



BALONDOLOZI INVESTMENT SERVICES

BCI GLOBAL
CONFERENCE
-
MAY 2025

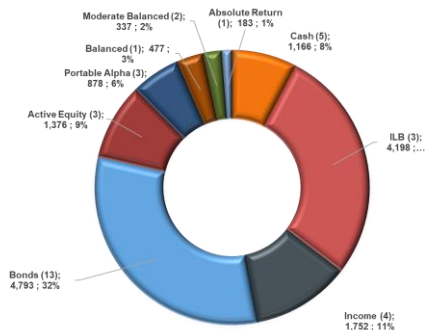


BALONDOLOZI: THE BUSINESS AND PHILOSOPHY

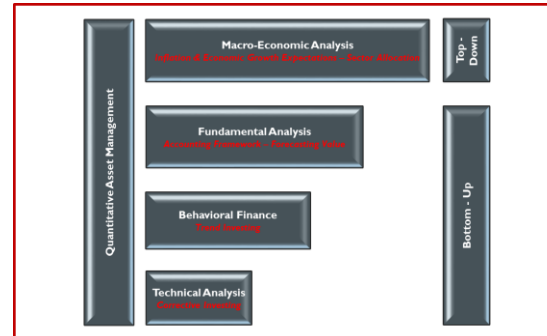
Founded in **2010** by Pedro Samuel:
Quantitative Investment House



Four Broad (4) Strategies
Multi-asset, equities, fixed income and cash



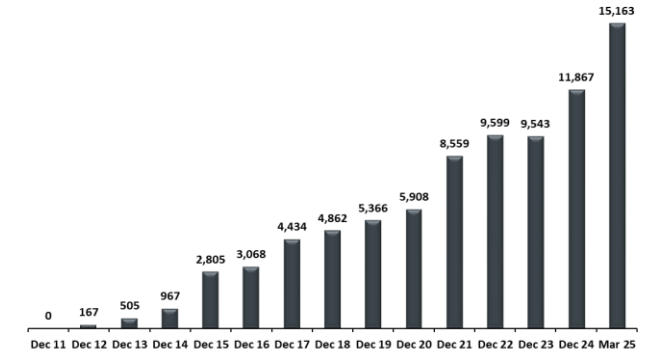
Philosophy: **Combine top-down with bottom up.**
ESG acts as a screen



