BALONDOLOZI GLOBAL EQUITY FUND | **May 31, 2026**

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	R1393 million
Currency	SA Rands
Administration	Balondolozi Investement Services (Pty) Ltd
Trustees	ABSA
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Not Applicable

FEES

Initial & Exit Fees	Nil
Total Investment Charge	15.00%
Portfolio TER	15.00%
Management Fees	*0.30%*
Transaction Costs	*0.00%*
Audit Fees	*0.00%*
Other Costs	*0.00%*
Vat	*15.00%*
Pricing	Daily at 17:00

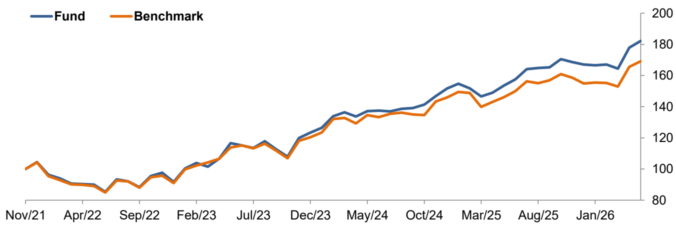
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	14.26%	12.39%
Sharpe Ratio	0.48	0.37
Sortino Ratio	0.97	0.68
Max Drawdown	-7.77%	-8.45%
Drawdowns	22.00	23.00

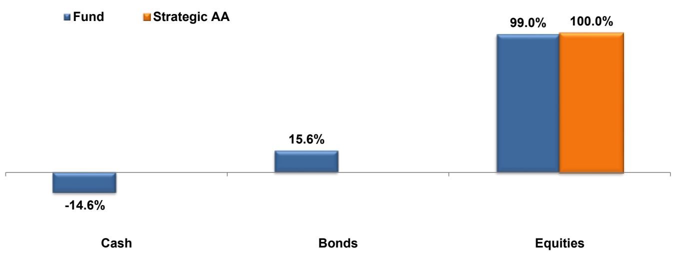
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
May-26	2.43%	2.18%
Year to Date	9.04%	9.19%
Rolling 12 months	18.65%	15.78%
Return p.a. since inception	14.26%	12.39%
Return since inception	82.21%	69.16%
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



FUND COMMENTARY

Global markets in May 2026 remain shaped by geopolitical tensions, rising inflation, and uneven growth. The Middle East conflict continues to affect energy prices and economic sentiment, while major economies face mixed inflation and growth trends.

Equities returned -0.2% (FTSE/JSE Top 40); S&P 500 delivered 5.15% (in rand terms); MSCI EM Equities delivered 9.5% (in rand terms); listed property returned 0.62% (SAPY); nominal bonds delivered 2.91% (ALBI); inflation linked bonds returned 0.65% (CILI) and cash returned 0.52% as indicated by the STeFi Call Index in May 2026.

During the same period; the yield for the R186 (benchmark bond) fell by -16 basis points to end the month at 7.53% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 edged lower by-0.09 points to close at 14.86. Concurrently, the near-term volatilities ticked down by -1.58% (SAVI) to 23.54% whilst medium-term break-evens tightened by -0.48% to 4.23%. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.63%. Foreigners bought assets worth +R1.6 billion as markets rallied during the month of May 2026.

Overall, the fund delivered 2.43% for the month, higher than the benchmark return of 2.18% resulting in an alpha of 0.25%. Fixed income enhancements added 0.07%, while the timing differences between the benchmark and futures contributed 0.26%, with interaction resulting in the remainder. In US dollars, the fund delivered 5.26% compared to 4.98% of the benchmark as the dollar weakened 2.75% against the rand for the month.

After registering a value of 3.1% in March 2026, headline inflation for April 2026 was 4% (consensus 4%). On the same note, the price for brent crude oil fell by -19.26%, to end the month at $92.05 per barrel and the Rand appreciated against the Dollar by 2.67% to close at R16.23 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) nudged up by 3.6 index points to reach 52.6 in April 2026.

During May, Balondolozi participated in several proxy voting sessions across multiple sectors, primarily in resources companies such as Valterra Platinum (VAL), Gold Fields (GFI) and Kumba Iron Ore (KIO). A total of 403 resolutions were tabled for consideration, of which 95% were supported, reflecting strong alignment with shareholder proposals. Among the resolutions opposed was the reappointment of external auditors. Although Deloitte has the expertise, capacity and technical capability to execute its mandate effectively, concerns were raised regarding its prolonged tenure as auditor of Glencore (GLN). The firm has held this role for 15 consecutive years, including prior renewals and reappointments. We noted that such an extended audit relationship may compromise auditor independence and objectivity.

