



CIO QUARTERLY INVESTMENT UPDATE

THE ECONOMICS OF ARTIFICIAL INTELLIGENCE

WHY THE FUTURE IS EASIER TO PREDICT THAN THE WINNERS

“ Artificial intelligence will have a more profound impact on humanity than fire, electricity and the internet. ”

- Sundar Pichai
the CEO of Alphabet

For South Africans, 1994 represents many things. For some, it represents democracy. For others, freedom. For me, one of the most vivid memories came several years later. I was too young to vote in 1994, but I was old enough to observe the hope that followed it. In the late 1990s, I remember visiting my grandmother in rural KwaZulu-Natal. She lived on a hill overlooking a valley of dusty roads, scattered homesteads and rolling green hills.

One evening, she took me outside. With a smile on her face, she pointed across the valley and asked me to look into the distance. There were lights, hundreds of them. Homes that had previously disappeared into darkness after sunset were illuminated.

She turned to me and said, “We have electricity now.” At the time, I did not fully appreciate what she meant. She was not celebrating electricity itself, but what electricity made possible. It was more than a power line, a light bulb or just infrastructure. It was a symbol that freedom had finally arrived. The freedom to flick a switch and have light, for children to study after sunset, and to be able to refrigerate food. In essence, the freedom to participate more fully in a modern economy and have a better quality of life.

When South Africa became a democracy in 1994, only around a third of households had access to electricity. In many rural communities, fewer than one in eight homes were connected

to the grid. Over the following five years, more than 2.5 million homes were electrified through one of the most ambitious infrastructure programmes in our history, with Eskom responsible for nearly 1.8 million of those connections.

Today, approximately 95% of South African households have access to electricity. Given the vast distances, remote rural communities, sprawling informal settlements and infrastructure challenges involved, this achievement deserves recognition.

My grandmother was not celebrating electricity itself. She was celebrating what electricity made possible. And that distinction may prove important as we think about another transformative technology today.

Over the past few years, I suspect that South Africans have developed a renewed appreciation for electricity.

Electricity is one of the most important inventions in human history, yet most of us barely notice it. We flick a switch and expect the lights to come on. We charge our phones, run our businesses and power our homes without giving much thought to the infrastructure that makes it all possible.

But it was not always this way.

And that is why one of the habits we have developed as an investment team is the deliberate study of history.

Tucked away in Lower Manhattan, New York, is a street called Pearl Street. Most people walk past it without a second thought. Yet at 255 Pearl Street stands one of the most important sites in modern economic history.

It was here, in 1882, that Thomas Edison built the world's first commercial power station.

Only three years earlier, Edison had successfully demonstrated the incandescent light bulb. The invention was revolutionary. Yet the light bulb itself was not the real breakthrough. The breakthrough was the system that sat behind it: the generators, cables, meters and distribution network that allowed electricity to move from a laboratory into homes and businesses.

By 1900, investors knew electricity would change the world. They were obviously right, however:

1. What they did not know was which companies would win,
2. They did not know how long it would take, and
3. They certainly did not know where the profits would ultimately accumulate.

The fascinating thing about electricity is that the economic winners were not always obvious ones. Generating electricity proved essential to modern life, yet electricity utilities rarely became the most profitable businesses in the economy. The greatest economic value is often accumulated elsewhere in factories powered by electricity, in new industries enabled by electricity, and in entirely new business models that could not have existed without it. History tells us that while the future was relatively easier to predict, the winners were much harder. This is relevant today. We know artificial intelligence (AI) will change the world. On that, there is little disagreement.

Similar to electricity, what we do not know is:

1. Which companies will ultimately win,
2. How long will it take, and
3. Most importantly for investors - where the profits will accumulate.

We know where many of today's profits are accumulating and who the market darlings are. Semiconductor designers, equipment manufacturers and infrastructure providers are earning extraordinary returns from the AI buildout. But it would be a mistake to assume that tomorrow's profit pools will look the same as today's. After all, investing is ultimately an exercise in valuing future cash flows. While parts of the AI value chain are already highly profitable, many of the companies at the centre of the AI narrative remain only modestly profitable or loss-making. Their valuations therefore depend less on what they earn today and more on assumptions about the profit pools they may capture many years into the future.

History suggests that this is where investing becomes difficult. The current winners are visible and increasingly priced for that visibility; the future winners are not. The technology may be obvious, but the economics and where the enduring profit pools will ultimately emerge remain far less certain.

