EFFICIENT CORPORATE SOLUTIONS

Efficient Group — Your holistic financial services partner for more than 20 Years

YOUR MONTHLY ECONOMIC UPDATE

6 August 2026

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

The biggest asset missing from your balance sheet

Most financial conversations begin too late. They start after money has already been earned. We then debate offshore exposure, fees, tax efficiency, and whether the Johannesburg Stock Exchange can outperform Wall Street. Although these are worthwhile questions, they are concerned with capital that has already accumulated. For most working households, the far larger economic value lies in capital that has not yet been earned.

Strictly speaking, income is not an asset. It is a flow. The asset is human capital: The value of the future income that your health, skills, experience, and productive ability can generate. This distinction does not weaken the argument that your income deserves protection. It makes the argument more accurate.

Consider a 35-year-old earning R60 000 a month. With no salary increase whatsoever, another 30 years of work would generate R21.6 million before tax. This is not a formal present-value calculation; the discounted value would be lower, but it reveals the magnitude involved. For many professionals, future earning capacity is worth far more than their house and investment portfolio combined.

The household's central economic project is, therefore, a gradual conversion of human capital into financial capital. We work, consume less than we earn, and transfer the surplus into pensions, unit trusts, businesses, and properties. As retirement approaches, accumulated financial capital must become large enough to replace the human capital being depleted. Yet, the conversion mechanism is fragile. A household may hold a diversified portfolio, but almost every rand entering it depends on one person, one employer, and one occupation. That is income concentration risk. If a listed company received 90% of its revenue from one customer, investors would demand an explanation. In household finance, we often view the same exposure as normal.

The danger arises when income is interrupted. Expenses are sticky: Bond repayments, groceries, school fees, electricity, and medical aid continue. Contributions stop. Investments may be sold at the wrong time. Debt begins to replace income. What started as a temporary liquidity problem can become a permanent loss of wealth.

Compounding magnifies the damage. Investing R5 000 a month for 20 years at an average annual return of 9% could produce approximately R3.2 million before fees and tax. The first year's R60 000 of contributions could represent about R321 000 of the final amount. Lost income does not only reduce consumption today; it can erase several times that amount from tomorrow's wealth. This is why stability should come before scale. An emergency fund can self-insure a short disruption. Larger risks must either be retained knowingly or transferred. Insurance is not an investment competing for returns. Properly structured, it is a hedge against the forced destruction of a household's balance sheet.

Income protection insurance in South Africa (SA), generally, replaces a part of your monthly earnings when illness or injury prevents you from working. Its quality depends on the waiting period, benefit term, escalation, exclusions, and definition of occupational disability. Disability cover in SA commonly provides a lump sum that can settle debt, fund treatment, or create capital after permanent impairment. It should not automatically be treated as an income replacement for life. Life insurance in SA addresses the permanent disappearance of an earner through death while the family's financial obligations remain. These three protections overlap, but they solve different balance-sheet problems.

Protection can also be excessive. Premiums that crowd out emergency savings and long-term investment undermine the very financial well-being they are meant to preserve. The objective is not maximum insurance; it is proportionate protection against risks that a household cannot absorb itself.

Investors spend enormous energy searching for the next winning share, fund, or property. But, returns only compound for those who can remain invested. Before asking which asset will create the most wealth, perhaps ask the question that comes first: What protects the human capital expected to finance all of the others?

IN CLOSING

Attached, please find our latest update on global indices, currencies, and commodities, as provided by Efficient Private Clients.

Kind regards
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For every one to attain financial well-being

