AFFINITY CAPITAL MANAGEMENT

COLLABORATING FOR INVESTMENT RESULTS

June 2026

Investment Report

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ECONOMIC OVERVIEW

While energy markets stabilised towards month-end, investors remain concerned that the region could be a source of volatility for some time.

June in Review

Tensions in the Middle East dominated global headlines during the month of June. Following a period of heightened conflict involving Iran, Israel, and the United States, markets were relieved by reports of a ceasefire agreement and the reopening of key shipping routes through the Strait of Hormuz. While energy markets stabilised towards month-end, investors remain concerned that the region could be a source of volatility for some time.

The World Bank reduced its expectations for global economic growth, warning that higher energy prices, persistent geopolitical tensions, and slower trade growth continue to act as headwinds for the global economy. The institution highlighted that growth remains uneven across regions, with several emerging economies expected to outperform developed markets over the medium term.

Oil prices remained a key focus for investors. Although prices retreated from their highs due to signs of progress in Middle East negotiations, energy markets continue to price in the possibility of supply disruptions. Elevated oil prices remain one of the primary risks to the global inflation outlook.

Central banks continued to tread carefully. The US Federal Reserve maintained a cautious stance as inflation remained above target, while both the European Central Bank and the Bank of Japan continued with gradual policy normalisation. Divergences in monetary policy expectations remain an important driver of currency and bond market movements.

Artificial intelligence remains one of the major investment themes globally. Continued investment in AI infrastructure and technology exports provided support to economic activity, particularly in the United States and parts of Asia, helping to offset some of the weakness associated with slower global growth.

Concerns about government finances remain prominent in several developed economies. Investors continue to demand higher yields on long-dated government bonds as they assess fiscal sustainability, inflation risks, and the longer-term consequences of elevated government debt levels.

Closer to home, South Africa continues to benefit from a more stable electricity environment than was experienced during the peak years of load shedding. However, weak economic growth, logistical constraints, and ongoing fiscal pressures remain significant obstacles to the country achieving the higher growth rates required to address unemployment and improve living standards.

Continued investment in AI infrastructure and technology exports provided support to economic activity

ECONOMIC OVERVIEW

CONTINUED

Global equity markets produced mixed results, as investors weighed easing geopolitical tensions in the Middle East against concerns that higher energy prices could prolong the battle against inflation. In the United States, the broad S&P 500 Index ended the month 1.1% lower, while the technology-heavy Nasdaq Composite retreated 2.8% as investors took profits following a strong first half of the year. Smaller-company shares fared better, with the Russell 2000 advancing 3.6% (all measured in US dollars).

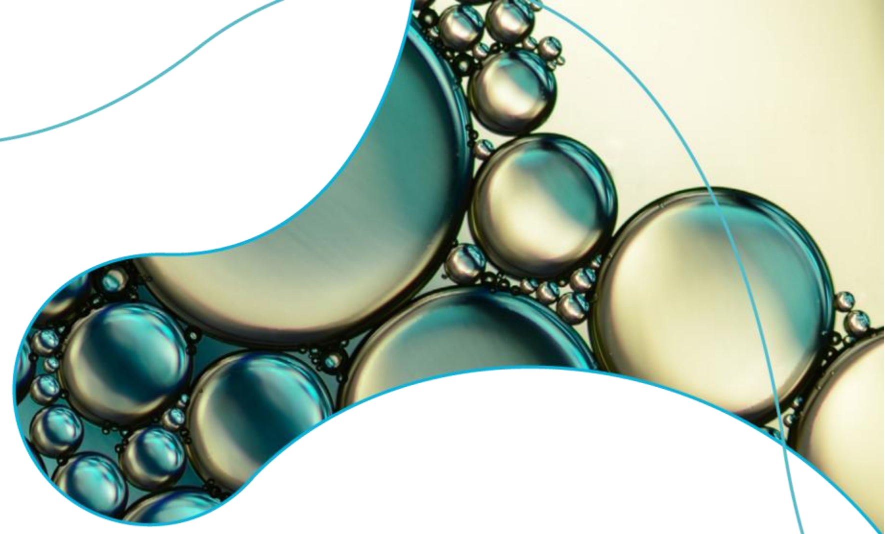
European markets were more resilient. The UK's FTSE 100 gained 1.0%, and the Euro Stoxx 50 added 4.7% during the month. Japan continued to be one of the strongest-performing major markets globally, with the Nikkei 225 surging 5.6% in local currency terms during June. Emerging markets struggled, however, with the MSCI Emerging Markets Index declining 1.4% as ongoing concerns surrounding Chinese growth and global trade weighed on sentiment.

