

momentum
investments



Future-proofing your investments

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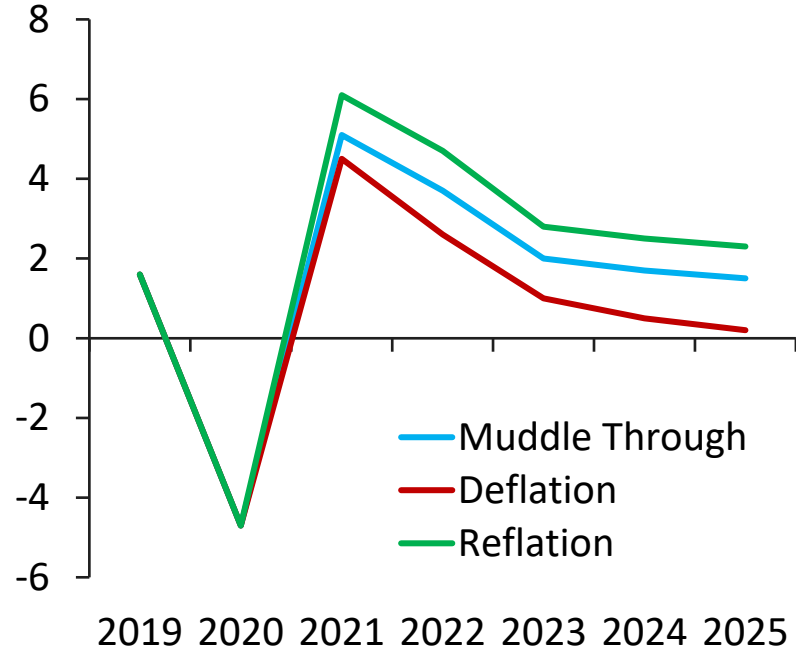


Global growth scenarios



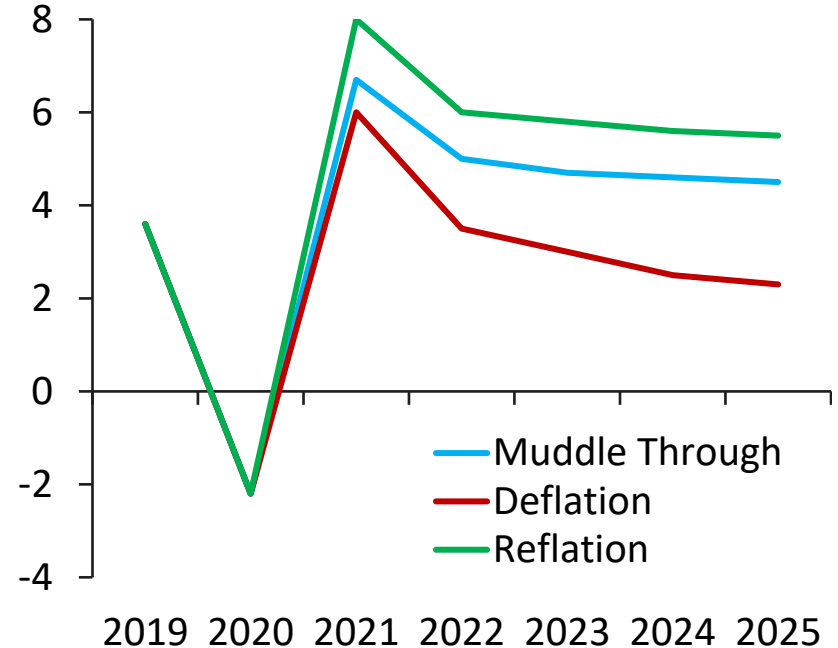
Muddle through: After the initial bounce, DM growth slows due to tightening policy and uneven EM growth.

Developed markets (%)



Muddle through: Faster EM growth constrained by lockdowns and uneven vaccine distribution.