Every era has its transformational technology.

Every era has its transformational technology, and today, it is AI. In the 1920s, it was radio. One of my December reads was Andrew Ross Sorkin's book titled 1929. I expected a story about leverage, speculation and the Wall Street Crash. Instead, I found myself captivated by the technology of the era. Radio was the internet of the 1920s.

For the first time, a single voice could reach millions of people simultaneously. Sporting events became national events. Presidential speeches reached audiences far beyond town halls. Celebrities emerged with unprecedented reach. News was no longer confined to local newspapers. Information travelled at a speed and scale previously unimaginable.

Adoption was explosive. The number of radio stations in the United States increased from just five in 1921 to more than 500 by 1923. Sales of radio equipment grew from \$60 million in 1922 (around \$1 billion today) to more than \$840 million by 1929 (around \$15 billion today). Radio had become one of the defining technologies of its age.

At the centre of this revolution was RCA, and investors could not get enough of it. Between 1921 and its 1929 peak, RCA's share price rose almost 100-fold. It was, in many respects, the Nvidia of its generation. Investors were not buying RCA because of what it earned. They were buying it because they believed radio would change the world.

They were right, radio did change the world. However, the investment lesson came later. By 1932, despite radio continuing to spread rapidly throughout society, RCA's share price had fallen by almost 98%. The technology succeeded, but the investment was far more complicated.

Nearly a century later, investors once again find themselves trying to identify the companies closest to a transformational technology. OpenAI, Anthropic and SpaceX are expected to command extraordinary valuations despite generating little or no profit today. Investors are paying not for today's cash flows, but for the possibility of tomorrow's. This is not an argument against AI.

Nor is it an argument against these companies. It is simply a reminder that technological success and investment success are not always the same thing. The future is often easier to predict than where the economics will ultimately settle.

Yes, AI is here, but something unusual is happening. The world's greatest software companies have started behaving less like software companies and more like utilities.

Microsoft, Amazon, Alphabet and Meta are now engaged in one of the largest private infrastructure buildouts in modern history. Their spending is going into data centres, semiconductors, servers, networking equipment, land, power and cooling. These Hyperscalers are projected to spend around \$700 - \$800 billion on physical infrastructure.

The numbers are striking. Microsoft's net property and equipment rose from \$135.6 billion in 2024 to \$205.0 billion in 2025. Its additions to property and equipment increased to \$64.6 billion, and the company disclosed a further \$32.1 billion of commitments for new buildings and improvements, primarily related to data centres.

For years, these businesses generated extraordinary free cash flow. Today, more of that cash flow is being recycled back into physical infrastructure. In some cases, the phrase "free cash flow" itself becomes more complicated.

Balance sheets, once dominated by intangible assets, are increasingly filled with tangible ones: data centres, servers, networking equipment, power infrastructure and land. The language remains digital, but the economics has become industrial.

That observation may prove to be one of the defining developments of the AI era. For decades, the winners of the digital economy became more capital light as they grew. Today, the leaders of the AI economy appear to be becoming more capital intensive.

The question for investors is profound: what happens to returns on capital, profitability and valuation multiples when software businesses start to resemble infrastructure businesses?

Capital intensive businesses can be enormously valuable. Railroads, utilities and telecommunications networks were all valuable. But they rarely enjoyed the economics associated with the world's greatest software companies. Artificial intelligence is frequently described as the next software revolution.

However, the scale and nature of the spending suggest a different possibility: AI may ultimately prove less like the internet and more like electrification. That distinction could be enormously important.

Electricity was not simply another product. It became a foundational input into almost every industry in the world. Factories did not become electricity companies; they became factories powered by electricity. In the same way, banks will not become AI companies. They will remain banks powered by AI. The same will be true of retailers, asset managers, manufacturers and many other businesses.

This changes the investment question. If AI is primarily another software product, the economics are likely to accrue mainly to those building the applications. But if AI becomes a foundational input into the global economy, as electricity ultimately did, then the largest profit pools may emerge in industries and business models that are not yet the centre of attention.

History suggests that when a technology becomes infrastructure, the biggest beneficiaries are often not those producing it. They are those who learn how to use it to reshape industries.

There is a quote often attributed to Henry Ford:

“If I had asked people what they wanted, they would have said faster horses.”

Whether Ford actually said it is almost beside the point. The idea is what matters.

