MEMBER INVESTMENT GUIDE · PART 1 OF 2 · NOVEMBER 2026

Navigating market bumps: a simple guide to staying invested

Columbus Retirement Fund

THE GOLDEN RULE: Staying invested has historically beaten trying to time the market.

Why is the market bumpy right now?

Middle East conflict and oil
Shipping disruptions pushed oil prices sharply higher this year.

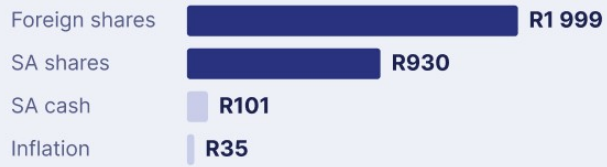
Stubborn inflation and rates
Higher fuel and transport costs are keeping prices up.

Questions over AI spending
Investors are asking whether big AI investments will pay off.

Dips are normal. Growth needs patience.

17% In an average year, the JSE drops about 17% at some point. This year's biggest fall so far is 16.6%.

R1 invested in 1980 has grown to:



Aug 1980 to Feb 2026, in Rand

Trying to time the market is risky.

Markets often bounce back fast. Sell in a dip and you could miss the recovery.



Missing just **10 days** out of 20 years cut the return by **1 163.7 percentage points**

20-year return, FTSE/JSE All Share Index to 20 Oct 2026

What should you do?

Many years from retirement?
Stay the course.

Retiring soon or need the cash?
Speak to a financial adviser first.

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Dips happen. So do recoveries.

Columbus Retirement Fund

THE KEY IDEA: Big falls are a normal part of investing, and markets have historically recovered from them.

This year's dip is a normal one.

Biggest fall during the year

2026 so far	**16.6%**
Average year	**17%**

37 of 45 years still ended with a positive return (1981 to 2025), despite the dips along the way.



FTSE/JSE All Share Index. Outlined dots are the 8 negative years.

Big falls, then recoveries.

1998 Emerging markets crisis
Fell **39.0%**, then got back to its old high **15 months** after the bottom.

2008 Global financial crisis
Fell **37.0%**, then got back to its old high **14 months** after the bottom.

2020 Covid crash
Fell **30.2%**, then got back to its old high **11 months** after the bottom.

SA shares, largest historical drawdowns

The best days follow the worst ones.

12 March 2020
-9.7%
The JSE's worst day since 2000

12 days later

24 March 2020
+7.5%
Its best day since 2000

Sell after a bad day and you risk missing the rebound. Missing just the 10 best days over 20 years nearly halved the return:

Stayed invested	**2 465.5%**
Missed 10 best days	**1 301.8%**

FTSE/JSE All Share Index, total return, to 20 Oct 2026

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MENTENOVA

NOVEMBER 2026

When Markets Are Uncertain, Investment Discipline Matters.

What recent market movements and historical evidence tell us about staying invested, and the cost of reacting to market volatility.

Prepared by **Mentenova Investment Team**

Overview

Markets are navigating multiple, interconnected uncertainties across monetary policy, fiscal sustainability, energy and geopolitics, and technological disruption.

The key is not to eliminate uncertainty, but to position portfolios where valuations and fundamentals provide sufficient compensation for it. ‘

AT A GLANCE

5 key takeaways for investors

1. Geopolitical uncertainty is driving market volatility
2. Market drawdowns are part of long-term investing
3. Missing the market's best days can be costly

   Read on for the case of a 1 163.7% difference in returns
4. Diversification and investment discipline remain essential
5. Long-term goals should guide investment decisions



Why global uncertainty is unsettling markets

The third quarter of 2026 was defined by a dominant force: escalating geopolitical tensions in the Middle East and their cascading impact on the global economy and financial markets. What began seven months ago as a contained regional event has evolved into a global inflation shock, as disruptions to energy supply and shipping routes drove commodity prices sharply higher.