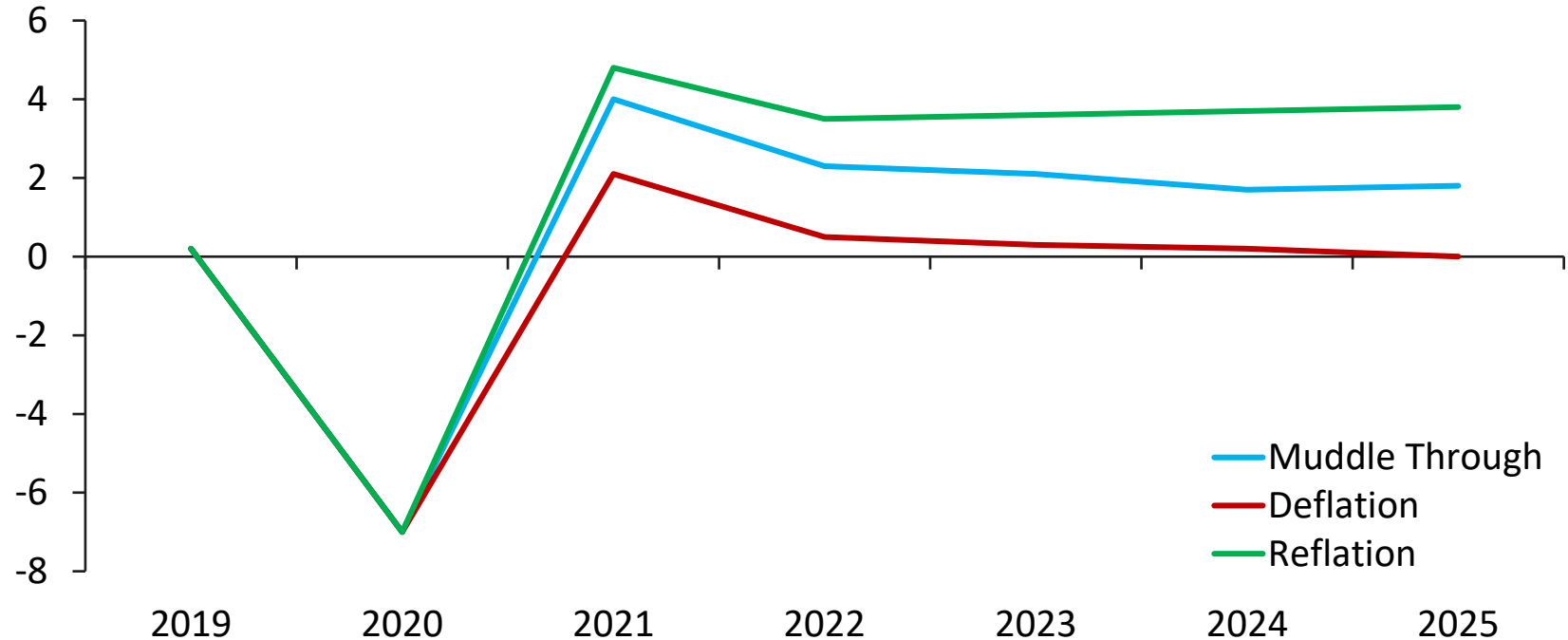
Emerging markets (%)



SA growth scenarios



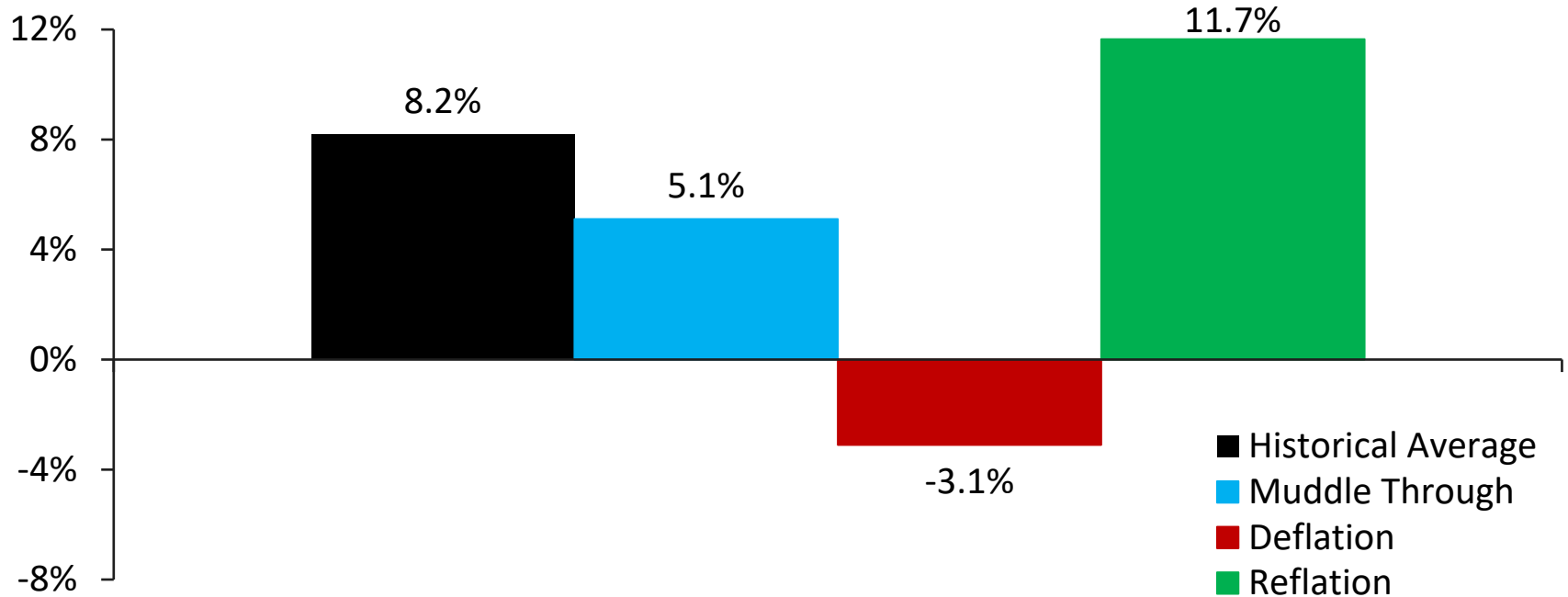
Muddle through: Low base and demand recovery initially assist growth, but slow reforms and vaccination prevent the trend from continuing. **Reflation:** Fast reforms and strong world growth lift growth potential.



