



BALONDOLOZI EQUITY FUND

July 31, 2026

FACT SHEET

INVESTMENT OBJECTIVE

The fund seeks to outperform the FTSE/JSE Capped All Share Index by 1% per annum over a rolling 3 year period.

INVESTMENT STRATEGY

The fund aims to generate in excess of 1% above the benchmark returns on a consistent long-term basis through both top down and bottom up analysis. The Fund uses a four factor model, namely: Macro-Economic Model, a Fundamental Accounting Value Model, a Behavioural Model, and a Technical Analysis Model. The models are blended to ensure consistency of performance and lower fund volatility versus the benchmark.

FUND INFORMATION

Fund Classification	South African - Equity - General
Benchmark	FTSE/JSE Capped All Share Index
Risk Profile	Aggressive
Fund Managers	Fannuel Tigere, Sandelee Van Wyk
Inception Date	01 November 2018
Fund Size	R1159 million
Currency	SA Rands
Administration	Balondolozzi Investment Services (Pty) Ltd
Trustees	Nedbank
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Compliant

FEES

Initial & Exit Fees	Nil
Total Investment Charge	0.05%
Portfolio TER	0.05%
Management Fees	0.04%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.01%
Vat	15.00%
Pricing	Daily at 17:00

RISK RATIOS

	Fund	Benchmark
Annualised Return	12.65%	12.35%
Sharpe Ratio	0.39	0.38
Sortino Ratio	0.53	0.50
Max Drawdown	-15.57%	-16.69%
Drawdowns	36	35

FUND COMMENTARY

Global growth remains resilient but uneven, with activity still expanding but increasingly shaped by volatile energy prices and geopolitical risk. The conflict in the Middle East, intermittent ceasefires and disruptions to shipping have become key drivers of both inflation and sentiment, feeding through to fuel and transport costs. Markets have shifted from expecting broad-based rate cuts to pricing in the risk that major central banks will instead need to hike later this year.

Equities returned 1.18% (FTSE/JSE Capped All Share); nominal bonds delivered -1.38% (ALBI); inflation linked bonds returned -0.21% (CIL) and cash returned 0.57% as indicated by the STeFi Call Index in July 2026. Within equities; the financial services sector delivered 1.17% (FINI 15), the industrial sector 0.54% (INDI 25) and the resources sector 2.23% (RESI 20).

During the same period; near term volatilities ticked down by -2.1% (SAVI) to 22.08% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Capped Top 40 edged lower by -3.48 points to close at 28.22. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.67%.

The fund returned 1.28% against the benchmark of 1.18% (FTSE/JSE Capped All Share) resulting in a positive alpha of 0.10% for the month.

Market sentiment improved during July, with the local equity market recovering from the weakness experienced in the previous month. The FTSE/JSE Capped All Share Index advanced 1.18%, supported by broad-based gains across the major sectors. The resource sector led the gains, benefiting from firmer precious and industrial metal prices, while the financial and industrial sectors also closed the month in positive territory. Underweight positions in diversified miner African Rainbow Minerals and apparel retailers The Foschini Group and Truworths contributed positively to performance. Conversely, the portfolio's underweight position in British American Tobacco detracted from performance for the month of July.

During the month of July, Balondolozzi exercised its active ownership responsibilities by participating in the annual general meetings of Vodacom (VOD), Ninety-One (NY1 & N91), Datatec (DTC), AngloGold Ashanti (ANG), Raubex (RBX), Boxer (BOX), Capitec (CPI) and Dis-Chem Pharmacies (DCP). While all ordinary and special resolutions were passed by the requisite majority shareholders, Balondolozzi voted against selected resolutions where governance practices were not considered to be in the best interests of minority shareholders. At Ninety-One, Balondolozzi opposed the resolution authorising the Audit and Risk Committee to determine the external auditor's remuneration, as this responsibility is more appropriately performed by the Remuneration Committee to strengthen auditor independence and reduce potential conflicts of interest. Balondolozzi also voted against the disapplication of pre-emptive rights, as issuing shares for cash without first offering them to existing shareholders could dilute existing holdings and weaken shareholder protections. At Boxer Retail, Balondolozzi opposed the general authority to repurchase shares, noting that share buybacks could further entrench the controlling shareholder, Pick n Pay to the detriment of minority shareholders. On the corporate actions front, Datatec Limited declared a special dividend of R2.25 per share, providing shareholders with the option to receive the distribution in cash or elect a scrip dividend of 2,64489 new shares for every 100 shares held. Following an internal assessment, Balondolozzi elected to receive the cash dividend, as this represented the most appropriate outcome for the portfolios under management.

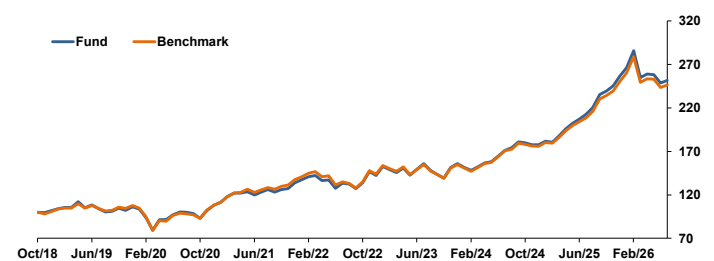
After registering a value of 4.5% in May 2026, headline inflation for June 2026 was 5% (consensus 4.5%). On the same note, the price for Brent crude oil rose by 23.59%, to end the month at \$90.12 per barrel and the Rand depreciated against the Dollar by -0.86% to close at R16.53 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -3.5 index points to reach 47.3 in June 2026.

