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CONTENTS

MESSAGE FROM CAM
GEORGE HERMAN

INSIGHTS
LIAM ROUBACH

ECONOMIC OUTLOOK
MAARTEN ACKERMAN

HOUSEVIEW UPDATE
HAROLD STRYDOM

FUND PERFORMANCE

DISCLAIMER



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MESSAGE FROM CAM

THE CURRENT MARKET PARADOX

George Herman

Chief Investment Officer

If the past quarter had a defining character, it was not a focused direction but rather uncertain oscillation. Markets moved repeatedly between constructive and cautious interpretations of the same underlying reality. On the one side of the pendulum was resilient global growth, firm consumption, easing inflation, and exceptionally strong earnings. On the other side we saw persistent inflation, the hesitation of central banks, and the ever-present risk that geopolitics might yet reassert itself through the oil price. That tension did not only shape the quarter, it also explains why markets, at times, appeared convinced of two contradictory outcomes at once.

What we did see was that the global economic backdrop remained firmer than expected at the start of the war. Consumption expenditure continued to hold up, economic growth proved more durable than many had anticipated, and inflation increasingly appeared to be peaking and turning over. This has brought central banks to a precipice. They are close enough to easing policy for markets to take encouragement, but not quite close enough to remove doubt altogether. At the same time, equity earnings remained unprecedentedly strong, led by the sheer scale of the tech giant's capital expenditure, which is required to sustain the artificial intelligence build-out. That strength has mattered. It has provided markets with something more durable than mere sentiment.

And yet, the quarter also reminded investors that economic improvement is not the same as a post-war resolution. Inflation may be turning a corner, but it is not yet comfortably behind us. Growth is holding steady, but not without its sustainability being questioned. Central banks are nearing a pivot, but they are still constrained by the risk of inflation that proves more sticky than expected. Understanding this, the market's oscillation was understandable. It was not simply economic noise. It was the consequence of an environment that continues to support risk assets, while withholding clarity that would make investors feel secure.

For South African investors, the decline in the oil price provided meaningful relief. That matters for inflation, household cost-of-living pressure, and for the broader tone of the local macro environment. But, here too, one needs to avoid overstatement. Inflation is likely to decline only gradually, while the domestic growth outlook remains constrained within a narrow growth range of around 1%, and meaningful structural improvement still remains elusive. The local picture is therefore somewhat similar to the global one: less strained than feared, but not yet strong enough to alter the medium-term outlook decisively.

At CAM, our focus remains on the medium term, and from that vantage point the corporate earnings outlook matters more than the current discomfort of sticky inflation and its immediate ramifications. Strong company earnings do not eliminate risk, but they do provide a more reliable foundation for investment returns than the market's shifting assumptions about the exact timing of policy easing. Our interpretation, therefore, is that the quarter should be read less as a warning against participation and more as a reminder to distinguish between transient anxiety and durable fundamental support.

The principal risk to this view is clear. If the Strait of Hormuz remains effectively closed, and oil supply materially impeded for a prolonged period, the inflation, monetary and growth outlook will worsen meaningfully. That will have direct consequences for interest rates, market sentiment and asset valuations, and will justify a much more cautious



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reading of the opportunities available to us. On the positive side, a final resolution to the Middle East war will improve the outlook meaningfully, although for now, that remains a low-probability event.

For investors, the important point is that binary markets do not require binary thinking. They require patience, perspective, and a willingness to look beyond immediate noise to the drivers of long-term return. That remains the discipline that CAM brings to through its investment philosophy.

I hope you enjoy this edition of *Citation*.



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INSIGHTS

SPACEX: READY FOR LIFTOFF?

Liam Roubach

Equity Analyst

Every so often a private company grows so large, so quietly, that its eventual arrival on public markets forces the rest of us to recalibrate our sense of scale. SpaceX is that company. It was the biggest Initial Public Offering (IPO) in history at roughly \$1.8 trillion and raised \$85.7 billion in proceeds.

To put that in perspective, no company in the top 100 global listings since 2000 has come close on offer size, and only a handful of state-scale enterprises approach it on market value, see Figure 1.

