AFFINITY CAPITAL MANAGEMENT

COLLABORATING FOR INVESTMENT RESULTS

futurity WEALTH MANAGEMENT | ATOM CAPITAL | SERALA YOUR FINANCIAL SUMMIT | FIDUCIA WEALTH | credence INVESTMENT GROUP

July 2026

Investment Report

CONTENTS

ECONOMIC OVERVIEW

July in Review

Renewed tensions between the United States and Iran dominated global headlines. Concerns over shipping through the Strait of Hormuz resulted in continued volatility in oil markets and heightened concerns about the vulnerability of global supply chains and energy security. Although tensions eased somewhat later in the month, the region remains a significant source of geopolitical risk.

The US Federal Reserve left interest rates unchanged at 3.50% to 3.75%. However, policymakers adopted a more hawkish tone than markets had anticipated, leading investors to reduce expectations for near-term rate cuts and reinforcing the view that rates may remain higher for longer.

In a somewhat unexpected move, the South African Reserve Bank also left the repo rate unchanged during July. While inflation remains broadly contained, the Bank highlighted ongoing risks from global uncertainty, energy prices, and exchange-rate movements, opting for a cautious approach to monetary policy. South Africa continues to face structural economic challenges, including weak growth, infrastructure constraints, and fiscal pressures. Nevertheless, the country continues to benefit from a considerably more stable electricity environment than that experienced during the peak years of load shedding.

South African Reserve Bank also left the repo rate unchanged during July

ECONOMIC OVERVIEW

CONTINUED

The European Central Bank continued to prioritise inflation control despite subdued economic growth across much of the Eurozone. Policymakers remain focused on balancing slower growth with the need to maintain price stability.

Japan continued its gradual exit from decades of ultra-accommodative monetary policy. The Bank of Japan's policy rate now stands at its highest level since the 1990s, reflecting growing confidence in the sustainability of inflation and wage growth.

Global economic forecasts remain fragile. While the moderation in oil prices from their June peaks has provided some relief, economists continue to warn that geopolitical risks, elevated debt levels, and sluggish trade growth could constrain economic activity in the years ahead.

Artificial intelligence remained a dominant investment theme during the month. However, investors became increasingly selective as questions emerged about whether the substantial capital expenditure being directed towards AI infrastructure is generating sufficient returns for shareholders.

Artificial intelligence remained a dominant investment theme during the month

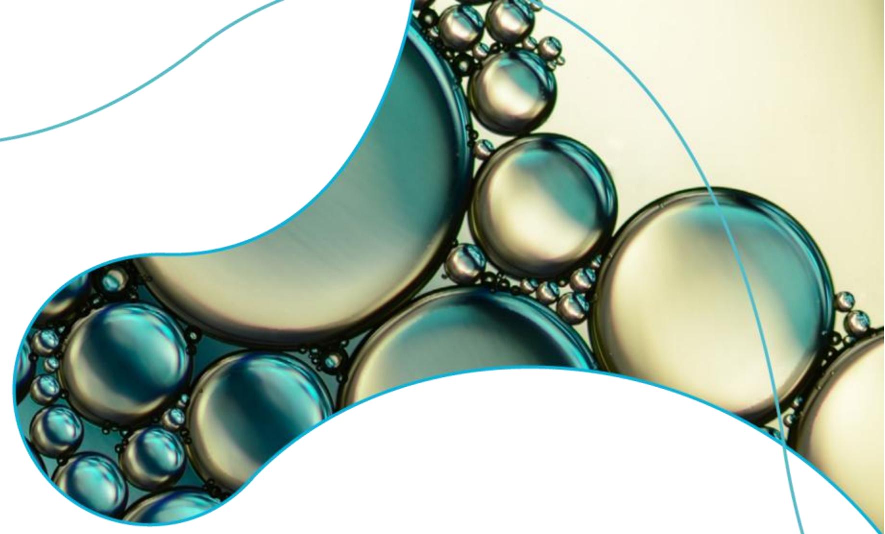
Global equity markets delivered a mixed performance during July, as investors weighed resilient economic activity against heightened geopolitical tensions and changing interest-rate expectations. In the United States, the S&P 500 ended the month virtually unchanged, declining by 0.1%, while the technology-heavy Nasdaq 100 fell 6.6% as investors took profits in several of the market's leading artificial-intelligence-related shares. The Dow Jones Industrial Average gained 0.3%, supported by stronger performance from financial, industrial, and energy companies.