SA equity real rand return scenarios



Reflation: The most-friendly equity environment. Deflation: The least-friendly equity environment.



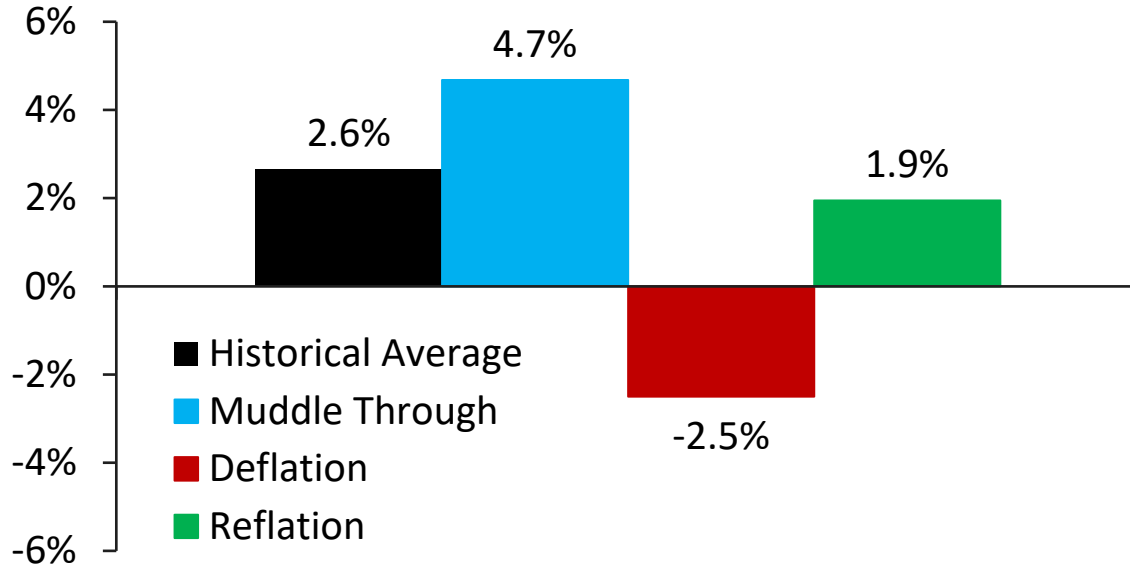
Avg. FY21/22-24/25

Developed markets equity real return scenarios



Reflation: Highest US dollar DM equity returns in risk-on environment, but rand strength and higher inflation erode real rand returns.

Deflation: Least-friendly environment for DM equities as risk off prevails.



4.7% = 5.8% \$ returns (11.7% E + 2.2% DY – 7.6% rating – 0.5% USD) + 3.5% ZAR – 4.6% CPI

-2.5% = -4.1% \$ returns (5.5% E + 2.0% DY – 10.1% rating – 1.5% USD) + 5.2% ZAR – 3.6% CPI

1.9% = 9.3% \$ returns (13.4% E + 2.5% DY – 7.1% rating + 0.5% USD) – 1.9% ZAR – 5.5% CPI

Avg. FY21/22-24/25

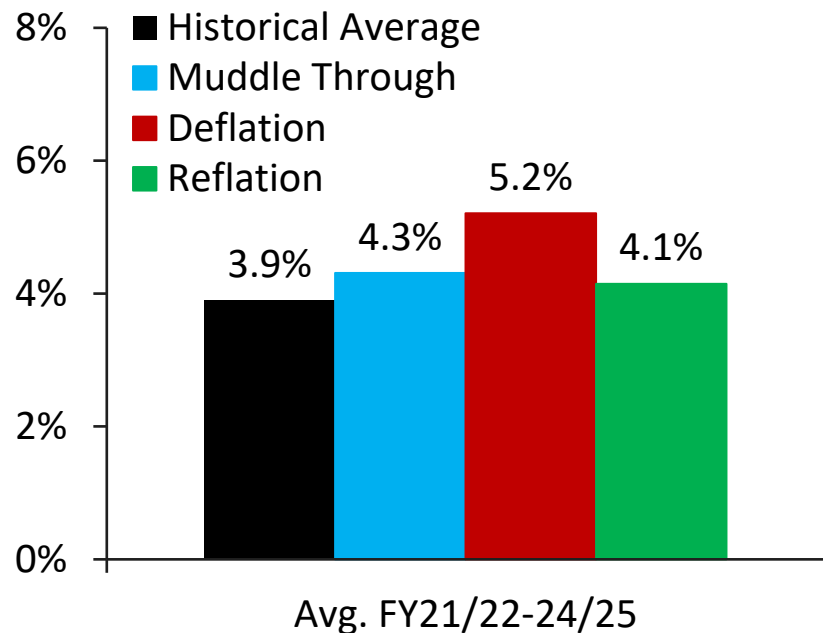
SA nominal bonds and ILB real rand return scenarios



