November 2026

Is Your Fund Manager in It for the Long Term?

Sit down with a financial adviser to discuss your retirement and, sooner or later, you'll be asked about your investment horizon: how long can you leave your money alone? It's the right question, because investing rewards people who give it time.

But there's a second question that matters just as much and, in our experience, almost never gets asked: what is the time horizon of the business managing your money?

An industry that never sits still

Permanence is central to how fund managers present themselves. A factsheet will show a 20-year track record and returns “since inception”, and a presentation will usually begin by highlighting the year in which the company was founded.

Some managers build it into their brands. Ninety One takes its name from the year it started, and Prudential’s (now M&G) advertising told investors that “consistency is the only currency that matters”. Ashburton has described itself as built on “over three decades of heritage”, Old Mutual Investment Group’s website promises “portfolios designed to endure”, and Allan Gray’s advertising has long emphasised the importance of time in investing.

However, there’s a tension in this. Managers rightly ask investors to commit for the long term, but the businesses behind them don’t always find it easy to do the same.

Consider the 20 largest asset managers in South Africa in 2015, as ranked by Alexander Forbes' annual Manager Watch survey. Within a decade, at least six had been sold, merged into another business, spun out of their parent, or renamed, including two of the four largest.

In practical terms, picture an investor who chose a fund from one of the country's biggest managers in 2015 and simply held it. There is close to a one-in-three chance that the business behind that fund looks materially different today. That matters because a change of ownership rarely stops at the top: new owners bring new priorities, often followed by new portfolio managers or a different investment philosophy. Each of those changes can reset the horizon on an approach that needs years to pay off.

And the one-in-three figure counts only changes of ownership and name. It leaves out the portfolio managers who have left, the teams that have been restructured, and the processes that have quietly shifted.

That’s not to say every change ends badly. Some businesses have navigated new ownership and succession well, protecting their teams and philosophies through the transition, while others have stayed stable for long periods of time.

Three different time horizons

The investor's horizon: It's set by your life's circumstances: retirement, your children's education, and what you want to leave behind. For many people saving through funds, it's measured in decades.

The business's horizon: Many asset management businesses answer to shareholders whose priorities set the pace. Those shareholders might be a listed company reporting results every six months, a bank or insurer with its own strategy, or owners planning their exit. These pressures tend to play out over one to three years, sometimes quarter to quarter.

The craft's horizon: Then there's the work itself - active investment management, where a manager picks investments rather than tracking an index. A good active decision is often proven right only as the market slowly comes round to what the manager saw early, and cutting that time short means it never gets the chance to pay off. It typically needs a full market cycle of good and bad markets, which on average takes seven years or more.

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za

The industry spends a great deal of time asking whether investors have the right time horizon, and for most that horizon is measured in many years, sometimes decades. It spends less time asking the same question of the businesses managing their money, even though the business's horizon is often the one most out of step with the craft.

Why the craft needs time

We'll use shares to explain this, though the same logic applies to most asset classes. Over the long run, a company should be worth, in traditional financial theory, the cash it will generate in the future, and its share price should follow. In the short to medium term, though, prices and value can drift quite far from one another.

The drift occurs because investors don't all agree on what a company is worth or buy its shares for the same reasons. Some value the business over a decade, while others trade on next quarter's results, the latest headline, or what everyone else is buying. Earnings don't arrive in a straight line either: business is volatile, and a bad year can make a sound company look broken.

Together, these forces can push prices well above or below fair value for years, which is why calling the top of a popular market, or the bottom of an unloved one, is so hard. If you believe a company's value ultimately reflects the cash it will generate, you have to be prepared to wait for the price to catch up, and it rarely gets there in a straight line. The path is volatile, and selling before the price arrives can lock in the losses along the way without ever collecting the reward. Shares reward patience because the payoff arrives on the company's timetable, not the investor's.

