AFFINITY CAPITAL MANAGEMENT

COLLABORATING FOR INVESTMENT RESULTS

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October 2025

Investment Report

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ECONOMIC OVERVIEW

Industrial production remained weak, and leadership changes in several EU states signalled potential market disruptions.

October in Review

The International Monetary Fund maintained its global growth forecast at 3.1% for 2025, noting that the temporary factors supporting earlier activity — such as front-loading and inventory restocking — were fading. Inflationary pressures continued to ease, but trade remained subdued and currency markets volatile.

Economic data releases in the United States were disrupted by an ongoing government shutdown, creating a “data blackout” that clouded market visibility. Nonetheless, core CPI inflation slowed to 3.0% in September, suggesting gradual progress against price pressures. Equity markets advanced modestly, buoyed by expectations of further interest rates cuts by the Federal Reserve.

Europe continues to face fiscal uncertainty and political fragmentation, with tight budget constraints and upcoming elections contributing to heightened policy volatility. Industrial production remained weak, and leadership changes in several EU states signalled potential market disruptions.

China’s economy showed signs of stabilisation, supported by liquidity injections and accelerated infrastructure spending. However, concerns over property sector fragility and consumer sentiment persisted. Other emerging markets saw mixed performance, with commodity exporters benefiting from price rebounds.

October marked another anniversary of the Israel–Hamas conflict, prompting increased extremist propaganda and heightened security alerts across the Middle East, North Africa, and parts of Europe. A positive development was the US-brokered ceasefire in the Gaza Strip that took effect on 10 October 2025, which aimed to halt hostilities and facilitate humanitarian relief and prisoner exchanges. While the truce has led to some progress, violations and tensions persist.

Conflicts intensified in both Ukraine and Sudan, with renewed fighting in eastern Ukraine and escalating violence in Sudan's Darfur region. These developments added to global security concerns and disrupted regional supply chains.

Legislative elections in Czechia saw the populist ANO party, led by Andrej Babiš, emerge as the likely coalition leader. The potential inclusion of far-right parties in government raised eyebrows across the EU.

South Africa officially exited the Financial Action Task Force (FATF) grey list on 24 October 2025, following nearly three years of reform efforts to address deficiencies in anti-money laundering and counter-terrorist financing frameworks.

Ramaphosa reiterated calls for multilateral reform and inclusive global governance

October saw mixed performance across global equity markets, with tech-heavy indices rebounding, Japan outperforming, and emerging markets lagging. Investor sentiment was shaped by stabilising inflation, cautious central bank policy, and geopolitical crosscurrents.

In the U.S., the S&P 500 gained 2.3% while the NASDAQ gained 4.8%, buoyed by resilient corporate earnings and renewed enthusiasm for AI and cloud computing. Lower bond yields supported tech valuations, although broader market gains were tempered by uncertainty around future rate guidance. Japan's Nikkei 225 surged 16.7%, driven by robust export data and a weaker yen that boosted corporate profits. Meanwhile, the FTSE 100 in the UK gained 4.1%.

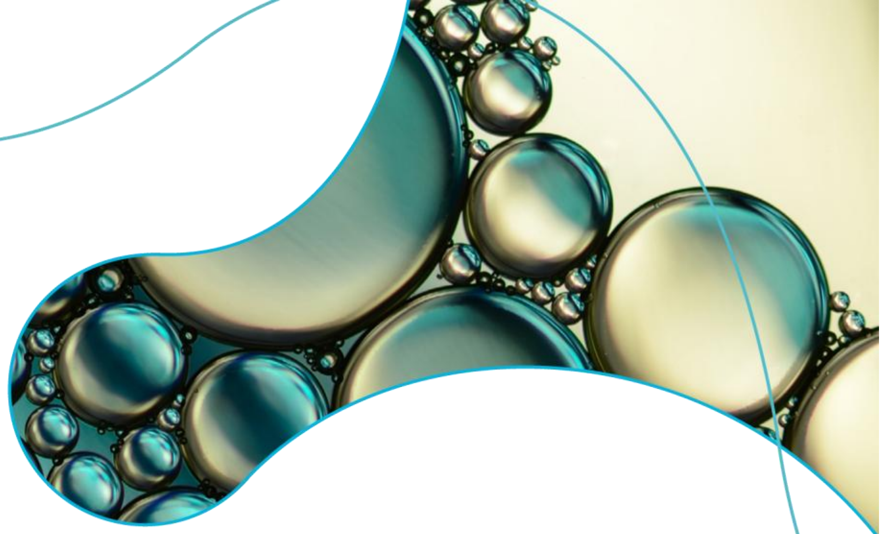
South Africa's FTSE/JSE All Share Index rose 1.6%, supported by improved investor confidence following the country's exit from the FATF grey list and a stable interest rate environment. The South African Reserve Bank held the repo rate at 7% at its September MPC meeting, citing subdued inflation and global disinflationary trends. This policy stability, combined with rising public-sector infrastructure investment, helped lift domestic sentiment.

