BRENTHURST GLOBAL WEALTH

INVEST BETTER with BRENTHURST

BUILDING WEALTH SINCE 2004

IN THIS ISSUE

The biggest offshore investment mistake is focusing only on exposure while ignoring structure.

The right investment wrapper can improve tax efficiency, reduce estate costs, simplify administration, and significantly enhance long-term wealth preservation across generations.

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THE MOST EXPENSIVE INVESTMENT MISTAKE YOU CAN MAKE

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Investors the world over have a love-hate relationship with equity markets because they fear losing money whenever markets become too erratic. But what if this fear is excessive?

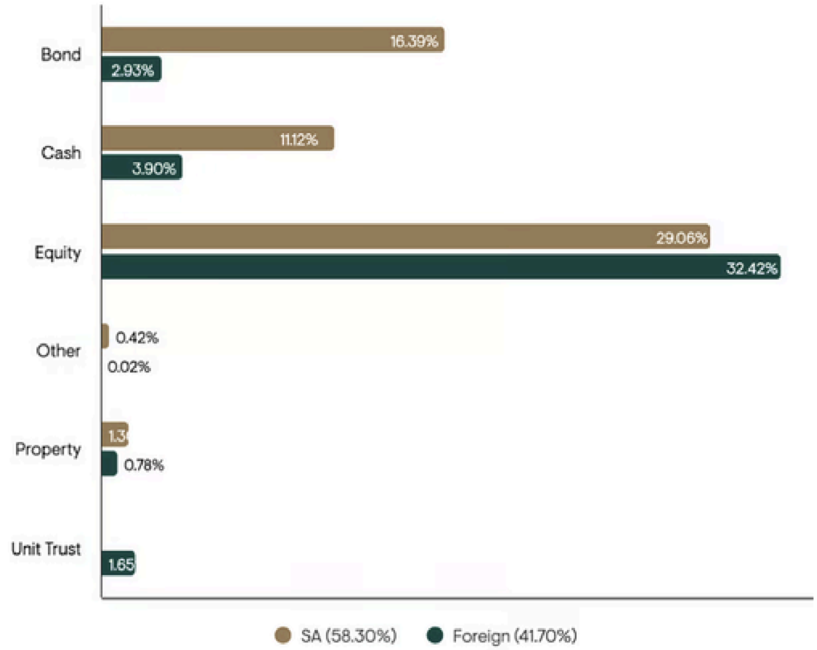
Here's the reality of what South African investors did in 2025. They switched R56.4 billion into money market and short-term interest-bearing funds. Another R52.1 billion went to income portfolios – cash & bonds. Investors also withdrew R16.5 billion from SA pure equity funds, of which R15.9 billion was withdrawn in the last three months of this year alone.

Meanwhile, during 2025, the S&P 500 delivered a total return of 17% (USD). The Nasdaq delivered a total return of 21% (USD) and emerging markets had a return of 33% (USD). Our own JSE All Share Index delivered a total return of 42.4% (Rands) last year. Imagine if all the money that flowed into money market and bonds had been allocated to one of the above-mentioned markets. Well done to those investors who stayed put; they captured all that growth, while the ones who moved to 'safety' lost out.

However, investors are usually not fully invested in equity markets. If you followed a more diversified approach with your investments in 2025 you would easily have locked in 19% growth. This is if you'd had the below asset split.

Markets and investing can seem overwhelming to many, especially women.

However, I want to tell you that it isn’t rocket science, and you don’t need to be an expert to grow your money over time. For women especially, the research is consistent: they tend to be more risk-averse than men when it comes to investing, and more likely to move to conservative options when markets get uncomfortable. This caution is completely understandable, but it's also one of the most expensive financial habits you can have, because long-term data shows that staying invested and not avoiding risk is what protects your wealth.



FOUR REASONS EQUITIES KEEP WINNING

COMPOUNDING WORKS IN YOUR FAVOUR

When your returns generate their own returns, the growth is exponential over time. Even modest annual gains become significant wealth, given enough time. This is why time in the market matters more than timing the market.