In the United States, the economic and policy landscape continues to be heavily influenced by the conflict with Iran, now entering its third month. Although a ceasefire was reached last month, it remains highly fragile, with both Washington and Tehran continuing to accuse one another of repeated violations. Tensions escalated again during the final week of May, when US forces carried out a second round of strikes against Iranian military targets. Consumer inflation rose to 3.8% in April, exceeding the 3.7% consensus forecast. First-quarter 2026 GDP growth was revised down to an annualized 1.6% from the initial estimate of 2.0%, reflecting weaker consumer spending and softer investment activity, partly attributed to the economic fallout from the Middle East conflict. The Federal Reserve's preferred inflation measure, the Personal Consumption Expenditures (PCE) price index, climbed to 3.8% in April, its highest level since May 2023. Nonfarm payrolls increased by 115,000 in April, outperforming expectations of 65,000, although still slowing from the revised 185,000 gain recorded in the prior month.

The Euro Area continues to exhibit a mixed economic picture, with modest growth, stable inflation, and diverging sector performance. Manufacturing remains in expansion, with the S&P Global Manufacturing PMI at 52.2 in April, while services and the composite PMI have slipped into contraction territory, highlighting ongoing weakness in domestic demand. GDP growth remains subdued at 0.8% year-on-year, while inflation has stabilized, with headline CPI holding at 3.0% and core inflation at 2.2%.

The growth outlook has become increasingly clouded by the ongoing Iran conflict and its impact on energy markets. ECB Vice President Luis de Guindos noted that while inflation reacts relatively quickly to rising energy costs, the adverse effects on growth are likely to emerge more gradually, presenting policymakers with a difficult balancing act. At the national level, German economic advisers have nearly halved their 2026 growth forecast to 0.5%, citing geopolitical tensions and US trade policy uncertainty as key headwinds. Overall, while inflation remains broadly contained and confidence indicators are stabilizing, the Euro Area faces mounting downside risks to growth amid heightened geopolitical and external uncertainties.

China's economic performance continues to reflect a divergence between strong external demand and weak domestic activity. Trade data remained a bright spot, with exports surging to 14.1% in April from 8.4%, significantly exceeding expectations. Retail sales rose just 0.2% year-on-year, far below forecasts. Inflation remains relatively subdued, with CPI at 1.2% , although producer prices accelerated sharply to 2.8%, suggesting rising upstream cost pressures. The broader growth outlook remains stable, with consensus forecasts pointing to GDP growth of 4.6% in 2026 and second-quarter growth expectations revised slightly higher to 4.7% year-on-year. The external trade environment is also showing signs of improvement, as China and the United States have agreed in principle to discuss a framework for reciprocal tariff reductions. While US tariffs on Chinese goods are expected to remain structurally higher than those applied to other trading partners, the prospect of selective tariff relief could provide some support to export-oriented sectors. Overall, China's outlook remains supported by external demand, though domestic weaknesses persist.

South Africa's economic backdrop in May is defined by a tension between improving fiscal credibility and mounting inflationary pressure. Moody's revised the country's credit outlook to positive from stable, affirming the Ba2 rating (two notches below investment grade), citing gradually strengthening fiscal performance and sustained commitment to structural reforms. Producer price inflation (PPI) accelerated sharply to a two-year high of 4.8% year-on-year in April, up from 2.3% in March. The increase was driven primarily by higher prices in coke, petroleum as well as food products and beverages. Consumer price inflation (CPI) also increased, rising to 4.0% year-on-year in April from 3.0% in March. In response to these developments, as widely expected, the South African Reserve Bank (SARB) raised the policy interest rate by 25 basis points to 7% and revised its inflation outlook higher. The Bank increased its forecast for average CPI inflation in 2026 to 4.4% from 3.7%, citing higher oil price assumptions, recent flooding in three provinces, and renewed pressure on food prices. SARB now expects average CPI inflation of 3.7% in 2027, up from 3.3%. Meanwhile, the Bank lowered its economic growth forecast for 2026 to 1.2% from 1.4%, while projecting GDP growth of 1.7% in 2027 and 1.9% in 2028.

Broadly speaking, inflationary pressures are building while risks to economic growth remain skewed to the downside. As a result, the likelihood of the economy reverting to a stagflationary environment - characterised by slowing growth and rising inflation - has increased.

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 increase rates to 7% in May 2026 amid heightened inflationary pressures and a more cautious policy stance, the market has revised the interest rate trajectory and is pricing in a prolonged period of elevated rates, 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.