BALONDOLOZI GLOBAL EQUITY FUND

July 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	R1427 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

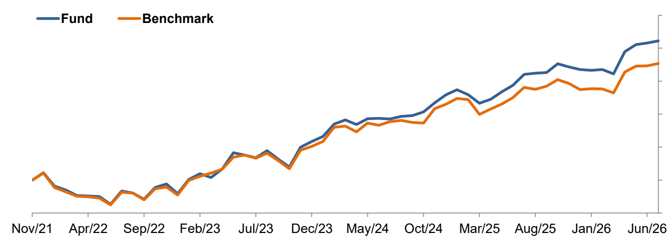
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	14.02%	12.15%
Sharpe Ratio	0.47	0.36
Sortino Ratio	0.94	0.65
Max Drawdown	-7.77%	-8.45%
Drawdowns	22.00	23.00

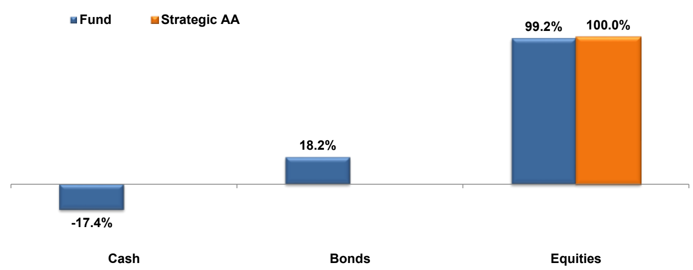
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
Jul-26	0.73%	0.86%
Year to Date	10.39%	10.23%
Rolling 12 months	12.41%	9.28%
Return p.a. since inception	14.02%	12.15%
Return since inception	84.45%	70.76%
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 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 1.35% (FTSE/JSE Top 40); S&P 500 delivered -0.13% (in rand terms); MSCI EM Equities delivered -3.31% (in rand terms); listed property returned 2.3% (SAPY); nominal bonds delivered -1.38% (ALBI); inflation linked bonds returned -0.21% (CILI) and cash returned 0.57% as indicated by the STeFi Call Index in July 2026.

During the same period; the yield for the R186 (benchmark bond) fell by -7 basis points to end the month at 7.46% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 edged lower by-1.31 points to close at 13.04. Concurrently, the near-term volatilities ticked down by -2.1% (SAVI) to 22.08% whilst medium-term break-evens widened by +0.04% to 4.41%. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.67%. Foreigners bought assets worth +R2.3 billion as markets rallied during the month of July 2026.

Overall, the fund delivered 0.73% for the month, lower than the benchmark return of 0.86% resulting in an alpha of -0.13%. Fixed income enhancements added 0.17%, while the timing differences between the benchmark and futures contributed -0.27%, with interaction resulting in the remainder. In US dollars, the fund delivered -0.13% compared to 0.00% of the benchmark as the dollar appreciated 0.85% against the rand for the month.

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. 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.

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 index linked contracts. Given the SARB's decision to maintain the repo rate at 7% in July 2026 amid persistent inflationary pressures and ongoing global uncertainty, the market continues to price in a prolonged period of elevated interest 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. 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.