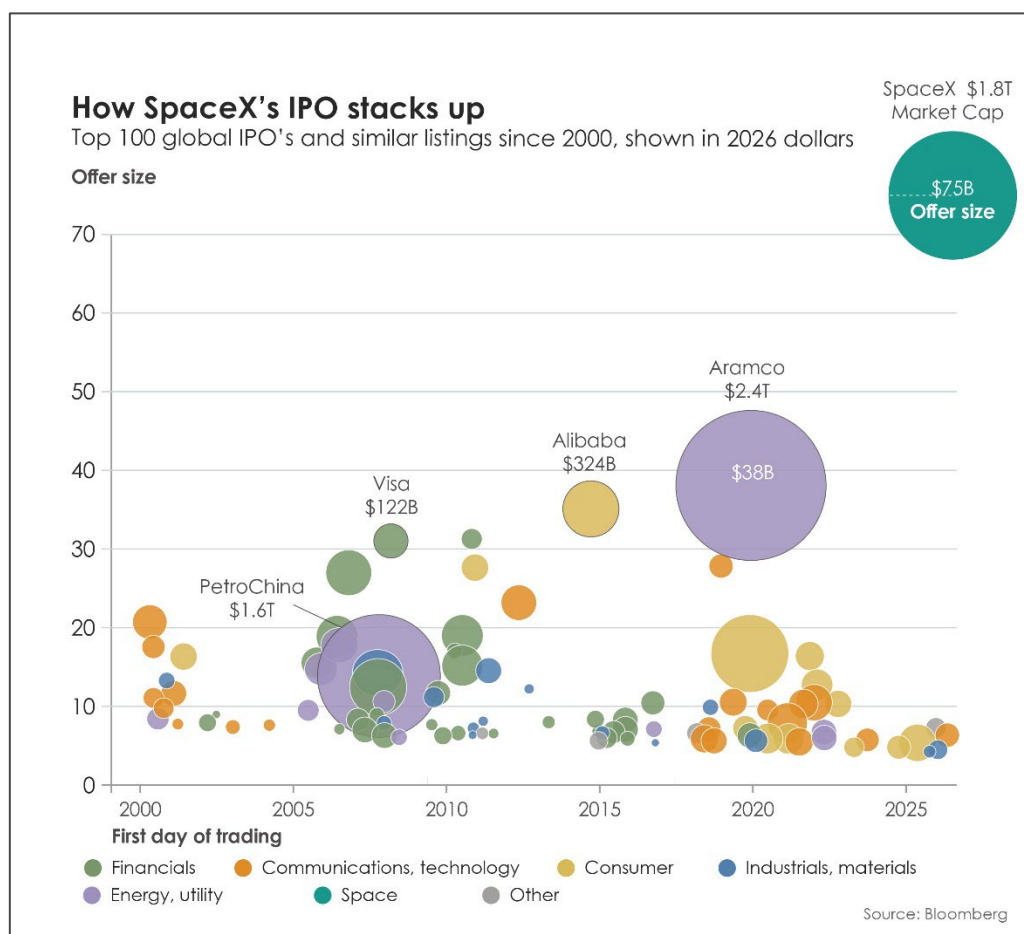


Figure 1: SpaceX IPO against similar listings since 2000



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In this article we try to understand the potential size of SpaceX's total addressable market and what could drive value from here. It must be remembered that this record-breaking listing in itself is not an investment case, some of the largest IPOs in history have delivered lacklustre returns to shareholders in early years. The IPO size only tells you that the market is aware of the potential, it does not tell you anything about the price you are paying.

The market has had to grapple with this notion, and following the IPO, SpaceX shares surged more than 25% as investors priced in the company's long-term potential, before they fell almost 30% from their peak as investor expectations began to normalise.

A brief history of SpaceX

SpaceX may dominate headlines today, thanks in no small part to its outspoken founder, Elon Musk, but the company is far from an overnight success. Founded in 2002 after Musk invested \$100 million of his own money, SpaceX set out with an ambitious goal - to dramatically reduce the cost of access to space. The early years were challenging, with three failed Falcon 1 launches bringing the company close to bankruptcy before a successful fourth launch in 2008 secured a crucial NASA contract.

Over the following decade, SpaceX transformed the economics of the launch industry through the development of reusable Falcon 9 rockets. By successfully landing a Falcon 9 booster in 2015, the company proved that orbital-class rockets could be reused economically. This dramatically reduced launch costs and established a structural cost advantage that its competitors have struggled to replicate.

