

## News and Review

Volume 41 – April 2026

Dear Investor

### Helpful principles for investors

Last quarter we focused on important regulatory developments in the Collective Investment Schemes industry. While regulatory developments are important, the fundamentals of good investing remain unchanged.

Here are a few reminders to make sure your investment journey remains on track:

#### Stay focused on the long-term

Markets will always move up and down in the short-term. Successful investing is about staying invested and sticking to your plan, rather than reacting to headlines.

#### Diversification still matters

Spreading investments across different asset classes (local and offshore, equities, bonds, etc.) helps manage risk and smooth returns over time.

### Keep an eye on fees

Fees may seem small, but over time they can have a meaningful impact on returns. It's worth ensuring you're getting good value for what you pay.

#### Understand your offshore exposure

With the recent regulatory changes, it's a good time to ensure you:

- Know where your offshore investments are domiciled.
- Understand the risks and benefits of global diversification.

#### Review, but don't overreact

Regular reviews are important—but making frequent changes based on short-term performance can do more harm than good.

As always, please do not hesitate to contact us should you have any queries regarding your investment.

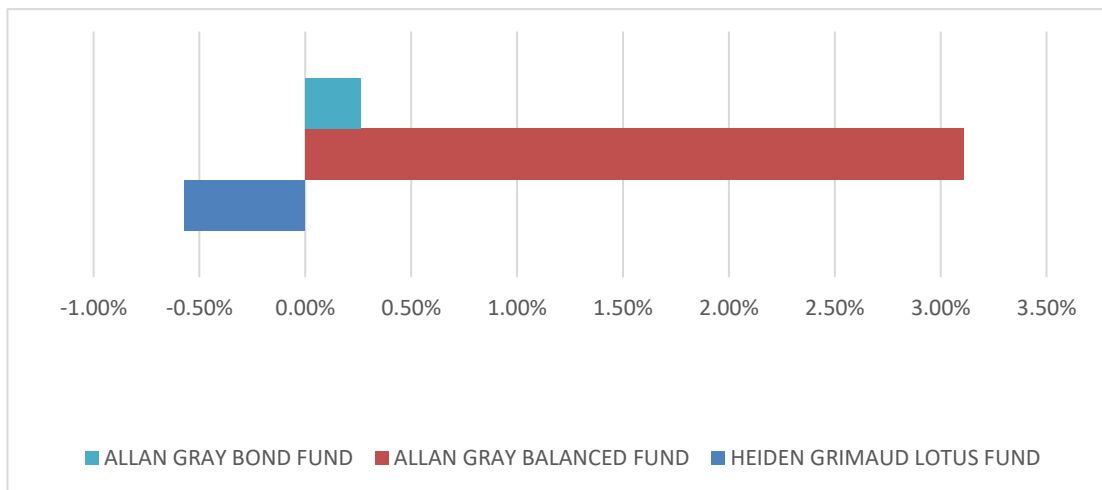
## Analysis of the Portfolio

As part of the regulations that govern financial institutions, a manager must publish on its website each calendar quarter a general investor report that details an analysis of the portfolio with reference to the extent to which it has, or has not, adhered to its policy objective. We can report that for the quarter ending 31 March 2026, the following portfolio has adhered to its policy objective:

**IFM Balanced Value Fund of Funds** with the objective of prudential asset allocation and being a medium equity fund to secure a balance between capital growth and income.

During the previous quarter the Manager bought and sold some shares and investments. Herewith an illustration of the changes in holdings as a result of this. Please note that this is not a reflection of the performance of these investments.

### IFM Balanced Value Fund of Funds



## Quarterly Investment Update

Dear Investor

Thank you for your continued trust and loyalty. Many of you have been invested with us for a long time, and we deeply value this relationship. Our goal remains to protect and grow your savings steadily over time, while helping you navigate changing economic conditions.

The first quarter of 2026 has been shaped by rising costs locally, ongoing global uncertainty, and continued pressure on consumers. In this newsletter, we unpack these developments and explain what they mean for your portfolio.

