AFFINITY CAPITAL MANAGEMENT

COLLABORATING FOR INVESTMENT RESULTS

March 2026

Investment Report

CONTENTS

ECONOMIC OVERVIEW

Disruptions led to shortages of jet fuel, diesel and petrol across parts of Asia, with similar pressures expected to reach Europe by April

March in Review

March 2026 was another month marked by heightened geopolitical tension and cautious economic management across the Middle East, South Africa, Europe and Asia. The conflict in the Middle East dominated global attention as it intensified during March, with the US and Israel continuing coordinated strikes against Iranian military and nuclear facilities. Iran retaliated with missile and drone attacks across the region, while the Strait of Hormuz remained a persistent flashpoint. Shipping disruptions heightened investor concerns about energy security, contributing to continued volatility in global oil markets.

Strikes on Iran's South Pars gas field and related facilities significantly reduced liquefied natural gas (LNG) output, with Qatar Energy reporting a loss of approximately 17% of its LNG capacity for up to five years. Restrictions on shipping through the Strait of Hormuz disrupted global flows of crude oil and refined fuel, creating uncertainty for Asian and European importers. These disruptions led to shortages of jet fuel, diesel and petrol across parts of Asia, with similar pressures expected to reach Europe by April.

Against this backdrop of geopolitical uncertainty, the South African Reserve Bank (SARB) held the repo rate steady at 6.75% in March, keeping the prime lending rate at 10.25%. Policymakers cited global instability and domestic inflation risks, signalling that while stability remains the priority, further rate hikes remain possible should higher imported fuel costs place upward pressure on inflation. South Africa's flagship rapid rail system, the Gautrain, entered a new phase as the long standing Bombela Concession Company agreement expired at the end of March. A new 15 year public private partnership is in the process of being finalised, with the Bombela Operating Company managing operations on an interim basis. This transition underscores the importance of infrastructure continuity within Gauteng's transport network

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European economies faced rising energy costs linked to the Middle East conflict, although trade flows remained resilient. Air cargo demand increased, reflecting strong supply chain activity despite ongoing geopolitical uncertainty. On the political front, discussions around security commitments in the Mediterranean and Eastern Europe highlighted the continent's careful balancing act between trade priorities and defence considerations.

In Asia, governments closely monitored inflationary pressures as oil prices rose. Japan and South Korea emphasised energy diversification, while China continued to promote regional trade stability amid global disruptions. The Far East's resilience in manufacturing and exports provided some counterbalance to volatility in energy markets.

March highlighted the intersection of war driven energy risks and cautious monetary policy. Apart from higher fuel prices, South Africa remains, to a large extent, insulated from the more severe impacts of the conflict, while Europe and Asia grapple with external energy supply shocks. Globally, the US–Israel–Iran conflict remains the defining risk, shaping investor sentiment across markets.

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In March 2026, oil prices surged as the US–Israel–Iran conflict disrupted supply routes and damaged key energy infrastructure. Brent crude climbed above $100 per barrel, while the OPEC basket spiked to over $145, reflecting acute concerns about Middle Eastern output and the bottleneck at the Strait of Hormuz. These disruptions led to refined product shortages across Asia and threatened supplies to Europe, keeping global energy markets under sustained pressure.

Volatility remained elevated, but the overall trend pointed to strong demand for security amid war driven instability and inflationary concerns. In South African rand terms, gold also strengthened, underscoring its value as a hedge against both global and local risks.