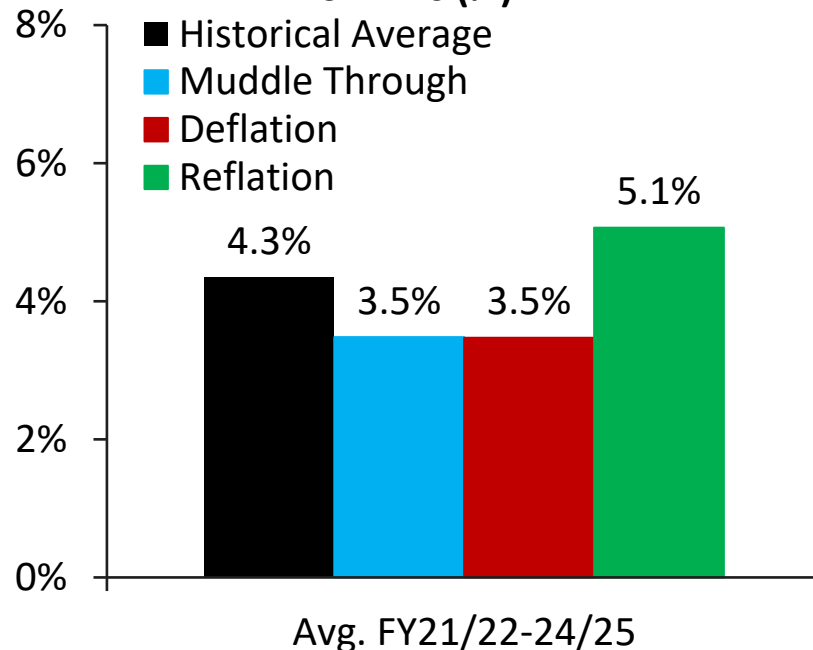
Reflation: Global 'hunt for yield' supports SA nominal bonds in risk-on milieu, but higher SA inflation erodes real returns.

Highest ILB real returns in Reflation environment as yields fall in risk-on environment.

SA nominal bonds (%)



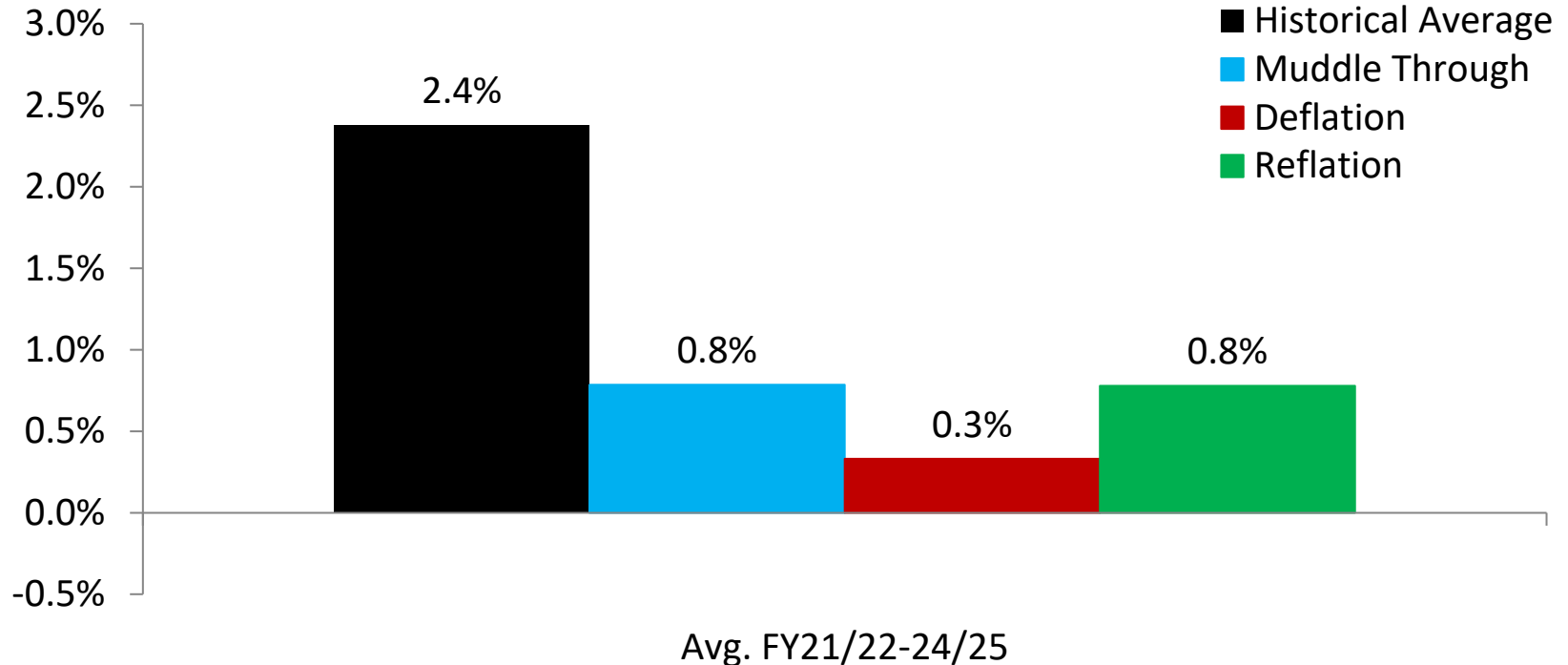
SA ILBs (%)