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UPDATE

Global Indices, Currencies and Commodities, 6 August 2026

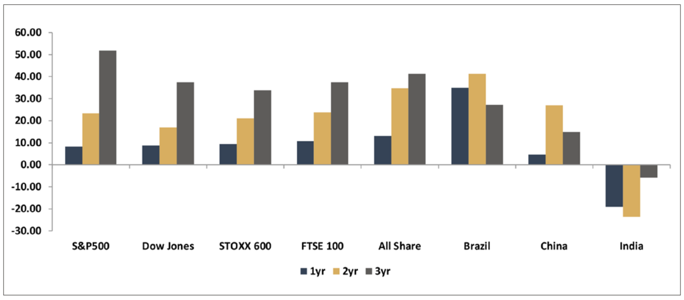
GLOBAL INDICES

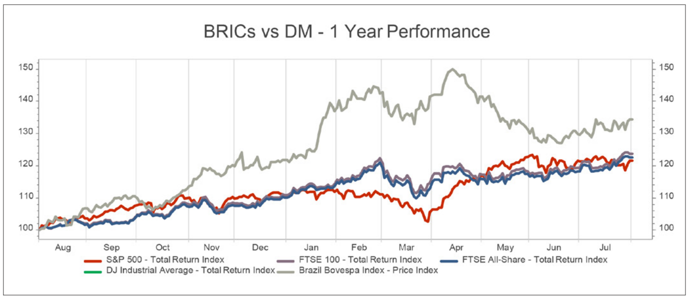
South Africa	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	111493.1	1.9%	1.1%	13%	16%	10%
Top 40	103257.69	1.8%	1.3%	14%	17%	10%
Mid Cap	106000.3	2.7%	1.1%	6%	10%	7%
Small Cap	108555.28	2.3%	-0.8%	14%	16%	14%
Resource 20	106703.69	-0.2%	2.2%	35%	31%	9%
Industrial 25	130683.11	2.9%	0.3%	-6%	9%	8%
Financial 15	26489.21	2.9%	1.2%	23%	16%	15%

Europe	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	10868.05	1.2%	3.5%	19%	14%	9%
DAX 30	25629.24	2.1%	2.5%	6%	18%	11%
CAC 40	8509.64	1.6%	1.3%	9%	6%	5%
STOXX 600	649.19	0.7%	1.2%	19%	12%	7%

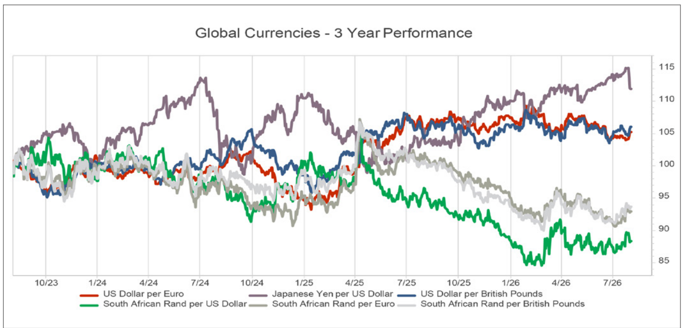
Asia	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	64362.02	-0.4%	-8.1%	57%	28%	19%
Hang Seng	25884.43	3.7%	13.1%	4%	22%	0%
Shanghai	3832.2625	0.5%	-6.4%	7%	14%	2%
India SENSEX	78094.64	2.7%	2.1%	-4%	-2%	8%

Americas	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	52485.03	1.0%	0.3%	19%	13%	8%
S&P 500	7489.72	1.0%	-0.1%	18%	16%	11%
Nasdaq	25373.854	1.6%	-3.2%	20%	20%	12%
Brazil Bovespa	177999	2.3%	3.5%	34%	18%	8%