In the US, economic data point to an economy that is still growing at a solid pace, supported by strong productivity and investment, despite uncertainty linked to the Middle East.

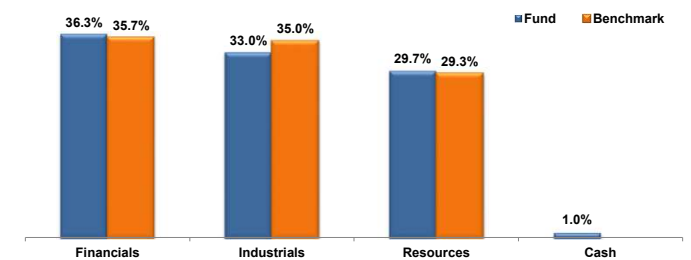
PERFORMANCE (Gross of fees)

	Fund	Benchmark
Jul-26	1.28%	1.18%
Year to Date	-1.92%	-1.65%
Rolling 12 months	18.39%	18.15%
Return p.a. since inception	12.65%	12.35%
Return since inception	151.75%	146.51%
Highest Rolling 1-year Return	58.18%	55.34%
Lowest Rolling 1-year Return	-24.83%	-24.53%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



The Federal Reserve left the federal funds rate at 3.50%-3.75% for a fifth consecutive meeting in July, broadly in line with expectations, although three FOMC members favoured a 25bp hike, keeping the possibility of tightening in September. Headline inflation declined to 3.5% in June from 4.2% in May, below forecasts, helped by easing energy inflation as the ceasefire between the US and Iran reduced pressure on gasoline and fuel oil prices, but inflation remains above the Fed's 2% target. The S&P Global US Manufacturing PMI edged down slightly to 53.8 in July from 53.9, still close to its highest levels in more than four years, with slower production and softer new orders partially offset by firmer factory employment. Longer supplier delivery times reflected supply disruptions linked to the Middle East rather than strong demand, reinforcing the sense that geopolitical developments remain central to the outlook.

In the Euro Area, growth is positive but subdued, as higher energy prices again push inflation above target and complicate policy decisions. The European Central Bank kept key rates unchanged in July after a 25bp hike in June, adopting a more cautious "wait and see" stance as softer inflation, wages and activity reduced the urgency for further tightening. Eurozone headline inflation rose slightly to 2.9% in July from 2.8% in June, driven largely by renewed energy price pressures as tension between the US and Iran resumed, keeping inflation above the ECB's 2% goal. Business surveys show gradual improvement in activity, the S&P Global Eurozone Manufacturing PMI increased to 52.0 in July from 51.4, with output at its strongest pace since early 2022 as easing supply chain disruptions allowed firms to rebuild inventories, even though staffing continued to be reduced and cost pressures, while moderating, remained elevated. The Services PMI returned to expansion at 51.6 from 49.4, supported by a rebound in business activity and better employment, while firms passed on operating cost increases to customers at a slower pace.

China's central bank is keeping policy very supportive, but recent data show growth losing momentum. The People's Bank of China left its key lending rates at record lows for a 14th straight month in July 2026, as expected, reflecting caution about the impact of Middle East tensions and a still uneven domestic recovery. Q2 GDP growth slowed to its weakest pace since late 2022, even though exports still benefit from strong demand for AI related goods. Headline inflation eased to 1.0% in June from 1.2% in April and May, slightly below expectations and consistent with subdued price pressures. Activity indicators point to softer industry and consumption. The official NBS Manufacturing PMI fell back into contraction at 49.2 in July from 50.3, signaling weaker factory activity amid weak demand and elevated production costs. Retail sales rose only 0.4% month on month in June, suggesting cautious household spending. Overall, China is keeping monetary policy loose, but growth is slowing, inflation is contained, and the outlook is increasingly dependent on external demand and targeted domestic support.

In South Africa, recent data point to rising inflation and weaker manufacturing momentum, against a policy stance that aims to anchor inflation while supporting a fragile recovery. The South African Reserve Bank kept the repo rate at 7% on 23 July, surprising most analysts who had expected a 25bp hike, with a 4-2 vote to hold as policymakers highlighted a slightly better inflation outlook and softer growth. Headline CPI accelerated to 5% in June from 4.5% in May, the highest rate since June 2024, driven mainly by a 34.3% surge in fuel prices that pushed transport inflation up to 12.7% amid elevated global energy prices linked to the conflict with Iran. SARB now expects inflation to average about 4% in 2026, down from 4.4% previously, and has lifted its 2026 growth forecast to 1.4% from 1.2%, while warning that further Middle East related shocks to oil and fertilizer could still warrant additional tightening. The Absa Manufacturing PMI fell back into contraction at 47.3 in June from 50.8, as weaker demand and delayed orders weighed on activity, although the survey suggests cost pressures may have peaked and confidence improved as oil prices eased following an interim US-Iran deal. The S&P Global South Africa PMI rose to 50.5 from 49.6, indicating marginal overall growth, but output and new orders continued to contract amid subdued domestic demand and lingering uncertainty, even as employment expanded and firms faced longer supplier delivery times due to ongoing disruptions to imported shipments.

The global economy remains fragile with uneven growth, policy uncertainty, and rising risks continuing to challenge the path to sustained recovery.