European markets generally produced positive returns despite a challenging economic backdrop. The FTSE 100 in the United Kingdom gained approximately 3.6%, supported by the strength of resource and energy shares. Continental European markets were also broadly positive, as investors focused on moderating inflation and stable corporate earnings.

South African assets came under pressure during the month but ended in the green. The JSE All Share Index added a little over 1%. Local bonds gave up 1.4%, while the rand remained sensitive to changing global interest-rate expectations and developments in energy markets. Looking ahead, investors are likely to remain focused on inflation trends, central-bank policy decisions, and geopolitical developments, all of which continue to influence investment markets around the world.

MARKET INDICES [1] (All returns in Rand except where otherwise indicated)	**31 July 2026**		
	3 months	12 months	5 years[2]
SA equities (JSE All Share Index)	-2.8%	17.2%	14.5%
SA property (S&P SA REIT Index)	7.3%	34.6%	19.0%
SA bonds (SA All Bond Index)	3.0%	16.6%	11.9%
SA cash (STeFI)	1.7%	7.1%	6.9%
Global developed equities (MSCI World Index)	3.5%	10.6%	14.5%
Emerging market equities (MSCI Emerging Markets Index)	4.0%	25.4%	11.2%
Global bonds (Bloomberg Barclays Global Aggregate)	-1.8%	-7.0%	0.5%
Rand/dollar [3]	-0.9%	-8.5%	2.5%
Rand/sterling	-1.8%	-6.9%	1.8%
Rand/euro	-2.8%	-8.0%	1.9%
Gold Price (*USD*)	-12.3%	23.0%	17.4%
Oil Price (Brent Crude, *USD*)	-21.0%	24.3%	3.4%

