

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	R300 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	0.03%
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

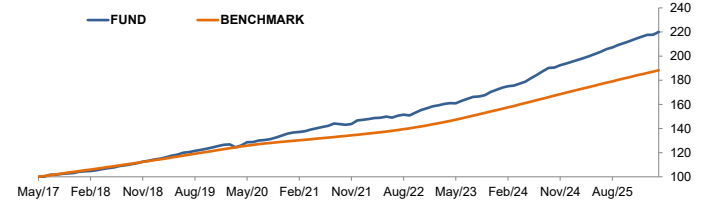
RISK RATIOS

	Fund	Benchmark
Annualised Return	9.25%	7.36%
Sharpe Ratio	1.50	2.22
Sortino Ratio	1.61	N/A
Max Drawdown	-2.00%	0.00%
Drawdowns	7	0

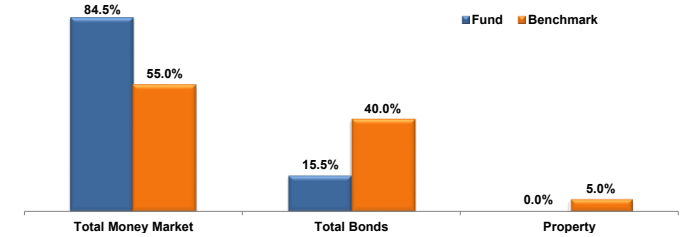
PERFORMANCE (Gross of fees)

	Fund	Benchmark
Apr-26	1.10%	0.60%
Year to Date	2.65%	2.43%
Rolling 12 months	10.04%	7.94%
Return p.a. since inception	9.25%	7.36%
Return since inception	120.06%	88.31%
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



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.

Nominal government bonds returned 3.38% (GOVI); vanilla credit bonds delivered 2.55% (OTHI); inflation linked bonds returned 4.32% (CIL); listed property returned 5.4% (SAPY); listed preference shares delivered -0.72% (J251) and cash returned 0.53% as indicated by the STeFi Call Index April 2026. Overall, the ALBI (All Bond Composite Index) returned 3.27% for the month.

During the same period; the yield for the R186 (benchmark bond) rose by 4 basis points to end the month at 7.69%. Concurrently, the R186/R208 spread ticked down by -32 basis points to 117 bps 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 bonds worth R3 billion as bond yields sold off during the month of April 2026.

Overall, the fund delivered 1.10% for the month against the benchmark return of 0.60%. The fund outperformed due to holdings in longer dated fixed instruments as the bond yields rallied this month. Cash returns were positive for the month at 0.75% outperforming the STeFi call index of 0.53%. While bonds contributed positively for the month at 2.78%. The fund currently does not have property exposure. The duration of the fund is 0.71.

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.

Transnet Port Terminals will introduce a new fuel-linked container handling surcharge as geopolitical disruptions push up port operating expenses and add pressure to South Africa's trade and logistics sectors. Ahead of the 2026 citrus export season, Transnet reports readiness following 22% increase in volumes last year, supported by 27/4 operations, enhanced refrigerated capacity, improved vessel scheduling and contingency planning across major coastal terminals - backed by R9 billion in infrastructure investment. The citrus sector remains critical, generating over R39 billion in export earnings in 2025. Eskom reported a stronger system outlook for winter 2026, supported by improved plant performance, lower demand and a reduction in unplanned outages to 22.88%, with no load shedding since May 2025 and expectations of continued stability if losses remain below 14,000MW. Separately, Eskom has reached a provisional 62c/kWh tariff agreement with Samancor Chrome and the Glencore-Merare Chrome Venture under negotiated pricing arrangements, pending approval by National Energy Regulator of South Africa, aimed at stabilising demand from energy-intensive users, which have contributed to a 5.7% decline in electricity sales volumes.

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 Ram Hoassett 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. 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.

Globally central banks continue to take a wait-and-see approach, by maintaining stable interest rates due to the increased inflationary concerns and economic uncertainties brought on by the crisis between the United States, Israel, and Iran. Major central banks, such as the Bank of England and the Federal Reserve, held rates to assess how fluctuations in energy prices affected inflation. Due to inflation risks associated with international conflict, the South African Reserve Bank (SARB) is under pressure as of late March/April 2026 to raise interest rates in May 2026, possibly by 25 to 50 basis points. In order to maintain the new 3% inflation objective, recent market indications point to a shift toward a tightening cycle, despite earlier estimates suggesting a cutting cycle. The FRA's are currently pricing in three 25 basis point interest rate hikes through November 2026, with an additional hike potentially in May, signalling a significant shift to a higher interest rate outlook. 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.