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MAY 2026



MESSAGE FROM THE CEO

Pedri Reyneke, CEO and Wealth Manager

IN THIS ISSUE



FUEL AT THE PUMP

South Africa and the world

Dear client,

The world feels more unsettled than it did three months ago - and for good reason. Energy markets have been upended by geopolitical shock, fuel prices have reached levels none of us have seen before, and investor anxiety is showing up in markets in ways worth understanding.

This month, we're focusing on three forces actively reshaping your daily costs and investment landscape:

2. VIX - the market's own fear barometer and how Multilink is deliberately structured to protect your returns from unnecessary cost drag.
3. "100% medical aid cover" - a clear-eyed look at the truth behind the gap that too many clients only discover when an unexpected bill arrives.

Finally, we share a proud moment from our community: our sponsorship of the 0/13 Sportfees at Hoërskool Secunda - a reminder that investing in people matters just as much as investing in portfolios.

As always, if anything in this newsletter raises questions about your own financial position, please reach out to your adviser.

Warm regards,

Pedri Reyneke

CEO and Wealth Manager, Multilink Financial Services

Energy and economy

Why filling up just got dramatically more expensive



One South Africa's worst fuel price hike in living memory and how a narrow waterway halfway around the world is driving the pain at your pump.

Motorists have been feeling the pinch since the fuel price hike earlier this month. For the second month running, fuel prices reached record highs. At midnight on 2 April 2026, South Africans were hit with one of the steepest single-month fuel price increases



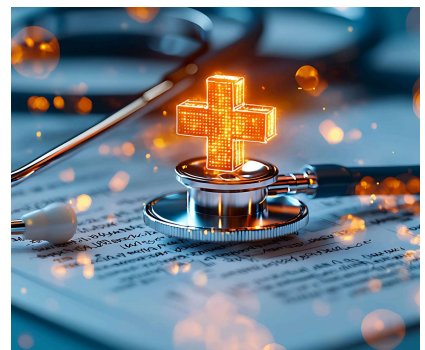
THE VIX

Understanding the market's 'fear gauge'



THE MULTILINK ADVANTAGE

Fewer layers, better returns



UNDERSTANDING

"100% medical aid cover"

The petrol to get you to work and back rose by R3.06 per litre in April, and again by R3.27 in May. The diesel that fuels the trucks carrying goods across every sector of the economy surged by R7.37 per litre in April, and another R5.27 in May. Illuminating paraffin, relied on by millions of South African households for basic energy needs, first climbed by R11.67, then by R4.22 per litre.



COMMUNITY

Sportfees at Hoërskool Secunda

May's fuel price increase at a glance:

Fuel Type	Increase	Effective Date
Petrol 93 and 95 ULP	+R3.27/litre	6 May 2026
Diesel	+R5.27/litre	6 May 2026
Illuminating Paraffin	+R4.22/litre	6 May 2026

What triggered the crisis?

The cause is largely global.

On 28 February 2026, the United States of America and Israel launched coordinated airstrikes on Iran, triggering a closure of the Strait of Hormuz - a narrow corridor through which roughly one-fifth of the world's entire oil and gas supplies usually pass.

Iran's subsequent restrictions on commercial shipping through the Strait sent shockwaves through global energy markets, pushing oil prices sharply higher and feeding directly into South Africa's fuel price pain.

Almost overnight, global energy markets seized up. Brent crude spiked from its February average of \$46/b to an average of \$117/b in April, and as high as \$138/b on April 7. The International Energy Agency described it as the largest supply disruption in the history of the global oil market.

The domestic dimension

Compounding the global shock is a structural domestic problem: years of under-recoveries in South Africa's fuel pricing system accumulated a negative balance of R14.173 billion by end-March 2026, triggering an additional Slate Levy of 122.70 cents per litre across petrol and diesel. South African motorists are simultaneously paying for a global geopolitical crisis and years of structural imbalance in the domestic pricing mechanism.

South Africa sits in the upper-middle bracket globally when it comes to fuel pricing - not the cheapest, but not the most expensive. What makes our situation particularly painful is the combination of high raw prices, rand vulnerability, and the outsized role diesel plays in powering food production, logistics, agriculture, and construction.

Economists warn that May's increases will add approximately 0.6 percentage points to the monthly inflation reading, pushing it toward 4.2% and placing renewed pressure on the South African Reserve Bank to weigh an interest rate response at its 28 May Monetary Policy Committee meeting.

For households and businesses, this is likely to add upward pressure to food and consumer goods prices, while raising logistics and production input costs in the months ahead. It points to a difficult period for South Africa, particularly because the external shock may not ease quickly: Diplomatic efforts around the Strait of Hormuz remain fragile, and government's temporary fuel-levy relief is currently scheduled to end in July 2026.