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

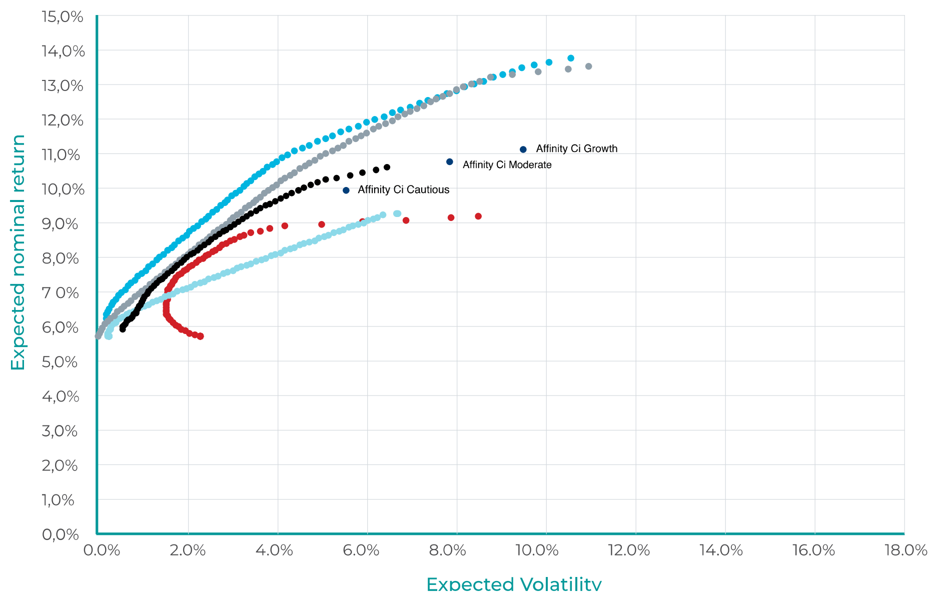
Affinity Capital Management has been established as a collaborative business that works hand in hand with financial advisors and their clients. We believe that investment solutions should not be created in isolation. A collaboration between advice and asset management ensures that investment products 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)	1.2%	-2.8%	-5.3%	17.2%	20.1%	16.3%	14.5%	11.6%	-1.8%
JSE Preference Shares (J251)	0.9%	3.5%	4.2%	4.5%	17.2%	16.6%	19.3%	12.1%	2.7%
SA Property (South African Listed Property Index)	2.3%	6.8%	6.0%	26.7%	25.5%	26.6%	18.2%	4.5%	7.0%
SA Bonds (SA All Bond Index)	-1.4%	3.0%	0.9%	16.6%	16.8%	16.4%	11.9%	10.4%	2.8%
ILBs (Barclays South Africa Government Inflation Linked Bond)	-0.1%	1.9%	3.8%	19.0%	12.4%	11.2%	9.3%	6.2%	5.1%
SA Cash (STeFI)	0.6%	1.7%	3.4%	7.1%	7.5%	7.9%	6.9%	6.8%	4.0%
Global Equities (MSCI All Countries World Index, $)	0.1%	4.5%	8.4%	22.6%	19.5%	18.8%	11.4%	12.9%	11.6%
Developed Market Equities (MSCI World Index, $)	0.5%	4.4%	8.1%	20.9%	18.5%	18.6%	11.7%	13.3%	10.5%
Emerging Market Equities (MSCI Emerging Market Index, $)	-3.0%	4.9%	10.5%	37.1%	27.1%	19.9%	8.5%	9.6%	20.3%
Global Bonds (Bloomberg Barclays Global Aggregate,$)	-0.5%	-0.9%	-1.7%	1.6%	3.0%	3.0%	-1.9%	0.2%	-0.7%
RAND/DOLLAR	1.0%	-0.9%	3.2%	-8.5%	-4.6%	-2.4%	2.5%	1.8%	-0.1%
RAND/STERLING	2.4%	-1.8%	1.2%	-6.9%	-2.4%	-0.9%	1.8%	1.9%	-0.1%
RAND/EURO	1.6%	-2.8%	-0.2%	-8.0%	-1.6%	-1.0%	1.9%	2.1%	-2.1%
Solutions	**1 Month**	**3 Months**	**6 Months**	**1 Year**	**2 Years**	**3 Years**	**5 Years**	**10 Years**	**YTD**
Affinity Income Solution	0.4%	2.5%	3.7%	10.7%	10.9%	11.1%	9.6%	7.2%	3.7%
Affinity Ci Cautious Fund	0.6%	1.2%	1.6%	9.6%	11.2%	11.9%	9.2%	6.8%	1.6%
Affinity Ci Moderate Fund	1.0%	0.6%	1.0%	9.1%	11.2%	12.0%	9.4%	6.5%	1.0%
Affinity Moderate Solution (Non Reg 28)	1.1%	1.5%	4.1%	6.9%	9.4%	11.1%	8.5%	6.0%	4.1%
Affinity Ci Growth Fund	1.3%	0.2%	0.8%	8.5%	10.9%	11.9%	9.1%	6.6%	0.8%
Affinity Growth Solution (Non Reg 28)	1.3%	1.2%	3.7%	6.6%	9.4%	11.2%	8.6%	7.3%	3.7%
Affinity High Growth Solution (Non Reg 28)	1.6%	1.5%	5.7%	4.5%	7.9%	10.5%	7.8%	7.5%	5.7%
Affinity Global Cautious Solution	0.1%	1.1%	1.8%	6.2%	6.7%	7.4%	3.0%	3.9%	1.8%
Affinity Global Cautious Restricted	0.2%	1.0%	2.1%	6.8%	7.3%	7.6%	4.0%	4.2%	2.1%
Affinity Global Moderate Solution	0.1%	1.4%	2.2%	7.6%	8.1%	8.8%	3.1%	4.9%	2.2%
Affinity Global Moderate Restricted	0.3%	1.6%	2.9%	8.8%	8.9%	9.4%	4.3%	5.4%	2.9%
Affinity Global Growth Solution	0.4%	2.1%	3.3%	9.8%	9.7%	10.5%	3.9%	6.0%	3.3%
Affinity Global Growth Restricted	0.8%	2.7%	4.4%	11.0%	10.9%	11.5%	5.3%	7.1%	4.4%

