



GRADIDGEMAHURA
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The Family Wealth Experts

Investing Too Conservatively?

What is the Potential Cost to You?

July 2026





Agenda



Reframing Risk



When playing it “safe” becomes risky



Choosing the right investment path



Now what?

Risk is not always what you think



Thoughts on Risk

“Risk comes from not knowing what you’re doing.”

Warren Buffett

“Risk is the possibility that outcomes differ from expectations.”

Investment risk definition

“The real risk is the permanent loss of capital, not short-term volatility.”

Buffett philosophy summary

For a young investor, risk is not only losing money today.

**It’s also not having
enough money at retirement.**



Reframing Risk

What feels risky vs what actually matters



Investment risk



Market volatility



Short-term losses



Negative headlines



Seeing your fund value fall



Markets going down
at the wrong time



Personal risk



Not retiring comfortably



Not replacing enough income



Having to work longer



Outliving your savings



Missing decades of growth



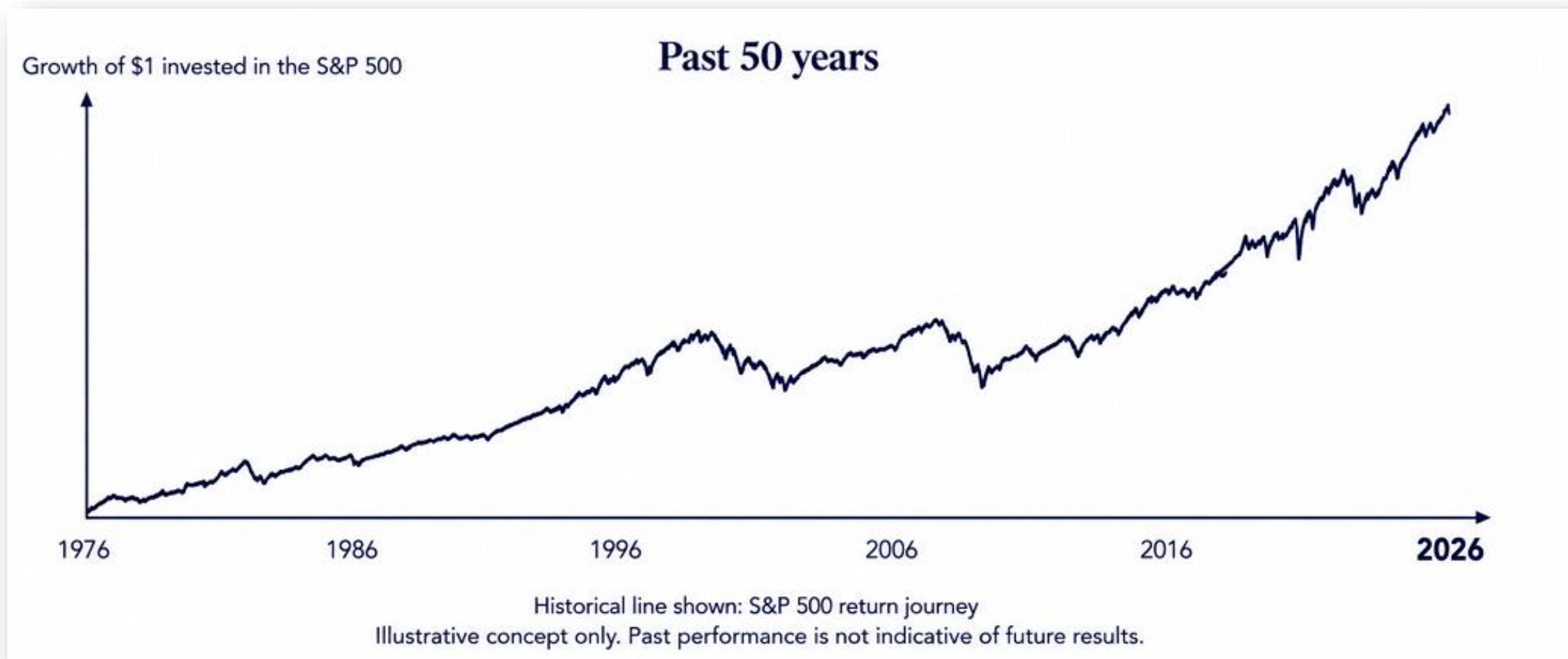
For younger investors, the biggest risk is not short-term losses –
it is **missing long-term growth.**



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The last 50 years

The S&P 500 return journey to 2026



2026 Is Not The End...



Even from current highs, your retirement outcome will be shaped by the growth still to come.

