BALONDOLOZI EQUITY FUND **September 30, 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	R1146 million
Currency	SA Rands
Administration	Balondolozi Investement 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	*0.00%*
Vat	*15.00%*
Pricing	Daily at 17:00

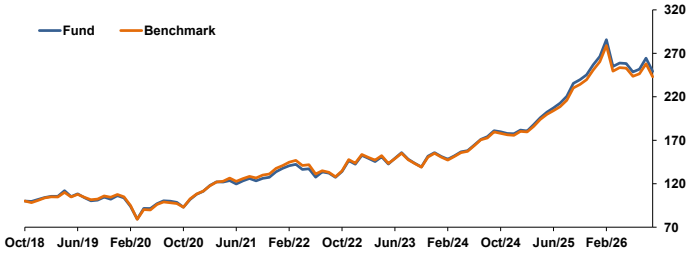
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	12.22%	11.87%
Sharpe Ratio	0.36	0.34
Sortino Ratio	0.50	0.46
Max Drawdown	-15.57%	-16.69%
Drawdowns	37	36

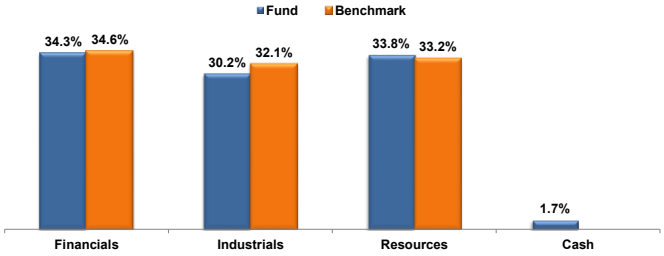
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
Sep-26	-5.79%	-5.82%
Year to Date	-2.93%	-3.07%
Rolling 12 months	5.82%	5.58%
Return p.a. since inception	12.22%	11.87%
Return since inception	149.14%	142.95%
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



FUND COMMENTARY

Global economic conditions remain shaped by the conflict between the United States and Iran and its effect on energy markets. Brent crude rose above $108 per barrel on the 28th of September 2026 after President Trump rejected an Iranian proposal to reopen the Strait of Hormuz. Energy-driven price pressures have prompted monetary tightening, with the Federal Reserve, the European Central Bank and the South African Reserve Bank all raising interest rates during the month.

Equities returned -5.82% (FTSE/JSE Capped All Share); nominal bonds delivered 0.01% (ALBI); inflation linked bonds returned 0.67% (CILI) and cash returned 0.55% as indicated by the STeFi Call Index in September 2026. Within equities; the financial services sector delivered -3.51% (FINI 15), the industrial sector -5.38% (INDI 25) and the resources sector -9.76% (RESI 20).

During the same period; near term volatilities ticked down by -1.88% (SAVI) to 22.3% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Capped Top 40 edged lower by -5.35 points to close at 25.78. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.95%.

The fund returned -5.79% against the benchmark of -5.82% (FTSE/JSE Capped All Share) resulting in a positive alpha of 0.03% for the month.

Local equity markets came under pressure during September, amid renewed geopolitical uncertainty, volatile oil prices and heightened concerns around the global inflation and interest-rate outlook. The JSE Capped All Share Index declined 5.82% during the month, with all major sectors closing in negative territory. The Resources sector reversed much of its strong commodity-driven performance from August, as increased volatility across precious-metal and energy markets weighed on investor sentiment. At the portfolio level, the underweight position in African Rainbow Minerals contributed positively to relative performance. Underweight positions in retailers Truworths and Foschini were broadly neutral to benchmark performance. Conversely, the underweight position in British American Tobacco detracted from relative performance during September.

During September, Balondolozi exercised its active ownership responsibilities through proxy voting on resolutions for Hosken (HCI), Mr Price (MRP), PPC Limited (PPC), Compagnie Financiere Richemont SA (CFR), The Foschini Group (TFG) and Southern Sun Limited (SSU). All resolutions were passed by the requisite majority. Votes against resolutions reflected governance concerns relating to director independence, board refreshment and protection of minority shareholder interests. Directors with advanced age or extended tenure were subject to enhanced scrutiny where independence could be affected or succession arrangements were not sufficiently transparent. For Hosken, Balondolozi voted against the authority to repurchase issued shares given the 52.9% non-public shareholding, including a 21.3% significant shareholder, as further repurchases could increase control concentration and reduce minority shareholder influence. The authority to issue shares for cash was also opposed as no specific purpose or accountability framework was provided, creating potential dilution concerns. For Southern Sun Limited (SSU), Balondolozi similarly voted against the share repurchase authority given the 47.12% non-public shareholding and potential for further control concentration. On the corporate action front, NEPI Rockcastle offered a capital repayment, with the capital repayment option elected, equivalent to approximately 3.7% of the share price on the declaration date. Hammerson, Anglo American and BHP Group Limited also had Dividend Reinvestment Plan (DRIP) events, with the cash option elected, equivalent to approximately 2.6%, 0.5% and 2.2% of their respective share prices on the declaration dates.