Markets and sentiments

The VIX: Why the market's fear gauge belongs on your radar



In volatile times, the CBOE Volatility Index (VIX) - nicknamed the “fear gauge” - reveals more about investor anxiety than market commentary ever can, capturing the psychology of fear, uncertainty, and risk appetite in a single metric. Here is how to read it and why it matters for your portfolio.

What is the VIX?

The VIX is maintained by the Chicago Board Options Exchange (CBOE) and measures the market's expectation of volatility in the S&P 500 index over the next 30 days. It is calculated in real time from the pricing of S&P 500 index options, essentially capturing the level of expected market movement being priced into options contracts.

A high VIX means that investors are paying more for exposure to, or protection against large price swings. A low VIX means options markets are pricing in calmer conditions, although very low readings can also suggest complacency.

“The VIX is not just a number - it is the market's collective

markets are pricing in expected annualised volatility of 20%, roughly equivalent to daily moves of about 1.25%. It tells you whether the market is nervous, not whether it expects prices to rise or fall.

feels about the future.”

Reading the scale

VIX level	Signal	Investor mood	Historical notes
Below 15	Complacency	Too calm	Often precedes corrections
15-20	Normal (current reading)	Watchful calm	~17 as of 6 May 2026
20-30	Elevated fear	Anxious	Review risk exposure
30+	Market panic	Crisis mode	Often a buying opportunity

Historical average: ~19.4 • COVID-19 peak (March 2020): 85.5 • 2008 Financial Crisis peak: 96.4 • Late-March 2026 Iran-crisis peak: ~31

The VIX spiked sharply to approximately 31 in late March 2026 as the Strait of Hormuz crisis fed into wider market anxiety and increased demand for protection against large equity-market swings. That level (above 30) historically signals elevated market stress typically associated with recessions, geopolitical crises, or financial system stress.

Since a partial ceasefire announcement in mid-April temporarily eased tensions, the VIX has retreated to around 17, sitting in what analysts would broadly regard as closer to normal market conditions, but still worth watching.

However, it has remained notably elevated, refusing to drift back to the low-teens calm of late 2025 - reflecting the ongoing, unresolved nature of the Iran standoff and the fact that markets are still pricing in a meaningful risk of renewed volatility.

Why you should keep an eye on VIX

For long-term investors, the VIX can serve as a contrarian signal. Historically, periods of extreme fear — a VIX reading above 30 to 40 - have often coincided with strong long-term buying opportunities. Markets can overprice fear. Conversely, a very low VIX can signal dangerous complacency: the calm before a storm.

Rule of thumb: When the VIX drops below 12, it may be time to ensure your portfolio has adequate downside protection. The VIX is best approached with disciplined interpretation over reactive decision-making.

In conditions like those of May 2026, with geopolitical uncertainty, fuel-driven inflation, and central bank policy in flux, the VIX is worth checking weekly. It is available free on many major financial data platforms such as Bloomberg, Yahoo Finance, or CNBC under the ticker ^VIX. Watch for moves above 25 as a prompt to review your risk exposure and moves above 35 as a sign that fear may be creating better long-term entry points, provided that the underlying investment case remains intact.

Who is really adding value in your investment chain?



The investment industry has a layering problem. Every additional step costs money and often dilutes accountability. This is why Multilink is built differently, and why that matters for your net returns.

As the investment value chain grows more complex, investors should ask who is genuinely adding value, and who is simply sitting in the flow and charging fees along the way?

The typical journey for a South African investor's money looks something like this:

Client → Adviser → Discretionary Fund Manager → Linked Investment Service Provider → Asset Manager → Market Return

At every step, someone makes a decision, charges a fee, or controls access to the next stage. It is not that intermediaries are specifically unnecessary, but that everyone must earn their place. By the time returns reach the client, multiple parties have taken their cut, while the client is often left trying to understand who actually added value and who merely added cost.

The Multilink approach: Fewer layers. More value.

At Multilink Financial Services, we are deliberately structured to cut through the complexity. We are not one of many pass-through agents or another layer between you and your returns. As a Category II licensed Financial Services Provider, we are authorised to make investment decisions on your behalf within a defined mandate, without adding another layer between you and your returns or requiring your sign-off on every transaction.

This allows us to act swiftly, rebalance portfolios efficiently, and manage your investments with institutional-grade discipline without the cost and delay of routing every decision through an additional discretionary fund manager.

How Findotec funds change everything

A traditional client might pay for a discretionary fund manager to allocate to a linked investment service provider platform that accesses multiple underlying funds, each with its own fee. The Findotec structure compresses that multi-step process into one vehicle. Portfolio construction, mandate management, asset allocation, and rebalancing that would ordinarily cost three or four separate fee bites are consolidated into one.

The result: a leaner cost structure, cleaner accountability, and better net-of-fee outcomes for you.

What this means for you

In an environment of elevated fuel-driven inflation, rising living costs, and market volatility, fee drag is yet another unnecessary layer in your investment chain that is eroding the returns you need to build genuine wealth.