Oil prices have climbed significantly since the conflict began, pushing fuel costs higher and feeding through into broader inflation. This has placed central banks in a challenging position—forced to weigh renewed inflationary pressures against slowing growth and increasingly fragile financial conditions. The effects have been felt across all asset classes, with market performance increasingly driven by exposure to energy prices, interest rates, and the strength of domestic growth.

From geopolitical tensions to short-term market impact

The Middle East conflict was the dominant force in commodity markets during the third quarter, with the Bloomberg Commodity Index gaining 16.19%, driven primarily by a sharp increase in energy prices. Oil emerged as the clearest expression of the geopolitical shock. Disruptions to shipping through the Strait of Hormuz, attacks affecting Saudi Aramco infrastructure, and restrictions on Iranian oil exports intensified concerns around global supply. Brent crude oil prices surged during the quarter, ending at approximately $109.69 per barrel, with the geopolitical risk premium increasingly reflected in forward pricing. The movement in oil was particularly significant for the broader investment landscape, given its implications for global inflation, household purchasing power, and the monetary policy outlook.

Brent crude oil price

US$ per barrel, front-month futures, 9 June 2025 to 30 September 2026. Shaded: third quarter of 2026



The metals market benefited from its dual exposure to industrial and precious-metal demand, with a broader bid across precious metals providing support. Gold remained well-supported by geopolitical uncertainty, central-bank demand, and a modestly weaker US dollar through much of August. However, the sector reversed course in September, giving back a portion of its earlier gains as a stronger US dollar and renewed concerns over global growth weighed on investor sentiment. Softer commodity prices and profit-taking following the August rally further contributed to the decline.

Gold price

US$ per ounce (spot), 20 October 2025 to 20 October 2026

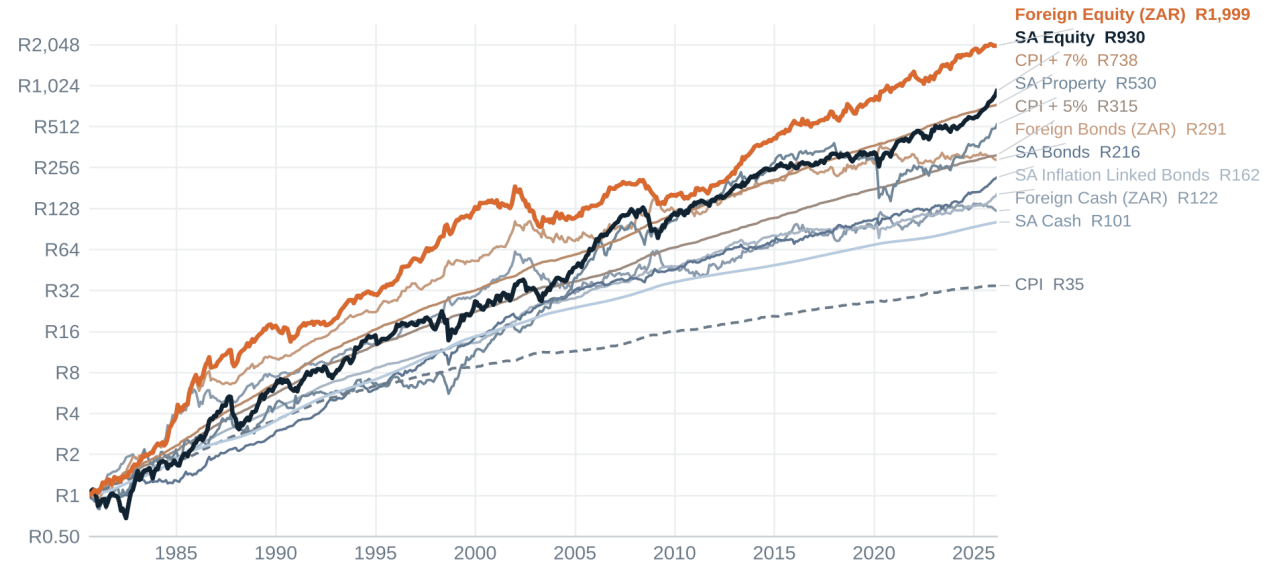


The long-term case for growth assets remains compelling

The chart below shows the return in Rands for the major asset classes since 1980. The chart highlights that equities should form part of a long-term investment strategy even though they experience large drawdowns at certain times.