SpaceX's lower cost-of-launch unlocked the company's next phase of growth. The Dragon spacecraft – a reusable, capsule style craft – began transporting cargo, and later astronauts, to the International Space Station, while the company used this launch capability to deploy Starlink, now the world's largest satellite constellation and a rapidly growing global broadband network. Today, SpaceX is developing Starship, a fully reusable heavy-lift launch system that aims to reduce launch costs even further while supporting future missions to the Moon and Mars.

How SpaceX makes money

Two and a half decades on, SpaceX has multiple avenues of growth and looks a lot different to its original operation. It is no longer simply a rocket company; it is a vertically integrated business, with three segments, which in 2025 generated \$18.7 billion of revenue, growing at 33% per year. The structure allows its cheap-launch business to be subsidised by a high margin and cash generative connectivity business, which is SpaceX's crown jewel, accounting for most of the profits (EBITDA), see Figure 2.



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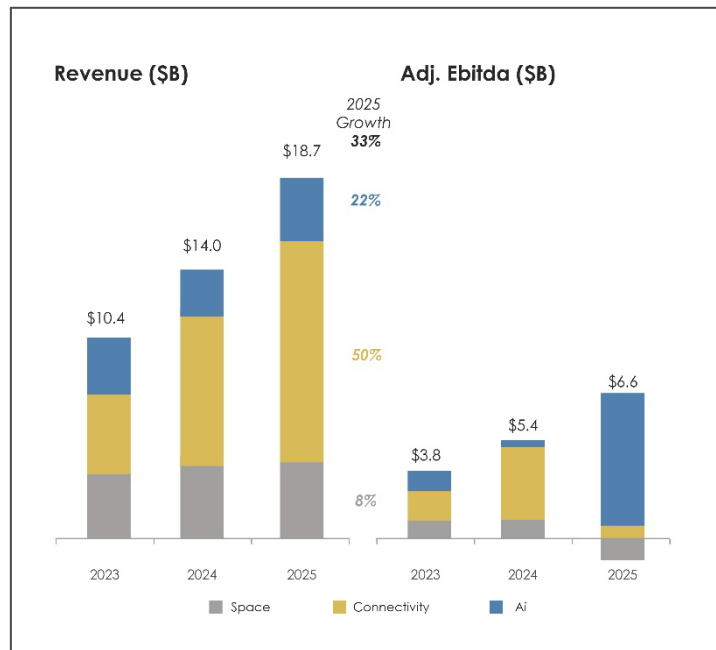


Figure 2: SpaceX revenue streams and profit streams (EBITDA)

Source: SpaceX Roadshow presentation 2026, Company filings

It is worth understanding each segment on its own terms, because they are at very different stages of maturity.

Connectivity (Starlink): Connectivity is the profit engine. Starlink sells internet services to homes, businesses, airlines, cruise ships, and governments. It generated \$11.4 billion of revenue in 2025 (61% of group revenue) and is highly profitable, with operating income of \$4.4 billion, and is growing at over 120% a year, with its subscriber numbers doubling last year. A newer service, Starlink Mobile, connects ordinary mobile phones directly to satellites, allowing users to send messages and access basic data services, even in areas with no traditional cellular coverage. It already reaches 7.4 million devices across 30 countries and represents a genuinely new market.

Space (Launch and Starship): Launch is the backbone of SpaceX. Every Starlink satellite, direct-to-cell service, and future orbital infrastructure project depends on SpaceX being able to place payloads into orbit cheaply and reliably. Think of this segment as the infrastructure that makes everything else possible. The Launch business generated \$4.1 billion of revenue in 2025 from 170 rocket launches with a mission success rate above 99%. It roughly breaks even because SpaceX ploughs its Launch profits into developing Starship, the next-generation rocket.

Artificial Intelligence (xAI): xAI is SpaceX's newest segment and the company's largest growth bet. It combines the X platform (previously Twitter with roughly 550 million monthly users), Grok AI assistant (with 117 million monthly users), and two of the world's largest AI data centres. In 2025, the segment's revenue was \$3.2 billion but the segment is loss-making because SpaceX is investing heavily into infrastructure, acquisitions and operations, with \$12.7 billion of capital spending in 2025 alone. Importantly, the AI data centres have already attracted a blue-chip customer: Anthropic, a leading AI lab, which has agreed to pay SpaceX \$1.25 billion per month for computing capacity through to May 2029. That's roughly \$15 billion a year if it runs to term. The company has also signed a multi-year cloud and AI infrastructure agreement with Google, providing additional validation that external customers are willing to rent large-scale compute capacity (the total processing power, memory, and resources available in a digital system to execute software, crunch data, or run algorithms) from the platform.