South African markets endured a more difficult month. The JSE All Share Index declined 3.7%, with resource shares particularly weak as commodity prices and global growth expectations softened. Financial shares provided some support but were unable to offset weakness elsewhere in the market. Local bonds delivered a stronger performance as investors responded favourably to easing domestic inflation expectations and lower long-term bond yields.

MARKET INDICES [1] **(All returns in Rand except where otherwise indicated)**	**30 June 2026**		
	3 months	12 months	5 years[2]
SA equities (JSE All Share Index)	-2.4%	18.4%	15.2%
SA property (S&P SA REIT Index)	11.4%	40.4%	18.3%
SA bonds (SA All Bond Index)	7.9%	21.5%	12.4%
SA cash (STeFI)	1.7%	7.1%	6.9%
Global developed equities (MSCI World Index)	13.9%	21.8%	12.0%
Emerging market equities (MSCI Emerging Markets Index)	24.1%	44.2%	7.7%
Global bonds (Bloomberg Barclays Global Aggregate)	0.9%	0.6%	-1.5%
Rand/dollar [3]	-4.3%	-7.8%	2.8%
Rand/sterling	-3.6%	-10.7%	2.0%
Rand/euro	-5.0%	-10.2%	2.0%
Gold Price (*USD*)	-13.4%	22.1%	17.8%
Oil Price (Brent Crude, *USD*)	-38.4%	7.9%	-0.6%

