PORTFOLIOMETRIX BCI DYNAMIC INCOME FUND

FUND PROFILE AND MARKET UPDATE

March 2026

MARKET UPDATE AND OUTLOOK – MARCH 2026

After a strong start to the year, the **PortfolioMetrix BCI Dynamic Income Fund** was down -3.7% in March, as the crisis in the Middle East rattled markets and the All Bond Index fell -6.8%. Despite this, the fund is still up +17.5% over the past 12 months. Encouragingly, the ALBI has recovered 5.07% month to date (as at 10th April).

Since inception, the fund has generated +79.5%, significantly outperforming peers (+51.5%), and cash (+40.1%)*.

MARKET & ECONOMIC HIGHLIGHTS:

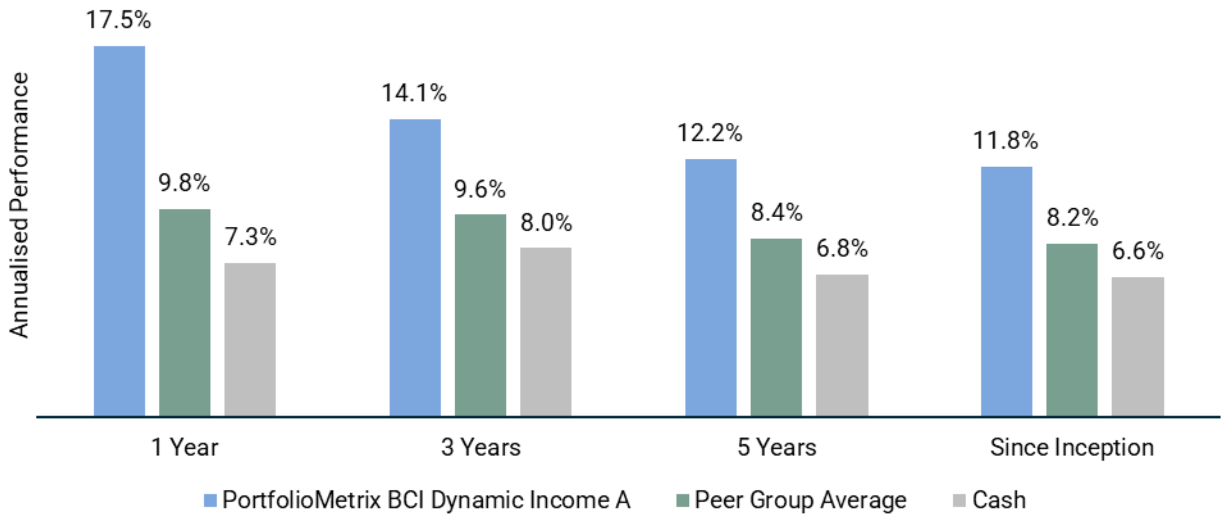
- **Oil shock and inflation outlook**: The Middle East crisis driven oil spike has lifted 2026 inflation expectations and shifted the narrative for Central Banks from possible rate cuts in 2026 to now pricing-in near term rate hikes. However, current expectations are for inflation to reduce again in 2027 once the crisis is resolved and base effects kick in.
- **SARB reaction function**: Unsurprisingly the SARB held the Repo rate at 6.75% in March, citing upside risks to the inflation outlook due to the ongoing Middle East conflict. Their baseline forecast is for higher energy prices to push inflation higher in the near term before gradually easing back towards 3% by late next year. The SARB is likely to remain cautious and keep rates higher for longer to maintain credibility and signal their commitment to achieve the new 3% inflation target.
- **Rand resilience and terms of trade**: The rand has been relatively stable compared to other emerging markets through this volatile period. This is due to supportive commodity exports and a roughly balanced 2026 current account cushioning the oil shock and limiting pressure for aggressive local tightening. The concern does however shift to local growth should the war overwhelm local reform efforts.
- **Fiscal consolidation and debt peak**: Treasury continues to build evidence that South Africa's debt ratio is still likely to peak around 2025/26, with better than budgeted deficits and steady issuance supporting SA bonds. Part of the March Oil shock has been countered by rising coal and commodity prices.

