

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

Marius du Toit

Managing Executive: Efficient Benefit Consulting



YOUR MONTHLY ECONOMIC UPDATE

6 August 2026

t: 021 007 1550 | t: 087 944 7999
e: info@efcorporate.co.za

Efficient Corporate Solutions (Pty) Ltd is
an authorised financial services provider,
FSP 48026.

**For every one to attain financial
well-being**

EFFICIENT

CORPORATE SOLUTIONS

UPDATE

Global Indices, Currencies and Commodities, 6 August 2026

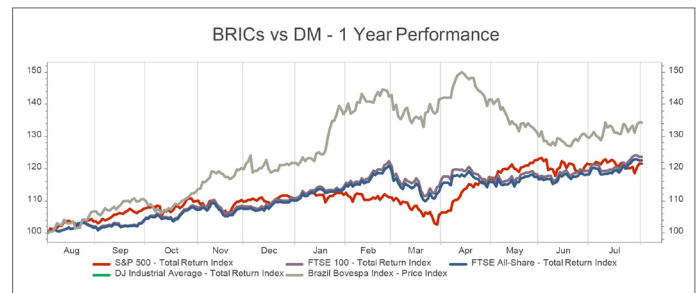
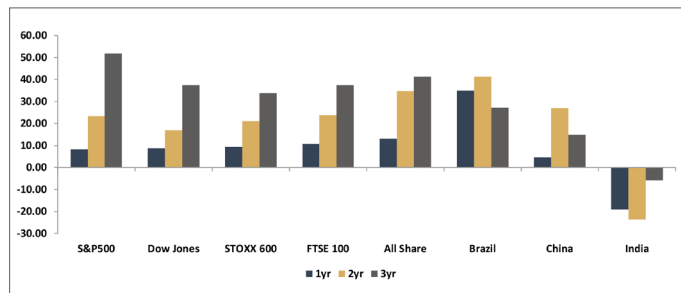
GLOBAL INDICES

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%

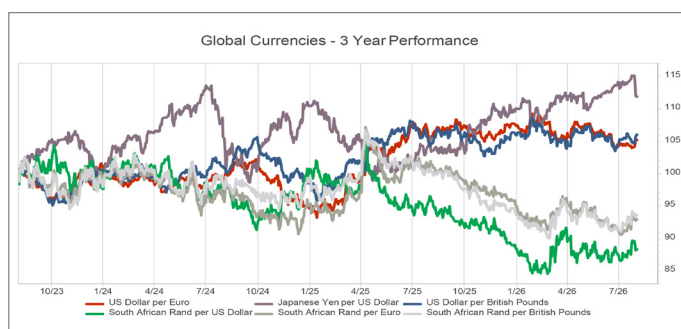
Europe	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	10868.05	1.2%	3.5%	19%	14%	9%
DAX 30	25629.24	2.1%	2.5%	6%	18%	11%
CAC 40	8509.64	1.6%	1.3%	9%	6%	5%
STOXX 600	649.19	0.7%	1.2%	19%	12%	7%