Uneven recovery in China and geopolitical tensions weighed on returns, although select Latin American markets showed resilience.

MARKET INDICES [1] (All returns in Rand except where otherwise indicated)	**31 October 2025**		
	3 months	12 months	5 years
SA equities (JSE All Share Index)	12.2%	32.3%	20.7%
SA property (S&P SA REIT Index)	13.3%	29.8%	25.8%
SA bonds (SA All Bond Index)	6.8%	20.1%	12.4%
SA cash (STeFI)	1.8%	7.8%	6.5%
Global developed equities (MSCI World Index)	3.6%	20.1%	17.6%
Emerging market equities (MSCI Emerging Markets Index)	8.6%	26.2%	9.3%
Global bonds (Bloomberg Barclays Global Aggregate)	-2.4%	3.6%	-0.3%
Rand/dollar [3]	-4.1%	-2.0%	1.3%
Rand/sterling	-4.8%	0.2%	1.6%
Rand/euro	-3.3%	4.2%	1.1%
Gold Price (*USD*)	20.9%	45.4%	16.2%
Oil Price (Brent Crude, *USD*)	-10.3%	-11.1%	11.7%

1 Source: Factset
2 All performance numbers in excess of 12 months are annualized
3 A negative number implies fewer rands are being paid per US dollar, so it implies a strengthening of the rand

AFFINITY INVESTMENT APPROACH



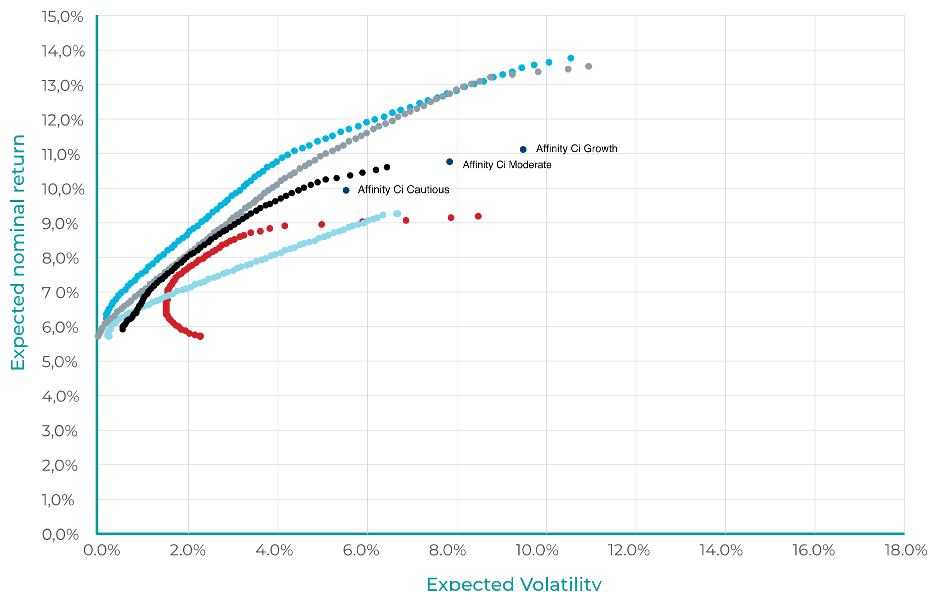
Affinity Capital Management has been established as a collaborative business that works hand in hand with financial advisors and their clients. We believe that investment solutions should not be created in isolation. A collaboration between advice and asset management ensures that investment products are designed solely with the clients' needs in mind. Our investment approach primarily focuses on balancing client return outcomes with risk management.

We have adopted a long-term strategic asset allocation framework as a basis for our investment solutions. Over long investment time horizons comparisons between active managers and passive strategies show that very few active mangers outperform an efficient frontier and thus a core component of our solutions utilises passive and rules-based strategies to access the market optimally. Active managers are included in our solutions where they have a proven track record of generating excess returns. Since asset allocation is the greatest predictor of portfolio volatility, we construct our portfolios with a clear mindset to risk mandates using a building block approach. This allows us to increase risk and returns in a predictable and measurable manner, creating distinct portfolios by simply increasing or decreasing the weightings of asset classes. An additional layer of portfolio risk management is introduced through diversification both across asset classes and within asset classes. We devote a great deal of time and resources aimed at identifying and extending our asset class categories and how best to access them.

