

**FACT SHEET**
**INVESTMENT OBJECTIVE**

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

**INVESTMENT STRATEGY**

This is a Domestic Asset Allocation Fund that blends strategies employed in the Balondolozzi Money Market, Bonds, and Index Equity Funds. The equity benchmark is the FTSE JSE TOP40 Index, the bond benchmark is the All Bond Index (ALBI), the property benchmark is the South Africa Listed Property Index (SAPY), and the cash benchmark is STeFi Call.

**FUND INFORMATION**

Fund Classification	South African - Multi Asset - Medium Equity
Benchmark	CPI + 3%
Risk Profile	Moderately Conservative
Fund Managers	Fannuel Tigere, Sandelee van Wyk, Karabo Matsepe, Sindsive Mahlangu
Inception Date	01 April 2012
Fund Size	R154 million
Currency	SA Rands
Administration	Balondolozzi Investment Services (Pty) Ltd
Trustees	Standard Bank
Regulator	Financial Services Regulatory Authority (FSRA)
Regulation 28	Compliant

**FEES**

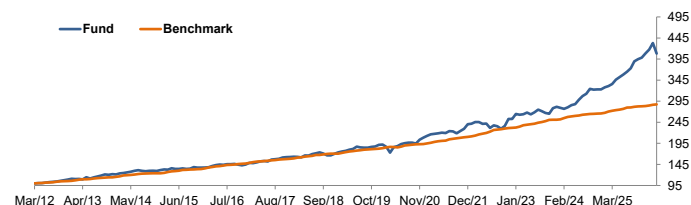
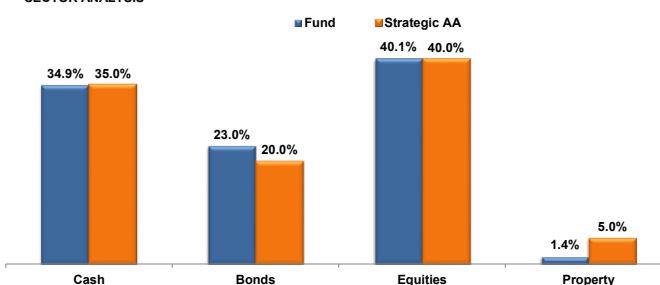
Initial & Exit Fees	Nil
Total Investment Charge	0.08%
Portfolio TER	0.08%
Management Fees	0.06%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.01%
Vat	15.00%
Pricing	Daily at 17:00

**RISK RATIOS**

	<i>Fund</i>	<i>Benchmark</i>
Annualised Return	10.57%	7.63%
Sharpe Ratio	0.66	1.23
Sortino Ratio	0.67	4.39
Max Drawdown	-7.35%	-0.47%
Drawdowns	47	5

**PERFORMANCE (Gross of fees)**

	<i>Fund</i>	<i>Benchmark</i>
Mar-26	-5.77%	0.25%
Year to Date	-0.11%	1.39%
Rolling 12 months	21.51%	5.52%
Return p.a. since inception	10.57%	7.83%
Return since inception	307.99%	187.41%
Highest Rolling 1-year Return	30.86%	10.81%
Lowest Rolling 1-year Return	-2.43%	4.93%

**GROWTH OF R100 INVESTED AT INCEPTION**

**SECTOR ANALYSIS**


Global growth at the start of 2026 remains resilient but uneven across regions, as escalating geopolitical tensions (particularly the Iran conflict and disruption in the Strait of Hormuz) pose material downside risks. The resulting rise in energy prices is adding inflationary pressure, prompting major central banks to hold policy rates steady while assessing uncertainty and potential prolonged supply-side shocks.

Equities returned -10.85% (FTSE/JSE Top 40); nominal bonds delivered -6.83% (ALBI); inflation linked bonds returned -5.73% (CIL) and cash returned 0.57% as indicated by the STeFi Call Index in March 2026. Within equities; the financial services sector delivered -9.79% (FINI 15), the industrial sector -5.02% (INDI 25) and the resources sector -16.52% (RESI 20).

During the same period; near term volatilities ticked up by +9.5% (SAVI) to 27.28% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 edged lower by -1.5 points to close at 15.8. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.63%.

Overall, the fund delivered -5.77% for the month. The cash strategy returned 0.76%; equities in the fund returned -11.27% and bonds returned -4.64%. Property exposure returned -6.74% for the month. Cash outperformed, supported by high-yielding, shorter-dated non-bank fixed-term deposits. There is currently value in floating instruments as the SARB's interest trajectory has been revised and interest rate hikes have been priced in. Bonds outperformed due to sector allocation and property outperformed the overall property benchmark as the underperformance from Vukile was offset by the outperformance from Nepi Rockcastle and MAS Real Estate.

In March, Balondolozzi participated in proxy voting for Vukile Property Fund (VKE) and Pan African Resources (PAN), supporting all resolutions. VKE sought approval for director control over unissued shares following a R2.65 billion capital raise funding strategic acquisitions and preserving flexibility for European opportunities. PAN's resolutions focused on capital management, including using profits for the 2024 dividend and cancelling the share premium to strengthen reserves. Dividend reinvestment plans were offered by BHP (BHG), Anglo American (AGL), Hammerson (HMN), and Mondi (MNP), while Lighthouse Properties (LTE) and NEPI Rockcastle (NRP) provided cash or scrip/dividend options. MAS (MSP) launched a voluntary Dutch auction tender. For all corporate actions, default cash or "no action" options were selected.

