

FACT SHEET
INVESTMENT OBJECTIVE

The fund seeks to outperform the MSCI All Country World Index (ACWI) Index by 1% per annum.

INVESTMENT STRATEGY

The objective of a portable alpha strategy is to generate returns more than a specific market index over a market cycle. The portable alpha strategy effectively separates the returns of a preferred index, or beta, and the returns of an alpha-seeking strategy, or alpha. This separation allows the returns of the alpha component to be "ported" on top of whatever market index exposure is desired by a portfolio.

FUND INFORMATION

| | |
|---------------------|--|
| Fund Classification | Worldwide - Multi Asset - High Equity |
| Benchmark | MSCI All Country World Index (ACWI) |
| Risk Profile | Aggressive |
| Fund Managers | Fannuel Tigere, Karabo Matsepe |
| Inception Date | 01 December 2021 |
| Fund Size | R1 billion |
| Currency | SA Rands |
| Administration | Balondolozzi Investment Services (Pty) Ltd |
| Trustees | ABSA |
| Regulator | Financial Sector Conduct Authority (FSCA) |
| Regulation 28 | Not Applicable |

FEES

| | |
|-------------------------|----------------|
| Initial & Exit Fees | Nil |
| Total Investment Charge | 0.03% |
| Portfolio TER | 0.03% |
| Management Fees | 0.03% |
| 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 | 13.93% | 12.09% |
| Sharpe Ratio | 0.46 | 0.34 |
| Sortino Ratio | 0.93 | 0.64 |
| Max Drawdown | -7.77% | -8.45% |
| Drawdowns | 22 | 23 |

FUND COMMENTARY

In April 2026, global markets were marked by heightened uncertainty and cautious sentiment amid geopolitical tensions and mixed data. Equities were volatile but resilient, supported by strong technology earnings and increased defensive positioning. Oil prices showed sharp volatility due to Middle East supply concerns, fuelling inflation worries. Overall sentiment remained risk-aware, with investors balancing resilience against persistent global instability.

Equities returned 1.56% (FTSE/JSE Top 40); S&P 500 delivered 10.42% (in rand terms); MSCI EM Equities delivered 14.53% (in rand terms); listed property returned 5.4% (SAPY); nominal bonds delivered 3.27% (ALBI); inflation linked bonds returned 4.32% (CILI) and cash returned 0.53% as indicated by the STeFI Call Index in April 2026.

During the same period; the yield for the R186 (benchmark bond) rose by +4 basis points to end the month at 7.69% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 edged lower by -0.86 points to close at 14.94. Concurrently, the near-term volatilities ticked down by -2.16% (SAVI) to 25.12% whilst medium-term break-evens widened by +0.32% to 4.71%. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.7%. Foreigners bought assets worth +R3 billion as markets sold off during the month of April 2026. □

Overall, the funds delivered 8.20% for the month, lower than the benchmark returns of 8.28% resulting in an alpha of -0.08%. Fixed income enhancements added 0.23%, while the timing differences between the benchmark and futures contributed 0.19%, with interaction resulting in the remainder. In US dollars, the fund delivered 9.89% compared to 10.03% of the benchmark as the dollar weakened 1.62% against the rand for the month.

After registering a value of 3% in February 2026, headline inflation for March 2026 was 3.1% (consensus 3.1%). On the same note, the price for Brent crude oil fell by -3.67%, to end the month at \$114.01 per barrel and the Rand appreciated against the Dollar by 1.59% to close at R16.67 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) nudged up by 1.6 index points to reach 49 in March 2026.

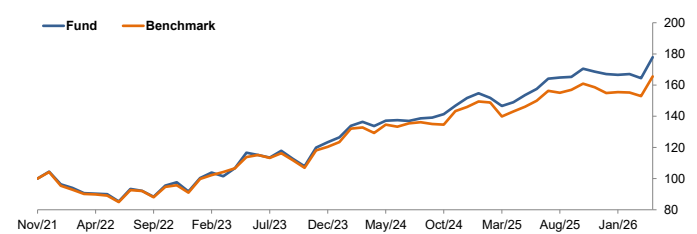
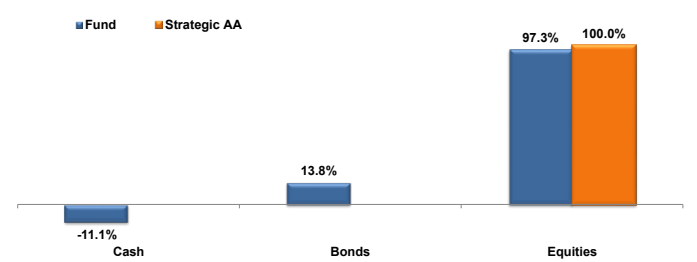
During the month of April, Balondolozzi participated in several proxy voting sessions, including those of Anglo American (AGL) within the industrial metals and mining sector and British American Tobacco (BT) in the tobacco industry. In total, 123 resolutions were presented for consideration, of which we supported 87%. The resolutions we did not support primarily related to the disapplication of pre-emption rights. While companies sought approval to issue a limited number of shares, these proposals allowed for such issuance without first offering shares to existing shareholders in proportion to their current holdings. This approach introduces the risk of diluting the ownership interests and economic rights of existing shareholders.

