



ECONOMIC COMMENTARY

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*For every one to attain
financial well-being*

2025: THE YEAR THAT CHANGED HOW WE THINK ABOUT MONEY

As 2025 draws to a close, one truth stands out: This was the year the world finally accepted that the economic landscape has permanently changed. Markets were more volatile, geopolitics moved prices on a weekly basis, and deep structural shifts forced investors to rethink what "normal" means. So, what happened in 2025?

Our world adjusted to a structural reality

At the start of 2025, many expected rapid interest-rate cuts and a return to the low-inflation environment of the past decade. Instead, the world confronted a different truth: Inflation is no longer only cyclical; it is structural. Trillions are being invested in energy transition, new supply chains, semiconductor capacity, and enormous artificial intelligence and data-centre infrastructure. The future is simply more expensive than the past. Markets also rewarded companies that generated real cash flow and real value. Performance without substance was no longer enough.

Geopolitics became an economic variable

Although 2025 was not a major global election year, the after-effects of political shifts in the United States, Europe, and Asia shaped trade expectations, regulation, and investor sentiment. Energy security, rivalry in the technology sector, and supply-chain realignments became daily market drivers. Geopolitics stopped being background noise; it became the rhythm that markets traded on.

2025 was a challenging but decisive year for South Africa (SA)

Although SA faced pressure, the past year was far more constructive than expected:

- + **Grey-listing progress and improved credibility:** SA completed the reforms required to drop off the Financial Action Task Force's grey list, strengthening financial oversight and enforcement. Even before the final announcement, global markets responded positively.
- + **Credit-rating momentum turned positive:** For the first time in years, a leading ratings agency upgraded SA's outlook, citing improvements in fiscal discipline, better energy stability, and early signs of logistics reform. While we remain below investment grade, SA's direction has finally shifted upward.
- + **Stronger markets and a more resilient rand:** Government bond yields fell to multi-year lows as confidence improved. Local equities benefitted from global rallies and domestic reform momentum. While volatile, the rand traded much stronger than during the most uncertain phases of the year.

The case for financial well-being

All of this brings us back to a message that we have emphasised for years: Financial well-being cannot be bought in a product. While products and performance matter, a product is only ever one piece of a much larger picture. It cannot understand your life, your responsibilities, or your long-term goals. That is why clients often feel the industry is product-driven: The product gets sold but the real need behind the decision is never fully understood.

Our differentiator is clear: We deliver holistic, independent financial advice (enhanced with technology) that clarifies a client's true financial needs and builds a complete, unique solution around them. That is financial well-being for every one.

Holistic advice reveals the real purpose behind the decision: It is not what you want to buy but why you need it and what outcome it must achieve. Independence ensures that the solution serves the client, not a product's agenda. And technology allows us to integrate, monitor, and adapt the plan over time, making this level of clarity accessible to more people than ever before.

The combination of holistic + independent + technology-enabled turns products into meaningful components of a broader strategy. It connects decisions to outcomes. And, ultimately, it is a complete, well-designed solution that makes clients financially well.

Looking ahead

If 2025 was the year the world accepted change, 2026 will be the year investors must decide how to respond to it. Holistic advice will shift from "nice to have" to essential. Technology will reshape access and insight. And those who prioritise financial well-being over market noise will be the ones who thrive.

We thank you for your trust, your partnership, and your continued support during the past year. We look forward to building a stronger, wiser, and financially healthier future, together!

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