BALONDOLOZI MONEY MARKET FUND July 31, 2026

FACT SHEET

INVESTMENT OBJECTIVE

The fund seeks to outperform the STeFI Composite Index by 0.5% per annum without taking on excessive market risk.

INVESTMENT STRATEGY

This fund aims to outperform the STeFi Composite Index over the long term while minimising volatility, by building a diversified portfolio through managing interest rate risk while constraining duration around the benchmark. The fund focuses on yield enhancement through rigorous research and analysis which is translated into the identification and investment of fixed income securities from South Africa's Big 4 Banks and investment grade corporates that offer higher yields, which allows the fund to maintain a strong credit rating of A1/F1.

FUND INFORMATION

Fund Classification	South African - Interest Bearing - Money Market
Benchmark	STeFI Composite Index
Risk Profile	Conservative
Fund Managers	Fannuel Tigere, Karabo Matsepe
Inception Date	01 February 2016
Fund Size	R811 million
Currency	SA Rands
Administration	Prescient Management Company (RF) (Pty) Ltd
Trustees	Standard Bank
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Compliant

FEES

Initial & Exit Fees	Nil
Total Investment Charge	0.15%
Portfolio TER	0.15%
Management Fees	
Transaction Costs	*0.00%*
Audit Fees	*0.00%*
Other Costs	*0.01%*
Vat	*15.00%*
Pricing	Daily at 17:00

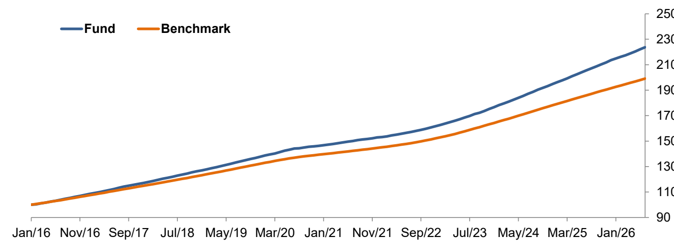
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	7.97%	6.78%
Sharpe Ratio	2.67	1.04
Sortino Ratio	N/A	N/A
Max Drawdown	N/A	N/A
Drawdowns	0	0

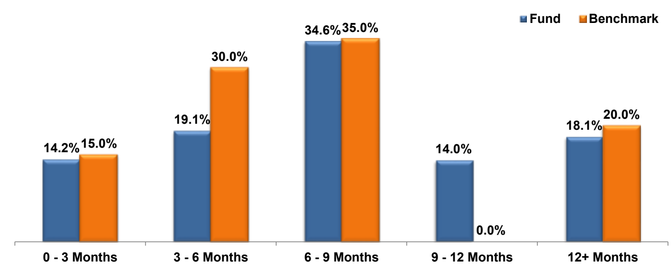
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
Jul-26	0.72%	0.57%
Year to Date	4.75%	3.94%
Rolling 12 months	8.76%	7.02%
Return p.a. since inception	7.97%	6.78%
Return since inception	123.71%	99.10%
Highest Rolling 1-year Return	10.53%	8.52%
Lowest Rolling 1-year Return	4.11%	3.77%

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.

The STeFi Call Index returned 0.57%; short-term nominal bonds delivered 0.61% (ALBI 1-3 years) and cash returned 0.57% as indicated by the STeFi Composite Index in July 2026.

During the same period; yields for 12-month negotiable certificates of deposits rose by 8.3 bps to close the month at 7.67% and the level of the 12 x 15 FRAs rose by 20.5 basis points to end the month at 7.62%. Concurrently, the 12 x 15 FRA/3 x 6 FRA gap ticked up by 31 basis points to 39 bps whilst medium-term break-evens widened by 0.04% to 4.41%. Foreigners bought local assets worth R2.3 billion as yields sold off during the month of July 2026.

The fund returned 0.72%, higher than the returns of the STeFi Composite Index of 0.57%. Holdings in shorter dated fixed instruments and floating non-bank credit led to the outperformance. The yield of the fund is 7.65% higher than benchmark at 7.23%, due to holdings in floating non-bank credit. The duration of the fund is 60 days lower than the benchmark at 165 days.

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.

South Africa's electricity sector strengthened further during July as Eskom continued to improve operational performance while private sector investment in renewable energy remained robust. During the month, Eskom surpassed 420 consecutive days without load shedding, reduced diesel expenditure by approximately 85%, and continued to improve plant reliability under its Generation Recovery Plan, supporting a more stable national electricity supply. This improved operating environment did not slow down investment in clean energy. Exxaro commissioned its 68MW Lephalale Solar Project, a R1.7 billion investment that will supply renewable electricity to the Grootegeluk Mine. The project demonstrates that improving grid reliability and renewable energy deployment are complementary, with businesses continuing to invest in lower-carbon energy solutions to enhance energy security, reduce emissions and improve cost efficiencies. For holders of Eskom's government-guaranteed bonds, the utility's operational recovery supports its credit profile through lower operating costs, improved system reliability and stronger cash flow generation. While the sovereign guarantee remains a key source of credit support, sustained improvements in operational performance are equally important in strengthening the resilience of South Africa's electricity system and enabling the integration of additional renewable energy capacity.

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, signalling 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.

Globally, central banks continue to take a data dependent approach, adjusting interest rates in response to evolving domestic conditions amid persistent inflation concerns and heightened geopolitical uncertainty linked to tensions in the Middle East. The US Federal Reserve left the federal funds rate unchanged, although a split among policymakers suggests that further tightening remains possible. Similarly, the European Central Bank and China held rates steady. Domestically, the South African Reserve Bank kept the repo rate unchanged at 7%, surprising expectations, as policymakers balanced a slightly improved inflation outlook against weaker growth. 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.