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%

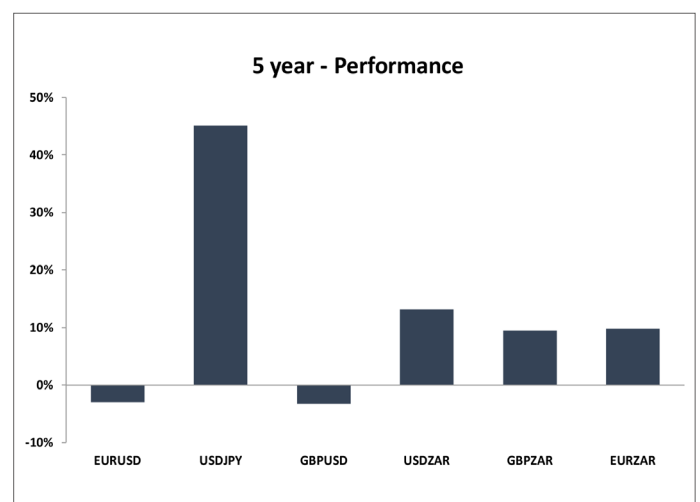
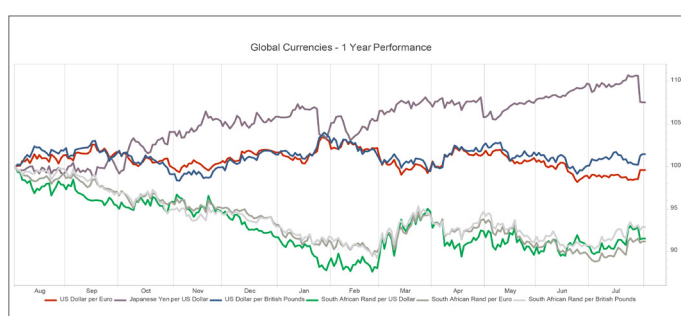
Americas	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	52485.03	1.0%	0.3%	19%	13%	8%
S&P 500	7489.72	1.0%	-0.1%	18%	16%	11%
Nasdaq	25373.854	1.6%	-3.2%	20%	20%	12%
Brazil Bovespa	177999	2.3%	3.5%	34%	18%	8%



CURRENCIES

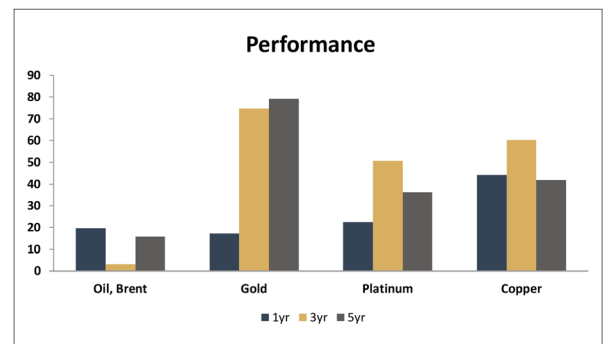
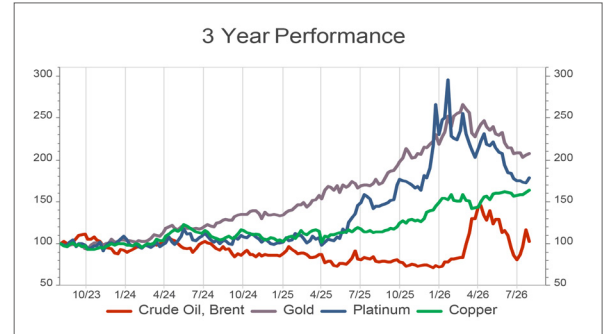
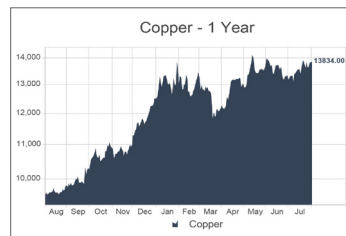
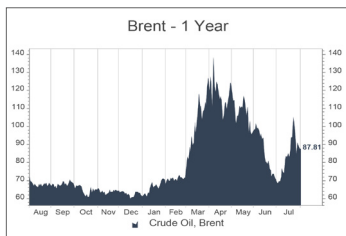
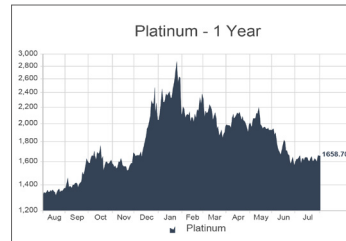
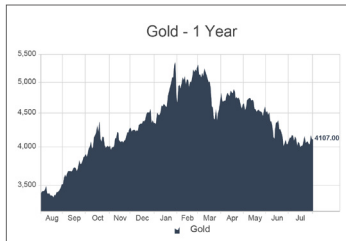


Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.55	-1.7%	2.1%	-8%	-5%	3%
GBP/ZAR	22.27	-0.5%	2.5%	-7%	-2%	2%
EUR/ZAR	19.04	-0.4%	2.4%	-9%	-2%	2%
AUD/ZAR	11.62	-1.1%	3.4%	0%	-1%	2%
EUR/USD	1.15	1.4%	0.6%	0%	3%	-1%
USD/JPY	159.23	-3.9%	-1.3%	8%	4%	8%