Low
Low Medium
Medium
Medium High
High

LESS RISK/ RETURN
MORE RISK/ RETURN

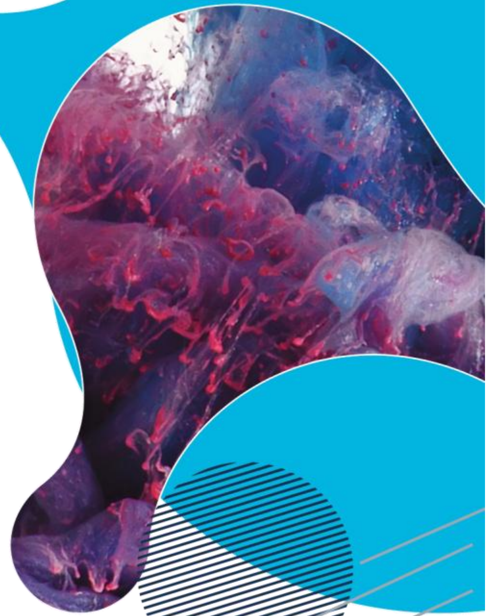
ZAR returns
USD returns

AFFINITY PERFORMANCE

July Update

The Affinity solution range delivered positive returns over the past month, with performance generally improving as portfolio growth exposure increased. Income and cautious portfolios produced steady gains, while moderate and growth-oriented strategies benefited from stronger returns from growth assets.

Global solutions also generated positive returns, although gains were more modest than their local counterparts. Overall, the month was constructive across the range, with all solutions delivering positive outcomes and remaining well positioned to meet their long-term investment objectives through diversified exposure across asset classes.



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

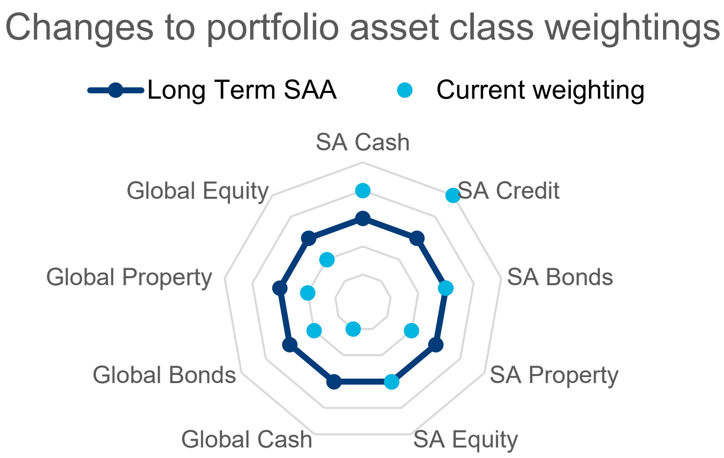
…Currently the Affinity funds move towards a neutral to underweight these growth asset classes to ultimately minimize market volatility through this period…