ESG:
Signatory of UNPRI, Subscribe to CRISA Code 2



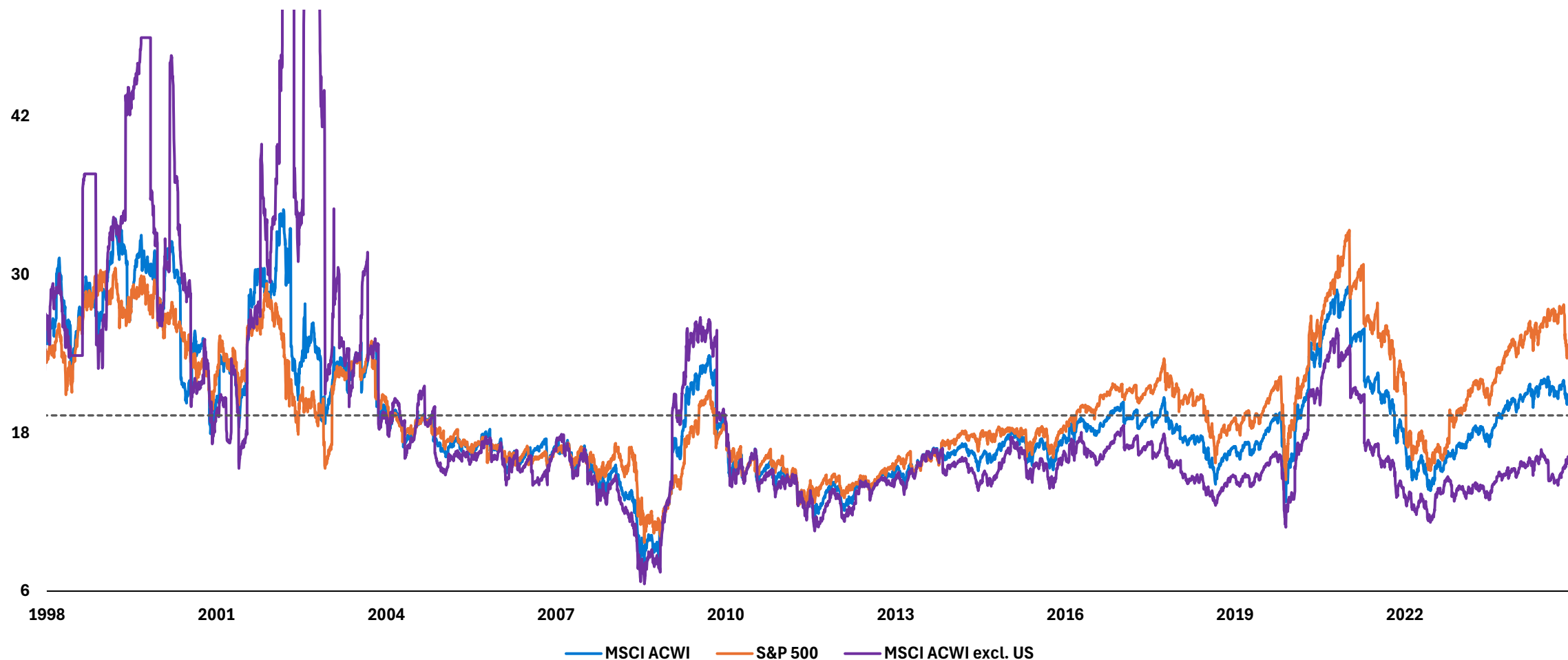
Assets under Management:
R15.1+ billion



Giving back:
Alexandra Education Committee, Career Support & Mentoring,
Balondolozzi Graduate Programme, Employment Equity