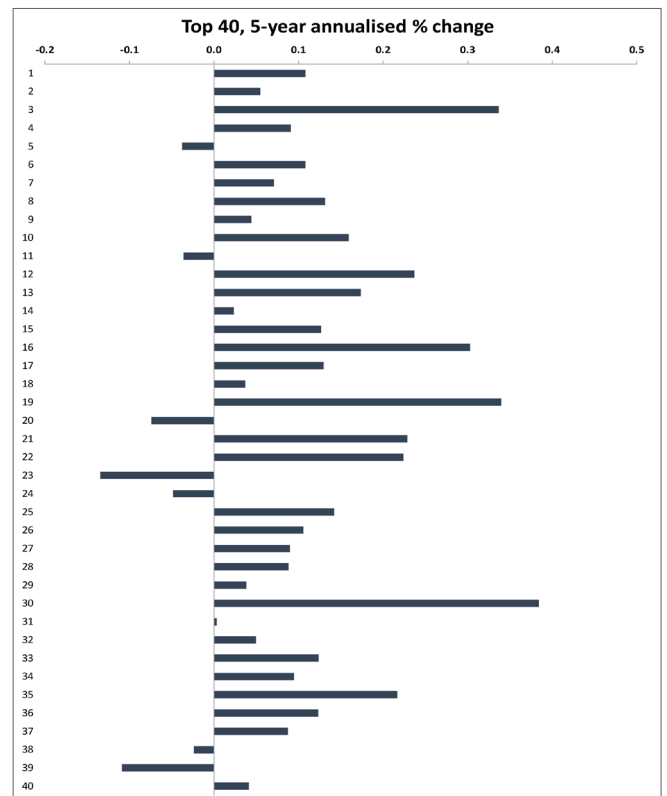
COMMODITIES

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	GLENORE 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	INVESTEC	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%



Efficient Corporate Solutions (Pty) Ltd is an authorised financial services provider, FSP 48026.

Disclaimer: This material is not suitable for retail clients. It is for professional investors and financial advisors only. Efficient Corporate Solutions (Pty) Ltd defines 'professional investors' as those (e.g. investment managers, trustees, and financial intermediaries) who have the appropriate expertise and knowledge with regards to investment markets and current strategies. Although every effort has been made to ensure the accuracy of the content, Efficient Corporate Solutions (Pty) Ltd accepts no liability in respect of any errors or omissions contained herein. The forecasts stated in this content, if any, are the result of statistical modelling, based on some assumptions. Forecasts are subject to a high level of uncertainty regarding future economic and market factors that may affect actual future performance. The forecasts are provided for information purposes as at the publish date of this content. Efficient Corporate Solutions (Pty) Ltd assumes no obligation to provide updates or changes to this data as assumptions, economic and market conditions, models or other matters, change. The data contained in this content has been sourced by several investment managers and research professionals trusted by Efficient Corporate Solutions (Pty) Ltd. The content cannot be construed as financial advice and do not confer any rights whatsoever, enforceable against any party and do not replace any legal contract or policy which may be subject to terms and conditions. Past performance is no guarantee of future performance. Efficient Corporate Solutions (Pty) Ltd retains the right to amend any information at any time and without prior notice. Efficient Corporate Solutions (Pty) Ltd, its affiliates and individuals associated with it, may (in various capacities) have positions or deal in securities (or related derivative securities), financial products or investments, identical or similar to the products and securities stated, but do not hold material positions, nor seek to profit from the report. Should a conflict of interest between your interests and those of Efficient Corporate Solutions (Pty) Ltd be identified, Efficient Corporate Solutions (Pty) Ltd will use reasonable endeavours to disclose such conflict, together with details of any measures taken to avoid or mitigate the conflict situation. Such disclosure will include, but not be limited to, details of any ownership or financial interest (apart from those considered immaterial) that Efficient Corporate Solutions (Pty) Ltd may have or may become eligible for. Such disclosure will be made in sufficient detail for there to be a reasonable understanding of the nature of the relationship or interest and the resulting conflict of interest.