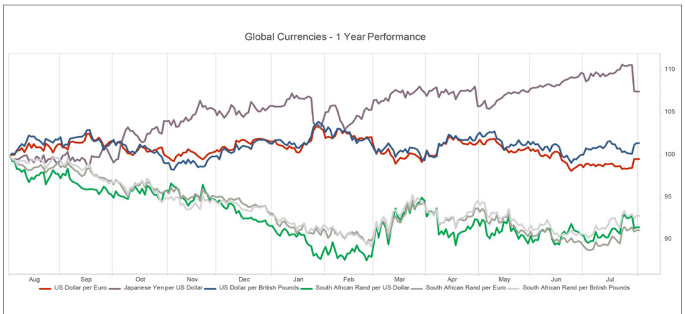


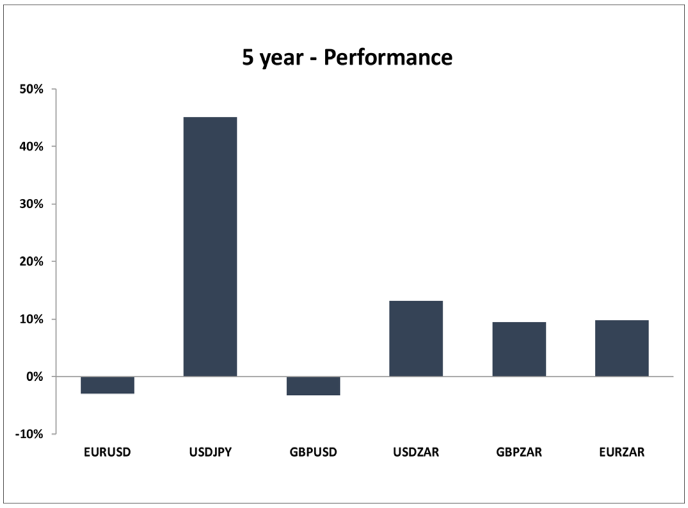


CURRENCIES



Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.55	-1.7%	2.1%	-8%	-5%	3%
GBP/ZAR	22.27	-0.5%	2.5%	-7%	-2%	2%
EUR/ZAR	19.04	-0.4%	2.4%	-9%	-2%	2%
AUD/ZAR	11.62	-1.1%	3.4%	0%	-1%	2%
EUR/USD	1.15	1.4%	0.6%	0%	3%	-1%
USD/JPY	159.23	-3.9%	-1.3%	8%	4%	8%





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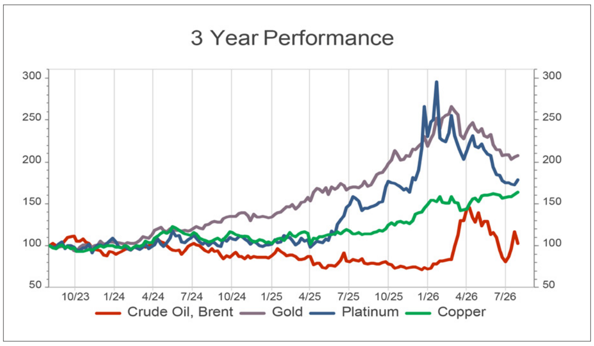
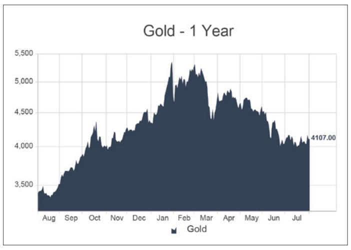
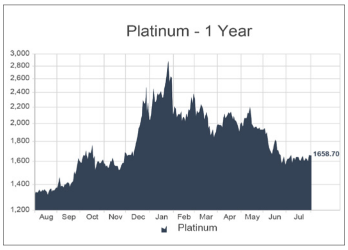
Global Indices, Currencies and Commodities, 6 August 2026

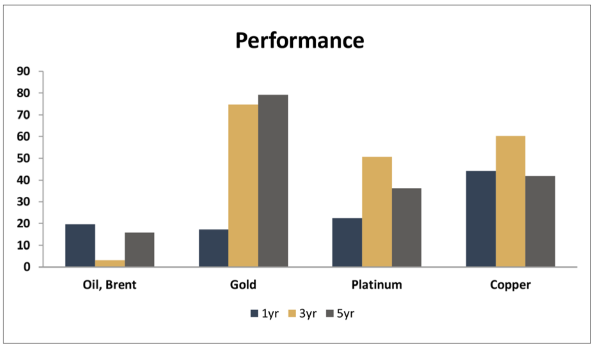
COMMODITIES

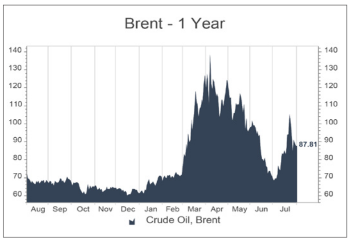
Commodities	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	4107.00	-0.6%	0.2%	17%	23%	14%
Platinum	1658.70	3.4%	5.9%	23%	24%	11%
Silver	57.79	-1.9%	-3.6%	50%	34%	18%
Brent Crude	87.81	-12.5%	24.6%	20%	4%	-4%
Copper	13834.00	1.6%	3.7%	44%	24%	5%