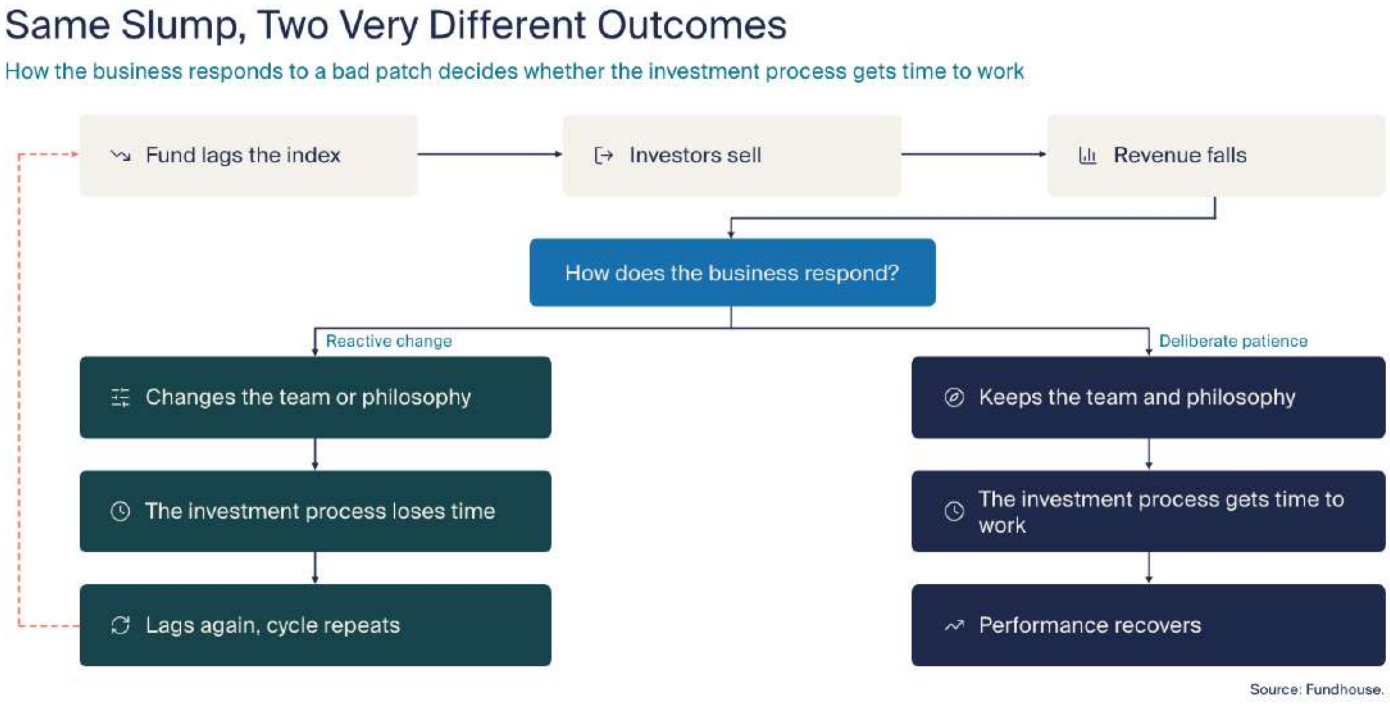
In the short term, returns are mostly noise: market moods, sector swings, and luck. Only over long periods does skill separate from good or bad fortune, so even excellent managers go through stretches of looking ordinary, or worse.

A US study by Fiducient Advisors[1] looked at funds that finished in the top quarter of their peer group over the decade to December 2025. Of those, 92% had spent at least one three-year stretch in the bottom half. 62% had spent a full five-year stretch there. Almost all of the best long-term managers spent years looking like poor ones.

Where the horizons collide

Passive investing makes the gap between the business's horizon and the craft's horizon harder to bridge. Index funds, which track the market at low cost, give every active manager a cheap and highly visible point of comparison. When an active fund lags the index for a while, as even the best will, investors notice quickly, and the business's response determines what happens next.

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za



The difficult part is that the business's fix becomes the next problem: every change made to stem the outflows takes more time away from the craft. Not every change starts with poor performance, since ownership deals and parent-company decisions happen for their own reasons, but underperformance adds to the pressure.

