

FACT SHEET

INVESTMENT OBJECTIVE

The fund seeks to outperform CPI (inflation) plus 5% over a rolling 3 year period.

INVESTMENT STRATEGY

This is a Global Asset Allocation Fund that blends strategies employed in the Balondolozzi Money Market, Bonds, and Active Equity Funds. The equity benchmark is the FTSE/JSE Capped All Share Index, the bond benchmark is the All Bond Index (ALBI), the property benchmark is the South Africa Listed Property Index (SAPY), the international benchmark is 60% the MSCI World Index in Rands and 40% the Overnight US Libor Rate Index in Rands, and the cash benchmark is STeFi Call.

FUND INFORMATION

Fund Classification	South African - Multi Asset - High Equity
Benchmark	CPI + 5%
Risk Profile	Moderate
Fund Managers	Fannuel Tigere, Sandelee van Wyk, Karabo Matsepe, Sindisiwe Mahlangu
Inception Date	01 October 2014
Fund Size	R610 million
Currency	SA Rands
Administration	Balondolozzi Investment Services (Pty) Ltd
Trustees	RMB
Regulator	Financial Services Regulatory Authority (FSRA)
Regulation 28	Not Applicable

FEES

Initial & Exit Fees	Nil
Total Investment Charge	0.07%
Portfolio TER	0.07%
Management Fees	0.07%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.00%
Vat	15.00%
Pricing	Daily at 17:00

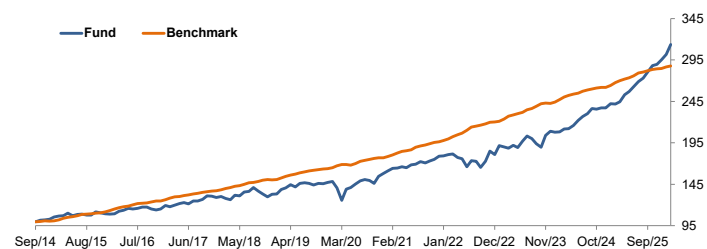
RISK RATIOS

	Fund	Benchmark
Annualised Return	10.53%	9.70%
Sharpe Ratio	0.47	2.21
Sortino Ratio	0.64	12.62
Max Drawdown	-10.52%	-0.28%
Drawdowns	46	6

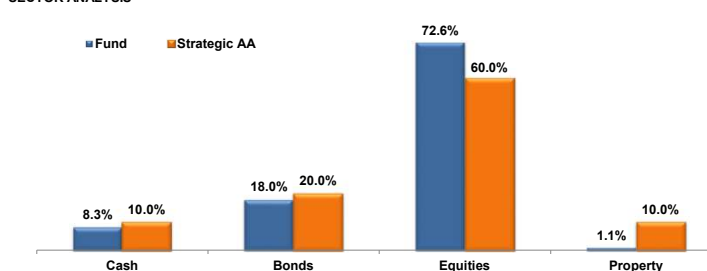
PERFORMANCE (Gross of fees)

	Fund	Benchmark
Feb-26	4.02%	0.42%
Year to Date	6.36%	1.12%
Rolling 12 months	29.79%	7.54%
Return p.a. since inception	10.53%	9.70%
Return since inception	213.66%	187.75%
Highest Rolling 1-year Return	31.01%	13.13%
Lowest Rolling 1-year Return	-10.73%	6.92%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



FUND COMMENTARY

Global inflation pressures eased in early 2026, with the U.S. maintaining a steady labour market and the Euro Area holding interest rates. China recorded expanding private-sector activity, while South Africa advanced key fiscal and policy priorities.

Equities returned 7.16% (FTSE/JSE Capped All Share); nominal bonds delivered 1.74% (ALBI); inflation linked bonds returned 3.5% (CILI) and cash returned 0.5% as indicated by the STeFi Call Index in February 2026. Within equities; the financial services sector delivered 7.42% (FINI 15), the industrial sector -0.07% (INDI 25) and the resources sector 13.42% (RESI 20).