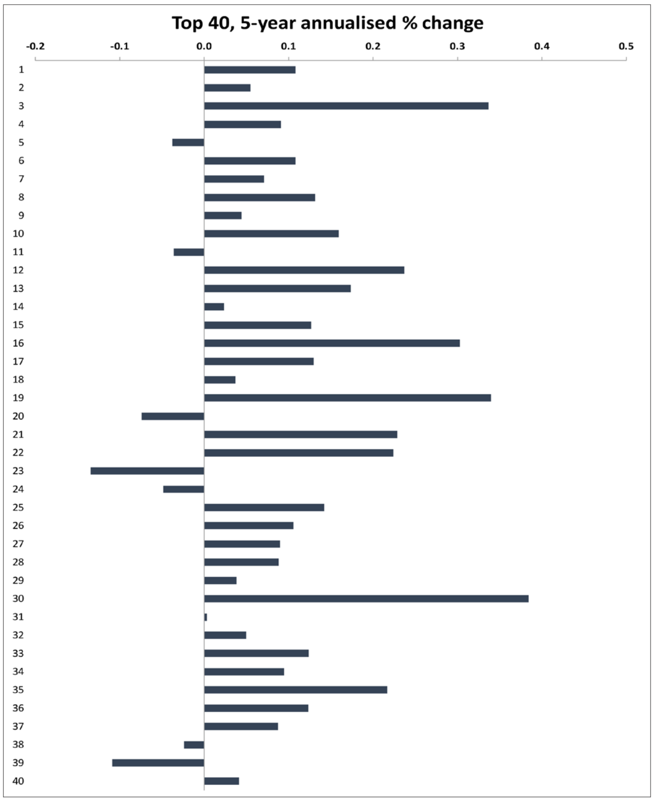






TOP 40

Top 40		Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	227.91	3.9%	0.0%	26%	19%	11%
2	ANGLO AMERICAN PLC	838.23	0.9%	3.5%	64%	24%	5%
3	ANGLO GOLD ASHANTI	1251.55	-6.1%	-5.7%	52%	55%	34%
4	ANHEUSER-BUSCH INBEV	1429.22	4.5%	4.5%	34%	15%	9%
5	ASPEN	149.10	2.1%	-5.0%	27%	-23%	-4%
6	BHP Group Limited	705.08	0.9%	4.1%	56%	19%	11%
7	BID CORP LTD	452.78	2.8%	1.4%	-1%	0%	7%
8	BRITISH AMERICAN TOBACCO PLC	1015.11	-1.0%	-0.7%	5%	26%	13%
9	BIDVEST GROUP LIMITED	248.07	5.2%	3.6%	4%	-5%	4%
10	COMPAGNIE FINANCIERE	3925.50	-0.4%	3.6%	32%	19%	16%
11	CLICKS GROUP	220.54	3.9%	-3.0%	-42%	-21%	-4%
12	CAPITEC	4714.09	2.3%	-0.8%	33%	29%	24%
13	DISCOVERY	262.16	2.8%	-0.8%	21%	35%	17%
14	EXXARO RESOURCES LTD	203.74	0.0%	0.4%	28%	2%	2%
15	FIRSTRAND	98.68	2.9%	1.5%	27%	10%	13%
16	GOLDFIELDS LTD	537.80	-2.0%	-2.4%	22%	30%	30%
17	GLENCORE PLC	121.50	0.7%	7.7%	68%	10%	13%
18	GROWTHPOINT	17.68	5.1%	2.5%	24%	20%	4%
19	HARMONY GOLD MINING	260.56	-2.9%	4.2%	8%	21%	34%
20	IMPLATS	179.58	1.5%	4.4%	4%	39%	-7%
21	INVLTD	143.44	4.2%	11.3%	7%	0%	23%
22	INVESTECP	145.49	3.5%	11.3%	9%	1%	22%
23	MONDI PLC	198.10	22.0%	32.6%	-20%	-26%	-13%
24	MR PRICE GROUP LTD	170.07	5.7%	-5.4%	-20%	-11%	-5%
25	MTN GROUP	204.97	-9.8%	-10.0%	34%	61%	14%
26	NEDBANK	279.64	2.5%	3.6%	12%	0%	11%
27	NASPERS -N	867.48	9.9%	5.7%	-23%	11%	9%
28	NEPI ROCKCASTLE PLC	151.40	1.7%	3.4%	9%	5%	9%
29	OLD MUTUAL LTD	13.36	5.5%	-0.4%	5%	4%	4%
30	OUTSURANCE	82.60	2.2%	5.0%	7%	31%	38%
31	PEPKOR HOLDINGS LTD	21.29	3.3%	-3.7%	-22%	2%	0%
32	PROSUS NV	761.98	8.8%	7.8%	-27%	10%	5%
33	REMGRO	194.39	3.1%	-1.3%	18%	18%	12%
34	REINET INVESTMENTS SCA	449.02	0.3%	-1.0%	-15%	-4%	9%
35	STANBANK	329.22	2.8%	1.9%	40%	22%	22%
36	SHOPRITE	287.00	3.9%	-2.7%	8%	-3%	12%
37	SANLAM	87.88	3.3%	-0.4%	0%	4%	9%
38	SASOL	194.28	-3.0%	20.2%	107%	15%	-2%
39	Sibanye Stillwater Ltd	35.88	2.0%	3.0%	-6%	31%	-11%
40	VODACOM GROUP LIMITED	160.04	4.1%	5.4%	15%	25%	4%



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