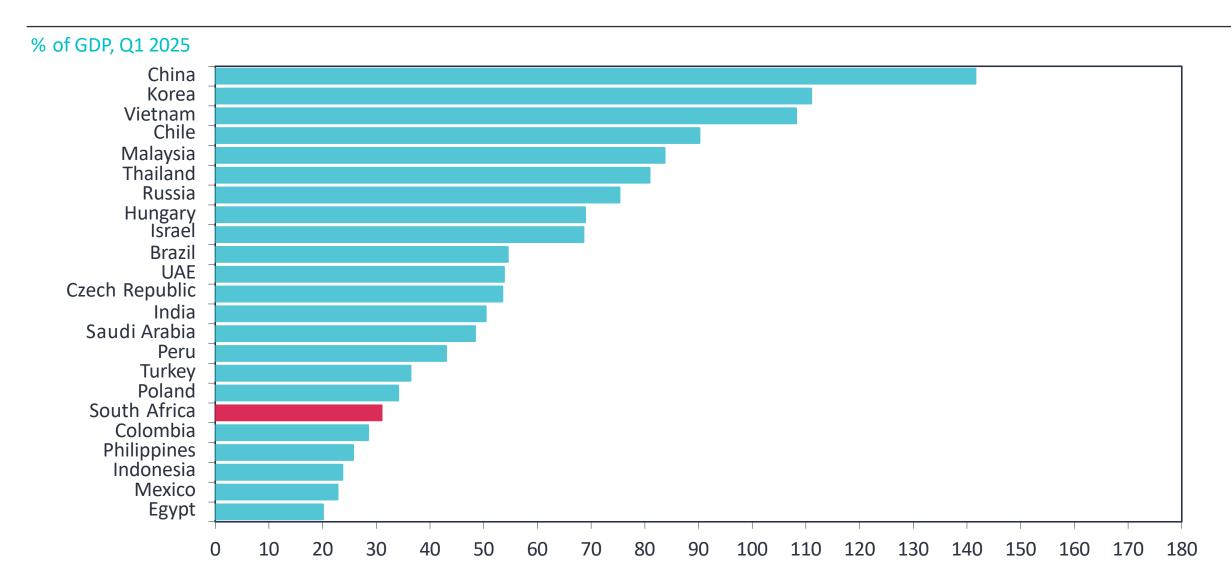
#### What SA government has implemented vs what they promise to implement

- What has government actually implemented
  - (past 12 months)
- Expropriation without compensation
- (Legislation implemented, 23 January 2025 )
- New BEE targets for business
- (Legislation implemented, 1 January 2025)
- National Health Insurance
- (Legislation implemented, 15 May 2024)
- Basic Education Laws Amendment Act
- (Legislation implemented, 13 September 2024)

Source: STANLIB

- What has government promised to implement
  - (past 12 months)
  - Private public partnerships
  - (Very slow progress)
  - Making it easier to do business
  - (Some progress in home affairs, BUT overall SA scores very low)
  - Improved service delivery as a local government level
  - (Deterioration continues)
  - Reducing the level of crime
  - (Current crisis in policing highlights the problem)

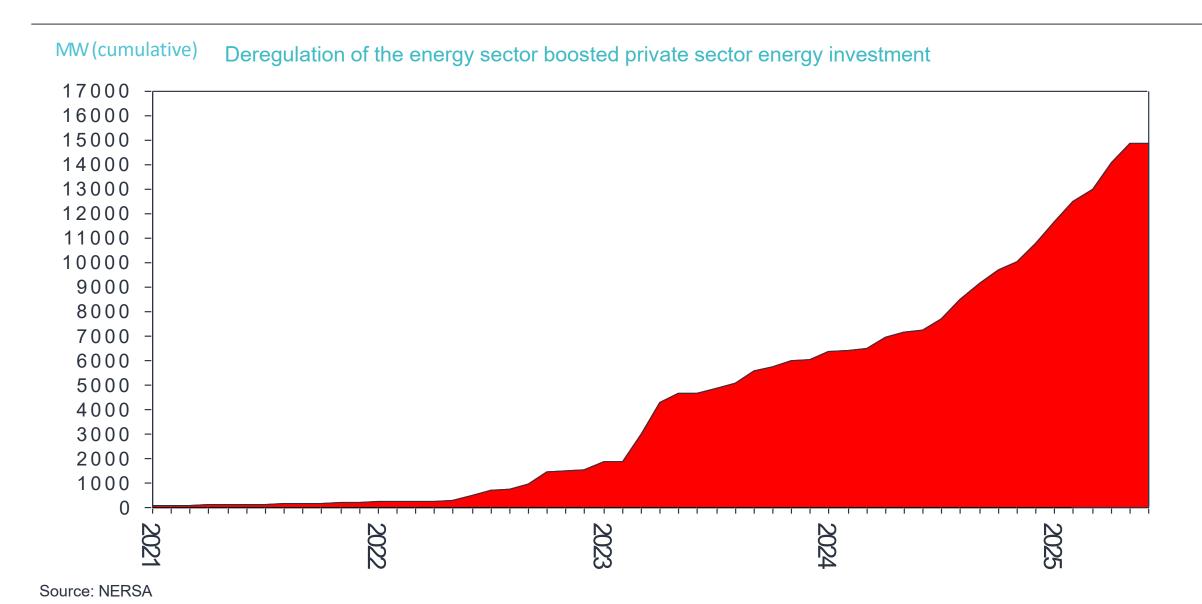
#### Emerging markets: Corporate debt as % of GDP



#### South Africa business confidence



### SA private sector electricity production (mostly solar energy)



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A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, that levy their own charges, which could result in a higher fee structure for these portfolios.

A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme that levies its own charges, which could result in a higher fee structure for the Feeder Fund. A portfolio that derives its income primarily from interest-bearing instruments calculates its yield daily and is a current effective yield.

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# **ASSET ALLOCATION VIEWS**



# Local

Asset Classes	Tactical View Q4 2024	Tactical View Q1 2025	Tactical View Q2 2025	Tactical View Q3 2025
SA Income				
SA Equity				
SA Property				
SA Bonds				
DM Equity				
EM Equity				
Global Bonds				
Global Cash				
ZAR/USD				



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