



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	R1417 million
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	15.02%
Portfolio TER	15.02%
Management Fees	0.30%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.02%
Vat	15.00%
Pricing	Daily at 17:00

RISK RATIOS

	Fund	Benchmark
Annualised Return	14.11%	12.17%
Sharpe Ratio	0.48	0.35
Sorinno Ratio	0.95	0.65
Max Drawdown	-7.77%	-8.45%
Drawdowns	22.00	23.00

FUND COMMENTARY

Inflation across major economies remains elevated, driven mainly by energy price pressures and geopolitical tensions in the Middle East. Although global activity is supported by pockets of strength in industry and trade, underlying demand remains subdued, leading policymakers to focus more on inflation risks than on prospects for stronger growth.

Equities returned -4.54% (FTSE/JSE Top 40); S&P 500 delivered -1.06% (in rand terms); MSCI EM Equities delivered -1.67% (in rand terms); listed property returned 3.74% (SAPY); nominal bonds delivered 1.5% (ALBI); inflation linked bonds returned 1.41% (CILI) and cash returned 0.58% as indicated by the STeFi Call Index in June 2026.

During the same period; the yield for the R186 (benchmark bond) rose by +0 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 -0.5 points to close at 14.38. Concurrently, the near-term volatilities ticked up by +0.64% (SAV) to 24.18% whilst medium-term break-evens widened by +0.15% to 4.38%. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.49%. Foreigners bought assets worth +R3.8 billion as markets sold off during the month of June 2026.

Overall, the fund delivered 0.50% for the month, higher than the benchmark return of 0.09% resulting in an alpha of 0.41%. Fixed income enhancements added 0.24%, while the timing differences between the benchmark and futures contributed 0.11%, with interaction resulting in the remainder. In US dollars, the fund delivered -0.51% compared to -0.91% of the benchmark as the dollar appreciated -1.00% against the rand for the month.

After registering a value of 4% in April 2026, headline inflation for May 2026 was 4.5% (consensus 4.5%). On the same note, the price for Brent crude oil fell by -20.78%, to end the month at \$72.92 per barrel and the Rand depreciated against the Dollar by -1.01% to close at R16.39 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -1.8 index points to reach 50.8 in May 2026.

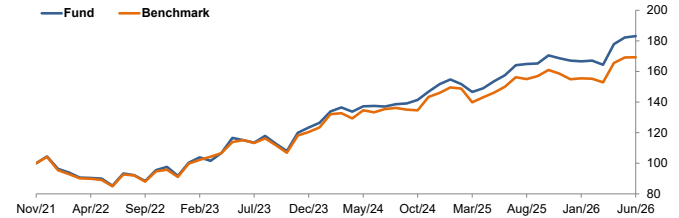
The US economy presented a more strained and uneven picture, with the S&P Global Composite PMI easing to 51.5, signalling continued but slowing private sector expansion as both manufacturing and services lost momentum. The services sector hovered close to stagnation at 50.7, alongside the fastest employment decline since the post pandemic recovery period, while business confidence fell to multi-month lows. Despite weaker sentiment, official labour market data remained relatively resilient, as payrolls increased by 172,000, the unemployment rate held at 4.3%, and participation stayed subdued, although rising job cuts pointed to growing underlying weakness beneath headline stability. Inflationary pressures strengthened further, with CPI rising to 4.2%, the highest since 2023, driven mainly by higher energy costs linked to Middle East supply disruptions, while core inflation also climbed to 2.9%, indicating broader price persistence. Producer prices accelerated to 6.5% year-on-year, reflecting stronger goods inflation even as services price pressures eased. At the same time, industrial production stagnated amid uneven manufacturing output and weak capacity utilisation, while retail sales remained relatively firm, supported by fuel-related spending and steady consumption. Against this backdrop, the Federal Reserve kept interest rates unchanged at 3.75% for a fourth consecutive meeting, while acknowledging a more uncertain outlook marked by elevated inflation, slightly weaker growth expectations and a still resilient but increasingly fragile labour market.

