



BALONDOLOZI EQUITY FUND

August 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, Alecia Sekwati
Inception Date	01 November 2018
Fund Size	R1217 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	0.04%
Portfolio TER	0.04%
Management Fees	0.04%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.00%
Vat	15.00%
Pricing	Daily at 17:00

RISK RATIOS

	<i>Fund</i>	<i>Benchmark</i>
Annualised Return	13.22%	12.86%
Sharpe Ratio	0.42	0.41
Sortino Ratio	0.58	0.54
Max Drawdown	-15.57%	-16.69%
Drawdowns	36	35

FUND COMMENTARY

Global markets were shaped by escalating US fiscal intervention, cautious Fed signalling, and renewed geopolitical risk. Treasury Secretary Bessent's surprise move to double bond buybacks failed to hold down yields, Fed Chair Warsh's Jackson Hole address struck an inflation-wary tone without a clear rate path, and the expiry of the Iran-US ceasefire reignited concerns over Strait of Hormuz shipping. South African assets were comparatively resilient, with the rand firming and local bonds rallying on cooling inflation and strong non-resident inflows.

Equities returned 4.65% (FTSE/JSE Capped All Share); nominal bonds delivered 0.69% (ALBI); inflation linked bonds returned 0.99% (CILI) and cash returned 0.57% as indicated by the STeFi Call Index in August 2026. Within equities; the financial services sector delivered -1.36% (FINI 15), the industrial sector -5.81% (INDI 25) and the resources sector 26.42% (RESI 20).

During the same period; near term volatilities ticked up by +2.1% (SAVI) to 24.1% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Capped Top 40 drifted higher by +2.91 points to close at 31.13. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.6%.

The fund returned 5.05% against the benchmark of 4.65% (FTSE/JSE Capped All Share) resulting in a positive alpha of 0.40% for the month.

Local equities delivered strong performance despite an ongoing uncertain macroeconomic and geopolitical backdrop. The local equity market rallied during August, supported by stronger commodity prices, particularly gold and platinum. The strength in these commodities underpinned a broad-based rally in the resources sector and contributed to strong gains across the equity market. The JSE Capped All Share Index gained 4.65% during August, led by strong double-digit growth in the Resources sector, driven primarily by higher gold and platinum prices. Industrials and Financials, however, both ended the month in negative territory. An underweight position in industrial metals and mining group African Rainbow Minerals detracted from performance during August. In contrast, active underweight positions in retailers Truworths and Foschini contributed positively to alpha. The largest contributor to alpha was the portfolio's underweight position in tobacco counter British American Tobacco, as the local currency continued to appreciate against the US dollar. Profits were partially realised during the month from the underweight position in British American Tobacco.

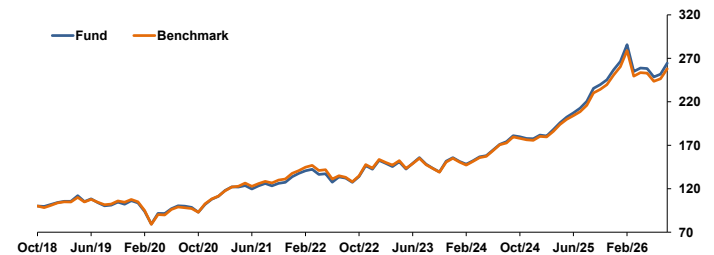
During August, Balondolozzi continued to exercise its active ownership responsibilities through participation in the annual general meetings of Investec (INL & INP), Pick n Pay (PIK), Reinet Investments (RNI), Prosus (PRX), Naspers and Telkom (TKG). While all resolutions were passed by the requisite majority of shareholders, Balondolozzi voted against selected resolutions where governance concerns were identified. Votes against the re-election of certain directors reflected concerns regarding tenures exceeding 10 years and/or ages above 70, as prolonged tenure may impair independence and effective challenge, while board renewal supports robust oversight and succession planning. At Reinet and Naspers, votes against the discharge of liability reflected concerns that blanket discharges could weaken accountability and limit shareholders' ability to pursue potential claims where the fulfilment of directors' duties had not been sufficiently established. At Telkom, the general share repurchase authority was opposed due to the South African government's 40.51% shareholding, as repurchases could increase its relative voting control and potentially weaken minority shareholder influence. A notable corporate development was Capitec Bank Holdings Limited's official name change to Capitec Limited, effective 26 August 2026, following shareholder approval at its AGM. The change reflects the Group's expansion beyond traditional banking into areas such as insurance and telecommunications, while the company retained its JSE listing and existing ticker, with no change to shareholders' economic interests.

After registering a value of 5% in June 2026, headline inflation for July 2026 was 4.3% (consensus 4.3%). On the same note, the price for Brent crude oil rose by 1.24%, to end the month at \$91.24 per barrel and the Rand appreciated against the Dollar by 2.44% to close at R16.13 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -0.5 index points to reach 46.8 in July 2026.