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



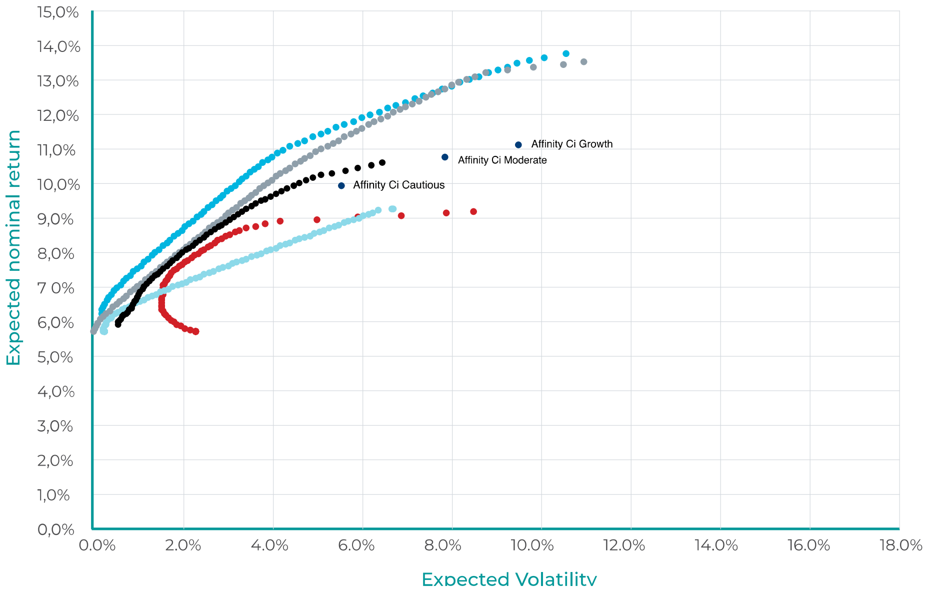
Affinity Capital Management has been established as a collaborative business that works hand in hand with financial advisors and their clients. We believe that investment solutions should not be created in isolation. A collaboration between advice and asset management ensures that investment products 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)	-3.7%	-2.4%	-3.0%	18.4%	21.8%	17.4%	15.2%	11.6%	-3.0%
JSE Preference Shares (J251)	1.4%	1.8%	1.7%	7.5%	18.4%	16.3%	19.3%	12.0%	1.7%
SA Property (South African Listed Property Index)	3.7%	10.0%	4.6%	29.7%	26.8%	26.6%	17.5%	4.6%	4.6%
SA Bonds (SA All Bond Index)	1.5%	7.9%	4.2%	21.5%	19.9%	17.8%	12.4%	10.8%	4.2%
ILBs (Barclays South Africa Government Inflation Linked Bond)	1.5%	6.5%	5.1%	19.8%	13.3%	11.7%	9.3%	6.2%	5.1%
SA Cash (STeFI)	0.6%	1.7%	3.4%	7.1%	7.6%	7.9%	6.9%	6.8%	3.4%
Global Equities (MSCI All Countries World Index, $)	-0.8%	15.1%	11.5%	24.2%	20.4%	20.2%	11.5%	13.3%	11.5%
Developed Market Equities (MSCI World Index, $)	-0.7%	13.9%	9.9%	21.8%	19.3%	19.8%	12.0%	13.7%	9.9%
Emerging Market Equities (MSCI Emerging Market Index, $)	-1.4%	24.1%	24.0%	44.2%	29.3%	23.6%	7.7%	10.5%	24.0%
Global Bonds (Bloomberg Barclays Global Aggregate,$)	-0.7%	0.9%	-0.2%	0.6%	4.7%	3.4%	-1.5%	0.4%	-0.2%
RAND/DOLLAR	1.2%	-4.3%	-1.1%	-7.8%	-5.3%	-4.6%	2.8%	1.1%	-1.1%
RAND/STERLING	-0.4%	-3.6%	-2.4%	-10.7%	-2.9%	-3.2%	2.0%	1.1%	-2.4%
RAND/EURO	-0.8%	-5.0%	-3.7%	-10.2%	-2.1%	-3.1%	2.0%	1.4%	-3.7%
Solutions	**1 Month**	**3 Months**	**6 Months**	**1 Year**	**2 Years**	**3 Years**	**5 Years**	**10 Years**	**YTD**
• Affinity Income Solution	1.1%	3.5%	4.2%	11.4%	11.5%	11.4%	9.6%	7.2%	4.2%
• Affinity Ci Cautious Fund	-0.1%	3.1%	2.3%	10.9%	12.3%	12.2%	9.4%	6.8%	2.3%
• Affinity Ci Moderate Fund	-0.8%	2.2%	1.6%	10.1%	12.1%	12.2%	9.7%	6.5%	1.6%
• Affinity Moderate Solution (Non Reg 28)	0.0%	4.1%	3.4%	8.1%	10.1%	10.8%	8.7%	6.0%	3.4%
• Affinity Ci Growth Fund	-1.2%	1.8%	1.2%	9.4%	11.7%	11.9%	9.5%	6.6%	1.2%
• Affinity Growth Solution (Non Reg 28)	-0.4%	3.6%	2.9%	7.7%	10.0%	10.8%	8.8%	7.3%	2.9%
• Affinity High Growth Solution (Non Reg 28)	-0.2%	4.5%	3.8%	5.6%	8.3%	9.6%	8.0%	7.4%	3.8%
• Affinity Global Cautious Solution	-0.2%	4.3%	2.8%	6.5%	7.6%	8.0%	3.0%	4.0%	2.8%
• Affinity Global Cautious Restricted	0.0%	3.6%	3.1%	6.7%	7.9%	8.1%	4.0%	4.3%	3.1%
• Affinity Global Moderate Solution	-0.4%	5.9%	3.5%	8.0%	9.2%	9.6%	3.1%	5.1%	3.5%
• Affinity Global Moderate Restricted	-0.4%	6.0%	4.1%	8.8%	9.8%	10.1%	4.2%	5.6%	4.1%
• Affinity Global Growth Solution	-0.7%	7.9%	4.7%	10.1%	10.8%	11.4%	3.8%	6.3%	4.7%
• Affinity Global Growth Restricted	-0.7%	8.9%	5.0%	10.9%	11.6%	12.4%	5.0%	7.4%	5.0%