Finally, we believe that a dynamic asset allocation framework can add value to portfolio returns when asset class return profiles and correlation behaviours are understood in different market regimes. Ongoing management of our investment solutions thus centres on understanding market regimes and the behaviours of asset classes in different market cycles. Through our proprietary models we assess certain lead indicators of market cycles and use this to position portfolios optimally for the expected market environment. Based on the signal strength of the lead indicators we will then implement appropriate tilts to the long-term Strategic Asset Allocation weightings.

Asset class return expectations and correlations change in different market cycles. We have thus adopted a dynamic asset allocation approach, which allows us to tilt away from our long term strategic asset allocations through different market cycles. The size of these tilts is informed by the signal strength of various lead indicators. We are currently positioning our portfolios between a contraction and recovery cycle.

Comparison of efficient frontiers through market cycles.
Forward looking Affinity fund positioning



PERFORMANCE

Indices	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	YTD
SA Equities (JSE All Share Index)	1.6%	12.2%	21.1%	32.3%	29.7%	22.1%	20.7%	11.1%	33.9%
JSE Preference Shares (J251)	2.4%	-0.6%	7.5%	18.1%	21.6%	12.6%	23.7%	12.9%	14.5%
SA Property (South African Listed Property Index)	7.8%	9.8%	16.7%	23.6%	36.9%	22.8%	25.9%	3.6%	21.1%
SA Bonds (SA All Bond Index)	2.6%	6.8%	15.2%	20.1%	20.7%	16.3%	12.4%	9.9%	16.9%
ILBs (Barclays South Africa Government Inflation Linked Bond)	1.4%	6.0%	7.6%	10.1%	11.3%	8.8%	9.3%	5.5%	8.2%
SA Cash (STeFI)	0.6%	1.8%	3.7%	7.8%	8.1%	8.0%	6.5%	6.8%	6.4%
Global Equities (MSCI All Countries World Index, $)	2.3%	8.7%	21.9%	23.2%	28.2%	22.2%	15.1%	11.9%	21.5%
Developed Market Equities (MSCI World Index, $)	2.0%	8.1%	21.1%	22.5%	28.3%	22.3%	16.1%	12.4%	20.2%
Emerging Market Equities (MSCI Emerging Market Index, $)	4.2%	13.3%	28.0%	28.7%	27.3%	21.7%	7.9%	8.1%	33.6%
Global Bonds (Bloomberg Barclays Global Aggregate,$)	-0.3%	1.9%	1.9%	5.7%	7.6%	5.6%	-1.6%	1.1%	7.6%
RAND/DOLLAR	0.5%	-4.1%	-6.8%	-2.0%	-3.8%	-1.9%	1.3%	2.3%	-8.1%
RAND/STERLING	-2.0%	-4.8%	-8.4%	0.2%	0.1%	2.5%	1.6%	0.7%	-3.6%
RAND/EURO	-1.3%	-3.3%	-5.4%	4.2%	0.5%	3.3%	1.1%	2.8%	2.4%

Solutions	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	YTD
Affinity Income Solution	1.2%	3.4%	6.8%	11.9%	12.2%	11.2%	9.0%	7.2%	6.8%
Affinity Ci Cautious Fund	1.3%	4.0%	9.2%	14.6%	16.8%	13.9%	10.7%	6.7%	9.2%
Affinity Ci Moderate Fund	1.2%	4.2%	9.4%	15.4%	18.3%	14.7%	11.9%	6.5%	9.4%
Affinity Moderate Solution (Non Reg 28)	0.8%	1.8%	7.0%	12.7%	16.8%	13.7%	10.6%	5.9%	7.0%
Affinity Ci Growth Fund	1.0%	4.1%	9.5%	15.8%	19.0%	15.1%	12.2%	6.5%	9.5%
Affinity Growth Solution (Non Reg 28)	0.8%	2.0%	7.2%	13.2%	17.7%	14.2%	11.3%	7.3%	7.2%
Affinity High Growth Solution (Non Reg 28)	0.4%	0.3%	5.6%	11.6%	17.4%	13.8%	10.9%	7.4%	5.6%
Affinity Global Cautious Solution	0.0%	2.1%	5.7%	7.7%	11.8%	9.2%	4.3%	3.9%	5.7%
Affinity Global Cautious Restricted	0.3%	2.1%	4.8%	8.4%	10.7%	8.3%	5.1%	4.1%	4.8%
Affinity Global Moderate Solution	-0.1%	2.5%	7.5%	9.2%	14.9%	11.2%	5.1%	5.0%	7.5%
Affinity Global Moderate Restricted	0.1%	2.5%	7.2%	9.9%	14.6%	11.0%	6.2%	5.4%	7.2%
Affinity Global Growth Solution	-0.2%	2.7%	9.3%	10.5%	17.7%	13.1%	6.4%	6.0%	9.3%
Affinity Global Growth Restricted	-0.1%	2.9%	9.9%	11.7%	18.8%	13.7%	8.1%	7.0%	9.9%

