



INDEPENDENT
INVESTMENT
SOLUTIONS

RECOMMENDATIONS FOR INDEPENDENT INVESTMENT SOLUTIONS

January 2026

INVESTMENT RECOMMENDATION

Following our 1st Quarter 2026 meeting, we proposed and have implemented the following portfolio adjustments to various i² Solutions:

Asset Allocation Views

As of 31 January 2026, the portfolios have continued to demonstrate resilience in an environment characterised by heightened geopolitical tension and shifting global market leadership. January was marked by volatility driven by developments involving Venezuela, Iran and Greenland, as well as renewed tariff rhetoric toward Europe. Despite this uncertainty, global markets delivered positive returns overall, supported by a weaker US dollar, resilient economic data and improving investor diversification.

In developed markets, US equities advanced modestly, with improving market breadth and stronger participation from small- and mid-cap companies. Leadership continued to rotate away from mega-cap technology stocks, where performance was mixed amid investor reassessment of AI-related spending, cloud growth and elevated valuations. The Federal Reserve kept rates unchanged while maintaining flexibility for potential easing later in the year, although rising Treasury yields toward month-end reflected firmer employment data and policy uncertainty. Globally, the MSCI World Index gained 2.24% in January, while the S&P 500 returned 1.45% and the Nasdaq 100 rose 1.23%. The UK's FTSE 100 and Japan's Nikkei 225 delivered stronger gains of 5.07% and 7.34%, respectively.

Emerging markets were the standout performers, recording their best monthly return in over two years. The MSCI Emerging Markets Index rose 8.01% in January, materially outperforming developed peers. Asian markets led the advance, supported by strong semiconductor demand and continued confidence in the AI investment cycle, particularly in Taiwan and South Korea. Latin America and Eastern Europe also contributed positively, aided by commodity exposure and attractive real yields, while India lagged due to foreign outflows and currency pressure. This improving growth and valuation dynamic continues to support our overweight positioning in emerging market equities relative to developed markets.

South African markets began the year on a firm footing. The FTSE/JSE All Share Index returned 3.72% in January, with resources surging 13.16%, financials up 2.90% and industrials declining 3.85%. The strength in precious metals and broader commodity prices provided meaningful support to the local market. Listed property gained 0.98%, bonds returned 1.95% and cash delivered 0.55% for the month. The rand strengthened by 2.55% against the US dollar, supported by continued foreign demand for South African bonds and contained inflation. The South African Reserve Bank left interest rates unchanged but maintained a cautious tone, highlighting risks from food and electricity inflation while leaving scope for potential rate cuts later in the year.

Against this backdrop, our asset allocation remains constructively tilted toward South African assets, particularly local bonds, where elevated real yields and improving fiscal and energy dynamics continue to offer compelling value. We remain overweight SA bonds and slightly overweight SA income, given attractive carry and supportive inflation trends. Within equities, we maintain a moderately overweight position in South African shares, supported by strong resource momentum and improving domestic confidence, while remaining neutral on listed property due to structural headwinds despite appealing yields. Offshore, we retain a measured stance toward developed market equities, where valuations remain stretched, and remain overweight emerging markets, which continue to benefit from stronger growth prospects and relative valuation support. Global bonds remain less attractive relative to local fixed income, and we hold a neutral position in global cash for flexibility amid ongoing uncertainty.

LOCAL SOLUTIONS

i² Income Solution

The i² Income Solution delivered strong performance for the 2025 calendar year, returning 13.09% and outperforming its benchmark over the period.

There will be no fund changes however there are tactical asset allocation changes within this solution to align the solution with the investment committees' views for the 1st quarter of 2026. We will reduce the cash allocation and reallocated these weighting to Income funds to capitalise on attractive real yields and a stable inflation outlook.

i² Cautious Solution

The i² Cautious Solution delivered strong performance over the 2025 calendar year, returning 17.96% and outperforming its benchmark over the period.

There are tactical asset allocation changes within the solution to align it with the Investment Committee's views for the first quarter of 2026. We will reduce the cash allocation and reallocate these weights to income funds in order to capitalise on attractive real yields and a stable inflation outlook.

In addition, we recommend replacing the Fairtree Global Equity Prescient FF with the BCI Ranmore Global Value Equity Fund, which provides broader global diversification and improved downside protection in the current environment of heightened geopolitical tensions and elevated global market uncertainty.

i² Moderate Solution

The i² Moderate Solution delivered strong performance over the 2025 calendar year, returning 23.87% and outperforming its benchmark over the period.

Tactical asset allocation adjustments have been implemented to reflect the Investment Committee's outlook for Q1 2026. The cash allocation will be removed and reallocated to income funds in order to capitalise on attractive real yields and a stable inflation outlook.

We recommend a slight increase in South African equities to maintain a moderately overweight position. Our long-term strategic allocation continues to support this asset class, with valuations remaining attractive, earnings momentum improving and the domestic economic outlook stabilising. As a result, South African equities continue to offer compelling return potential, even after some profit-taking.

In addition, we will replace the Truffle SCI General Equity Fund with the Truffle SCI SA Equity Fund to better align with our building block strategy. The Truffle SCI General Equity Fund has increased its offshore exposure, resulting in the i² Moderate Solution holding more offshore exposure than intended within the asset allocation framework.

We also recommend a modest reduction in global equities, while retaining a moderately underweight position, given heightened geopolitical tensions and elevated global market uncertainty.

i² Moderate Passive Solution

There will be no fund changes within this solution however there are tactical asset allocation changes to align with the investment committees view for the 1st quarter of 2026.