Long-term asset class cumulative returns

Growth of R1 invested in August 1980, in rand, to February 2026 (log scale)



The tables below show some of the largest historical drawdowns and time to recovery for selected asset classes.

Drawdown Analysis

SA Equity

From	Trough	To	Depth	Length	To Trough	Recovery
5/31/1998	8/31/1998	11/30/1999	-39.0%	19	4	15
11/30/2007	2/28/2009	4/30/2010	-37.0%	30	16	14
1/31/2018	3/31/2020	2/28/2021	-30.2%	38	27	11
6/30/2002	4/30/2003	12/31/2003	-25.4%	19	11	8
4/30/1990	1/31/1991	5/31/1991	-19.0%	14	10	4

Foreign Equity

From	Trough	To	Depth	Length	To Trough	Recovery
1/31/2002	3/31/2003	9/30/2006	-49.3%	57	15	42
6/30/2008	2/28/2009	8/31/2012	-34.6%	51	9	42
1/31/1990	9/30/1990	4/30/1991	-23.4%	16	9	7
1/31/2022	6/30/2022	4/30/2023	-18.3%	16	6	10
8/31/1998	9/30/1998	12/31/1998	-15.5%	5	2	3

SA Bonds

From	Trough	To	Depth	Length	To Trough	Recovery
5/31/1998	8/31/1998	2/28/1999	-22.3%	10	4	6
5/31/1994	8/31/1994	7/31/1995	-13.4%	15	4	11
2/28/2015	12/31/2015	6/30/2016	-9.8%	17	11	6
12/31/2001	3/31/2002	7/31/2002	-9.4%	8	4	4
5/31/2013	8/31/2013	7/31/2014	-8.0%	15	4	11

SA ILB

From	Trough	To	Depth	Length	To Trough	Recovery
4/30/2018	3/31/2020	12/31/2020	-18.6%	33	24	9
5/31/2013	8/31/2013	3/31/2014	-8.6%	10	4	6
3/31/2026	3/31/2026	6/30/2026	-5.9%	4	1	3
2/28/2017	11/30/2017	12/31/2017	-4.0%	11	10	1
9/30/2022	10/31/2022	3/31/2023	-3.7%	7	2	5

Foreign Bonds

From	Trough	To	Depth	Length	To Trough	Recovery
10/31/2002	6/30/2004	1/31/2008	-30.0%	64	21	43
2/28/2009	12/31/2010	5/31/2012	-27.2%	40	23	17
5/31/2020	3/31/2022		-26.4%	77	23	
6/30/2016	2/28/2018	8/31/2019	-22.4%	39	21	18
1/31/2002	5/31/2002	9/30/2002	-14.2%	9	5	4

Foreign Property

From	Trough	To	Depth	Length	To Trough	Recovery
4/30/2007	2/28/2009	10/31/2012	-53.9%	67	23	44
1/31/2002	4/30/2003	5/31/2005	-35.8%	41	16	25
1/31/1990	9/30/1990	3/31/1993	-26.4%	39	9	30
6/30/2016	2/28/2018	8/31/2018	-22.1%	27	21	6
1/31/2022	9/30/2022	8/31/2024	-19.9%	32	9	23