The U.S. economy navigated a complex environment in April 2026, balancing resilient growth against emerging inflationary pressures linked to geopolitical tensions. GDP expanded at an annualised rate of 2.0% in the first quarter, rebounding from a fourth quarter impacted by a government shutdown. However, growth fell short of expectations due to softer consumer spending. Labour market conditions remained exceptionally tight. The Federal Reserve maintained its policy rate at 3.75%, opting to hold rates steady despite rising inflation risks. This decision followed a surge in fuel prices to their highest levels since 2022, driven by escalating tensions involving Iran. National Economic Council Director Kevin Hassett cautioned against tightening monetary policy in response to what may be a temporary energy shock. President Donald Trump maintained a naval blockade of Iranian ports, contributing to elevated oil prices amid limited progress toward a diplomatic resolution. The administration also explored measures to boost domestic oil production in the near term, working closely with producers to offset potential supply disruptions.

The Eurozone economy faced rising inflation and increased uncertainty in April 2026, prompting debate among policymakers regarding the appropriate monetary response.

PERFORMANCE (Gross of fees)

| | <i>Fund</i> | <i>Benchmark</i> |
|-------------------------------|-------------|------------------|
| Apr-26 | 8.20% | 8.28% |
| Year to Date | 6.45% | 6.87% |
| Rolling 12 months | 19.41% | 15.69% |
| Return p.a. since inception | 13.93% | 12.09% |
| Return since inception | 77.88% | 65.56% |
| Highest Rolling 1-year Return | 34.92% | 35.54% |
| Lowest Rolling 1-year Return | -12.15% | -12.68% |

GROWTH OF R100 INVESTED AT INCEPTION

SECTOR ANALYSIS


Headline inflation rose to 3.0% year-on-year, largely driven by higher energy prices linked to the Middle East crisis. The European Central Bank held its deposit rate at 2.0%, although this decision followed extensive internal discussions. President Christine Lagarde noted that policymakers had "debated at length and in depth" the possibility of a rate hike but ultimately decided unanimously to keep rates unchanged. Economic growth remained uneven across member states. Spain outperformed the broader Euro Area, with GDP expanding by 0.6% in the first quarter, supported primarily by strong household consumption. Despite the uncertain macroeconomic backdrop, European equity markets performed well, recording a 4.8% gain in April, its strongest monthly performance since January 2025.

China continued to pursue strategic economic initiatives in April 2026, focusing on trade expansion, technological development, and managing complex relations with the United States. The country announced a zero-tariff policy for 53 African nations, effective from May, expanding coverage from the previous 33 least-developed countries. The policy excludes Eswatini due to its diplomatic ties with Taiwan. Inflation moderated, with annual CPI easing to 1.0% in March 2026 from 1.3% in February, falling below market expectations. Food price inflation slowed significantly, particularly in fresh produce, while pork prices declined further. Non-food inflation remained relatively stable, with moderate increases in categories such as clothing, healthcare, and education. Transport costs rebounded, while housing costs continued to decline slightly. Core inflation eased to 1.1% year-on-year, indicating subdued underlying price pressures. On a monthly basis, CPI declined by 0.7%, marking the first contraction since November. In response to rising global oil prices, China introduced controls on domestic fuel prices to cushion households and businesses.

South Africa's economy in April 2026 was characterised by fiscal resilience, energy-related trade disruptions, and evolving political dynamics ahead of local elections. The South African Reserve Bank maintained the policy rate at 6.75%, following its most recent adjustment in March, as it balanced inflation risks stemming from global energy price shocks. Trade data reflected the impact of Middle East tensions, with South Africa recording a preliminary trade surplus of R31.9 billion in March, narrowing slightly from a revised R35.9 billion in February. Imports of fuel surged particularly from the United States as disruptions in the Strait of Hormuz constrained traditional supply routes. Elevated prices for precious metals, along with strong vehicle exports, helped sustain the trade surplus. Fiscal indicators presented a mixed picture, with the budget deficit widening to R45.6 billion in March, exceeding expectations. However, analysts at Goldman Sachs noted improved fiscal performance for the 2025/26 financial year, supported by stronger-than-expected revenue. Inflation expectations increased, with the 10-year breakeven rate rising to 4.95% in April, reflecting growing concerns about future price pressures. Bond markets signalled caution, suggesting the possibility of further monetary tightening. President Cyril Ramaphosa announced that municipal elections will be held on 4 November, marking a significant test of voter support for the ANC following its loss of an outright majority in the 2024 elections and subsequent role in a coalition government.

To enhance risk-adjusted returns, the fund continues to employ a portable alpha strategy, decoupling yield generation from market-directional risk. High-quality credit spreads (alpha) will be the primary source of excess return, while equity market exposure (beta) will be passively obtained via futures. Given the SARB's decision to hold rates in their March 2026 accompanied by a cautious and data dependent policy stance, the market has revised the interest rate trajectory and is pricing in interest rate hikes. Alpha can be systematically ported from alternative exposures, such as inflation-linked bonds (where real yields compensate for depressed breakeven), that offer better relative value. Inflation-linked bonds serve as a dual role: they provide uncorrelated alpha potential from mispriced inflation expectations while acting as a hedge against stagflationary beta shocks in a volatile market. Through this framework, the fund targets pure alpha from credit selection and relative fixed income value, while dynamically managing its beta through futures/total return swaps.