After registering a value of 4.3% in July 2026, headline inflation for August 2026 was 4.4% (consensus 4.4%). On the same note, the price for brent crude oil rose by 13.47%, to end the month at $103.53 per barrel and the Rand depreciated against the Dollar by -1.83% to close at R16.42 per dollar.

The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -1 index points to reach 45.8 in August 2026.

The US economy faces energy-driven inflation above the Federal Reserve's 2% target. Headline consumer inflation held at 3.4% year-on-year in August 2026, in line with forecasts, while core inflation eased to 2.4%, the lowest since March 2021. The PCE price index stood at 3.7% year-on-year in July, above the 3.6% consensus. In response, on the 16th of September 2026, the Fed unanimously raised the federal funds target range by 25 basis points to 3.75% to 4.00%, its first increase since 2023, and updated projections showed 16 of 18 officials expecting at least one further rate hike this year. Second-quarter (2026) GDP growth was estimated at an annualised 1.5%, down from 2.1% in the first quarter. Meanwhile nonfarm payrolls increased by 162,000 in August, well above expectations of 56,000, and the unemployment rate held at 4.1%. Business surveys remain firm, with the ISM Services PMI rising to 55.4 in August from 54.1, exceeding the 54.3 forecast, and the flash S&P Global Manufacturing PMI jumping to 57.0 in September, its strongest reading since May 2022. Sentiment weakened, however, with the University of Michigan index falling to a four-month low of 48.1 in September and year-ahead inflation expectations rising to 4.6%.

The Euro Area has proved more resilient than expected, although energy prices continue to push inflation higher. GDP expanded 0.6% quarter-on-quarter in the second quarter, following stagnation in the first, and the flash composite PMI rose to a three-and-a-half-year high of 53.1 in September from 52.0, as the services PMI climbed to 53.0 from 51.6. Unemployment remained at 6.4% in July, although consumer confidence weakened to -16.5 in September. Headline inflation rose to 3.2% in August from 2.9%, as energy inflation climbed to 14.3%, its highest level since January 2023, while core inflation eased by 0.1 percentage points, below expectations. In response, the ECB raised its key interest rates at its September meeting, its second increase since the US-Iran war began, taking the deposit facility rate to 2.5% and the main refinancing rate to 2.65%. President Christine Lagarde said risks to growth are tilted to the downside and risks to inflation to the upside.

China's economy continues to reflect a divergence between strong external demand and weak domestic activity. GDP growth slowed to 4.3% year-on-year in the second quarter from 5.0%, falling short of market expectations and below the lower end of Beijing's annual target range, as domestic demand remained soft. Retail sales rising 0.4% year-on-year, fixed asset investment contracting -7.2% in the year to August and property investment falling -19.9%. Exports grew 25.0% year-on-year in August, and the trade surplus reached USD 119 billion, while industrial production accelerated to 5.2%. The official manufacturing PMI remained in contraction at 49.8 in August, while the surveyed unemployment rate rose to 5.3%. Consumer inflation increased to 0.8% in August from 0.5%, and producer prices rose 3.8%.

South Africa's economy is contending with renewed contraction alongside elevated inflation. GDP contracted 0.2% quarter-on-quarter in the second quarter, and the official unemployment rate rose to 33.6% from 32.7%. The Absa Manufacturing PMI fell to 45.8 in August from 46.8. Consumer inflation edged up to 4.4% year-on-year in August, below the 4.5% consensus, led by transport prices, up 8.8%, while core inflation eased from July's two-year high of 4.2%. On the 23rd of September 2026, the Reserve Bank raised the repo rate to 7.25% from 7%, as widely expected, lifting the prime lending rate to 10.75%. The decision was unanimous, following a 4-2 vote to hold rates in July. The Bank expects headline inflation to rise above 5% later this year and in early 2027 on higher fuel prices, before returning to around 3% towards the end of that year. It raised its 2027 inflation forecast to 4.0% and lowered its 2026 growth forecast to 1.2% from 1.4%, while keeping its projections of 1.7% for 2027 and 1.9% for 2028 unchanged.

Looking ahead, inflation across the major economies is expected to remain elevated while energy prices stay high, and Federal Reserve guidance points to further tightening, even as growth weakens in China and South Africa. Going forward, the fund will maintain its bias towards stocks with rich fundamental valuations.