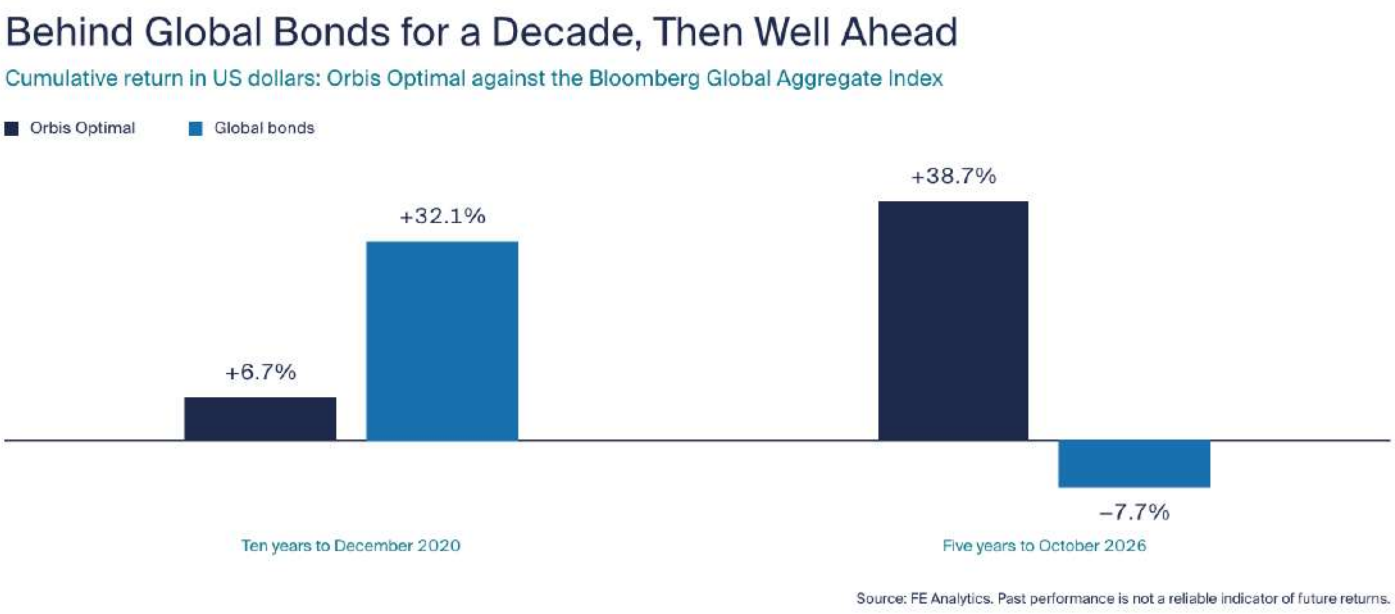
Each change may make sense for the business, but you often end up owning something quite different from what you bought, with a track record that belongs to people or a process that are no longer there.

A case of deliberate patience: the Orbis Optimal Fund

The Orbis Optimal Fund is run by Orbis, the global investment manager founded by Allan Gray. It invests in Orbis's favoured shares from around the world, then uses hedges to remove most of the stock market's ups and downs, so its returns depend mostly on whether Orbis's stock picks beat the market. Its official benchmark is US dollar cash, but because it aims to steady a portfolio while still delivering returns ahead of inflation, many investors would consider global bonds a fair comparison for the fund.

By early 2021, the fund had been through a deep slump, lagging both global bonds and cash from late 2017 to October 2020. Orbis had positioned it for the gap between expensive and cheap shares to narrow, and for interest rates to rise. Instead, that gap kept widening. Rather than change course, Orbis stuck to its philosophy, treating the underperformance as the result of deliberate positioning rather than a broken process.

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za



In 2022, two things Orbis had positioned for finally arrived. Interest rates rose sharply, global bonds fell, and the shares Orbis had chosen began to outperform as the market's favourites lost ground. The fund's stock picks were given the time to pay off. An investor who sold in 2020 would have sold because of two things no one could time, locking in the slump and missing the recovery.

Orbis shows what is possible when a business gives its investment team the time it needs. So how do you find managers built the same way?

What we look for in a manager built to last

No one can remove this mismatch from the industry, but investors can work around it by choosing managers whose businesses are built to resist it. These are businesses that give the craft the time it needs, even when short-term performance, the market, or their own shareholders are pushing the other way. Finding them is a large part of our job.