PORTFOLIO UPDATES

- We have taken advantage of the recent market volatility by locking in yields at higher levels.
- Real yields on various instruments remain attractive and the portfolio is now positioned for an environment of higher short-term rates followed by longer-term lower rates.
- We are maintaining a high level of liquidity to be take advantage of opportunities should further volatility and weakness occur.
- The fund's **current gross yield** of 10.0% remains high** relative to short and long-term expectations for cash and inflation.

* Inception date of the fund is 2020/12/21. All performance is on a Net of Fees basis. **Peer Group Average = ASISA SA MA Income Category Average, Cash = STeFI Composite**. Source: Morningstar, PortfolioMetrix

** The current gross yield is indicative and fluctuates daily and therefore not guaranteed. As of 2026/03/31. Source: JSE, PortfolioMetrix



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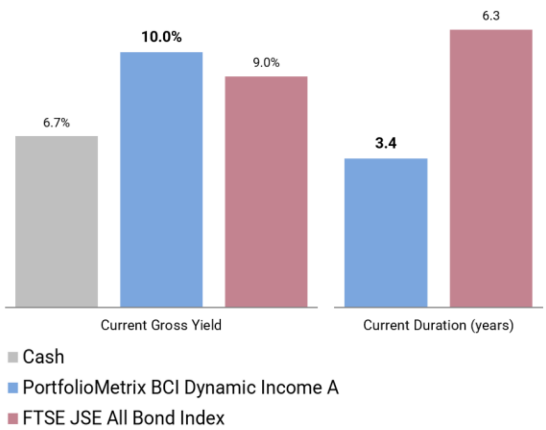
FUND POSITIONING

- The Fund's gross current yield** of 10% remains attractive in both absolute terms and relative to current inflation and cash rates.
- The aggregate duration is currently 3.4, which indicates an interest rate volatility of less than two thirds of the All Bond Index, which has a current duration of 6.3 years.



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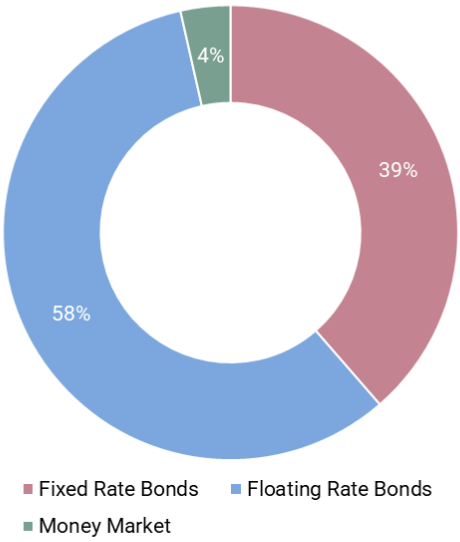
Source: JSE, PortfolioMetrix