People tend to imagine the future as an improved version of the present: a faster horse, a better newspaper, a more efficient taxi, a better hotel, or a better television channel.

Yet the greatest beneficiaries of technological change are often not those who simply improve an existing model. They are those who use new technology to challenge the assumptions on which an industry is built.

Uber did not create a better taxi company. Airbnb did not build a better hotel chain. Netflix did not create a better video-rental store. YouTube did not emerge from a traditional broadcasting network. Amazon did not build a better shopping mall.

They did not simply improve the prevailing business model; they challenged its underlying assumptions and reinvented how the industry worked. In doing so, they changed both how value was created and where the profit pool accrued.

As an asset manager, we are already experiencing the benefits of AI. Our research is faster. We can process more information, analyse more companies and investigate opportunities across more geographies than would previously have been possible with the same number of analysts. These productivity gains are real, valuable and already changing how we work.

But in many respects, this is still the “faster horse” stage of AI: using a new technology to perform existing tasks more efficiently.

The largest investment opportunities may emerge when businesses move beyond efficiency and begin to ask a different question altogether:

1. Who is challenging the assumptions on which an industry operates?
2. Who is changing how value is created?
3. And, most importantly, who is shifting where the profit pool ultimately accrues?

History teaches us that profit pools do not simply grow; they move.

The internet produced an extraordinary range of new businesses that changed the world by challenging established industries, overturning prevailing business models and redirecting value away from incumbents. It did not merely expand existing profit pools. In many cases, it disrupted them, reshaped them or created entirely new ones.

Our task as investors is therefore to remain vigilant about where AI may cause profit pools to be disrupted, enhanced or repriced. At this stage, we do not know with confidence where the greatest value will ultimately accrue. But we do know that, if AI lives up to its promise, the economic structure of many industries will change materially.

That leaves us with a fascinating possibility. Perhaps the greatest beneficiaries will not be today's AI leaders, the model developers, semiconductor companies or cloud providers. Perhaps some of the most important winners have not yet been founded.

Somewhere today, in a university dormitory, a garage or a small start-up office, entrepreneurs may be building a business that becomes possible only because AI exists. History offers many examples in which the technology provider earned attractive returns, but the greatest economic value accrued to those who used the technology to reinvent an industry.

The truth is that we do not yet know where those profit pools will settle, and that may be the most important admission an investor can make. Artificial intelligence may become as foundational as electricity. If it does, the largest winners may not be the companies generating intelligence, but those that learn how to use it to rewrite the rules of the game.

AI may be inevitable. Investment returns are not.

If you visit Pearl Street in New York today, there is very little to suggest that you are standing near one of the most important economic developments in human history. Most people walk past it without noticing. Yet from that small power station Thomas built in 1882 emerged a technology that transformed almost every aspect of modern life. Electricity changed how we work, communicate, travel, manufacture, consume, etc. Investors who recognised its importance were right. What they could not know was where the economics would ultimately settle. Some profits accrued to utilities. Many accrued elsewhere. Entire industries emerged that would have been impossible to imagine from the vantage point of Pearl Street.

Artificial intelligence may prove to be a similar story. The technology appears transformative, and the adoption appears inevitable. The investment opportunities appear enormous. However, humility is encouraged in instances like this because nobody knows who tomorrow's market darlings will be. As investors, our task is not to predict whether AI will change the world. It almost certainly will.

Our task is to identify where the profit pools migrate, who captures them and whether the price we pay today adequately reflects those future possibilities. History rarely provides answers. It often provides better questions. Perhaps the most important question today is not who is building AI. It is they who will ultimately use it to change the rules of the game. Because technology changes the world. Economics determines the winners.

QUARTER 2 2026 PERFORMANCE COMMENTARY

Market Context

The second quarter delivered a sharp reversal of the risk-off conditions that dominated March. The easing of the Iran conflict and the subsequent retreat in energy prices allowed investors to look through the near-term inflation shock and refocus on resilient global growth, stabilising labour markets and continued investment in AI infrastructure. The recovery was, however, highly uneven, with technology heavy Asian markets capturing most of the upside while South Africa lagged materially.

Globally, equity markets rebounded strongly in US dollar terms. The MSCI World returned **+13.9%** in Q2, reversing its **-3.5%** decline in the first quarter. MSCI Emerging Markets performed even more strongly, returning **+24.1%**, while MSCI Frontier Markets gained **+11.4%**.