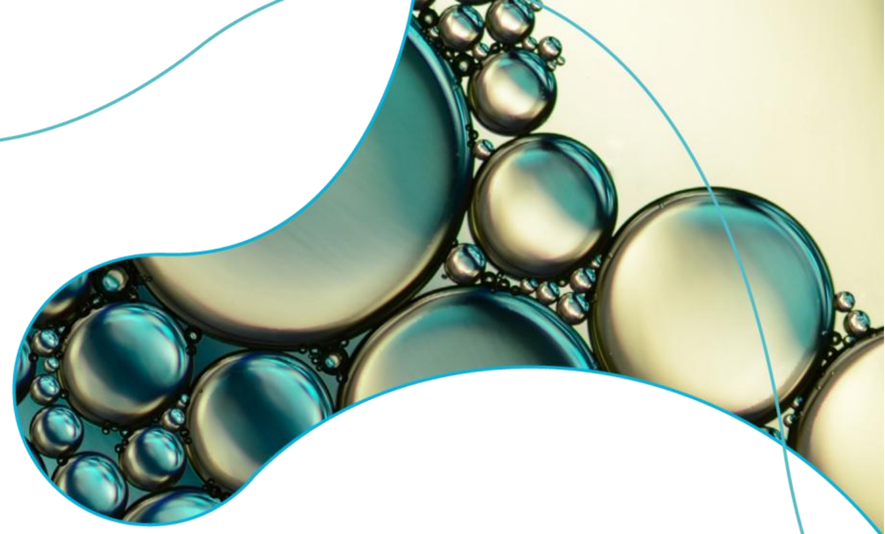
Meanwhile, the US equity market struggled under the weight of geopolitical tensions and rising energy costs. The S&P 500 fell nearly 5% in March, marking its longest losing streak in almost four years. Most index constituents declined, reflecting broad based weakness. A late month rally provided some relief, driven by speculation that hostilities with Iran might ease, but overall investor sentiment remained cautious.

Volatility remained elevated, but the overall trend pointed to strong demand for security amid war

MARKET INDICES [1] **(All returns in Rand except where otherwise indicated)**	**31 March 2026**		
	3 months	12 months	5 years[2]
SA equities (JSE All Share Index)	-0.6%	33.6%	15.7%
SA property (S&P SA REIT Index)	-5.2%	40.1%	18.7%
SA bonds (SA All Bond Index)	-3.4%	19.2%	12.2%
SA cash (STeFI)	1.7%	7.3%	6.7%
Global developed equities (MSCI World Index)	-0.3%	11.1%	14.1%
Emerging market equities (MSCI Emerging Markets Index)	3.2%	21.3%	7.3%
Global bonds (Bloomberg Barclays Global Aggregate)	2.2%	-3.0%	1.5%
Rand/dollar [3]	3.3%	-6.9%	3.0%
Rand/sterling	1.3%	-4.9%	2.1%
Rand/euro	1.3%	-0.7%	2.6%
Gold Price (*USD*)	7.4%	48.8%	22.1%
Oil Price (Brent Crude, *USD*)	94.5%	58.3%	13.2%

