BALONDOLOZI

— INVESTMENT LEADERSHIP —

BALONDOLOZI MODEL ESG FUND **April 30, 2024**

FACT SHEET

INVESTMENT OBJECTIVE

The fund seeks to achieve long-term growth by gaining exposure to companies with high ranking Environmental, Social and Governance (ESG) scores relative to their peers.

INVESTMENT STRATEGY

The fund aims to generate an excess return above the benchmark on a consistent long-term basis through investing in companies with good ESG scores versus their peers. This is achieved by rating companies on their ability to manage Environmental, Social and Governance (ESG) risks relative to their peers. The fund holds overweight positions in companies with good ESG scores and reduces or even avoids exposure in poorly rated counters.

FUND INFORMATION

Fund Classification	South African - Multi Asset - High Equity
Benchmark	CPI + 4%
Risk Profile	Aggressive
Fund Managers	Fannuel Tigere, Magdalene Baloyi, Sandelee Van Wyk, Christopher Pratt
Inception Date	01 October 2021
Fund Size	R4 million
Currency	SA Rands
Administration	Balondolozi Investment Services
Trustees	RMB
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Compliant

FEES

Initial & Exit Fees	Nil
Total Investement Charge	0.61%
Portfolio TER	0.61%
Management Fees	*0.50%*
Transaction Costs	*0.00%*
Audit Fees	*0.00%*
Other Costs	*0.03%*
Vat	*15.00%*
Pricing	Daily at 17:00

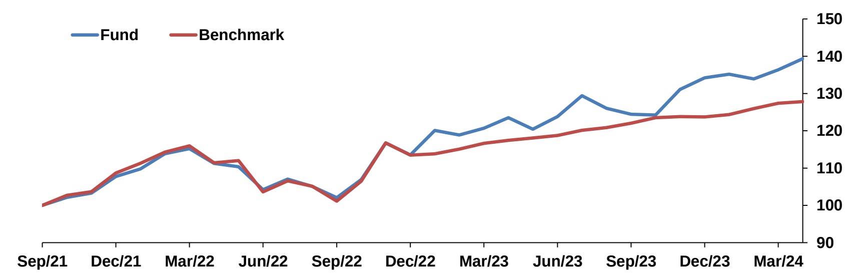
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	13.70%	9.97%
Sharpe Ratio	0.63	0.34
Sortino Ratio	1.37	0.56
Max Drawdown	-5.58%	-7.48%
Drawdowns	12	6

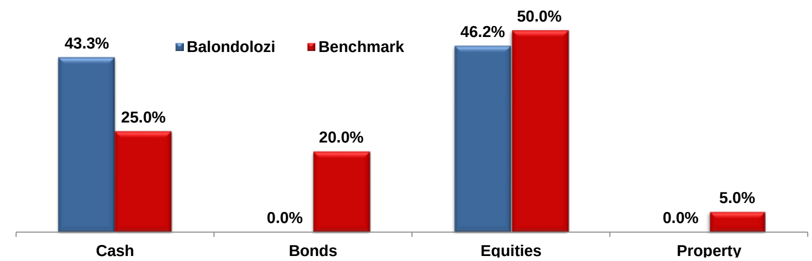
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
Apr-24	2.18%	0.33%
Year to Date	3.80%	3.31%
Rolling 12 months	12.82%	8.83%
Return p.a. since inception	13.70%	9.97%
Return since inception	39.33%	27.83%
Highest Rolling 1-year Return	21.94%	20.69%
Lowest Rolling 1-year Return	2.06%	0.56%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



FUND COMMENTARY

The global economy has demonstrated remarkable resilience despite significant increases in central bank interest rates aimed at achieving price stability.

Equities returned 3.18% (FTSE/JSE Top 40); nominal bonds delivered 1.37% (ALBI); inflation linked bonds returned 0.26% (CILI) and cash returned 0.65% as indicated by the STeFi Call Index in Apr 2024. Within equities; the financial services sector delivered 2.67% (FINI 15), the industrial sector 1.43% (INDI 25) and the resources sector 6.4% (RESI 20).