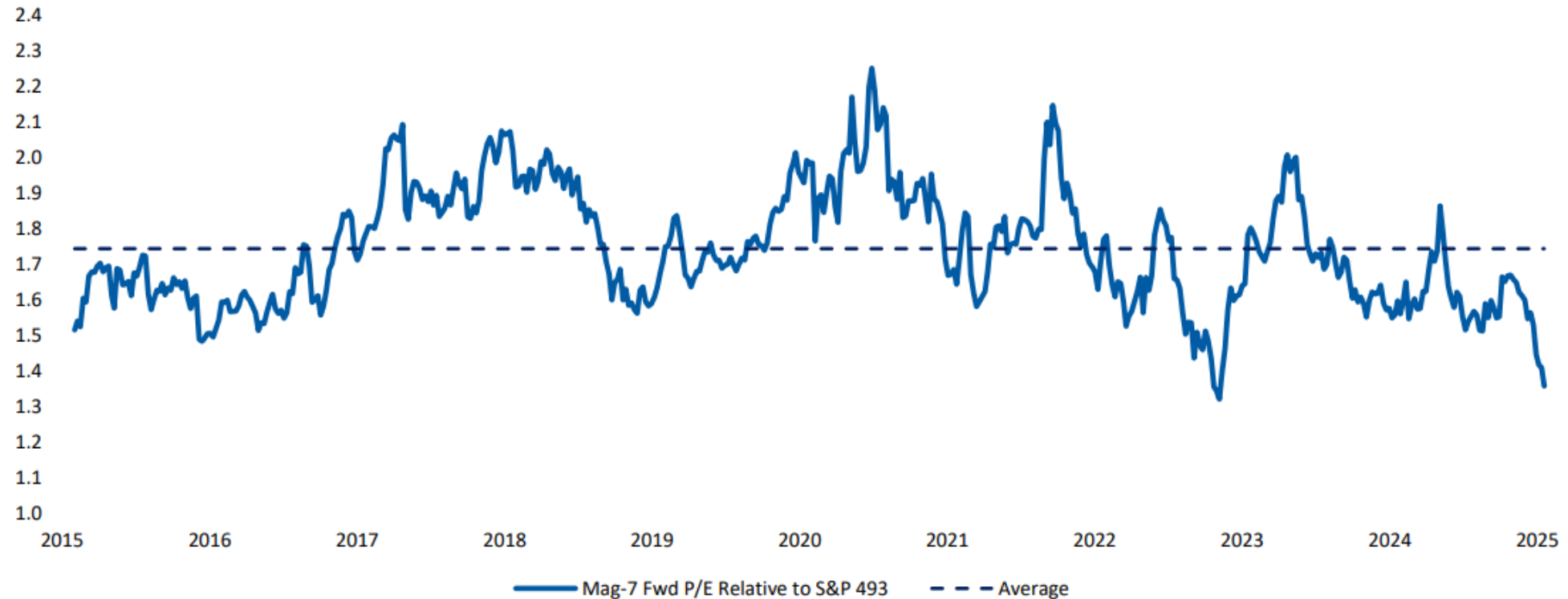


OPPORTUNITIES IN GLOBAL EQUITIES: VALUATIONS NOT EXTREME



ELEVATED AI EXPECTATIONS WERE A VULNERABILITY – THIS RESET IS HEALTHY & HELPS TO DERISK A KEY SEGMENT OF MARKETS

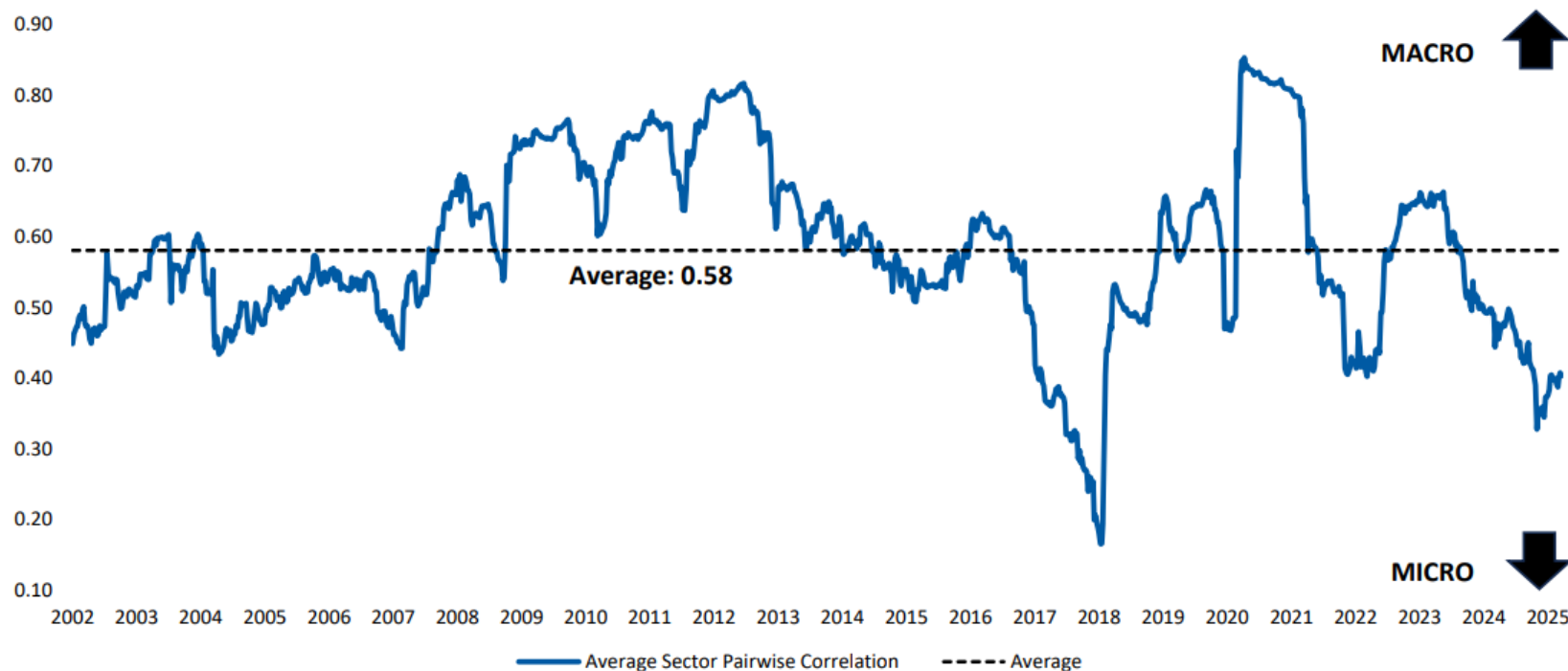
With the Recent Sell-Off, Mag-7 Valuations Have Returned to Historically Cheap Levels Relative to the Broader Market
Bloomberg Magnificent 7 Index forward P/E relative to the S&P 493, with long-term average