Low
Low Medium
Medium
Medium High
High

LESS RISK/ RETURN

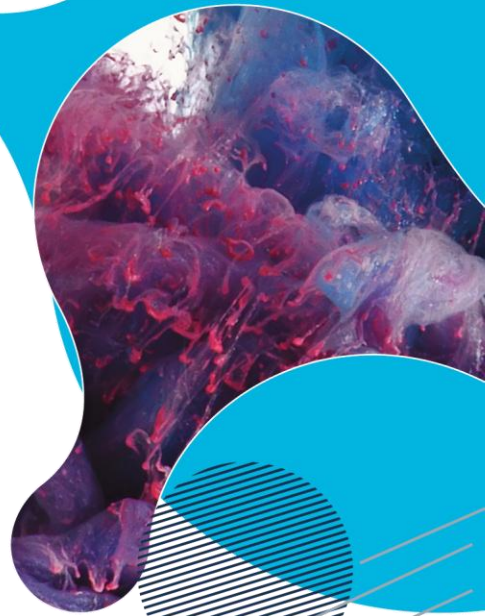
MORE RISK/ RETURN

ZAR returns

USD returns

AFFINITY PERFORMANCE

June Update



The Affinity solution range delivered mixed performance over the past month, reflecting varied conditions across local and global markets. The more conservative portfolios, particularly the Affinity Income Solution, produced positive returns and provided stability during the period. Returns moderated as portfolio growth exposure increased, with balanced and growth-oriented strategies experiencing modest pullbacks.

Global portfolios also delivered mixed outcomes, with cautious strategies broadly flat and growth portfolios recording small declines. Despite these short-term fluctuations, all solutions remain well diversified and positioned in line with their respective long-term investment objectives, with longer-term performance continuing to demonstrate the benefits of maintaining a disciplined investment approach

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).

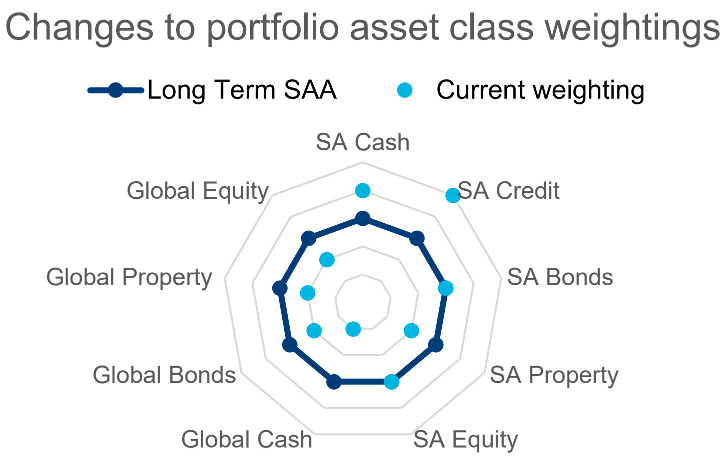
In September and October, the Affinity Ci Cautious, Affinity Ci Moderate and Affinity Ci Growth repositioned the local equity strategies. The 36One SA Equity Fund was introduced as well as a S&P DSW 100 Index. The S&P DSW 100 is a custom-built index to access the local equity market. The Affinity investment 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