SA cash return scenarios



Cash returns reflect SARB monetary policy cycle. Deflation is the least-friendly cash environment.

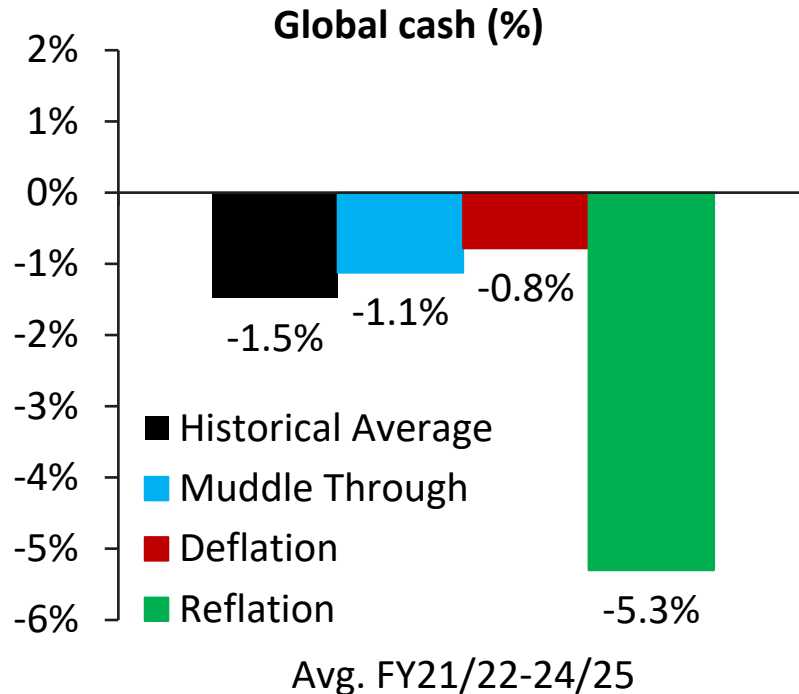
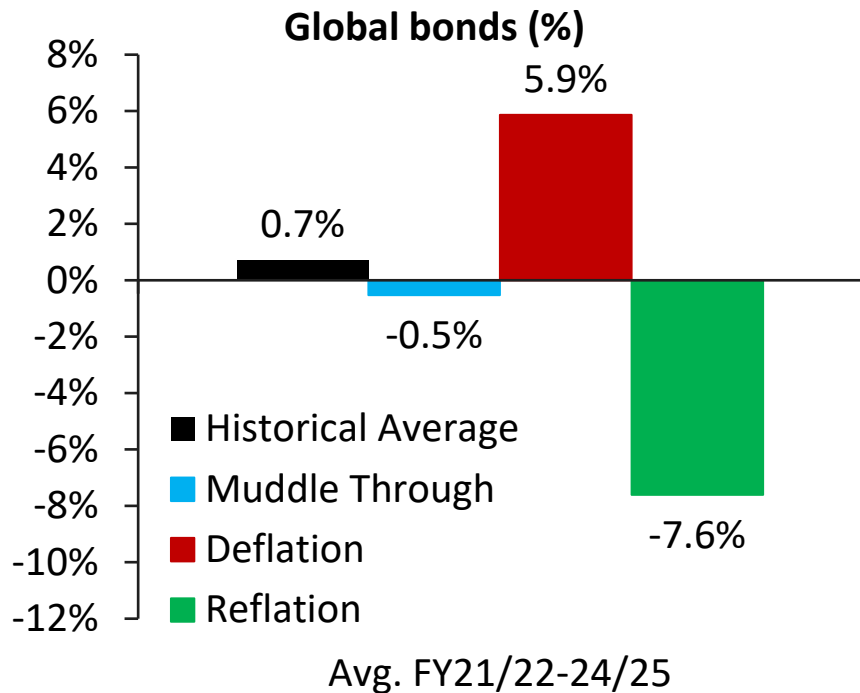


Global bond and cash real rand return scenarios



Deflation: Positive returns from falling yields and weaker rand.