- Low
- Low Medium
- Medium
- Medium High
- High

LESS RISK/ RETURN

MORE RISK/ RETURN

ZAR returns

USD returns

AFFINITY PERFORMANCE

September Update

Global markets rose to record highs on the back of US equities' strong growth in a volatile month. Despite the US government shutdown and an escalated trade war with China, all three US indices closed higher. Markets were positive around the expected FED rate cut, and as tensions with China cooled towards the end of the month, equities rallied hard.

Chinese equities were also supported by the easing of trade tensions and helped the Emerging Market index outperform the developed market peers.
Local equities continued to their incredible growth run. Although resources detracted, the broader index was able to cinch its eighth straight month of positive returns.

South Africa was removed from the Financial Action Task Force Grey List, which bolstered the Financials sector, as well as encouraged foreign inflows into the local bond market. The resulting drop in bond yields was a very supportive environment for local property which finished the month as the best performing asset class.

AFFINITY PORTFOLIOS

The Affinity strategies invest in strategic asset allocations that have high probabilities of achieving the respective return targets of the various portfolios on a risk adjusted basis. The asset allocation process allows for dynamic asset allocation based on various leading indicators of macro economic regimes. As of late, the OECD indicator suggests that the global economy moved towards an economic slowdown regime and the Affinity portfolios are positioned to mitigate any volatility and allocate to asset classes that are expected to perform well in this regime and underweight the other asset classes that are expected to underperform (within certain limitations). This framework is designed to work (and is best evaluated) over longer investment periods (typically longer than a quarter, a year or even 3 years).

In September and October, the Affinity Ci Cautious, Affinity Ci Moderate and Affinity Ci Growth repositioned the local equity strategies. The 36One SA Equity Fund was introduced as well as a S&P DSW 100 Index. The S&P DSW 100 is a custom-built index to access the local equity market. The Affinity investment committee believes the inclusion of new strategies have a high probability to capture upside when the local equity market recover. The allocation to asset classes did not change.

Source: Morningstar Direct & Advantage

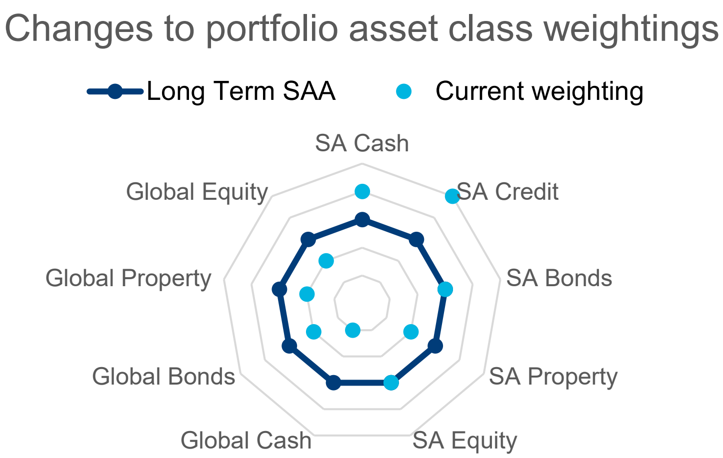
…Currently the Affinity funds move towards a neutral to underweight these growth asset classes to ultimately minimize market volatility through this period…