Source: Bloomberg, MSIM. As of March 18, 2025. *The Magnificent 7 are Amazon, Apple, Google, Meta, Microsoft, Nvidia and Tesla. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

INTER-SECTOR CORRELATIONS LOW:

Inter-sector Correlations Have Dropped Below Long-Term Averages, Implying more Micro-Driven Opportunities
S&P 500 rolling 1-year average pairwise sector correlations

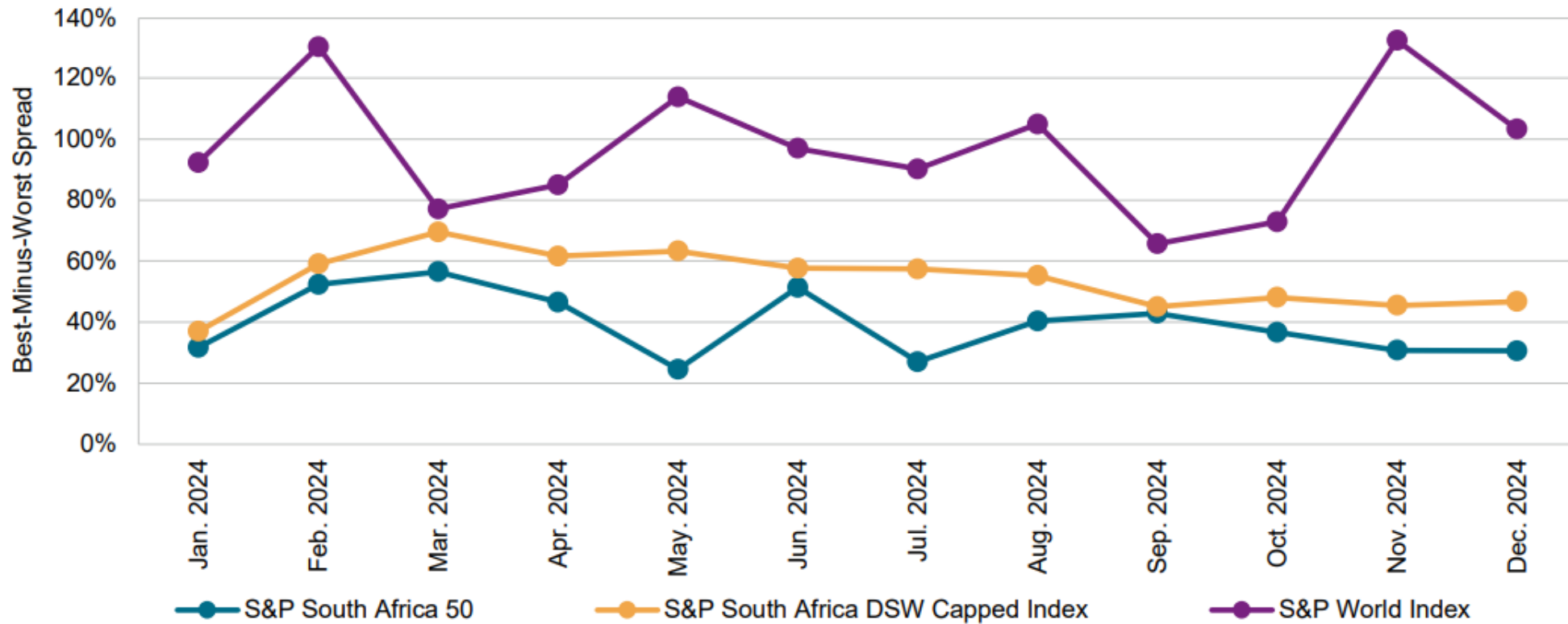


Source: Bloomberg, MSIM. As of March 21, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Implications:

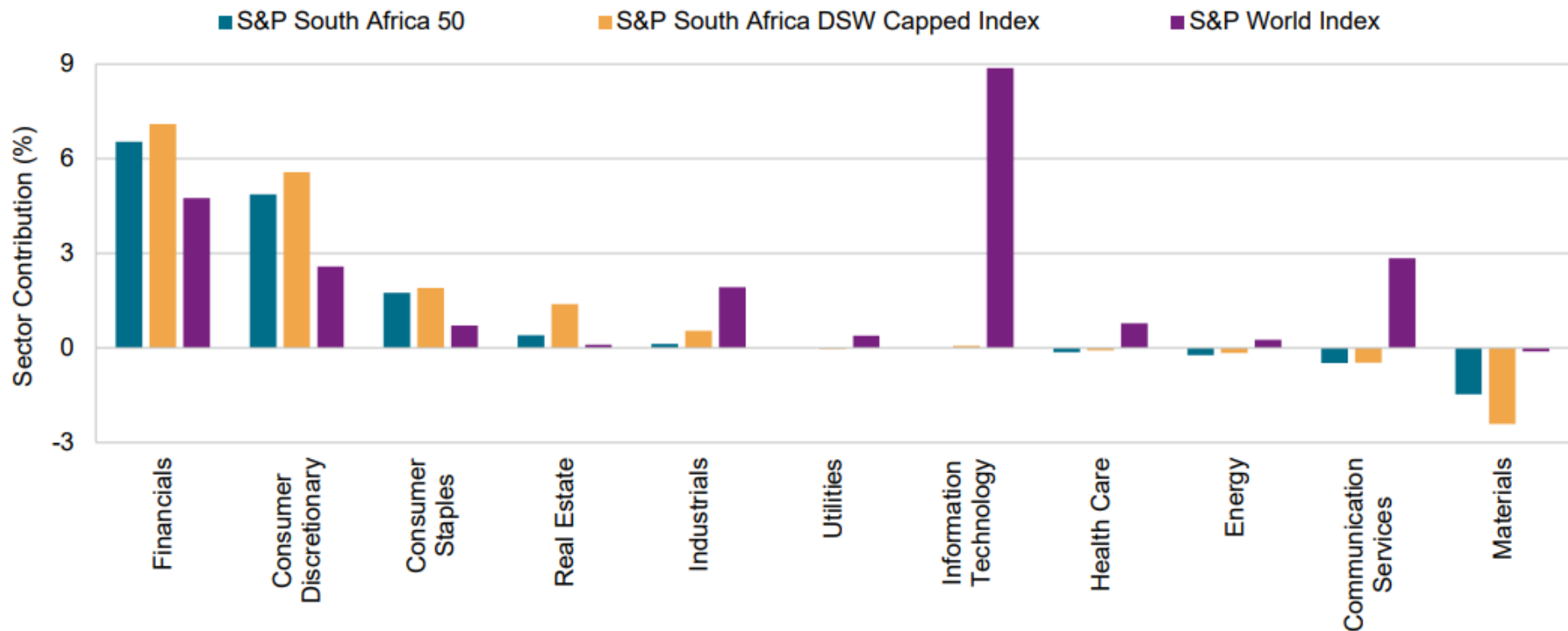
- ❖ Pairwise sector returns are below averages
- ❖ High inter-sector returns means, macro is relevant
- ❖ Low inter- sector returns means, macro is relevant
- ❖ More opportunities for active investing

MONTHLY DIFFERENTIALS: BEST- AND WORST-PERFORMING STOCKS



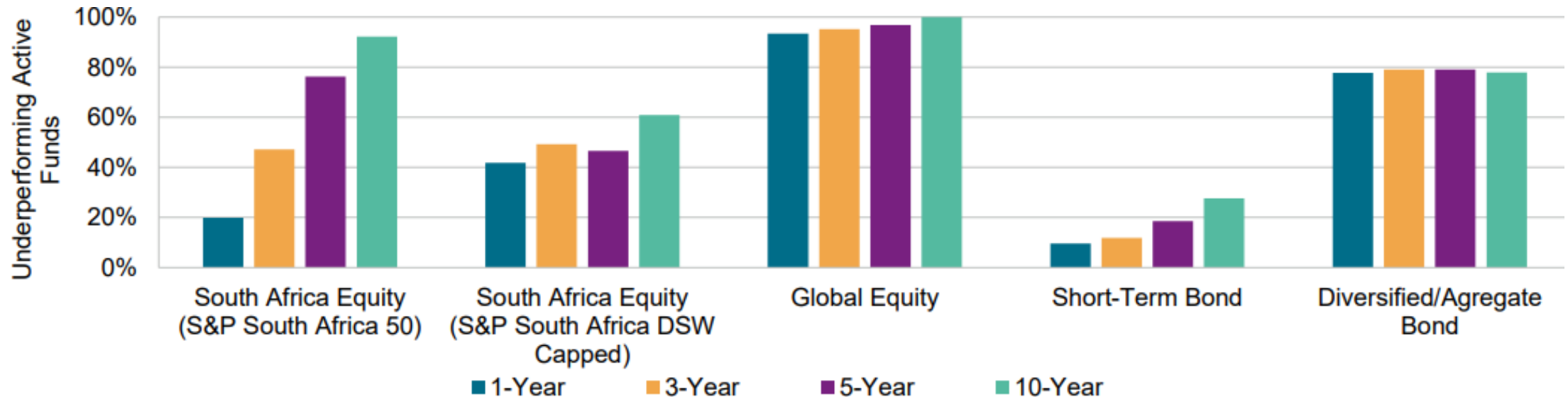
Source: S&P Dow Jones Indices LLC, FactSet. Data as of Dec. 31, 2024. The S&P World Index (ZAR) was launched Sept. 30, 2024. All data prior to such date is back-tested hypothetical data. Constituent performance based on total return in ZAR. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