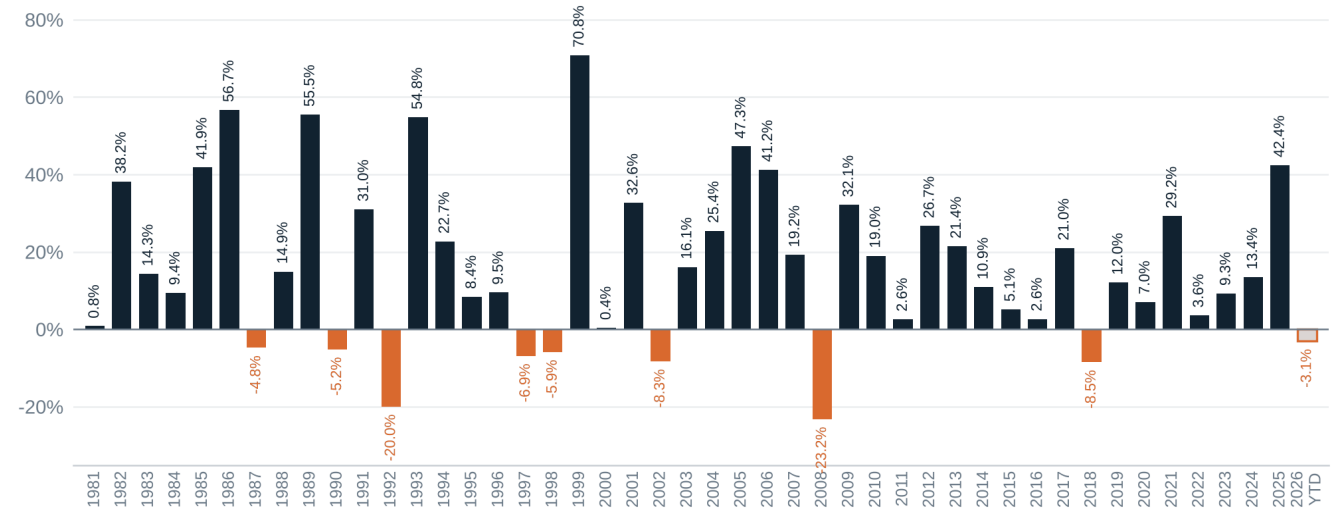
Short-term drawdowns, long-term opportunities

Investing in growth assets requires investors to accept a certain degree of short-term volatility, with the expectation of being rewarded for taking this risk over the longer term. This is illustrated in the charts below, which show the annual total return of the FTSE/JSE All Share Index and the maximum drawdown recorded in each calendar year. The average maximum drawdown over the period shown is 17%. In 2026, the maximum drawdown has increased from 3.2% YTD in March to 16.6% currently. The key point is that significant drawdowns are expected from time to time, although their timing is difficult to predict.

Historically, these periods have often presented attractive long-term investment opportunities.

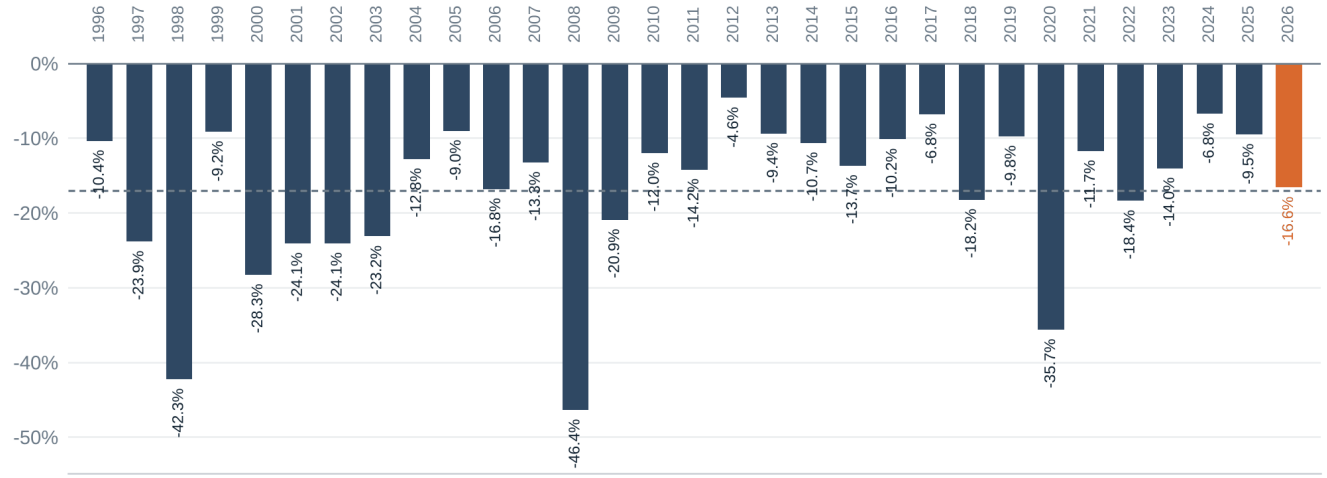
FTSE/JSE All Share Index: total return per calendar year