The defining feature of the quarter was the extraordinary performance of Asian technology markets. Emerging Asia returned **+30.3%**, led by Korea at **+87.6%** and Taiwan at **+48.9%**, as global capital continued to concentrate around the semiconductor, AI and advanced manufacturing value chains. India gained **10.2%**, while China remained a notable exception, declining **6.6%** during the quarter.

The strength of Korea and Taiwan materially altered the composition of the Emerging Markets Index. Korea's weight increased from **13.3%** to **23.7%** during the first half of the year, while Taiwan's rose from **20.6%** to **27.3%**. By contrast, China's weight declined from **27.6%** to **19.0%**. The result is an increasingly concentrated emerging market benchmark whose performance is being driven by a relatively narrow group of Asian semiconductor technology companies.

South Africa did not participate meaningfully in this global rebound. The MSCI South Africa Index returned **-1.7%** in US dollars in Q2, making it one of the weakest markets in the EMEA region. By quarter end, South Africa had returned **-4.9%** year to date in US dollars, ranking as the fifth worst performing emerging market. Its weight in the MSCI Emerging Markets Index consequently fell from a February high of **3.9%** to **2.9%**.

The weakness in South African equities was concentrated in resource- and technology related shares. In US dollar terms, the South African materials sector declined **19.2%** during Q2, substantially underperforming financials, which gained **+13.2%**, real estate at **+12.7%**, industrials at **+9.9%**, consumer staples at **+6.8%** and communication services at **+22.3%**. Consumer discretionary was broadly flat at **-0.3%**.

June was particularly difficult for resource markets as the strong commodity gains recorded through the second half of 2025 and the first quarter of 2026 reversed sharply. Brent crude fell **20.8%** during the month, while gold declined **11.8%**, platinum **19.4%** and silver **21.0%**; industrial metals were also broadly weaker. The correction placed significant pressure on the resource shares that had led the market earlier in the year. Among platinum group metal producers, Sibanye Stillwater fell **28.6%**, Impala Platinum **25.8%** and Northam Platinum **25.2%**, while oil-linked Sasol declined **19.7%**.

Conversely, the improvement in the domestic interest rate and oil price outlook supported a rotation towards selected financial, retail and domestically oriented companies.

Across domestic asset classes, fixed income and listed property continued to provide greater resilience than equities. By the end of June, South African bonds had returned **+4.2%** year to date, outperforming cash at **+3.4%** and the Capped All Share Index at **-2.8%**. Listed property returned **+4.8%**, supported by improving operating fundamentals, healthier balance sheets and more consistent earnings delivery.

The quarter, therefore represented a significant change in market leadership. Quarter 1 had rewarded oil, commodities and defensive positioning; Q2 was dominated globally by AI and Asian technology, while the easing of geopolitical risk reversed much of the earlier commodity rally. South Africa remained caught between these two forces: its large resource exposure detracted as commodity prices corrected, while its limited representation in the global technology complex meant that it captured little of the powerful AI-led recovery.