SECTOR CONTRIBUTION TO RETURN FOR SELECTED INDICES: SOUTH DOMICILED FUNDS



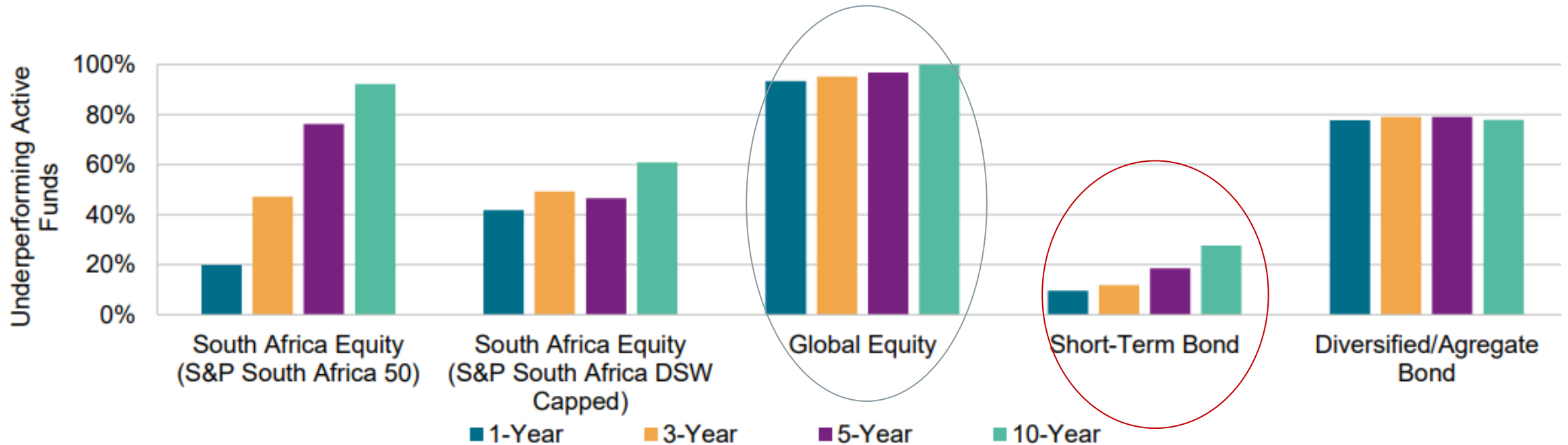
Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2024. The S&P World Index (ZAR) was launched Sept. 30, 2024. All data prior to such date is back-tested hypothetical data. Index performance based on total return in ZAR. Past performance is no guarantee of future results. Charts are provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

GLOBAL EQUITY FUNDS IN SOUTH AFRICA: ACTIVE VS. S&P WORLD



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2024. Index performance based on total return in ZAR. The S&P World Index (ZAR) was launched Sept. 30, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

GLOBAL EQUITY FUNDS IN SOUTH AFRICA: INDEX CORE STILL IMPORTANT



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2024. Index performance based on total return in ZAR. The S&P World Index (ZAR) was launched Sept. 30, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

GLOBAL EQUITY STRATEGY: ANATOMY

- The strategy is composed of:
 - A preferred index exposure, the “beta” component, and
 - A separate source of excess returns, the “alpha” component

Cash

+

Future (β)

=

Index Total Return

Cash + α

+

Future (β)

=

Index Total Return

+

α

Balondolozzi Enhanced Cash

Preferred Index MSCI ACWI

Preferred benchmark: MSCI ACWI +

α



BALONDOLOZI INVESTMENT SERVICES

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DISCLAIMER

This information is not intended to be a recommendation in respect of financial products.