Transnet faced scrutiny over rising debt, weak governance and audit concerns, yet FY26 results showed operational improvement: rail volumes rose 5%, revenue increased 9% YTD to R82.7 billion and EBITDA surged 41%, aided by settlements and concessions. LandBank appointed Jabu Mphambo as acting CEO, focusing on operational continuity, farmer support and blended finance initiatives. Eskom's Q3 FY26 results showed 3.4% revenue growth despite a 12.74% tariff increase, constrained by lower sales volumes, while municipal arrears rose to R110 billion, with progress made through court-approved repayment plans.

After registering a value of 3.5% in January 2025, headline inflation for February 2026 was 3% (consensus 3.5%). On the same note, the price for Brent crude oil rose by 63.29%, to end the month at \$118.35 per barrel and the Rand depreciated against the Dollar by -6.31% to close at R16.94 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -1.3 index points to reach 47.4 in February 2026.

Economic data from the US point to an economy that is still expanding but facing mixed signals from prices and activity. The Federal Reserve kept the federal funds rate unchanged at 3.5%-3.75% in March for a second consecutive meeting, as expected, and slightly raised its 2026 growth forecast to 2.4% from 2.3%. Headline inflation has continued to ease, with the annual CPI rate holding at 2.4% in February, and close to the Fed's 2% goal, but producer price data show that underlying cost pressures are not yet fully resolved, with core PPI up 0.5% for the month. At the same time, the Manufacturing PMI rose to 52.4 in March, supported by stronger new orders and stabilising export demand, while the Services PMI slipped to 51.1, indicating the softest pace of expansion in nearly a year as weaker demand, margin pressures and geopolitical uncertainty weighed on hiring and confidence. Overall, while the Fed continues to signal a gradual easing path, the risk of energy-driven inflation from disruptions in the Strait of Hormuz alongside softening demand dynamics raises the prospect of a more stagflationary backdrop, leaving policy increasingly constrained and reactive.

Growth in the Euro Area remains positive but subdued as the region continues to face renewed external price pressures from energy. More recently, inflation has increased above the European Central Bank's target, with the annual rate rising to 2.5% in March from 1.9% in February, the highest since January 2025, driven mainly by a 4.9% jump in energy prices linked to the Middle East conflict. Business surveys show a clear split between sectors with the Manufacturing PMI climbing to 51.4 in March, the strongest pace of expansion in almost four years, supported by rising orders and a rebound in purchasing activity, but also accompanied by renewed supply chain delays, falling inventories and higher input costs, while the Services PMI fell to 50.1, signalling near stagnation as weaker demand and rising cost pressures weighed on activity. The ECB faces a challenging trade-off between fragile growth and re-emerging inflation risks and is likely to remain cautious about policy easing.

China entered 2026 with preliminary signs of stronger near-term activity but ongoing structural challenges. Headline CPI inflation increased to 1.3% in February from 0.2% in January, mainly reflecting Lunar New Year related price increases, and the CPI index itself rose to 104.90 from 103.90. Despite this, the People's Bank of China kept the one year and five-year Loan Prime Rates unchanged at 3.0% and 3.5% respectively for a tenth straight month, signalling a preference for stability as it balances higher oil prices and geopolitical risks against a lower 2026 growth target of 4.5%-5%. Retail sales grew by 2.8% year on year in the first two months of 2026, up from 0.9% in December and above expectations, while the official NBS Manufacturing PMI returned to expansion at 50.4 in March, its strongest reading since March 2025, supported by early year fiscal measures and resilient AI related exports. However, input and output price indices within the PMI have surged to four-year highs on the back of higher oil and metal prices, and the economy still faces challenges from a weak property sector, cautious hiring, soft sentiment, and ongoing trade frictions. As a result, the recovery appears to be improving in the near term but remains vulnerable to both domestic and external shocks.

South Africa's latest data show an improving inflation picture but continued pressure on real activity. Annual CPI inflation fell to 3.0% in February, its second consecutive decline and the lowest rate since June 2025, although higher global oil prices and the March fuel price increases are likely to push inflation higher again in the near term. In response to the shock from the Iran war and surging oil prices, the government announced a temporary reduction of the general fuel levy by R3 per litre in April to cushion households and businesses, partly offsetting the impact of higher pump prices. Against this backdrop, the SARB kept the repo rate unchanged at 6.75% at its March meeting and now expects headline inflation to rise to around 4% in the second quarter before easing back towards 3% by late 2027, with only one rate cut anticipated over the forecast period. The trade surplus widened sharply to ZAR 36.9 billion in February, pointing to firm export performance, but the Absa PMI remained in contractionary territory at 47.4 amid weak demand, port delays and localised power outages, even though the expectations component improved. Risks of stagflation rise as higher energy costs strain growth despite moderating inflation.

At the end of March, developed market equities remained expensive amid heightened volatility from shifting monetary policy expectations, geopolitical tensions, and commodity price swings. Rising oil prices, driven by Middle East conflicts and supply-side constraints, added inflation uncertainty and reinforced market sensitivity, prompting frequent repricing of risk assets as investors assessed global growth and potential rate cuts.

Emerging market equities, including domestic assets, offered more attractive valuations, though performance varied due to uneven growth, China-related uncertainty, and differing exposure to global liquidity conditions. Purchasing power parity (PPP) signals suggest the rand is undervalued, providing potential medium-term currency support, although near-term performance remains tied to global risk appetite, commodity volatility, and capital flows.

Against this backdrop, the fund maintained a neutral-to-slightly overweight equity stance. This positioning balances moderating global growth and evolving interest rate dynamics with persistent geopolitical and valuation risks offshore. It allows the fund to capitalize on opportunities in emerging and domestic markets, where relative value is stronger, while managing offshore exposure.

Fund managers remain vigilant, seeking to capture short-term volatility-driven opportunities while preserving a long-term focus on value, diversification, and risk-adjusted returns across both local and global allocations.