Stronger rand erodes rising dollar cash returns in **Reflation** scenario.

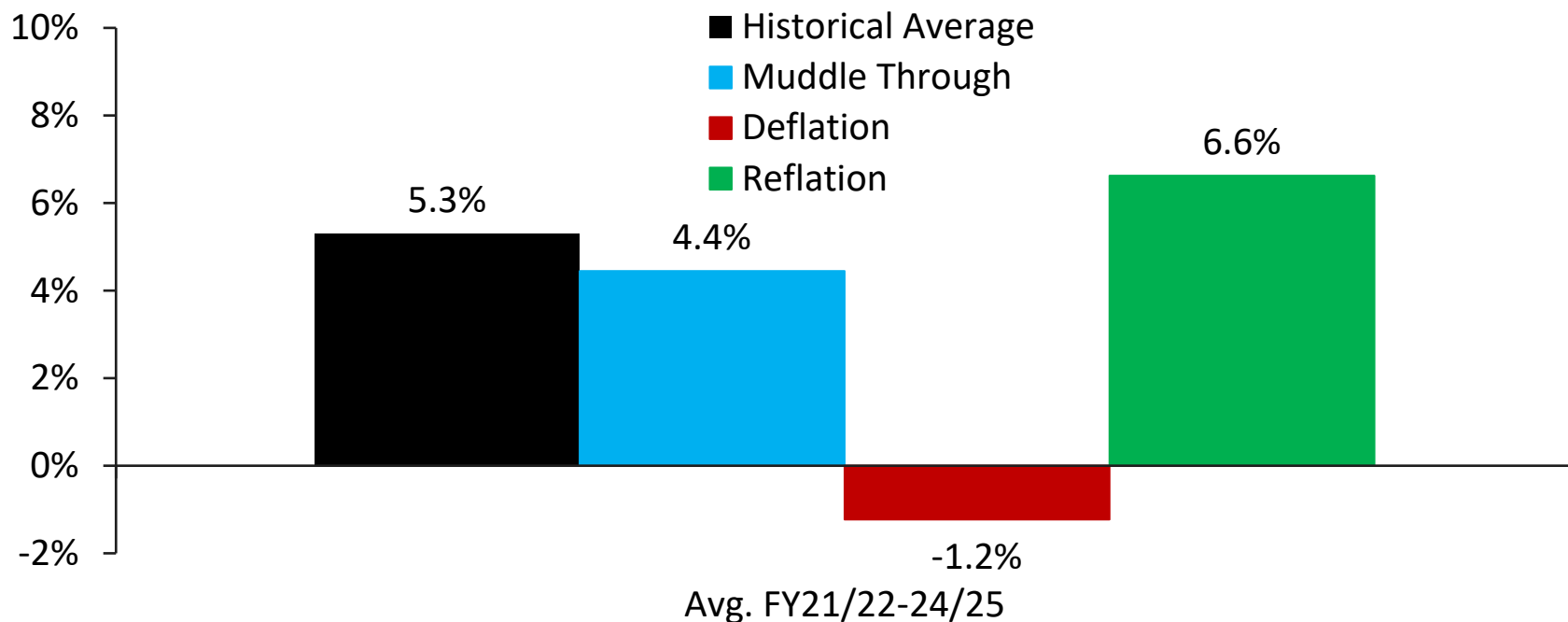


Multi-asset-class fund real rand return scenarios



Weakest overall benchmark multi-asset-class fund real returns in Deflation.

Benchmark multi-asset-class fund real returns only above historical returns in Reflation.