During the same period; near term volatilities ticked down by -0.37% (SAVI) to 18.7% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 drifted higher by +0.28 points to close at 13.48. Yields for 12-month negotiable certificates of deposits rose by +15 bps to close the month at 9.18%. Foreigners sold local equities worth- R17.2 billion as markets rallied during the month of Apr 2024.

Overall, the fund delivered 2.18% for the month. The cash strategy returned 1.21%, whilst equities in the fund returned 2.65%.

Global and local equity markets remained volatile for the month of April as fears that the conflict in the Middle East would result in elevated energy prices, which could result in upward pressures on inflation. Global and local interest rates are expected to be higher for longer, with interest rate pivot expectations being delayed.

The JSE Capped SWIX All Share was up over 3% during the month, led by resources, with Anglo American Plc (AGL) being the top performer, after an acquisition offer from BHP Group (BHG) that was rejected by the board of directors. Industrial counters were marginally up for the month and financial sector constituents remained under pressure.

An overweight position in industrial counter, Richemont detracted from performance for the month while an overweight position in banking counter, Standard Bank, delivered obtuse performance for the month. During the month of April, futures exposure was included in the portfolio to equitize cash.

As the anti-greenwashing rule, set to be enforced on May 31, approaches, the Financial Conduct Authority (FCA) is proactively aiding the industry by providing guidance to ensure continuous compliance with the required standards. This initiative highlights the critical importance of having clear guidelines in place to uphold integrity and transparency within the market.

Findings from the recent Financial Lives survey shows the substantial client demand for sustainable finance, with 81% of surveyed adults expressing a desire for their investments to generate positive impact alongside financial returns. This insight highlights the pivotal role of greenwashing guidelines in fostering the long-term growth and competitiveness of the sector. By assisting businesses in meeting this demand and empowering clients to make informed decisions regarding sustainability-related financial products, these guidelines will protect clients by ensuring that sustainable products and services offered in the market are accurately described at all times.

Greenwashing guidelines further assist asset management companies mitigate the risk of investing in assets that may be misrepresented as environmentally or socially responsible. By providing guidance on identifying and avoiding greenwashing practices, guidelines reduce the risk of reputational damage and regulatory scrutiny for asset managers.

The Financial Conduct Authority (FCA) is currently engaging in consultations regarding the potential expansion of requirements concerning how sustainable investments are labelled and articulated, with a specific focus on portfolio managers. These firms are responsible for managing a diverse array of investments on behalf of clients, which may encompass standardised products or customised services tailored to individual needs.

The proposed labelling and Sustainability Disclosure Requirements (SDR) for portfolio managers closely resemble those implemented for asset managers in November 2023. Among the key components are product labels designed to provide clarity to clients regarding the utilisation of their investments. Additionally, the naming and marketing standards stipulate that products can only be depicted as having positive environmental and/or societal impacts if such claims can be substantiated with evidence and transparency. These measures aim to streamline client decision-making processes, fostering a more informed and empowered investor base within the sustainable finance landscape.

Overall, these guidelines can help drive continuous growth and maturity of the ESG investing landscape, promote transparency and enhance investor confidence as well as align investment practices with client expectations.

In April 2024, AGMs for ANH, BTI, and AGL occurred, featuring resolutions on discharging directors and statutory auditor, where our stance against such resolutions stemmed from concerns regarding the potential erosion of accountability and the risk of fostering perceptions that directors are not held accountable for their actions or decisions.

ANH's remuneration report lacked peer group benchmarking details, raising transparency concerns. Furthermore, BTI's resolution on political donations lacked organization names and criteria, consequently posing reputational risks for the company and finally, the renewal of directors' authority on pre-emption rights, which raised dilution of shares concerns for BTI and AGL, thus prompting careful consideration, reflecting our commitment towards preserving shareholder value and upholding sound corporate governance practices.

We will continue to seek superior returns by looking for companies that respond maturely to medium and long-term non-financial issues material to their financial sustainability.

Companies that manage energy use and reduce reliance on fossil fuels, versus renewable energy options, are preferred compared to companies that don't. Companies that manage labour issues with fairness, and effectively develop the knowledge and skills of its employees while managing and promoting the health, safety and wellness of its employees are favourable.