During the same period; near term volatilities ticked up by +1.63% (SAVI) to 17.7% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Capped Top 40 drifted higher by +2.82 points to close at 36.85. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 6.78%.

Overall, the fund delivered 4.02% for the month. Local equities returned 7.16%; international equities returned 2.98%; cash returned 0.96%; local bonds returned 1.01% while international bond exposure delivered 0.91%. Property exposure returned 0.72%. Cash outperformed due to high yielding shorter dated non-bank fixed term deposits and longer-dated corporate bonds. There is currently value in fixed instruments as interest rate curve has stabilized, and rates are kept steady. Bonds underperformed due to sector allocation. Property underperformed the overall benchmark as Nepi Rockcastle, MAS Real Estate and Vukile underperformed for the month of February.

In February, Balondolozzi attended ten AGMs across the industrial and financial sectors, including Tiger Brands Group (TBS) and Life Healthcare (LHC), voting on 224 resolutions and supporting 94% of them. Our main opposition was at The Spar Group (SPP), regarding the re-election of auditors serving six years, raising concerns about independence and highlighting the need for mandatory audit firm rotation every five years. We also supported FirstRand's (FSR) Special General Meeting resolution to replace its Memorandum of Incorporation which will improve clarity, consistency and compliance across the group's governing documents.

Themba Rikhotso, CEO of Land Bank, has resigned after joining in April 2023, having guided the bank through a stabilisation phase that included a liability solution with lenders backed by the National Treasury. Agricultural leaders praised his leadership but warned unresolved legal and institutional challenges could affect rural development and food security. Meanwhile, The National Energy Regulator of South Africa (Nersa) approved a redetermination of Eskom's Generation Regulatory Base, raising tariffs to 8.8% for 2026/27 and 2027/28, though rising municipal arrears remain a key risk. Transnet secured R16.1 billion through the Budget Facility for Infrastructure to restore rail and port infrastructure, improve freight efficiency and reduce reliance on costly borrowing.

After registering a value of 3.6% in December 2025, headline inflation for January 2026 was 3.6% (consensus 3.5%). On the same note, the price for Brent crude oil rose by 2.53%, to end the month at \$72.48 per barrel and the Rand appreciated against the Dollar by 1.3% to close at R15.94 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) nudged up by 9.5 index points to reach 50 in January 2026.

In January 2026, U.S. inflation moderated, with annual CPI slowing to 2.4%, supported by base effects and lower energy costs - particularly gasoline and fuel oil, while natural gas rose more gradually. Food and shelter inflation also eased. Core inflation edged down to 2.5% year-on-year but rose 0.3% monthly. The unemployment rate fell slightly to 4.3%, as the labor force expanded. Private-sector activity strengthened. The S&P Global US Composite PMI rose to 53.0, reflecting solid expansion in both manufacturing and services, while the Services PMI climbed to 52.7, marking nearly three years of consecutive growth. Strong domestic demand offset weak foreign sales, supporting modest job gains. Input costs increased due to tariffs, though selling prices rose less. On trade, President Donald Trump extended the African Growth and Opportunity Act for one year, restoring duty-free access for eligible Sub-Saharan African countries. The administration paused several China-focused tech-security measures ahead of an April summit and finalized a U.S.-Taiwan trade deal reducing tariffs and expanding market access, including \$84 billion in purchases through 2029. The U.S. Chair of the Council of Economic Advisers warned that monetary policy may be tighter than necessary, potentially slowing growth, and reiterated that further rate cuts could be warranted given contained inflation.