ATTRIBUTION OF PERFORMANCE

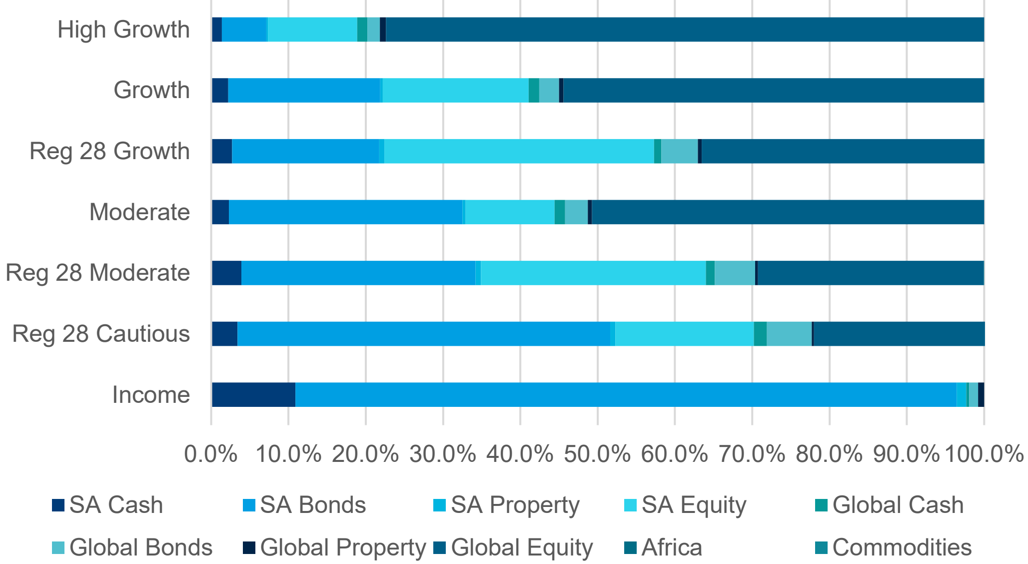
CONTINUED

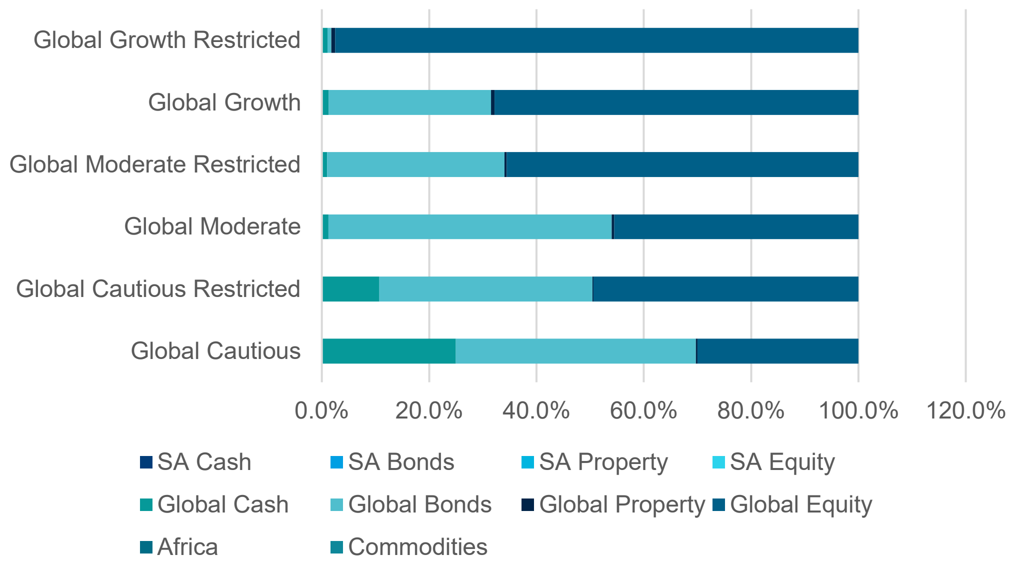
Weighting of asset classes

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





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

Authorised Financial Services Provider FSP 47878