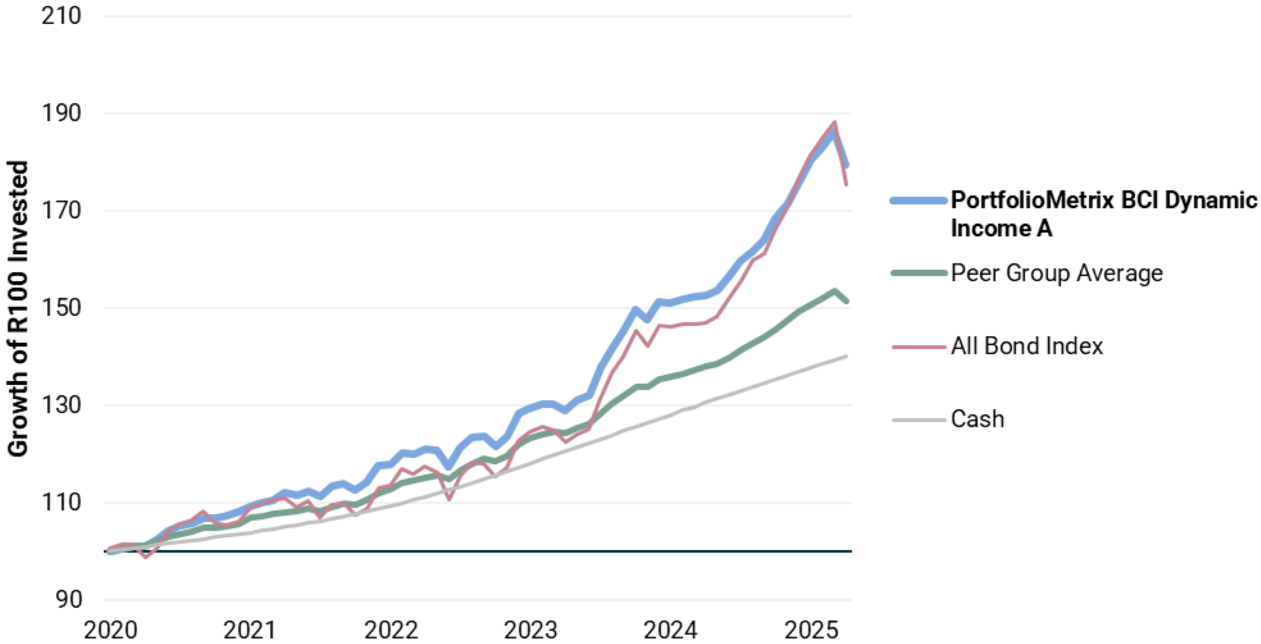
ASSET ALLOCATION

- More than half of the portfolio is invested in money market and floating-rate instruments, which continue to benefit from current high interest rates.
- The fixed rate bond exposure of approximately 39% is providing high yields for investors by locking in rates at current high levels.
- We continue to maintain a high level of liquidity in the fund to be able to manage risk in a volatile market environment and take advantage of attractive investment opportunities as they present themselves.



Source: PortfolioMetrix

PERFORMANCE TRACK RECORD



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March 2026	PortfolioMetrix BCI Dynamic Income Fund A	Peer Group Average	All Bond Index	Cash
1 Month	-3.7%	-1.3%	-6.8%	0.6%
3 Months	-0.6%	0.5%	-3.4%	1.7%
6 Months	6.6%	3.9%	5.3%	3.4%
YTD	-0.6%	0.5%	-3.4%	1.7%
1 Year	17.5%	9.8%	19.2%	7.3%
3 Years	14.1%	9.6%	14.3%	8.0%
5 Years	12.2%	8.4%	12.2%	6.8%
Since Inception	11.8%	8.2%	11.2%	6.6%
Cumulative Since Inception	79.5%	51.5%	75.4%	40.1%

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PORTFOLIOMETRIX FIXED INCOME TEAM

- An experienced Fund Management team with a multiple award-winning track record.
- The team works closely with the global PortfolioMetrix Asset Management team that collectively manages more than R100bn in assets under management.

PHILIP BRADFORD, CFA®

LIAM DAWSON, CFA®

RICCARDO PERETTI, CFA®

FUND OBJECTIVE AND SUITABILITY

- To provide a high level of income for investors with a focus on capital preservation.
- The fund is suitable for low-to-moderate risk investors with an investment horizon of 12 months and longer.

DYNAMIC MANDATE

- The team manages the fund by dynamically investing across the broad universe of income generating investments, whilst actively managing the risk.
- The fund provides investors with diversified exposure to conservative, high income yielding investments typically only accessible by large institutional investors.
- We aim to generate a similar return to the ALBI with less volatility.
- The fund does not have exposure to equity, property, or foreign exchange risk.
- The fund is Regulation 28 compliant.

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