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



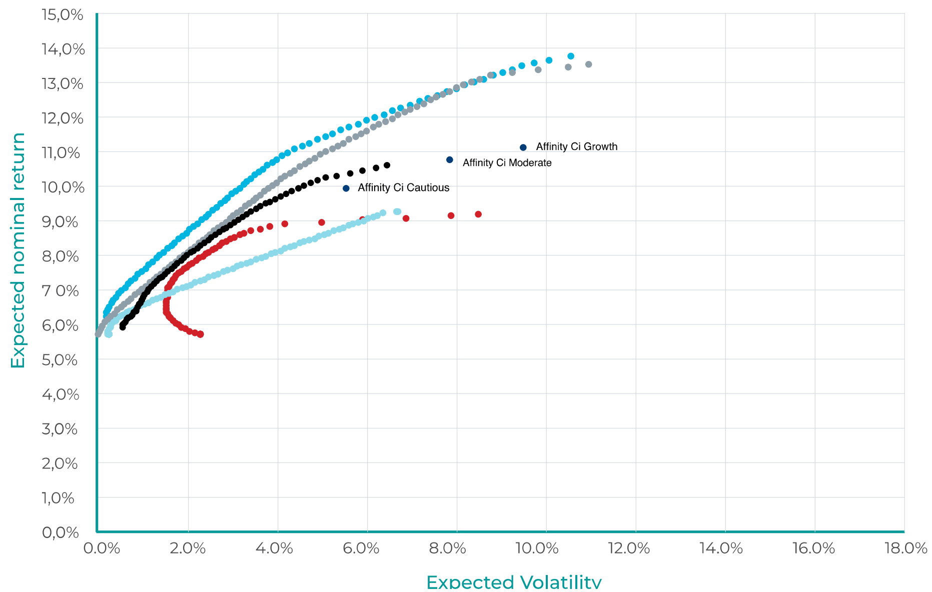
Affinity Capital Management has been established as a collaborative business that works hand in hand with financial advisors and their clients. We believe that investment solutions should not be created in isolation. A collaboration between advice and asset management ensures that investment products 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)	0.2%	-0.1%	4.7%	21.4%	19.8%	15.8%	19.7%	12.8%	-0.1%
JSE Preference Shares (J251)	-11.4%	-4.9%	10.5%	28.6%	24.2%	22.9%	17.9%	3.6%	-4.9%
SA Property (South African Listed Property Index)	6.3%	7.4%	23.6%	43.9%	31.2%	26.5%	21.1%	5.8%	7.3%
SA Bonds (SA All Bond Index)	-6.8%	-3.4%	5.3%	19.2%	19.8%	14.3%	12.2%	10.4%	-3.4%
ILBs (Barclays South Africa Government Inflation Linked Bond)	-5.9%	-1.3%	7.0%	13.5%	11.2%	9.2%	8.6%	6.0%	-1.3%
SA Cash (STeFI)	0.5%	1.7%	3.4%	7.3%	7.8%	8.0%	6.7%	6.8%	1.7%
Global Equities (MSCI All Countries World Index, $)	-7.1%	-3.1%	0.2%	20.5%	13.9%	17.1%	10.0%	11.9%	-3.1%
Developed Market Equities (MSCI World Index, $)	-6.3%	-3.5%	-0.4%	19.4%	13.3%	17.3%	10.8%	12.4%	-3.5%
Emerging Market Equities (MSCI Emerging Market Index, $)	-13.0%	-0.1%	4.7%	30.3%	19.1%	15.4%	4.2%	8.2%	-0.1%
Global Bonds (Bloomberg Barclays Global Aggregate,$)	-3.1%	-1.1%	-0.8%	4.3%	3.6%	2.6%	-1.5%	0.6%	-1.1%
RAND/DOLLAR	7.5%	3.3%	-0.8%	-6.9%	-4.9%	-1.2%	3.0%	1.5%	3.3%
RAND/STERLING	5.5%	1.3%	-2.8%	-4.9%	-2.9%	1.0%	2.1%	0.7%	1.3%
RAND/EURO	4.9%	1.3%	-2.7%	-0.7%	-1.8%	0.8%	2.6%	1.6%	1.3%
Solutions	**1 Month**	**3 Months**	**6 Months**	**1 Year**	**2 Years**	**3 Years**	**5 Years**	**10 Years**	**YTD**
• Affinity Income Solution	-1.2%	0.7%	4.3%	11.3%	11.5%	10.7%	9.2%	7.2%	4.3%
• Affinity Ci Cautious Fund	-3.6%	-0.7%	3.0%	12.6%	12.7%	11.9%	9.6%	6.6%	3.0%
• Affinity Ci Moderate Fund	-4.2%	-0.6%	2.7%	13.1%	12.9%	12.5%	9.9%	6.5%	2.7%
• Affinity Moderate Solution (Non Reg 28)	-2.1%	-0.7%	0.5%	8.2%	8.5%	11.2%	8.7%	5.7%	0.5%
• Affinity Ci Growth Fund	-4.5%	-0.6%	2.2%	13.1%	12.7%	12.6%	9.7%	6.5%	2.2%
• Affinity Growth Solution (Non Reg 28)	-2.4%	-0.7%	0.3%	8.5%	8.6%	11.5%	8.8%	7.0%	0.3%
• Affinity High Growth Solution (Non Reg 28)	-1.2%	-0.7%	-1.6%	5.1%	5.4%	10.7%	7.7%	7.1%	-1.6%
• Affinity Global Cautious Solution	-2.9%	-1.4%	-0.3%	6.0%	5.8%	7.0%	2.9%	3.8%	-0.3%
• Affinity Global Cautious Restricted	-2.3%	-0.5%	1.1%	6.7%	6.5%	7.1%	3.8%	4.1%	1.1%
• Affinity Global Moderate Solution	-4.2%	-2.3%	-1.0%	7.0%	6.5%	8.2%	2.9%	4.8%	-1.0%
• Affinity Global Moderate Restricted	-4.0%	-1.8%	-0.2%	7.8%	7.0%	8.5%	3.9%	5.2%	-0.2%
• Affinity Global Growth Solution	-5.3%	-3.0%	-1.6%	8.1%	7.0%	9.4%	3.5%	5.8%	-1.6%
• Affinity Global Growth Restricted	-5.6%	-3.6%	-1.8%	8.5%	7.4%	10.0%	4.6%	6.8%	-1.8%