	QTD		YTD		1 Year		3 Years (ann)		5 Years (ann)	
	Return(%)	Quartile	Return(%)	Quartile	Return(%)	Quartile	Return(%)	Quartile	Return(%)	Quartile
Active Multi Asset										
Old Mutual Balanced	2.13	3	1.74	2	13.82	2	13.12	2	11.07	3
Old Mutual Stable Growth	2.46	4	1.83	3	11.48	3	10.00	4	8.65	4
Old Mutual Flexible	1.35	3	2.32	2	15.06	2	12.94	2	11.11	3
Old Mutual Moderate Balanced	3.07	3	1.89	3	12.22	3	11.07	4	9.47	4
Old Mutual Real Income	2.59	4	3.08	4	10.62	3	10.63	3	9.04	2
Active SA Equity										
Old Mutual Investors	-3.32	3	-2.02	2	16.87	3	14.70	4	12.08	4
Old Mutual Equity	-2.29	4	2.72	1	15.24	2	12.15	3	10.19	4
Old Mutual Managed Alpha Equity	-4.26	4	-5.65	4	17.67	2	14.94	3	11.86	4
Old Mutual ESG Equity	-4.60	4	-7.15	4	9.08	4	12.92	4	11.49	4
Old Mutual Gold	-18.36	3	-14.66	4	45.44	1	38.91	1	33.55	1
Old Mutual SA Quoted Property	9.66	3	3.81	4	28.45	3	26.09	1	16.63	2
Old Mutual Mid & Small-Cap	-10.83	4	-7.04	4	10.13	4	17.57	2	10.94	4
Active Global Equity										
Old Mutual Global Managed Alpha	18.87	1	13.07	1	31.62	1	21.89	1	12.83	1
Old Mutual Global Islamic Equity	22.25	1	17.18	2	32.35	1	21.59	1	12.86	1
Old Mutual Global ESG Equity	18.84	1	17.89	1	27.50	1	22.36	1		
Active Africa Equity & Fixed Income										
Old Mutual African Frontiers Equity	10.66	2	13.09	1	40.31	1	27.84	1	13.49	1
Old Mutual African Frontiers Flexible Income	7.27	1	6.42	1	23.32	1	19.64	1		
Passive Multi Asset										
Old Mutual Core Balanced	3.56	2	2.24	1	15.83	1	14.89	1	12.79	1
Old Mutual Core Moderate	3.49	2	2.03	2	15.23	1	14.07	1	11.46	1
Old Mutual Core Conservative	3.68	2	2.30	3	14.25	1	13.02	1	10.59	2
Passive SA Equity										
Old Mutual Capped SWIX Index	-2.45	2	-2.58	2	19.22	1	17.16	1	13.93	2
Old Mutual RAFI 40 Index	-4.63	4	-2.51	2	25.84	1	16.65	2	16.57	1
Old Mutual Top 40 Index	-3.38	3	-4.30	4	17.46	4	15.96	3	14.43	3
Passive Global Equity										
Old Mutual FTSE RAFI All World Index FF	9.10	2	12.89	1	19.62	1	14.37	1	14.57	1
Old Mutual MSCI Emerging Market Selection Index FF	8.02	3	9.26	1	15.76	1	13.08	1	5.84	4
Old Mutual MSCI World Selection Index FF	12.30	1	6.50	2	11.26	2	12.56	2	13.34	1

PERFORMANCE COMMENTARY

Relative performance across several of our active strategies reflected deliberate positioning consistent with our long term investment views. While these positions detracted during the quarter, they continue to reflect our assessment of long term value rather than short term market movements.

Gold: We continue to maintain a meaningful allocation to gold, supported by our expectation of a structurally weaker US dollar, rising fiscal deficits, elevated government debt and continued central bank purchases. While gold experienced periods of weakness during the quarter, this largely reflected cyclical market expectations around higher interest rates. Historically, geopolitical tensions have tended to push oil prices higher, lifting inflation and interest rate expectations, which can temporarily weigh on gold prices. We view these cyclical influences as distinct from our longer term thesis. The structural backdrop of fiscal deterioration, monetary uncertainty and sustained central bank demand continues to support our conviction that gold should command a higher long-term valuation floor.

Platinum Group Metals (PGMs): We also remain constructive on PGMs. While investors have focused on the impact of electric vehicles, we believe demand is more resilient than widely appreciated. Hybrid vehicles, tighter emissions standards and emerging industrial applications, including hydrogen technologies and AI infrastructure, continue to support demand. At the same time, years of underinvestment and constrained mine supply are creating a favourable long-term supply-demand balance.

Energy: Our exposure to selected energy investments reflects a similar capital cycle thesis. Years of underinvestment, combined with growing energy demand, geopolitical uncertainty and increasing resource nationalism, have constrained future supply. Although oil prices retreated during the quarter as Middle East tensions eased, we continue to see attractive long-term value in the sector.

The reversal of the geopolitical risk premium weighed on these positions during the quarter. While this detracted from short-term relative performance, our conviction in the long-term investment case for gold, PGMs and energy remains unchanged.

Fundamental multi asset performance: Quarterly performance was more subdued following the strong momentum of late 2025 and early 2026. The Old Mutual Balanced Fund, Flexible Fund and Moderate Balanced Fund ranked in the third quartile, while the Stable Growth Fund and Real Income Fund ranked in the fourth quartile. The overweight positions in South African assets and commodities detracted as global markets rallied and commodity prices corrected. Longer term outcomes remain more resilient, with most strategies ranking in the second or third quartile over one year and the Balanced Fund maintaining second quartile rankings over both one and three years.