### South African Economic Developments

#### Fuel Price Increases

On 1 April 2026, South Africa experienced a sharp increase in fuel prices. This has a broad impact on the economy because fuel is a key input cost across many industries. When fuel prices rise, transport becomes more expensive, which in turn pushes up the cost of goods, including food and basic necessities. This adds further strain on household budgets.

#### Inflation Pressures

Inflation remains one of the key challenges facing the South African economy. Higher fuel prices, electricity costs, and food prices all contribute to inflation. While inflation has moderated slightly compared to previous peaks, it is still high enough to concern policymakers.

### Interest Rates

The South African Reserve Bank has maintained relatively high interest rates to keep inflation under control. While this is necessary for long-term economic stability, it increases the cost of borrowing and reduces disposable income for many households. This also slows economic growth.

### Economic Growth

Economic growth in South Africa remains modest. Structural challenges such as electricity supply constraints, logistics issues, and global uncertainty continue to weigh on growth. However, certain sectors, particularly those linked to exports, have shown resilience.

### Global Economic Overview

#### Global Interest Rates

Major central banks around the world have kept interest rates elevated to combat inflation. There is growing expectation that rates may start to stabilise, but uncertainty remains.

#### Geopolitical Risks

Ongoing geopolitical tensions continue to create uncertainty in global markets. These events can affect investor confidence, trade flows, and commodity prices.

#### Global Growth

Global economic growth has slowed slightly, particularly in developed markets. However,

emerging markets continue to offer pockets of opportunity.

## Market Performance

### South African Markets

The local equity market delivered mixed performance during the quarter. Resource stocks benefited from relatively stable commodity prices, while consumer-facing sectors were under pressure due to weak household spending.

### Bond Market

The bond market provided relatively stable returns, supported by higher interest rates. Bonds continue to play an important role in generating income and reducing overall portfolio volatility.

### Global Markets

International markets contributed positively overall. Offshore exposure remains important, particularly during periods of rand weakness.

## Your Portfolio Positioning

### Diversification

Your investment remains well diversified across asset classes, including equities, bonds, and cash. This helps reduce risk and smooth returns over time.

### Balanced Strategy

A balanced portfolio ensures that different

asset classes perform differently under various conditions. While equities provide long-term growth, bonds and cash offer stability and income.

### Offshore Exposure

Exposure to global markets provides additional diversification and helps protect against rand weakness.

## Risk and Opportunities

### Key Risks

- Continued inflation pressures
- Prolonged high interest rates
- Global uncertainty and geopolitical risks

### Key Opportunities

- Attractive yields in fixed income markets
- Select opportunities in undervalued equities
- Benefits from offshore diversification

## Long-Term Perspective

Market fluctuations are a normal part of investing. Over the years, markets go through cycles of growth and decline. History has shown that investors who remain disciplined and stay invested are more likely to achieve their long-term goals.

Many of you have experienced multiple market cycles over the past 20 years, and your continued commitment has been key to your success.

## Final Thoughts

We understand that rising living costs and economic uncertainty can be challenging. However, your portfolio is designed to navigate these conditions. Our focus remains on long-term value creation, careful risk management, and consistent performance over time.

Thank you for your continued trust and support.

Kind regards,

IFM Investment Team



## Enquiries regarding your investments

As always, we would like to invite you to contact us via the below channels to address any queries or complaints you may have regarding your investment.

- All **administrative enquiries**, for example a request of statement or balance of investment, redemption request, update of contact details, enquiries regarding FICA or assistance required to log onto the new online iReport system is handled by Itransact Fund Managers.

☎ 0861 116 075

✉ [admin@itransactfm.co.za](mailto:admin@itransactfm.co.za)

- All **investment specific or portfolio enquiries** are handled by Heiden Grimaud Asset Management.

☎ 0861 378 378

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- All **Heiden Grimaud Global Fund** enquiries are handled directly by the Heiden Grimaud Group International Network. Their contact details are:

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