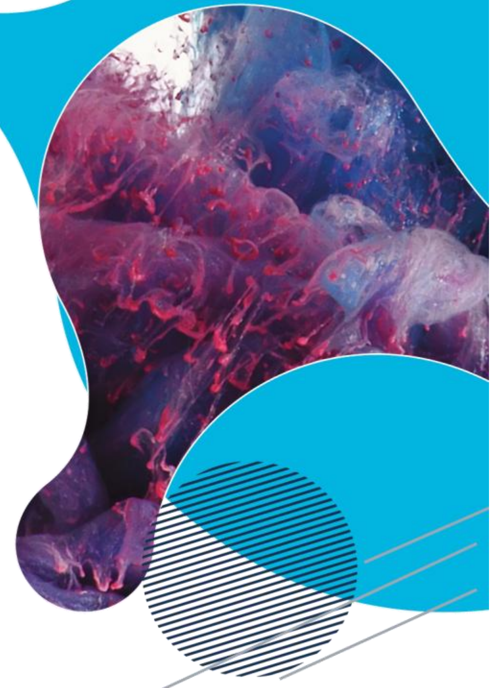
ATTRIBUTION OF PERFORMANCE

CONTINUED

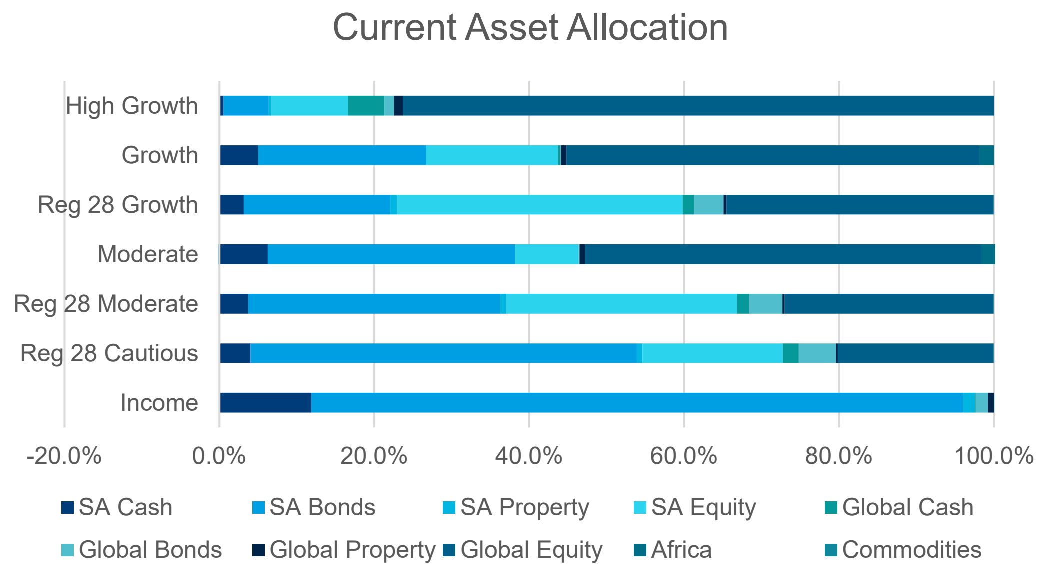
Weighting of asset classes

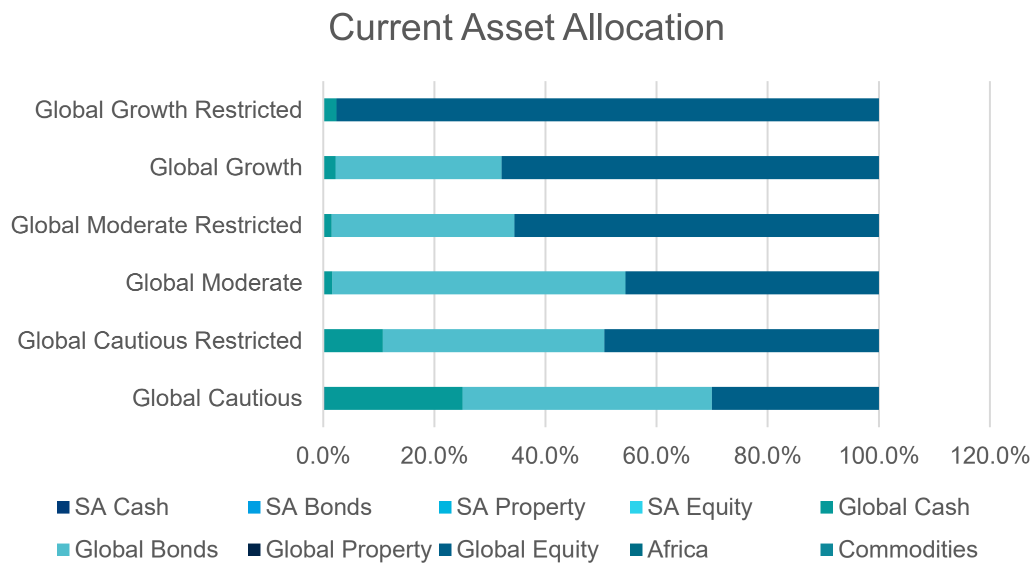
Our asset allocation models indicate that we fall within an economic expansionary regime, thus local government bonds have been increased and within local equities, the level of protection should be reduced in favour of direct equity market exposure and thus the weighting of Methodical (a protected equity manager) was reduce further. With regards to the portfolio's offshore exposure, the expansionary regime supports our portfolios holding more global equities.





ASSET ALLOCATION ACROSS SOLUTIONS





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