China's economy showed renewed momentum, with the RatingDog Composite PMI rising to 54.0, the strongest pace of private sector expansion in over two years. Growth was driven by broad-based gains in manufacturing and services, as new business accelerated and backlogs rose, signalling tightening capacity conditions amid improving demand. Services strengthened on export orders and a recovery in hiring, although input costs rose due to higher fuel and wage pressures, while output price inflation remained contained. External demand was particularly strong, with exports surging 19.4% YoY to a record high, supported by global technology demand, supply chain restocking and increased purchases of semiconductors and industrial goods. Imports also rose sharply, reflecting resilient domestic demand and higher commodity inputs. Industrial production expanded 4.5% YoY, contrasting with weaker consumption, as retail sales unexpectedly contracted YoY, highlighting a divergence between export-driven activity and subdued domestic demand.

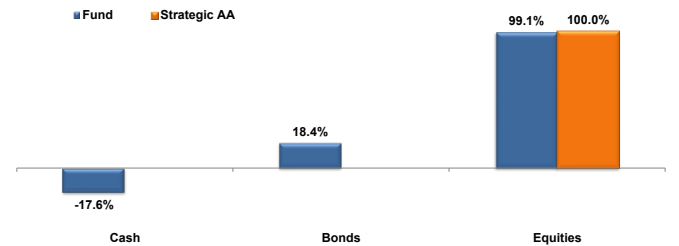
PERFORMANCE (Gross of fees)

	Fund	Benchmark
Jun-26	0.50%	0.09%
Year to Date	9.59%	9.29%
Rolling 12 months	16.24%	12.86%
Return p.a. since inception	14.11%	12.17%
Return since inception	83.11%	69.31%
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



Inflation remained contained, with consumer prices rising 1.2% YoY as weak food prices offset modest energy-driven increases in services, while producer prices accelerated to 3.9% due to higher global commodity costs and supply-side adjustments. Labour market conditions improved slightly, with unemployment easing to 5.1%, though structural pressures persisted through elevated working hours. Against this backdrop, the People's Bank of China maintained an accommodative stance, providing liquidity support and short-term funding facilities to sustain stable monetary conditions and support activity.

The Eurozone economy slipped into contraction in Q1 2026, with GDP declining by 0.2%, a downward revision from earlier estimates and the weakest performance since mid-2020. The decline was driven mainly by contractions in Ireland and France, while modest growth in Germany, Spain and Italy helped prevent a deeper downturn. Inflation remained elevated, rising to 3.2% in May, its highest level since 2023 and well above the European Central Bank's 2% target, alongside persistent pressures in services and industrial goods. Core inflation also edged higher, reinforcing concerns about entrenched price dynamics. Economic activity indicators pointed to continued weakness, with Composite PMI at 48.5, as softer demand, particularly in export markets, weighed on manufacturing and services. Employment growth slowed and job losses increased in parts of the area, while retail sales fell after earlier gains, reflecting subdued consumer demand. Producer price inflation eased from March's spike but remained elevated at 4.9% YoY, indicating persistent upstream cost pressures. Despite ongoing labour market resilience, momentum weakened across major economies, especially Germany. Against this backdrop, the European Central Bank raised interest rates by 25 basis points in June 2026, its first hike since 2023, while revising up inflation forecasts and slightly lowering growth projections, signalling a tighter policy stance aimed at anchoring inflation expectations despite a deteriorating outlook.

South Africa's economy recorded a solid start to 2026, expanding by 0.5% quarter-on-quarter in Q1, its strongest performance since mid-2025 and above expectations, driven by broad-based gains across most sectors despite geopolitical uncertainty, lifting annual GDP growth to 1.9% from 0.8% previously. Sectoral performance was mixed, with mining output rising 8.2% YoY, extending its recovery trend, while manufacturing contracted by 2.9%. Indicators pointed to a more uneven environment, as the S&P Global PMI slipped to 49.6 in May, signalling contraction amid weaker output and new orders, even as firms faced the fastest rise in input and selling prices in several years due to higher fuel costs. In contrast, business sentiment remained relatively resilient, with the SACCBI confidence index edging up to 124.1, supported by stronger vehicle sales and exports, but weighed down by weaker tourism and inflation concerns. Forward-looking indicators softened, as the composite leading business cycle index fell 1.8%, its first decline in months, driven by weaker monetary conditions and building approvals. Inflation pressures intensified, with CPI rising to 4.5% in May and producer prices surging to 7.8%, largely driven by fuel and electricity costs, although food inflation eased. Inflation expectations also drifted higher in Q2, with households and businesses anticipating a slower return to target, underscoring lingering uncertainty over the medium-term inflation outlook despite easing global energy pressures following the reopening of the Strait of Hormuz.

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.