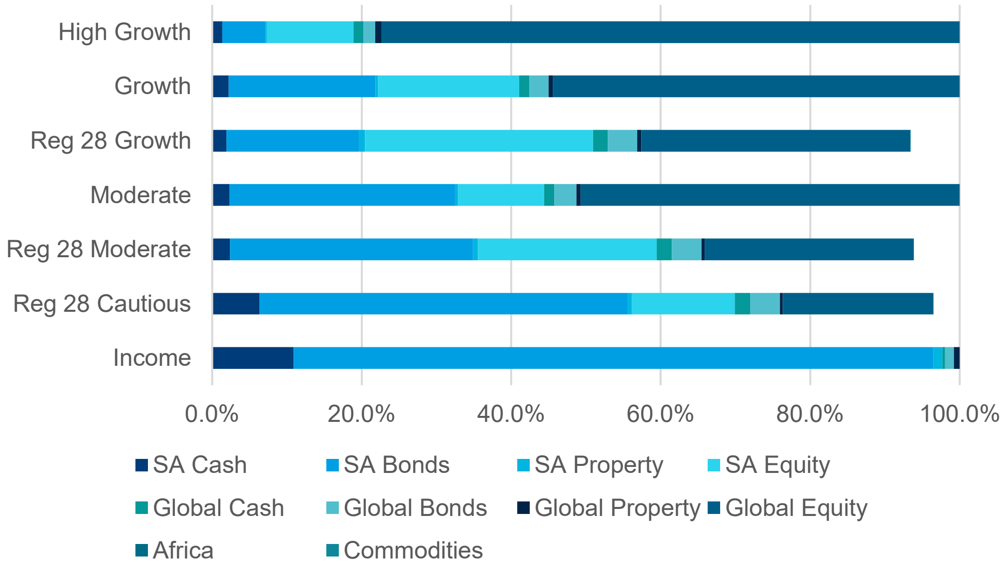
…Currently the Affinity funds move towards a neutral to underweight these growth asset classes to ultimately minimize market volatility through this period…

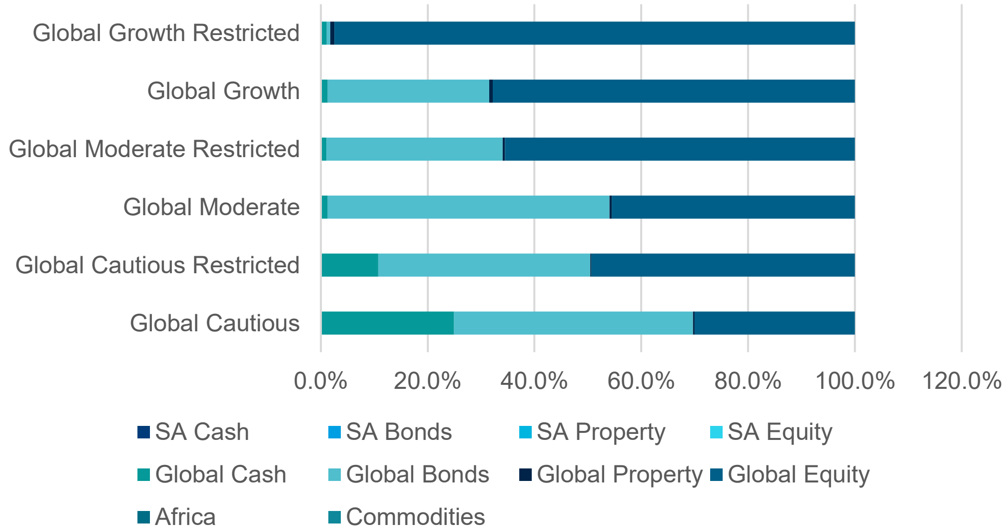
Weighting of asset classes

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





CONTACT

For more information please feel free to contact us directly:

011 262 2740 | admin@affinitycapital.co.za
Block G, Pin Mill Farm, 164 Katherine Street, Sandton, 2196