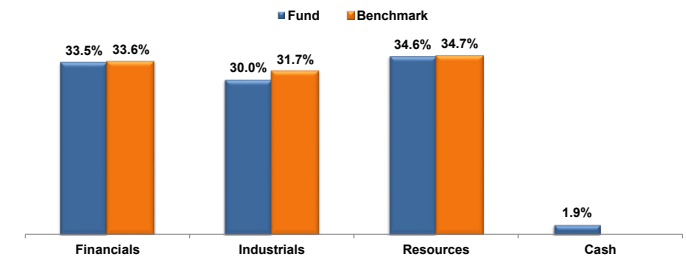
PERFORMANCE (Gross of fees)

	<i>Fund</i>	<i>Benchmark</i>
Aug-26	5.05%	4.65%
Year to Date	3.03%	2.92%
Rolling 12 months	19.92%	19.41%
Return p.a. since inception	13.22%	12.86%
Return since inception	164.45%	157.96%
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 US pointed to a broadening slowdown in economic activity, with several key indicators coming in weaker than expected. While the manufacturing sector initially showed resilience, with the ISM Manufacturing Index rising to 55.6 in July from 53.3, the services sector was broadly stable at 54.1, slightly below expectations. The labour market, however, deteriorated, with nonfarm payrolls falling by 23,000 in July versus expectations for an 80,000 increase, while the ADP employment change of 44,000 also undershot the 65,000 consensus. Despite this, the unemployment rate edged down to 4.1% from 4.2%, suggesting that labour-market weakness has not yet translated into a significant rise in unemployment. Consumer and housing indicators also weakened, with retail sales declining 0.6% m/m and preliminary consumer sentiment dropping to 51.0. Inflation remained relatively contained, with CPI at 3.4% in July, unchanged from expectations and slightly below the prior 3.5%. At the same time, personal income rose 0.43% and spending increased 0.16%, both slightly better than expected, providing some support to the consumer outlook. The US Dollar Index (DXY) started August around 99.9–100.0 early in the month. It then weakened through mid-August, reaching a low around 98.6, before recovering towards month-end. That leaves the dollar roughly 0.3% weaker over August.

The Eurozone showed signs of improving momentum in August, with economic activity proving more resilient than expected despite the recent energy shock. Forward-looking indicators were particularly encouraging, with the August flash Manufacturing PMI rising to 52.8 from 51.9, comfortably above the 51.8 consensus, while the broader composite PMI reached a nine month high of 52.1, pointing to continued positive growth in Q3. Germany's manufacturing PMI also climbed to 54.1, its highest level in more than four years, suggesting a meaningful improvement in the region's industrial sector. Growth is being supported by increased fiscal spending on infrastructure, energy security and defence, alongside investment in AI and digitalisation and a resilient labour market, with the 2026 growth outlook revised higher to around 0.8%–1.0%. The key constraint remains inflation, however, with headline CPI rising to 2.9% y/y in July from 2.8% previously, while core inflation increased to 2.5%, largely reflecting firmer services prices. Inflation is therefore expected to remain above the ECB's 2% target into early 2027, limiting the scope for monetary easing.

China's economic data in August pointed to a broad-based loss of momentum, despite continued strength in exports and high-tech manufacturing. The official manufacturing PMI improved slightly to 49.8 in August from 49.2. This follows a weaker July, with the RatingDog manufacturing PMI falling to 50.9 from 51.7, also below expectations. Domestic demand remains the main concern, with retail sales growth slowing to just 0.6% y/y in July, while industrial production rose 4.5%, missing expectations of 4.95% and slowing from 5.3%. Inflation also remained subdued, with CPI increasing to 0.5% y/y, below the 0.8% forecast, while PPI fell 3.5% y/y, highlighting continued producer-price deflation and weak pricing power. Overall, China's economy appears to be losing domestic momentum, with weakness evident across consumption, property, investment and private-sector credit demand, although exports and technology-related sectors continue to provide support. Q2 GDP growth slowed to 4.3% y/y from 5.0% in Q1, bringing H1 growth to 4.7%, broadly within the government's 4.5%–5.0% target range.

South Africa has faced renewed pressure from the global oil shock, with the country reportedly paying R56bn more for fuel and ranking among the 20 countries hardest hit by disruptions to the Strait of Hormuz. The recent rise in oil prices has also erased the fuel-price over-recovery, raising the prospect of higher petrol and, particularly, diesel prices. Despite these risks, domestic inflation improved, with headline CPI easing to 4.3% in July from 5.0% in June, supported by lower fuel prices and softer food inflation, while core inflation increased slightly to 4.2%, highlighting persistent underlying pressures. South Africa's external position has provided some support to the currency, with an almost 3% improvement in terms of trade helping the rand gain 2.44% against the dollar in August, outperforming its emerging-market peers. Economic activity remains mixed; manufacturing output contracted 1.7% y/y in June, but performed better than expected, while monthly production rose 0.9%. Meanwhile, retail sales growth slowed to 1.6% y/y, below expectations, signalling weaker consumer demand.

Going forward, the fund will maintain its bias towards stocks with rich fundamental valuations as asset prices continue to adjust to waning central bank support. □