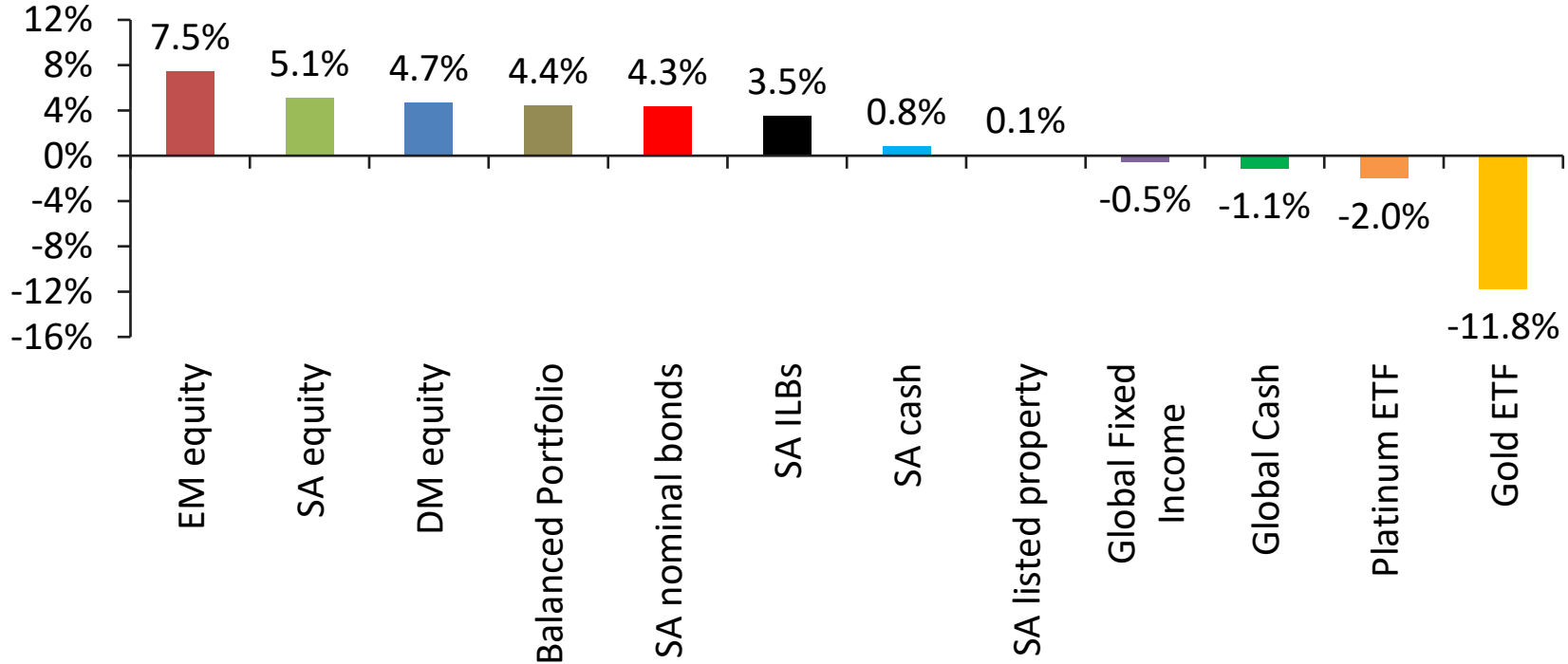


Strategic asset class preferences in muddle through



Best returns from global and SA equity as well as SA nominal and real bonds.

Worst returns from commodities, global bonds and cash.