Our research covers a lot of ground: the investment philosophy and process, the skill of the team, how the fund is positioned, what it costs, and how it fits alongside the other funds in a portfolio. But we spend as much time on the business behind a fund as on the fund itself. When it comes to judging whether a manager is likely to last, we typically look for five things:

1. **An investment-led business** - Investors, rather than commercial teams or a distant parent company, make the big decisions: which funds to launch, how much money to accept, and whom to hire. We ask who has the final say on these calls, and look at how the business behaved the last time performance was poor.

2. **The right shareholding structure** - The owners' horizon matches the craft's. Often the owners are the investment team itself, with a meaningful stake in the business's long-term success. We look at who owns the business, how widely ownership is shared across the team, and whether a sale or listing is on the cards.

3. **Depth and succession** - The business doesn't rely on one star and has planned for the day key people leave. We meet more than just the lead portfolio manager, and ask who would run the money if that person left tomorrow.

4. **Philosophy and process discipline** - The approach holds under pressure rather than being tweaked after a bad year. We track how the portfolio, and the reasoning behind it, has changed over time, especially through difficult stretches.

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za

5. A credible, proven edge - There's evidence that what the manager is trying to do is achievable and has worked over time. We test whether past results came from the stated approach, or from luck and market conditions that may not repeat.

In our experience, few managers score perfectly on all five, and none of these traits guarantees outperformance. In practice, they show up in concrete decisions: a manager that closes a fund to new money once it gets too big to run well, or founders who hand equity to the next generation of portfolio managers years before they retire. Choices like these improve the odds that the craft gets the time it needs.

The second question

When you invest with an active manager, you're relying on two things: that the manager has genuine skill, and that the business survives intact long enough for that skill to pay off. The second gets far less attention than the first, yet in our view it matters just as much.

We would change our minds if the evidence showed that funds whose businesses changed ownership, teams, or process went on to perform just as well as those that stayed stable. So far, our research points the other way.

So the next time you're asked about your investment horizon, turn the question around. You're in it for the long term, but is your fund manager?

---

[1] The Next Chapter in the Active vs Passive Debate, Fiducient Advisors, 2025

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za

Market Report

31 October 2026

Market Performance (as a %)

Local Market Indices	CCY	3m	YTD	1yr	Ann. 3yr	Ann. 5yr	Ann. 10yr	5yr Vol	10yr Vol
SA Equity	ZAR	-1.9	-4.1	1.9	19.1	13.3	10.9	14.1	14.7
SA Listed Property	ZAR	-1.7	4.8	12.8	27.8	16.0	4.1	16.4	21.7
SA Bonds	ZAR	2.7	5.3	11.8	17.2	12.1	9.9	7.9	7.9
SA Cash	ZAR	1.7	5.7	6.9	7.7	7.1	6.7	0.4	0.4
Balanced Benchmark	ZAR	-0.3	0.8	4.9	16.9	12.0	10.4	9.4	9.9
SA Inflation (1 month lag)	ZAR	0.6	4.5	4.5	4.1	4.9	4.7	1.5	1.6
Global Market Indices		**3m**	**YTD**	**1yr**	**Ann. 3yr**	**Ann. 5yr**	**Ann. 10yr**	**5yr Vol**	**10yr Vol**
Global Equity	USD	0.6	10.3	12.2	22.4	10.6	13.1	14.9	14.9
Emerging Markets Equity	USD	-5.3	13.7	14.3	22.2	6.8	7.9	18.9	17.8
Global Property	USD	-6.4	4.7	6.2	12.1	-0.1	3.4	17.9	17.1
Global Bonds	USD	-0.6	-1.4	-0.9	4.7	-1.6	0.4	7.8	6.4
US Cash	USD	1.0	3.2	3.8	4.6	3.9	2.6	0.5	0.5
Major Indices Based to ZAR		**3m**	**YTD**	**1yr**	**Ann. 3yr**	**Ann. 5yr**	**Ann. 10yr**	**5yr Vol**	**10yr Vol**
SA Equity	ZAR	-1.9	-4.1	1.9	19.1	13.3	10.9	14.1	14.7
Global Equity	ZAR	1.5	11.0	8.2	17.8	12.7	15.5	13.9	14.5
Emerging Markets Equity	ZAR	-4.4	14.6	10.2	17.6	8.8	10.3	14.1	13.8
Global Property	ZAR	-5.5	5.4	2.4	7.9	1.8	5.6	16.3	16.5
SA Bonds	ZAR	2.7	5.3	11.8	17.2	12.1	9.9	7.9	7.9
Global Bonds	ZAR	0.4	-0.6	-4.5	0.7	0.3	2.6	10.2	12.6
Commodities		**3m**	**YTD**	**1yr**	**Ann. 3yr**	**Ann. 5yr**	**Ann. 10yr**	**5yr Vol**	**10yr Vol**
Gold (US Dollars)	USD	-2.8	-9.3	-2.6	25.0	17.1	11.7	18.2	16.0
Gold (Rands)	ZAR	-1.9	-8.5	-6.1	20.3	19.3	14.1	16.6	17.5
Currencies		**3m**	**YTD**	**1yr**	**Ann. 3yr**	**Ann. 5yr**	**Ann. 10yr**	**5yr Vol**	**10yr Vol**
Rand / Dollar	ZAR	-1.0	-0.9	3.5	3.6	-1.9	-2.1	11.7	13.6
Rand / GBP Pound	ZAR	-0.5	-0.5	1.6	0.5	-1.4	-3.1	9.8	12.4
Rand / Euro	ZAR	1.8	3.7	6.2	1.8	-1.2	-2.3	9.3	11.8