Passive multi asset performance: The Old Mutual Core Balanced, Core Moderate and Core Conservative funds all delivered second quartile returns for the quarter. Importantly, the longer term record remains strong: all three funds rank in the first quartile over one and three years, while Core Balanced and Core Moderate

also rank first quartile over five years. This highlights the consistency of the multi asset indexation process across changing market conditions.

SA equity performance: The quarter was challenging for the active SA equity range. Old Mutual Investors Fund ranked in the third quartile, while Old Mutual Equity, Managed Alpha Equity and ESG Equity ranked in the fourth quartile. The active range's overweight exposure to commodities, including higher precious metals exposure than peers, detracted as the commodity rally reversed. The Old Mutual Mid & Small Cap Fund also ranked in the fourth quartile, despite retaining a second quartile position over three years. The Old Mutual Gold Fund ranked in the third quartile for the quarter, but remains the standout longer term performer, ranking first quartile over one, three and five years. Old Mutual SA Quoted Property ranked third quartile for the quarter and continues to demonstrate strong longer term performance, including a first quartile ranking over three years.

Global equity performance: The systematically managed global equity range was a standout area of performance and one of the clearest demonstrations of the strength of our investment platform. Old Mutual Global Managed Alpha, Global Islamic Equity and Global ESG Equity all delivered first-quartile returns for the quarter, benefiting from disciplined exposure to the technology, semiconductor and growth businesses that led the AI-driven market advance. Importantly, this was not a one-quarter outcome. All three strategies rank in the first quartile over one and three years, while Global Managed Alpha and Global Islamic Equity also rank first quartile over five years. This breadth and persistence of performance across distinct mandates is exceptional and reflects the quality, scalability and repeatability of our systematic investment process.

African strategies: The African Frontiers Flexible Income Strategy delivered a first quartile return for the quarter, while the African Frontiers Equity Strategy ranked in the second quartile. Both strategies retain first quartile rankings over one and three years, with African Frontiers Equity also ranking first quartile over five years. We remain proud of the strong long term outcomes delivered by our African strategies on behalf of clients.

Passive equity performance: The passive equity range produced differentiated outcomes. The Capped SWIX Index Fund ranked second quartile, the Top 40 Index Fund third quartile and the RAFI 40 Index Fund fourth quartile for the quarter. Longer term rankings remain strongest for the Capped SWIX Index Fund, which ranks first quartile over one and three years. Within global passive equity, the MSCI World Selection Index Fund delivered a first quartile quarterly return, the FTSE RAFI All World Index Fund ranked second quartile, and the MSCI Emerging Market Selection Index Fund ranked third quartile. All three retain first quartile rankings over three years, while the FTSE RAFI All World and MSCI World Selection funds also rank first quartile over five years.

CONCLUSION

What does all of this mean for our portfolios today? It means we are likely to continue asking difficult questions at a time when markets appear to have easy answers. The concentration of returns in a handful of global technology companies has been one of the defining features of recent market performance. Our relatively cautious positioning towards parts of that market has inevitably weighed on performance relative to benchmarks that have become increasingly concentrated in a small number of AI-linked businesses.

That positioning has not reflected a lack of conviction in AI. Quite the opposite. It has reflected a different question. Not whether AI will change the world. We believe it will. The question we continue to ask is whether today's prices already reflect too much of tomorrow's success.

Our positioning therefore reflects two convictions. The first is that AI will almost certainly reshape the global economy. The second is that the market may still be underestimating the importance of the physical world required to build it. Artificial intelligence is not being built in the cloud alone.

It requires electricity, data centres, semiconductors, copper, steel, cement, cooling systems, land, and power grids. In other words, the digital revolution is increasingly dependent on hard assets.

Our commodity exposure, however, extends beyond AI. Years of underinvestment have constrained new supply across energy and mining, while demand remains supported by electrification, infrastructure development and continued global energy consumption. At the same time, high US fiscal deficits and rising public debt strengthen the case for a weaker dollar over time, which would be supportive of commodities and particularly relevant for a resource-producing economy such as South Africa.

That is why we continue to hold meaningful exposure to selected commodity and resource businesses. We believe current prices do not fully reflect the long-term scarcity, strategic importance and replacement cost of these assets. While much of the market is focused on the software layer of the next industrial revolution, we believe the physical infrastructure beneath it may prove just as important.

History reminds us that every industrial revolution has required both imagination and infrastructure. Today is unlikely to be different.

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