At its first policy meeting of 2026, the European Central Bank kept interest rates unchanged, with the main refinancing rate at 2.15%, the deposit facility at 2.0% and the marginal lending rate at 2.4%. President Christine Lagarde emphasised heightened uncertainty from global trade and geopolitical tensions, stressing that policy should not rely on single data points. In January 2026, Euro Area annual inflation fell to 1.7%, the lowest since September 2024, aided by a euro above \$1.20. France, Spain and Italy recorded slower inflation, while Germany saw a slight increase. Prices eased for services, processed food, alcohol and tobacco, while energy dropped 4%. Q4 2025 GDP rose 1.3% year-on-year, the slowest pace in a year. Ireland led growth at 6.7%, followed by Spain, Lithuania and Portugal, while Germany, Italy and Finland lagged. Employment rose 0.2% quarter-on-quarter, marking the 19th consecutive quarter of growth, led by Spain (+0.8%), offsetting Germany's decline. Negotiated wages rose 2.95% year-on-year. Private sector trends were mixed; the HCOB Construction PMI fell to 45.3 in January, but the HCOB Composite PMI rebounded to 51.9 in February, driven by stronger manufacturing, new orders, modest services expansion, stable employment and elevated business sentiment.

In January 2026, China's inflation showed mixed signals. Consumer price inflation eased sharply to 0.2% year-on-year, its lowest since October, as food, non-food, housing, and transport costs moderated. Producer prices contracted for the 40th consecutive month, though the annual decline slowed to 1.4%, with monthly prices rising 0.4%, signalling modest upward pressure on production costs. China's private sector expanded further. The RatingDog General Composite PMI rose to 51.6, marking eight consecutive months of growth, with manufacturing and services output and new business accelerating. Firms resumed hiring - easing backlogs. The Services PMI climbed to 52.3, its highest since October, with stable output prices. Input cost inflation persisted but slowed and business sentiment remained positive, though below 2025 averages amid global growth concerns. In February 2026, the People's Bank of China held benchmark lending rates steady at 3.0% (one-year) and 3.5% (five-year), balancing growth support with financial stability. China met its 5% growth target in 2025, driven by exports; however, structural imbalances, trade frictions and geopolitical risks persist. The International Monetary Fund maintained its 2026 growth forecast for the country at 4.5%, citing weak domestic demand and slowing global growth as downside risks.

Domestically, Producer price inflation slowed to 2.2% in January 2026, while annual CPI eased to 3.5% and core inflation rose to 3.4%. Unemployment fell to 31.4% in Q4 2025, marking the second consecutive quarterly decline. Finance Minister Enoch Godongwana tabled the 2026 Budget, aiming to stabilise and gradually reduce the debt-to-GDP ratio through a growing primary surplus, saving R21 billion in debt service over three years. Revenue collections for 2025/26 are projected R28.8 billion higher, enabling a 0.9% GDP surplus and reducing the budget deficit from 4.5% to 3.1% of GDP by 2028/29. Consolidated expenditure will grow 3.9% annually, with capital spending rising fastest at 9.7%. Social spending remains redistributive, and tax brackets and credits are fully inflation-adjusted. President Cyril Ramaphosa delivered the State of the Nation Address, outlining reforms to build a safer, more inclusive and economically dynamic South Africa. He highlighted gains in inflation, employment, fiscal metrics, infrastructure and the end of loadshedding, while noting ongoing challenges including crime, corruption, failing municipalities, water shortages and inequality. The government pledged to intensify efforts against organized crime and gender-based violence, reform state institutions and advance infrastructure, calling for national dialogue and collective action to ensure inclusive growth.

Given the current backdrop, developed market equities remained relatively expensive, despite increased volatility as markets reassessed the pace of global growth and the outlook for monetary policy. While expectations of policy easing provided intermittent support, valuations in several developed markets continued to reflect optimistic earnings assumptions. Emerging market equities, including domestic assets, offered comparatively better value, although dispersion across regions remained elevated. Purchasing power parity (PPP) indicators continue to suggest that the rand is undervalued, providing potential medium-term currency support despite near-term volatility. Against this backdrop, the fund maintained a neutral-overweight equity stance, balancing moderating growth expectations and evolving rate dynamics against persistent geopolitical risks and valuation constraints in developed markets. Locally, the managers remained selective across both equities and bonds, recognizing improved real yield opportunities in fixed income while maintaining flexibility to capitalize on episodic market dislocations. The managers remain vigilant and are well-positioned to capitalize on short-term opportunities arising from market volatility while maintaining a long-term perspective on value and risk-adjusted returns.