1981 to 2026 (2026 is year to date, 30 September)



FTSE/JSE All Share Index: maximum drawdown in each calendar year

1996 to 2026 (2026 is year to date). Dashed line: average of -17% across the period

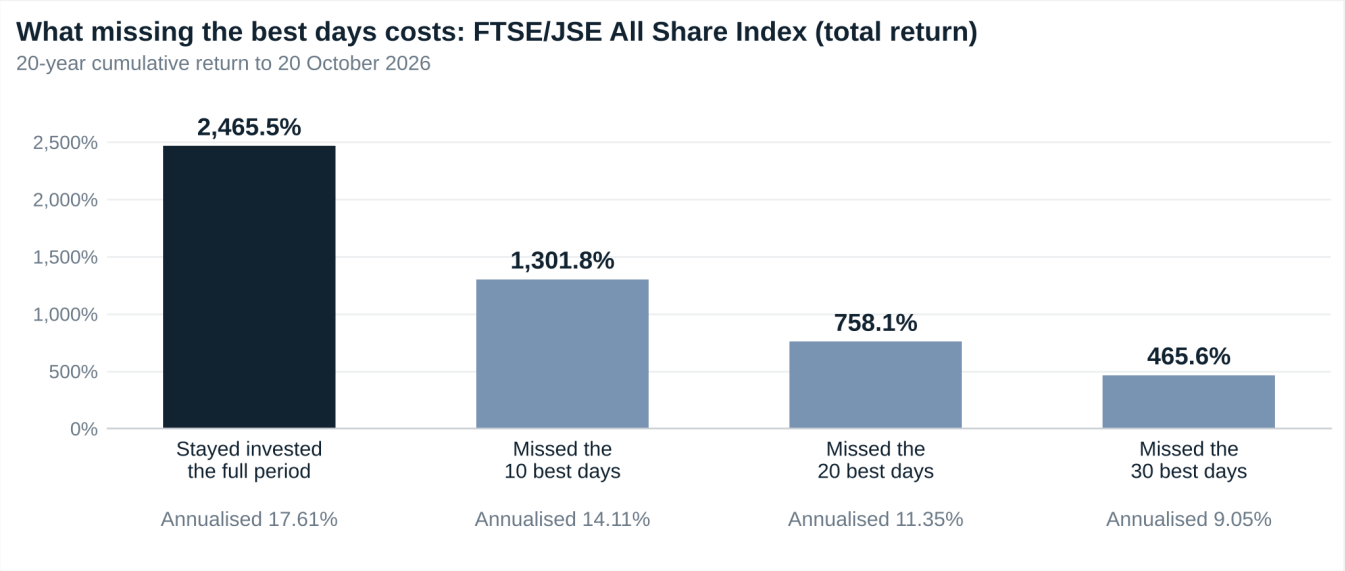


The hidden cost of attempting to time the market

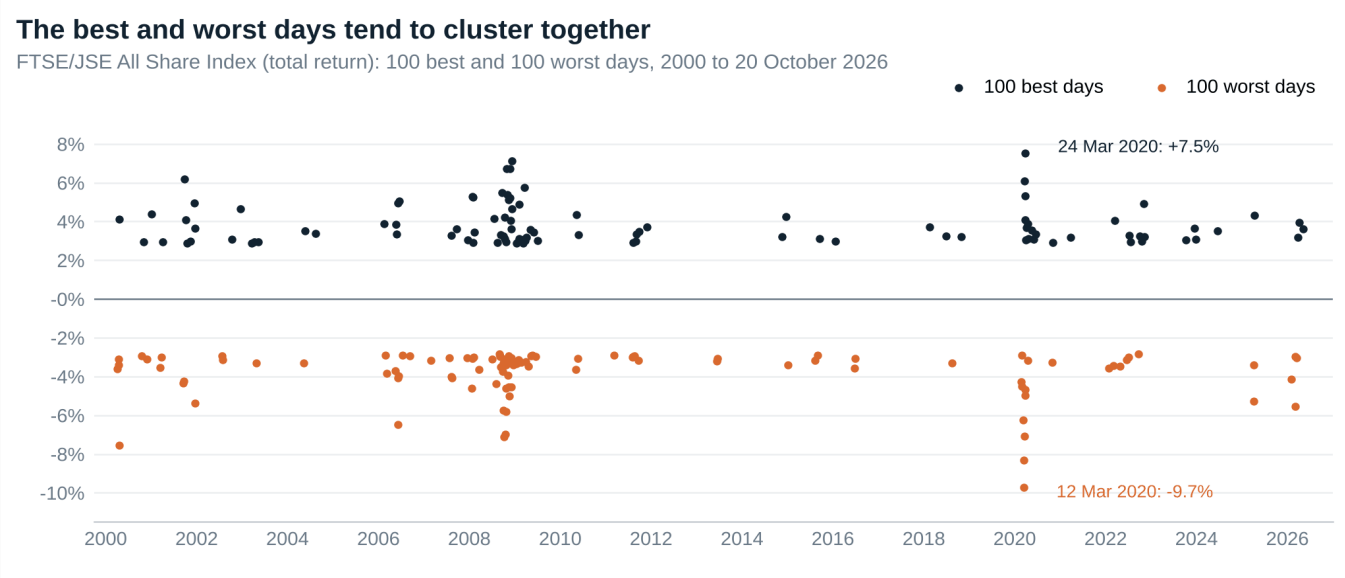
Market volatility has intensified during 2026 amid escalating geopolitical tensions, higher energy prices, renewed inflation concerns, and uncertainty regarding the sustainability of AI-related investment. While the global economy has remained relatively resilient, risks remain tilted to the downside, particularly if geopolitical conflicts escalate, trade tensions increase, or expectations around AI investment are reassessed.

These conditions may tempt investors to try to "time the market," but doing so remains risky and is often counterproductive. Markets can recover quickly following sharp declines, making it difficult for investors who exit during periods of event-driven uncertainty to reinvest at the right time. They may ultimately return to the market only after prices have recovered.

Because the factors driving volatility remain unpredictable, attempting to anticipate short-term market movements can amplify losses and cause investors to miss subsequent recoveries. A more effective long-term approach is to remain invested, maintain appropriate diversification, and focus on quality investments and a disciplined strategy rather than reacting to rapidly changing headlines.



The chart below highlights that periods where the best and worst days occur usually overlap, making market timing very difficult for short time horizons. For example, the 20-year cumulative return on the FTSE/JSE All Share Index shows a significant difference between staying invested for the full period versus missing just the 10, 20, or 30 best trading days, as shown in the chart above.



Market performance: A mixed picture across asset classes

The tables below show the latest market movements. The JSE Precious Metals and Mining Index gained 17.1% month-to-date (MTD) but remained 9.6% lower year-to-date (YTD). The JSE Resources 20 Index advanced 11.5% MTD, although it was still 2.5% lower YTD. Broader domestic equities also performed strongly.

The Rand strengthened against most major currencies MTD, appreciating 1.4% against the Euro, 1.6% and against the British Pound. Against the US Dollar, the Rand strengthened by 2.0% MTD and was 1.1% stronger YTD.

International equity markets delivered a mixed performance in local currency terms during the month. The S&P 500 was marginally lower at -0.4% MTD, while the Nasdaq declined 0.7% MTD. Year-to-date, the strongest performers were the S&P 500 (+10.3%), Dow Jones (+9.0%), and Nikkei (+8.6%).