Please note that certain of the products of the nature referred to in this document in South Africa are currently not regulated by the Financial Sector Conduct Authority.

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The investment described in this presentation is generally regarded as a medium to long-term investment. Past performance is not necessarily indicative of future performance. The value of investments may rise as well as fall and you may not get back the full amount you invested. The funds or portfolios mentioned are market-linked and there are risks associated with investments in market-linked financial products. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. All information provided is historic.

Boutique Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium to long term investments. Past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Income funds derive their income primarily from interest-bearing instruments in accordance with section 100(2) of the Act. The yield is a current and is calculated on a daily basis.

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FAIS INFORMATION SHEET

INFORMATION SUPPLIED IN ACCORDANCE WITH THE GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES

Balondolozi Investment Services(Proprietary) Limited ("Balondolozi") (Company Registration No. 2010/007109/07)

- Physical address: 1st Floor Building I, Glenhove Square, 71 4th Street Houghton Estate, 2191, South Africa
- Postal address: PO Box 542, Melrose Arch, Melrose 2076
- Telephone number: 011 484 9023

- Balondolozi is authorised as a **Financial Services Provider ("FSP")** under the **Financial Advisory and Intermediary Services Act, No 37 of 2002 (FSP No: 42188)**.
- Balondolozi's Compliance Officers are Nobuhle Mhlanga (under supervision) and Nick Howse (eComply).
- Balondolozi will respond to written complaints addressed to the Compliance Officer at Nobuhle@balondolozi.co.za.
- Should your complaint not be resolved satisfactorily, you have the right to submit any complaints to the **Ombud for Financial Services Providers** who can be contacted at:
 - Physical Address: 125 Dallas Avenue, Menlyn Central, Waterkloof Glen, Pretoria, 0010
 - Postal Address: P.O. Box 74571, Lynnwood Ridge, 0040
 - Customer Contact Division: Telephone: +27 12 762 5000, Website: www.faisombud.co.za, E-mail address: info@faisombud.co.za
- Balondolozi is authorized to provide advisory and intermediary services in regards to the following financial products in Category I and II of the FAIS Act:

<ul style="list-style-type: none">• Long-Term Insurance Sub-Category C• Retail Pension Benefits• Pension Fund Benefits• Shares• Money market instruments• Debentures and securitised debt	<ul style="list-style-type: none">• Warrants, certificates and other instruments• Bonds• Derivative instruments• Participatory interests in Collective Investment Schemes;• Long-term Deposits• Short-term Deposits
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- Balondolozi holds professional indemnity and fidelity insurance.
- Information disclosed to Balondolozi or any of its authorised representatives in their professional capacity will be treated as confidential unless written consent is obtained to disclose such information, or the disclosure of such information is required in the public interest or under a particular law.
- Balondolozi shall take all reasonable measures to protect your personal information as defined as detailed in the Promotion of Access to Information Act, Act 2 of 2000 ("PAIA") and the Protection of Personal Information Act, Act 4 of 2013 ("POPIA"). Balondolozi's PAIA Manual or Data Privacy Statement will be made available on written request to the firm's Information Officer.
- Balondolozi has implemented a Conflicts of Interest Management Policy in accordance with the General Code of Conduct Regulations issued in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002. The Policy will be made available on written request to the firm's Compliance Officer.
- You are hereby advised that no representative of Balondolozi or any other person may ask you or offer any inducement to you to waive any right or benefit conferred on you by or in terms of any provision of the General Codes of Conduct
- Unless indicated otherwise, the following are all employees of Balondolozi are either **Key Individuals or Authorised Representatives**:

Pedro Samuel Fannuel Tigere Sandelee van Wyk Sindisiwe Mahlangu Karabo Matsepe Alecia Sekwati	Key Individual & Representative Key Individual & Representative Representative Representative Representative Representative Under supervision
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- Balondolozi takes responsibility for all the Key Individuals and Representatives' actions. The abovementioned individuals receive remuneration in the form of salary and may from time-to-time receive incentives in terms of their participation in their firm's incentive scheme.