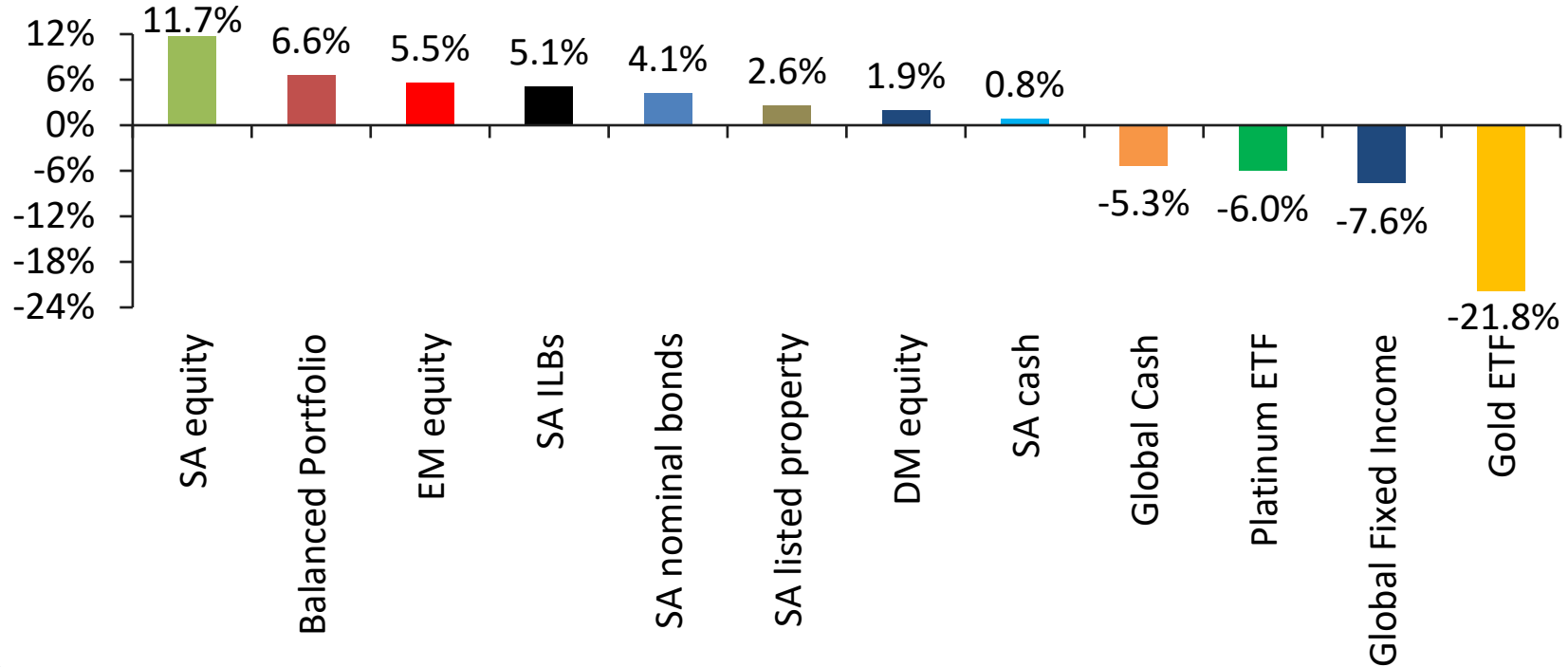


Strategic asset class preferences in **reflation**



Best returns from SA and EM equity as well as SA nominal and real bonds.

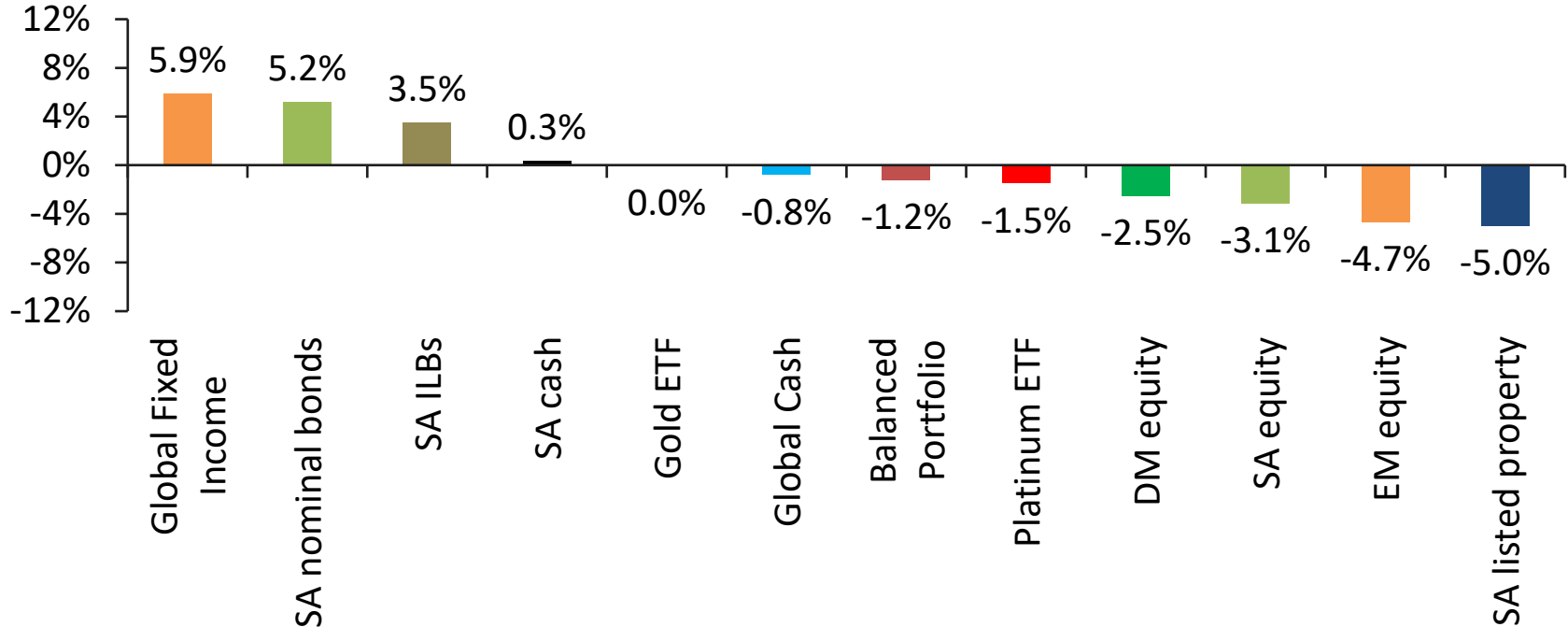
Worst returns from commodities, global nominal bonds and cash.



Strategic asset class preferences in deflation



Best returns from global bonds, SA nominal bonds and ILBs.
Worst returns from SA property, global and SA equity.



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