Commodity markets were generally positive over the month. Gold rose 6.6% MTD, although it remained 3.4% lower YTD. In contrast, Brent crude oil declined 21.3% MTD, despite remaining 52.1% higher YTD.



FTSE / JSE INDICES

Name	Time	Price	Move	% Move	% MTD	% YTD
JSE Precious Metals and Mining	17:00	128 185.90	6996.50	5.77%	17.10%	-9.59%
JSE Resource 20	17:00	120 622.50	5350.00	4.64%	11.52%	-2.45%
JSE Top 40	17:00	107 087.60	2373.60	2.27%	7.72%	-0.82%
JSE All Share	17:00	115 037.90	2298.50	2.04%	6.89%	-0.69%
JSE Capped All Share	17:00	129 877.00	2595.10	2.04%	6.90%	3.22%
JSE Industrial 25	17:00	128 157.30	1655.50	1.31%	6.67%	-7.49%
JSE ALPI	17:00	46 926.89	1.85	0.00%	1.77%	7.25%
JSE Financial 15	17:00	26 829.42	205.56	0.77%	4.93%	7.87%

INTERNATIONAL INDICES - LOCAL CURRENCIES

Name	Time	Price	Move	% Move	% MTD	% YTD
Hang-Seng	10:30	24 448.95	-32.91	-0.13%	4.96%	-4.61%
Nikkei	08:30	58 775.50	1340.73	2.33%	-7.13%	16.76%
Nasdaq	20:00	25 253.14	673.72	2.74%	-0.72%	8.65%
Shanghai	09:30	3 660.79	11.61	0.32%	1.72%	-7.76%
CDAX	16:00	2 212.75	32.18	1.48%	1.37%	6.69%
FTSE 100	15:00	10 782.87	108.93	1.02%	0.49%	8.57%
SP 500	20:00	7 549.94	173.08	2.35%	-0.40%	10.29%
DJ Ind	20:00	52 389.75	1104.02	2.15%	1.20%	9.00%
CAC40	19:00	8 233.30	94.30	1.16%	3.31%	1.03%

CURRENCIES

Name	Time	Price	Move	% Move	% MTD	% YTD
EUR / ZAR	23:00	18.38	-0.04	-0.23%	-1.39%	-5.50%
AUD / ZAR	23:00	11.35	-0.02	-0.13%	-3.42%	2.66%
GBP / ZAR	23:00	22.02	-0.05	-0.25%	-1.60%	-1.34%
JPY / ZAR	23:00	0.10	0.00	-0.67%	-2.17%	-1.89%
USD / ZAR	23:00	16.38	-0.16	-0.96%	-1.96%	-1.09%

COMMODITIES

Name	Time	Price	Move	% Move	% MTD	% YTD
Platinum $	23:00	1 579.74	40.63	2.64%	10.07%	-23.33%
Silver $	23:00	53.42	1.50	2.89%	8.79%	-25.46%
Palladium $	23:00	1 042.89	18.01	1.76%	6.57%	-35.62%
Gold $	23:00	4 139.82	69.02	1.70%	6.84%	-4.16%
Brent Crude	23:00	92.57	-5.75	-5.85%	-21.31%	52.13%