R100 000 growing at 10% annually becomes about R259 000 over 10 years, R673 000 over 20 years, and R1.74m over 30 years.
Time matters more than timing.

EQUITIES PROTECT YOU FROM INFLATION

As the cost of living rises, companies generally pass those increases on to consumers and maintain their margins. Cash and fixed-income investments lose real purchasing power over time. Equities don't.

INNOVATION DRIVES LONG-TERM GROWTH

The companies you're invested in adapt, expand into new markets and develop new products. Over decades, the breakthroughs in technology, healthcare and energy have driven enormous shareholder value. You own a share of that progress.

DISCIPLINE WILL BE REWARDED

The investors who build the most wealth aren't always the smartest – they're the ones who stay invested when market conditions get uncomfortable. Panic-selling during downturns locks in losses and keeps you out of the recovery. Patience is a strategy, and it pays.

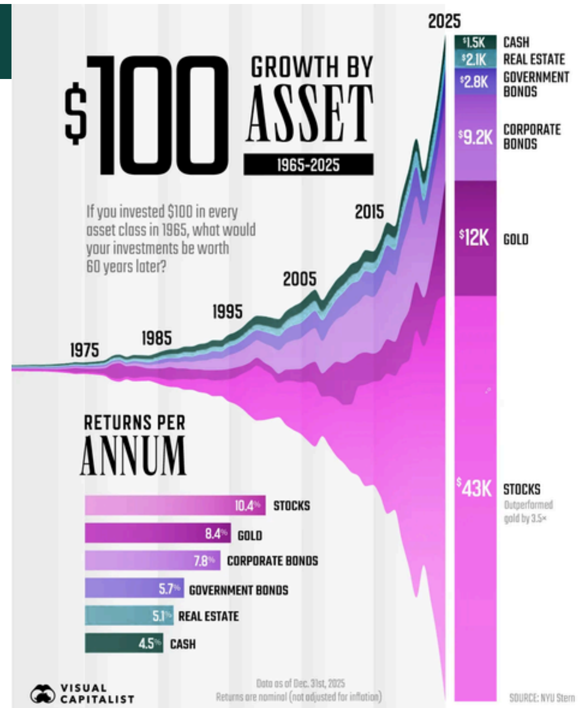
60 YEARS OF PROOF

Here's a quick reality check, in case you need convincing: if you'd invested $100 in cash in 1965, you'd have $1,500 today – a 4.5% annual return over 60 years.

Government bonds would've grown that $100 to $2,800. Corporate bonds to $9,200. Gold, often seen as the ultimate safe haven, reached $12,000.

That $100 invested in stocks, by comparison, would have been worth $43,000. That's a 10.4% annual return over the same period [sourced from NYU Stern data]. Stocks outperformed gold by 3.5 times.

THE GAP ISN'T LUCK, IT'S COMPOUNDING, INFLATION PROTECTION, INNOVATION AND DISCIPLINE PLAYING OUT OVER SIX DECADES.



WHO SHOULD BE INVESTED IN EQUITIES

The short answer is: almost all investors, and with more equity exposure than you would think.

If you're in your 20s, 30s or 40s, current investment practices indicate that you should have maximum equity exposure. The reason being that time is your most valuable asset, and it's the ingredient that turns 10.4% per annum into $43,000 from $100.

If you're near or in retirement, research shows you should still hold at least 55% in equities in your retirement portfolio. You'll probably spend 20 to 30 years in retirement, which means your portfolio still needs to keep growing throughout. Cash won't do that for you.

If you moved to safer funds in the last year because the headlines made you nervous, it's worth revisiting that decision with your adviser. The headlines won't stop, but your response to them can change.

Whether investing excites you or scares you, I know from experience that the best results come from speaking to an expert. You don't need to be the expert or have all the answers – that's where advisers and wealth managers can help you make calm, informed decisions.

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