BALONDOLOZI GLOBAL EQUITY FUND **September 30, 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	R1469 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	15.05%
Portfolio TER	15.05%
Management Fees	*0.30%*
Transaction Costs	*0.00%*
Audit Fees	*0.00%*
Other Costs	*0.05%*
Vat	*15.00%*
Pricing	Daily at 17:00

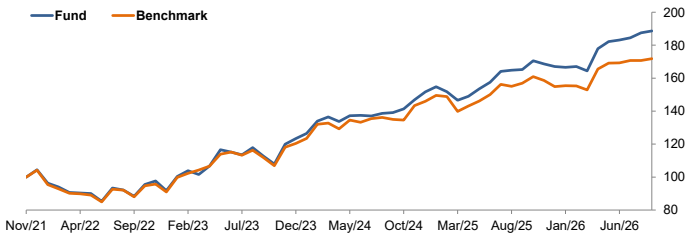
RISK RATIOS

	Fund	*Benchmark*
Annualised Return	14.03%	11.85%
Sharpe Ratio	0.48	0.34
Sortino Ratio	0.94	0.61
Max Drawdown	-7.77%	-8.45%
Drawdowns	22.00	24.00

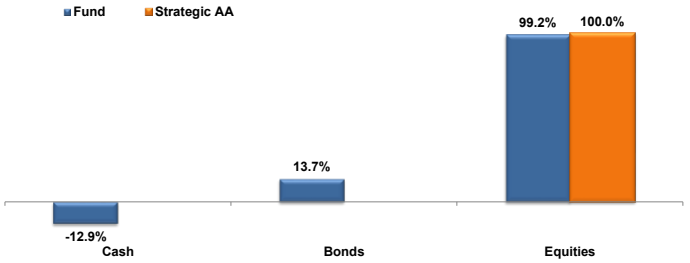
PERFORMANCE (Gross of fees)

	Fund	*Benchmark*
Sep-26	0.59%	0.63%
Year to Date	12.89%	10.91%
Rolling 12 months	14.17%	9.48%
Return p.a. since inception	14.03%	11.85%
Return since inception	88.64%	71.82%
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 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 -6.45% (FTSE/JSE Top 40); S&P 500 delivered -0.45% (in rand terms); MSCI EM Equities delivered -0.84% (in rand terms); listed property returned 0.46% (SAPY); 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.

During the same period; the yield for the R2030 (benchmark bond) rose by +21 basis points to end the month at 8.15% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE Top 40 edged lower by-2.63 points to close at 11.73. Concurrently, the near-term volatilities ticked down by -1.88% (SAVI) to 22.3% whilst medium-term break-evens tightened by -0.17% to 4.07%. Yields for 12-month negotiable certificates of deposits rose by +8.3 bps to close the month at 7.95%. Foreigners bought assets worth +R2.7 billion as markets sold off during the month of September 2026.

Overall, the fund delivered 0.59% for the month, lower than the benchmark return of 0.63% resulting in an alpha of -0.04%. Fixed income enhancements added 0.27%, while the timing differences between the benchmark and futures contributed -0.24%, with interaction resulting in the remainder. In US dollars, the fund delivered -1.27% compared to -1.26% of the benchmark as the dollar appreciated -1.87% against the rand for the month.

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.

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. 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.