LESS RISK/ RETURN

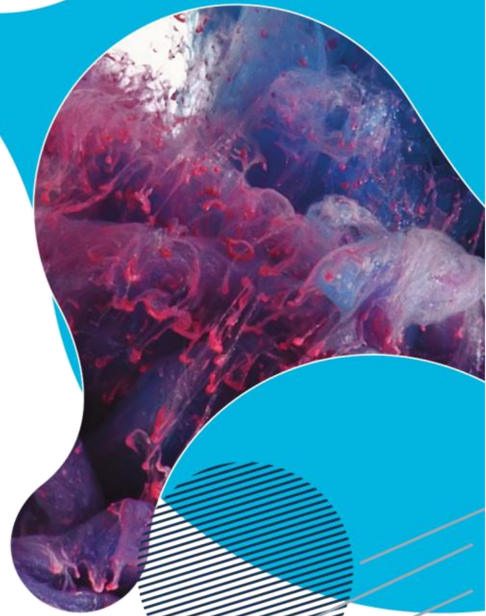
- Low
- Low Medium
- Medium
- Medium High
- High

MORE RISK/ RETURN

ZAR returns
USD returns

AFFINITY PERFORMANCE

March Update



Markets were weaker over the past month, which resulted in negative returns across most Affinity solutions. As expected, portfolios with higher exposure to growth assets experienced larger short-term declines, while income and cautious solutions were more resilient.

Global portfolios were also impacted as offshore markets came under pressure during the month. While short-term market movements can be uncomfortable, the solutions remain well positioned and aligned with their long-term objectives. Investors are reminded that periods of volatility are a normal part of investing, and long-term outcomes remain the focus.

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

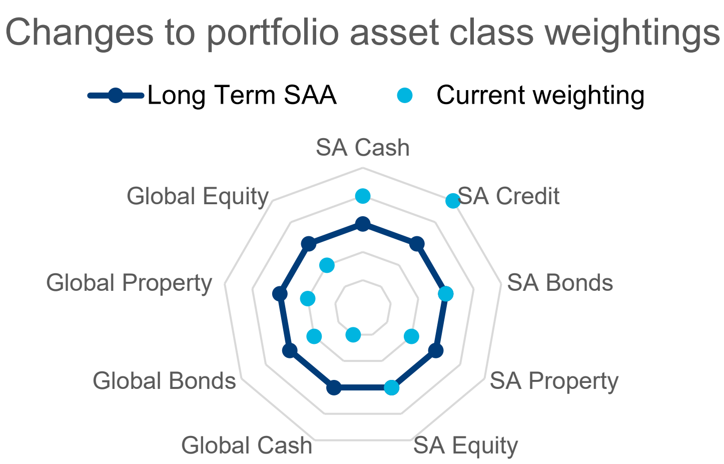
…Currently the Affinity funds move towards a neutral to underweight these growth asset classes to ultimately minimize market volatility through this period…