CONCLUSION

Staying focused on what matters: Long-term investment goals

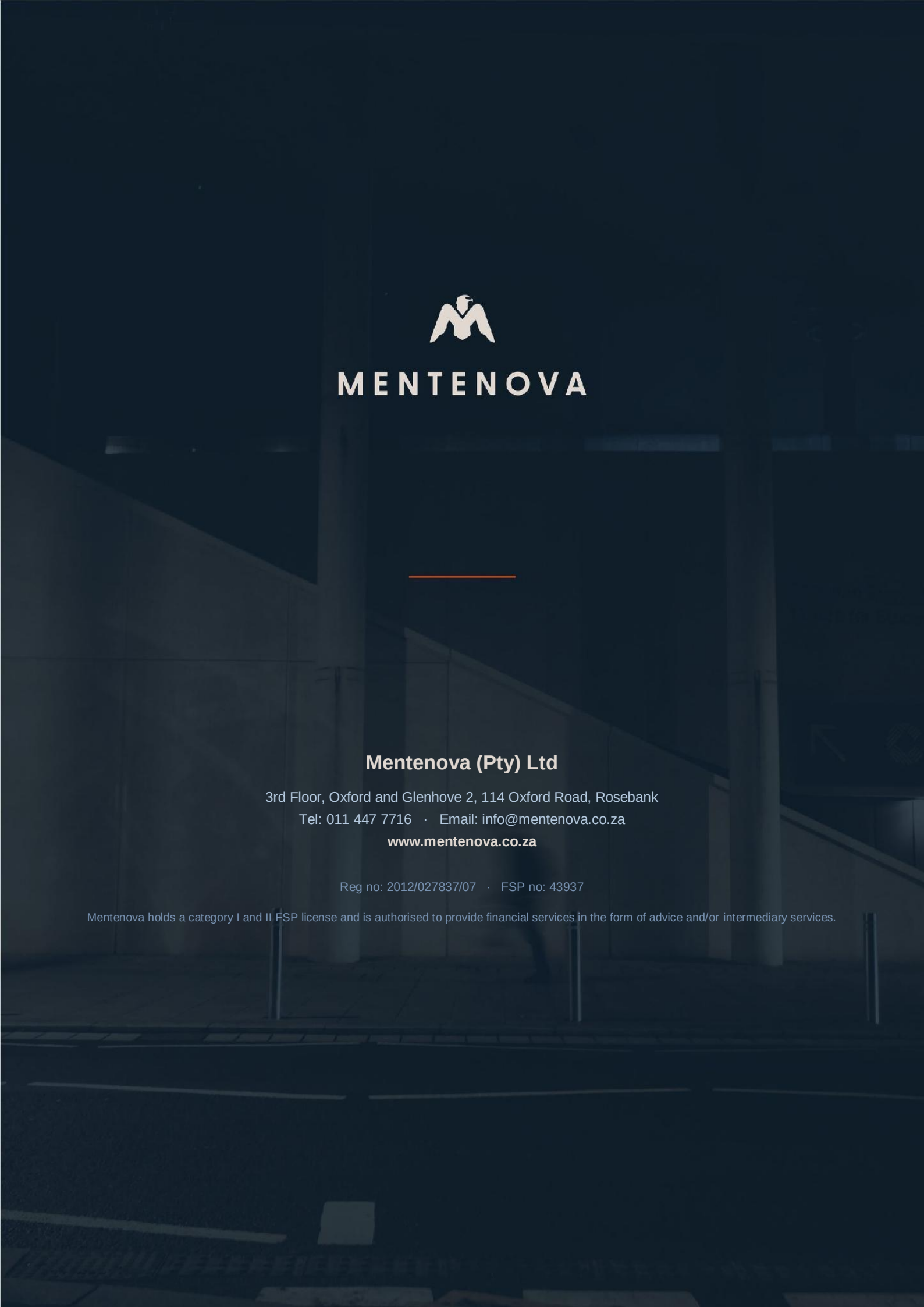
Despite the current market volatility, investors with a long-term time horizon should remain committed to their investment strategy and view periods of weakness as potential long-term opportunities.

Diversification remains important in managing risk. Investors with shorter time horizons or those approaching retirement should consult their financial advisers before making any changes to ensure their personal circumstances are fully considered.

AMAR MADHAV
+27 72 393 7886
amadhav@mentenova.co.za

BONGIWE MOMOZA
+27 79 771 3898
bmomoza@mentenova.co.za

MZOVUYO NYAMELA
+27 65 914 5692
mnyamela@mentenova.co.za



MENTENOVA

Mentenova (Pty) Ltd

3rd Floor, Oxford and Glenhove 2, 114 Oxford Road, Rosebank

Tel: 011 447 7716 · Email: info@mentenova.co.za

www.mentenova.co.za

Reg no: 2012/027837/07 · FSP no: 43937

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