When “playing it safe” becomes risky

The hidden cost of investing too conservatively





The hidden Cost Of Being Too Conservative

Scenario 1 – UCT Life Stage Model



Capital at retirement **R 31,774,000**



Replacement ratio **61%**



Income at retirement **R 384,300**



Income provided **R 233,000**

Scenario 2 – Capital Preservation



Capital at retirement **R 19,564,800**



Replacement ratio **37%**



Income at retirement **R 384,300**



Income provided **R 143,400**

Assumptions: COE R50,000 p.m., 30 years old, 12% contribution, 4x approved life cover, 1x additional life cover, no lump sum at retirement



Up to
62%
higher income
at retirement

Choosing the right investment
strategy early can significantly
improve your outcome



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Are You On Track?

Use the UCTRF Provision Calculator



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Secure your future

Retirement Provision Calculator

For your journey,

Which investments option is best?





Choosing the right option for your stage of life

 Capital Preservation Portfolio	 Balanced Portfolio	 Shari'ah Compliant Balanced Portfolio
 Lower volatility Lower ups and downs	 Higher volatility Greater ups and downs	 Medium to higher volatility Balanced risk and growth
 Lower expected return More focus on capital stability	 Higher expected return More focus on growth	 Shari'ah compliant Aligned to Shari'ah principles
 Suitable if near retirement Prioritise protecting your savings	 Suitable if you have time Long-term investors who can ride out fluctuations	 Suitable for long-term goals For members who want growth with Shari'ah compliance



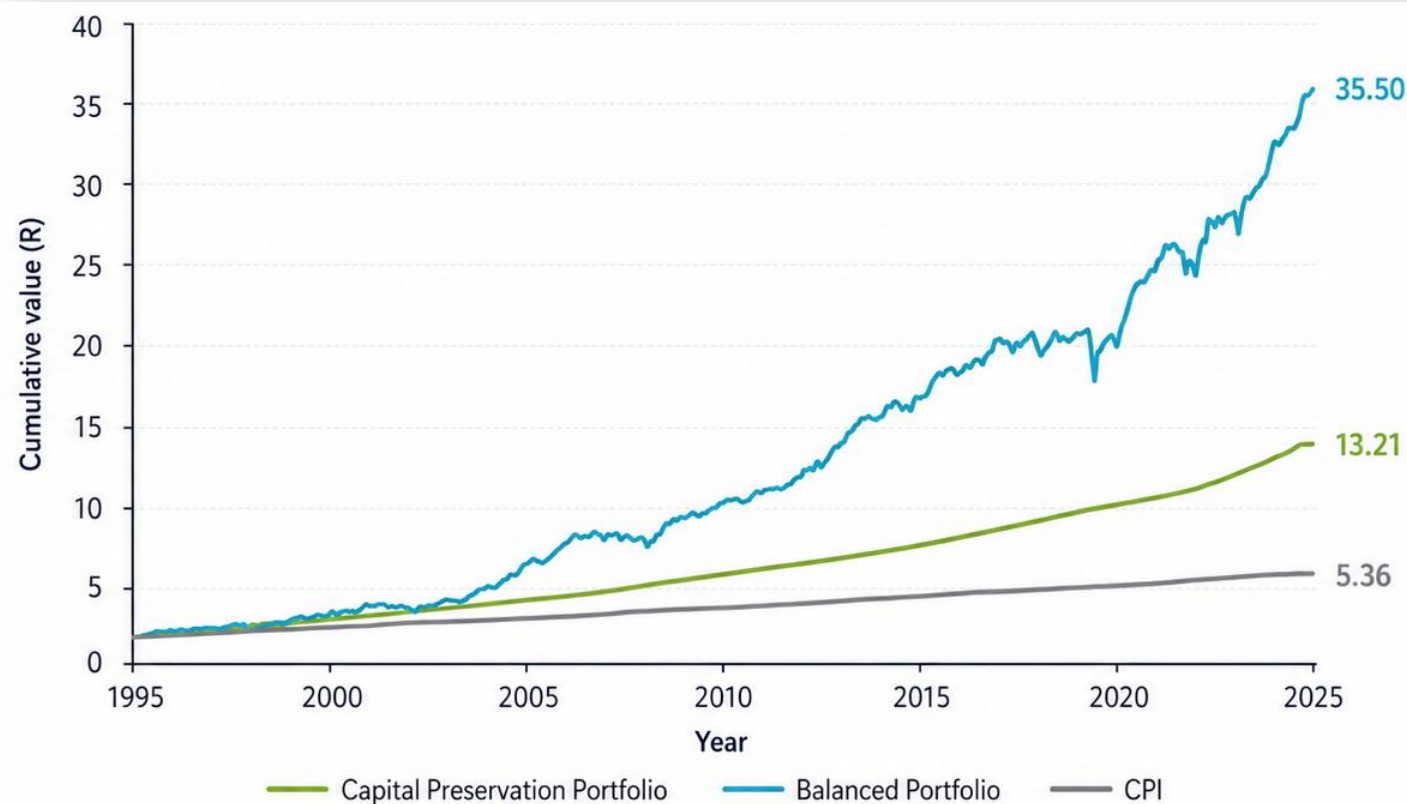
Review your option regularly to make sure it still matches your goals and stage of life.