The cash allocation will be removed and reallocated to income funds in order to capitalise on attractive real yields and a stable inflation outlook.

We recommend a slight increase in South African equities to maintain a moderately overweight position. Our long-term strategic allocation continues to support this asset class, with valuations remaining attractive, earnings momentum improving and the domestic economic outlook stabilising. As a result, South African equities continue to offer compelling return potential.

We also recommend a modest reduction in global equities, while retaining a moderately underweight position, given heightened geopolitical tensions and elevated global market uncertainty.

i² Growth Solution

The i² Growth Solution delivered strong performance over the 2025 calendar year, returning 33.03% and outperforming its benchmark over the period.

Tactical asset allocation adjustments have been implemented to reflect the Investment Committee's outlook for Q1 2026.

We recommend a slight increase in South African equities to maintain a moderately overweight position. Our long-term strategic allocation continues to support this asset class, with valuations remaining attractive, earnings momentum improving and the domestic economic outlook stabilising. As a result, South African equities continue to offer compelling return potential.

In addition, we will replace the Truffle SCI General Equity Fund with the Truffle SCI SA Equity Fund to better align with our building block strategy. The Truffle SCI General Equity Fund has increased its offshore exposure, resulting in the i² Moderate Solution holding more offshore exposure than intended within the asset allocation framework.

We also recommend a modest reduction in global equities, while retaining a moderately underweight position, given heightened geopolitical tensions and elevated global market uncertainty.

i² TFSA Solution

The i² TFSA Solution delivered strong performance over the 2025 calendar year, returning 33.03% and outperforming its benchmark over the period.

Tactical asset allocation adjustments have been implemented to reflect the Investment Committee's outlook for Q1 2026.

We recommend a slight increase in South African equities to maintain a moderately overweight position. Our long-term strategic allocation continues to support this asset class, with valuations remaining attractive, earnings momentum improving and the domestic economic outlook stabilising. As a result, South African equities continue to offer compelling return potential.

In addition, we will replace the Truffle SCI General Equity Fund with the Truffle SCI SA Equity Fund to better align with our building block strategy. The Truffle SCI General Equity Fund has increased its offshore exposure, resulting in the i² Moderate Solution holding more offshore exposure than intended within the asset allocation framework.

We also recommend a modest reduction in global equities, while retaining a moderately underweight position, given heightened geopolitical tensions and elevated global market uncertainty.

i² Global Feeder Solution (ZAR)

There will be no fund changes and no tactical asset allocation changes within this solution since the solution is aligned with the investment committees view for the 1st quarter of 2026.

The start of 2026 has built on the stronger momentum seen in late 2025, although markets remain more volatile amid heightened geopolitical tensions and shifting trade dynamics. Global equities delivered positive returns in January despite uncertainty, supported by resilient economic data and a weaker US dollar. The MSCI World Index gained 2.24% for the month, while emerging markets significantly outperformed, rising 8.01%, their strongest monthly performance in over two years. The US Federal Reserve kept rates unchanged, maintaining flexibility for potential easing later in 2026 as inflation trends continue to moderate but remain sensitive to labour market strength and tariff developments.

Emerging markets continue to lead performance, supported by robust semiconductor demand in Asia, improving commodity dynamics and relatively attractive valuations. Developed markets remain positive but more mixed, with leadership rotating away from mega-cap technology stocks and bond yields rising modestly toward month-end. Global bonds have stabilised but remain less compelling relative to selected emerging market opportunities.

Given this backdrop, we remain constructive on emerging market equities, where growth momentum and valuations remain supportive. We maintain a moderately underweight position in developed market equities due to elevated valuations and policy uncertainty, although these exposures continue to provide long-term diversification benefits. Overall, while volatility may persist, moderating inflation, gradual monetary easing and resilient global growth support a cautiously positive outlook into 2026, particularly across emerging markets.

i² Integrated Cautious Solution

The i² Integrated Cautious Solution had strong performance over the past year delivery 17.94% which outperformed its benchmark.

There will be no fund changes and no are tactical asset allocation changes within this solution since the solution is aligned with the investment committees view for the 1st quarter of 2026.

i² Integrated Moderate Solution

The i² Integrated Moderate Solution had strong performance over the past year delivery 22.64% which outperformed its benchmark.

There will be no fund changes and no are tactical asset allocation changes within this solution since the solution is aligned with the investment committees view for the 1st quarter of 2026.

i² Integrated Growth Solution

There will be no fund changes and no are tactical asset allocation changes within this solution since the solution is aligned with the investment committees view for the 1st quarter of 2026.

CONTACT US

JOHANNESBURG OFFICE

Block 16 B
Willowbrook Office Park
Van Hoof Street, Ruimsig
Johannesburg, 1724

CAPE TOWN OFFICE

4th Floor, Hill House
43 Somerset Road
Green Point
Cape Town, 8001

PLEASE CALL

TEL: +27 10 597 6687
EMAIL: info@i2solutions.co.za
WEB: i2solution.co.za

Disclaimer

Independent Investment Solutions Proprietary Limited (Independent Investment Solutions) is an authorised Financial Services Provider (FSP48201) in terms of the Financial Advisory and Intermediary Services Act, 2002. The consent of this email and any accompanying document are confidential and maybe subject to legal privilege and client confidentiality and is subject to important terms and conditions, available at www.i2solutions.co.za. Any use of the contents and/or attachments, in any form whatsoever, by anyone other than the addressee is strictly prohibited. If you are not the intended recipient of this email, kindly notify the sender and delete it from your system and/or device.