



QUARTERLY COMMENTARY

SEPTEMBER 2025

SecureWealth

Lead. Don't Follow.

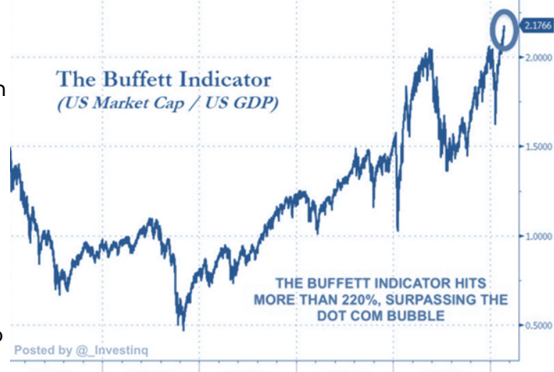
We are having an excellent year for our clients who have been with us over the longer term, with many seeing year-on-year returns in the high teens. While this gives us a lot of confidence, it must be said that it's easy to generate returns like these at the moment. Why? All asset classes are running hard and risk is being rewarded. What's more difficult is knowing when to lock in gains. Main reasons for the great returns:

- 1 **Gold:** gold has reached \$4300 per ounce – it's highest ever, and we've owned it over the last three years.
- 2 **SA Equities:** our position in SA Equities has paid dividends given that the JSE is up almost 30.2% this year.
- 3 **Global Emerging Markets:** capital has flown heavily into EMs, surging funds between 20% and 45%.
- 4 **Weak US Dollar:** for years we have not favored the USD, which has our benefitted portfolios.

But we have concerns:

Consistent growth has created some problems:

- High levels of **leverage**, which when unwound can have serious negative effects.
- **Sky-high valuations**, indicated by the Buffett indicator to the right.
- The **Shiller P/E Ratio** is the second highest in history.
- **An extremely narrow market**, led by the Magnificent 7.
- **Global debt** is keeping rates low, which could possibly stoke inflation.
- **AI and Gold** have boomed, causing what many to be see a bubble.



But how do we mitigate against those concerns?

- Trusting the Best Investment Houses in the business: Allan Gray, Orbis, and Coronation, amongst others, instill a lot of confidence in us that they're assessing the same risks and acting accordingly. Having met with Thalia Petousis recently, we're confident that the very best minds are investing the assets you entrust to us.
- Reducing Risk: moving from assets that have done well into underloved, interest-bearing funds and shares in the interim whilst investors chase returns up to nosebleed levels. We recently sold gold and SA Equities in our private share portfolios. Our top 10 holdings can be seen to the right:
- Trusting the risk we do own: holding large positions in Japan, Emerging Markets, US Treasuries, inflation-linked bonds, and the Orbis Optimal SA Fund (in EUR and USD) gives us confidence that despite ludicrous market valuations, our risk is well priced and positioned for long-term gains.



LASTLY,

Our compass thus remains unchanged. We continue to strive to produce acceptable returns, but are always extremely mindful of risk. Piloted by realism, we will embrace volatility not with trepidation, but with confidence that we can take advantage of that unpredictability.

Thank you for your ongoing support.

MIKE

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