At Multilink, we have eliminated those layers by design. We are committed to ensuring that every rand we charge produces a measurable benefit. We also believe every client deserves clear, honest answers about their portfolio, their fees, and how we compare.

“Clients don’t experience the chain. They experience the result. We intend that result to be the best it can be - after fees, without unnecessary complexity, and without the noise.”

Client education

Understanding “100% medical aid cover” and why you may still receive a bill



It is one of the most common misunderstandings in the medical aid industry, and it often only becomes apparent when an unexpected account arrives after treatment. Many clients choose a medical aid option that advertises 100% cover, expecting that all their medical bills will be fully settled. The reality is more nuanced and knowing the difference could save you thousands of rands.

Medical aids do not pay 100% of whatever a doctor charges. Instead, they pay 100% of their own internal rate, known as the scheme tariff - a standardised price list that the medical aid applies to every procedure, consultation, and treatment. This tariff is often considerably lower than what private doctors and specialists actually charge.

cover” means 100% of the scheme’s tariff - not 100% of the doctor’s actual bill.

A practical example

Scenario	Amount
Medical aid tariff for a procedure	R15 000 (100% tariff)
Doctor's actual charge	R25 000
Medical aid pays	R15 000
Shortfall (your responsibility)	R10 000

The difference between what the scheme pays and what the doctor charges is known as a shortfall, and it is your responsibility to pay unless you have additional cover in place. It is common for doctors to charge 200% or even 300% above the medical aid tariff - particularly specialists, anaesthetists, and radiologists.

When are shortfalls most likely?

Shortfalls arise across a wide range of situations, including specialist consultations, in-hospital procedures and surgeries, anaesthetist accounts, radiology and pathology services, and out-of-hospital treatments. Even when a hospital stay is approved and covered by your plan, multiple providers may bill separately, each potentially charging above the scheme rate.

How to protect yourself

1. Ask upfront

Before any procedure, ask your doctor what rate they charge relative to the medical aid tariff - 100%, 200%, or more. Then confirm with your medical aid what your specific plan covers for that procedure. Where possible, use network providers, as some plans offer full cover when you stay within their designated network.

2. Consider gap cover

Gap cover is specifically designed to bridge the difference between what your medical aid pays and what doctors charge - within certain limits. In an environment of rising healthcare costs, it is increasingly important protection. If you do not have gap cover in place, speak to your Multilink adviser - we can help you find an appropriate solution.

“100% medical aid cover” does not mean your bill will be paid in full - it only covers 100% of the scheme’s tariff. Knowing the difference could save you thousands.

Multilink is one of the proud sponsors of the 0/13 Sportfees at Hoërskool Secunda.

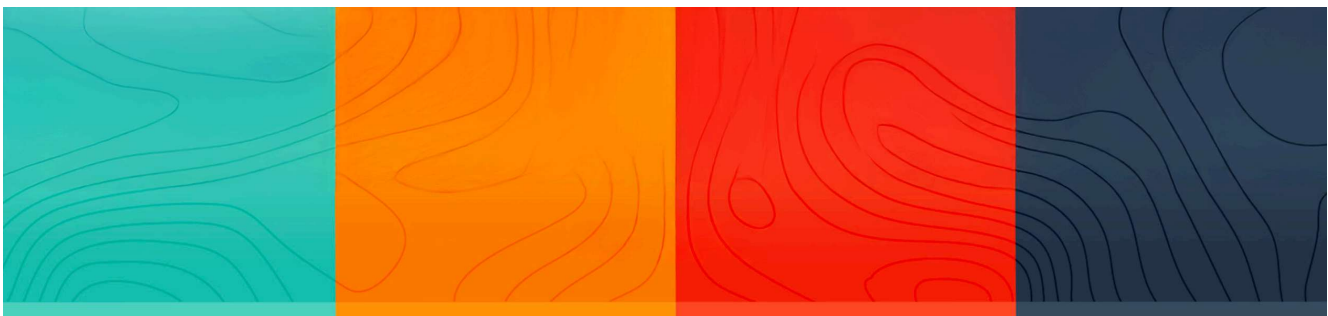


There is something about a school sports day that cuts through all the noise. The 0/13 Sportfees at Hoërskool Secunda was a day filled with genuine energy, fierce team spirit, and young athletes giving everything they had on the field. Multilink is proud to be among the sponsors of this wonderful event.

Watching the under-13s compete with such heart and determination was a reminder of what community investment actually looks like. A child sprinting for a finish line, a team celebrating together, and parents cheering from the sidelines all drive home how important it is to reach beyond the office and invest in people's lives. These are the moments that make a community strong.

At Multilink, we believe that investing in our communities is just as important as investing in financial futures. The young people who competed at Hoërskool Secunda are the clients, colleagues, and community leaders of tomorrow.

A heartfelt thank you to Hoërskool Secunda for hosting such a well-organised and memorable event. We were honoured to have been part of it.



GET IN TOUCH

contact us on **017 638 1048** or reach out to your adviser directly.



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