ATTRIBUTION OF PERFORMANCE

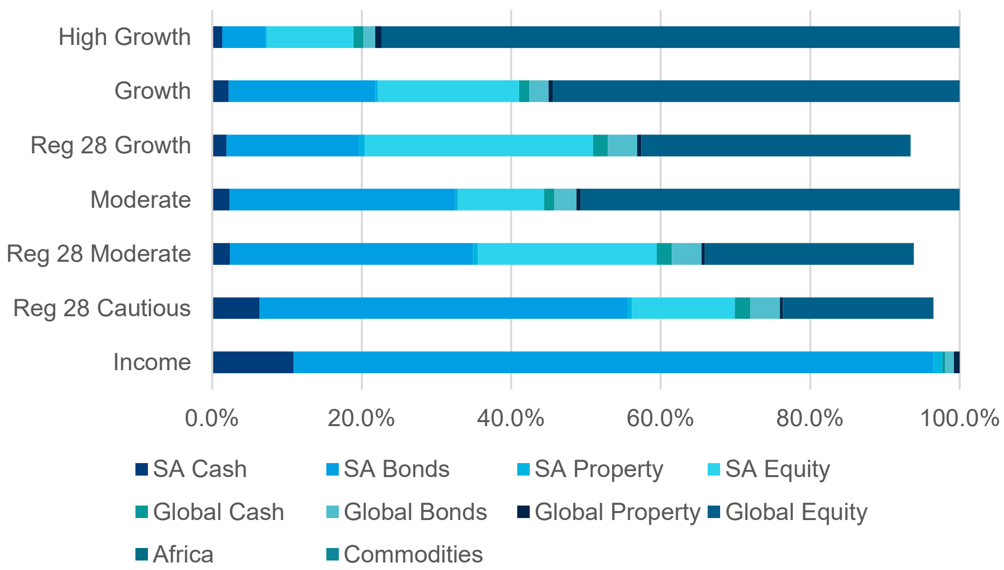
CONTINUED

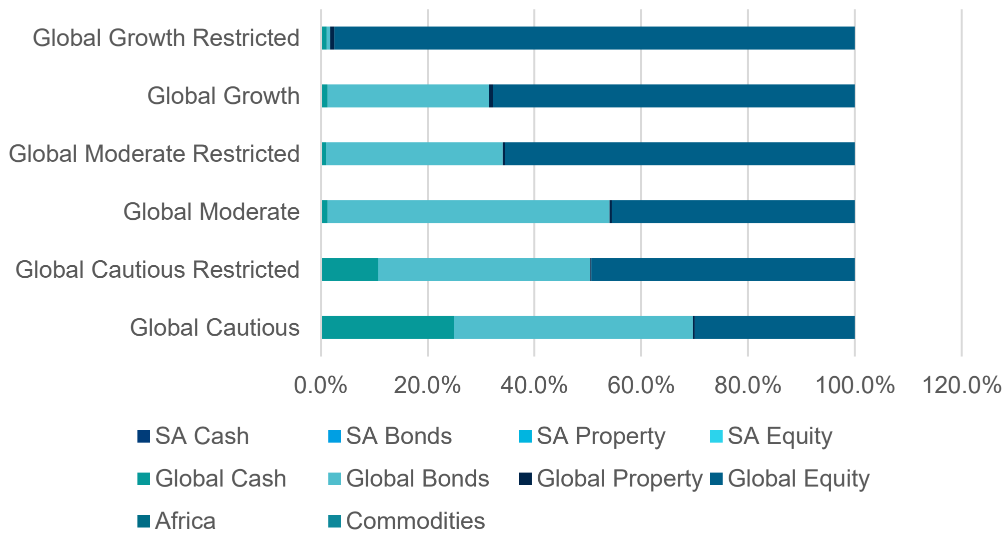
Weighting of asset classes

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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