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The power of long-term investing

Cumulative return of R1 invested in January 1995



Average annual return p.a.
since 1 January 1995

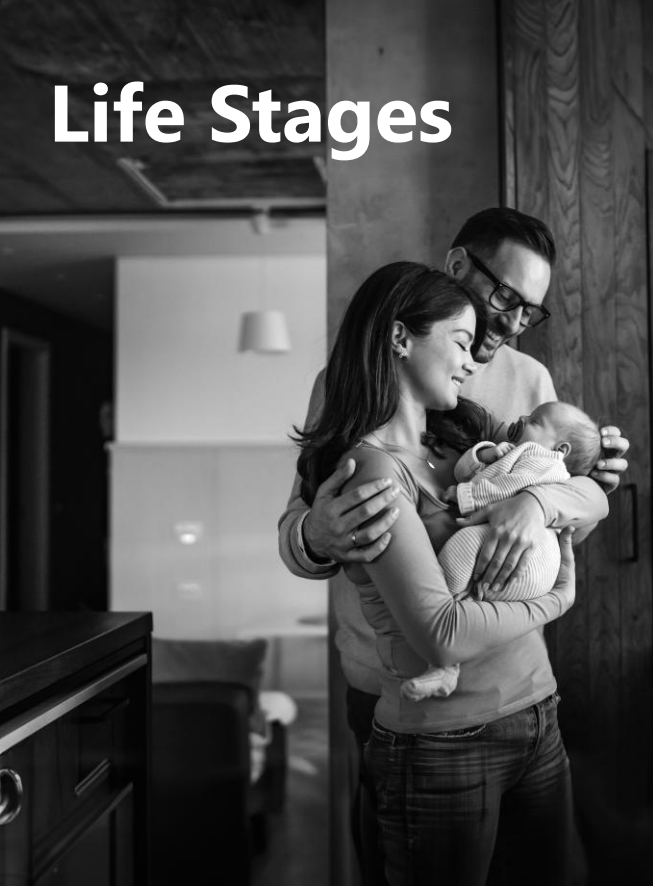
Capital Preservation Portfolio	8.8%
Balanced Portfolio	12.4%
CPI	5.7%



Cumulative value
at 30 June 2025

Capital Preservation Portfolio	R 13.21
Balanced Portfolio	R 35.50
CPI	R 5.36

Life Stages





How the Life Stage Model works

Investment mix changes as retirement approaches

AGE*	PORTFOLIO MIX (Strategy)	
 Up to the year you turn 59	100% Balanced Portfolio	
 In the year you turn 60	85% 15%	Balanced Portfolio Capital Preservation Portfolio
 In the year you turn 61	70% 30%	Balanced Portfolio Capital Preservation Portfolio
 In the year you turn 62	55% 45%	Balanced Portfolio Capital Preservation Portfolio
 In the year you turn 63	40% 60%	Balanced Portfolio Capital Preservation Portfolio
 In the year you turn 64	25% 75%	Balanced Portfolio Capital Preservation Portfolio



More growth assets
when you are younger



More preservation assets
as you approach retirement



* Age is based on the year in which you turn the stated age.

What should you do next?





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- 1 Review your current investment option**
- 2 Check if it aligns with your time horizon**
- 3 Consider changing if it is too conservative**



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The Team

100+ years of expertise



- With over 100 years of combined advisory experience, our highly qualified advisers deliver tailored, insightful advice.
- Supported by a technical and service team with over 100 years of collective experience, we ensure every client receives expert guidance and dignified service.
- Our diverse team speaks more than nine official South African languages.



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Thank you