Market index performance is based on publicly available returns from ETFs that track the relevant underlying indices.

Disclaimer: Users should be aware that short term performance can be volatile and that past performance is not necessarily a good guide to future performance. The information in this report is for general guidance and does not constitute an offer or solicitation to purchase, sell or otherwise deal with any particular investment. This report is for the use of Fundhouse and its clients only and may not be published externally without permission first being obtained from Fundhouse. While great care and diligence has been taken in the compilation of the report with data provided by FE Analytics, no representation or warranty, express or implied, is or will be given by Fundhouse or its directors, partners, employees or advisers or any other person to the accuracy or the completeness of the information in the report or relating thereto. Fundhouse will not accept any liability for losses suffered as a result of inaccuracies.
Data supplied by FE Analytics | www.fundhouse.co.za

Cedric Wilmans | Hendri Vorster
Contact: +27 33 001 0350
Email: admin@redfinwealth.co.za | Website: www.redfinwealth.co.za

REDFIN WEALTH

INVESTMENT - RETIREMENT - FINANCIAL PLANNERS

November 2026

Spot Rates		31-Oct-26	Latest Quarter	1 Year Ago	5 Years Ago	10 Years Ago	20 Years Ago
Currencies							
Rand/US$	ZAR	16.7	16.4	17.3	15.2	13.5	7.4
Rand/GBP	ZAR	22.4	21.8	22.8	20.8	16.5	14.1
Rand/EUR	ZAR	18.7	18.6	20.0	17.6	14.8	9.4
Rates							
6m USD Cash	USD	4.0	3.9	4.3	0.0	0.5	5.3
Repo Rate	ZAR	7.3	7.3	7.0	3.5	7.0	8.5
Prime	ZAR	10.8	10.8	10.5	7.0	10.5	11.5
All Bond Index Yield	ZAR	8.7	8.8	11.6	11.6	9.1	9.7
Commodities							
Gold ($/oz)	USD	3,896.0	4,164.0	3,979.0	1,776.8	1,273.9	605.4
Platinum	USD	1,427.0	1,714.1	1,589.0	1,009.0	976.0	1,073.0
Oil (Brent Crude) $	USD	117.6	103.6	65.1	84.4	48.2	56.2
Inflation							
SA Inflation	%	4.5	4.4	3.6	5.0	6.5	9.4

data provided by FE Analytics

Fundhouse is a leading investment adviser specialising in fund research, ratings and portfolio construction services. We help clients manage investments on behalf of the end investor. Our experienced team understands the complexities of the fund management world. We apply this knowledge alongside a client first mindset to improve the outcome for the end investor.

Fundhouse was founded in 2007 by professionals from the investment management industry. We currently operate from offices in the United Kingdom and South Africa, where we cover the local and global fund industry first hand. Our business is 100% independent and owner managed which means we can offer objective advice and services in the best interests of our clients.

FUNDHOUSE
investment clarity

Email: adviser@fundhouse.co.za | Web: www.fundhouse.co.za