



FACT SHEET

INVESTMENT OBJECTIVE

The fund's objective is to outperform the STeFi Composite + 2% over a 36-month rolling period with minimum volatility.

INVESTMENT STRATEGY

This fund seeks out a high level of income which is consistent with the preservation of capital over the medium term. To meet its objective, the fund actively allocates between South African money market instruments, government bonds, corporate bonds and hybrid instruments. Although the fund aims to preserve capital over the medium term, capital depreciation is a possibility over the short term. Quantitative techniques such as the use of derivatives are employed to fine tune strategy and hedge risk factors.

FUND INFORMATION

Fund Classification	South African - Multi Asset - Income
Benchmark	STeFi Composite Index + 2% over a 36-month rolling period
Risk Profile	Conservative
Fund Managers	Fannuel Tigere, Karabo Matsepe
Inception Date	01 June 2017
Fund Size	R335 million
Currency	SA Rands
Administration	Balondolozzi Investment Services
Trustees	Standard Bank
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Compliant

FEES

Initial & Exit Fees	Nil
Total Investment Charge	0.25%
Portfolio TER	0.25%
Management Fees	0.25%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.00%
Vat	15.00%
Pricing	Daily at 17:00

RISK RATIOS

	<i>Fund</i>	<i>Benchmark</i>
Annualised Return	9.29%	7.35%
Sharpe Ratio	1.53	2.21
Sortino Ratio	1.64	N/A
Max Drawdown	-2.00%	N/A
Drawdowns	7	0

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.

Nominal government bonds returned 1.78% (GOVI); vanilla credit bonds delivered 1.46% (OTHl); inflation linked bonds returned 3.5% (CILl); listed property returned 6.29% (SAPY); listed preference shares delivered 1.13% (J251) and cash returned 0.5% as indicated by the STeFi Call Index February 2026. Overall, the ALBI (All Bond Composite Index) returned 1.74% for the month.

During the same period, the yield for the R186 (benchmark bond) fell by -1 basis points to end the month at 6.83%. Concurrently, the R186/R208 spread ticked down by -23 basis points to 147 bps whilst medium-term break-evens widened by 0.24% to 3.51%. Yields for 12-month negotiable certificates of deposits rose by 5.3 bps to close the month at 6.78%. Foreigners bought bonds worth R3.7 billion as bond yields rallied during the month of February 2026.

Overall, the fund delivered 0.75% for the month against the benchmark return of 0.56%. The fund outperformed due to holdings in longer dated fixed instruments as the bond yield curve flattened this month. Cash returns were positive for the month at 0.64% outperforming the STeFi call index of 0.50%. While bonds contributed positively for the month at 1.22%. The fund currently does not have property exposure. The duration of the fund is 0.94.

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.

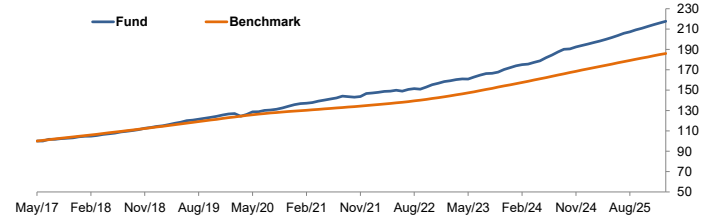
Themba Rikhotso, CEO of Land Bank, has resigned after serving since April 2023. During his tenure, he steered the institution through a critical stabilisation phase, concluding a liability solution with lenders supported by the National Treasury. His departure coincides with legal uncertainty over the bank's authority to pursue farmer liquidations, now before the Supreme Court of Appeal. While agricultural leaders commended his leadership, concerns persist that unresolved legal and institutional challenges could threaten rural development and food security. National Energy Regulator of South Africa (Nersa) has approved a redetermination of Eskom Generation's Regulatory Asset Base, granting additional allowable revenue following a December 2025 High Court ruling. Consequently, tariff increases for 2026/27 and 2027/28 will rise to 8.8%, enabling the recovery of R12 billion and R23 billion in those years. Despite this support, escalating municipal arrears debt remains the principal long-term risk to Eskom's financial sustainability. Transnet has secured R16.1 billion in Budget support to rehabilitate strategic rail and port infrastructure, with funding approved through the Budget Facility for Infrastructure. Finance Minister Enoch Godongwana said the investment aims to ease logistics bottlenecks, strengthen exports and encourage private-sector participation while retaining state ownership. CEO Michelle Phillips noted the allocation will reduce reliance on costly borrowing and address derailments, locomotive failures and cable theft that have significantly reduced freight volumes.

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 labour 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.

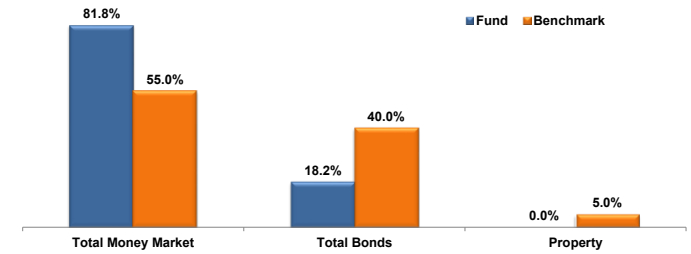
PERFORMANCE (Gross of fees)

	<i>Fund</i>	<i>Benchmark</i>
Feb-26	0.75%	0.56%
Year to Date	1.52%	1.18%
Rolling 12 months	10.57%	8.09%
Return p.a. since inception	9.29%	7.35%
Return since inception	117.63%	85.99%
Highest Rolling 1-year Return	14.18%	9.41%
Lowest Rolling 1-year Return	5.06%	4.16%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



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, falling 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.

Global central banks maintained a cautious tone at the start of 2026. In the United States, the Chair of the Council of Economic Advisers cautioned that monetary policy may be tighter than necessary, potentially weighing on economic growth, and indicated that further rate cuts could be appropriate given contained inflation dynamics. In South Africa, economists expect the SARB to deliver at least two additional 25-basis-point rate cuts in 2026, with the first anticipated in March. A further 25-basis-point cut remains possible should the inflation trajectory remain favourable, as inflation trends towards and stabilises around the 3.0% target. In South Africa, forward rate agreements (FRAs) continue to trend lower, pricing in an additional 50 bps cut over the next 12 months. Breakeven rates on short-dated bonds remain subdued. As a result, the fund will continue to seek opportunities to invest in inflation-linked bonds where valuations are attractive. With credit spreads tightening, the fund will prioritize maintaining exposure to high-quality issuers, benefiting from the yield pick-up while minimizing the risks associated with lower-rated credits.