In summary, investors can think of SpaceX as an internally funded launch and infrastructure platform that uses a low-cost launch capability to build and expand higher-margin connectivity and AI businesses. Currently, Starlink generates the cash flow, Launch provides the strategic infrastructure that enables future growth, and Starship represents the key source of long-term optionality. The investment case is therefore less about selling rockets and more about using



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cheaper access to space to create multiple future revenue streams across communications, defence and AI infrastructure.

Future growth streams

One of the more striking aspects of the SpaceX investment case is the sheer size of the opportunity that SpaceX's management believes it is addressing. The company estimates its total addressable market at around \$28.5 trillion. To put that into perspective, that is roughly the size of the United States (US) economy and larger than the combined GDP of China and Germany, see Figure 3. While that headline number deserves a healthy degree of scepticism, it highlights an important point.

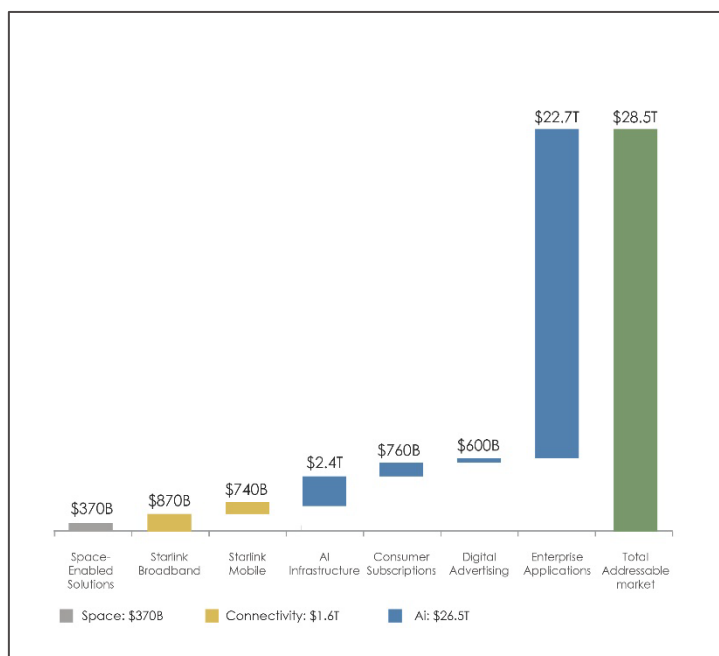


Figure 3: SpaceX growth outlook

Source: SpaceX S-1 filing

SpaceX's first growth engine is its space capability through Starship. Falcon 9 has already transformed the economics of space by making rockets reusable. Starship aims to repeat that step change. If successful, it should reduce launch costs by another order of magnitude while dramatically increasing payload capacity. Lower launch costs not only strengthen SpaceX's position in the launch market but also reduce the cost of building and expanding its own satellite network. In many ways, Starship is the enabling technology that unlocks much of the company's longer-term growth.

The second opportunity lies in scaling businesses that already exist today. The company's connectivity business, Starlink, has grown into the world's largest satellite broadband network and is still in the early stages of penetrating a global connectivity market that serves billions of potential users. Beyond residential broadband, the business is expanding into direct-to-cell services, enterprise connectivity, aviation, maritime and government applications. As the subscriber base grows, Starlink has the potential to become a highly cash-generative software and infrastructure business that funds the next phase of SpaceX's expansion.

Beyond these businesses lies a much larger, but far more uncertain, opportunity set. SpaceX's management believes that dramatically lower launch costs could make entirely new industries economically viable, ranging from space-based data centres and AI infrastructure to in-space manufacturing, lunar logistics and eventually human settlement beyond Earth. Many of these markets are unlikely to contribute meaningfully for years, and some may never materialise. Nevertheless, they represent valuable long-duration options that are difficult to replicate given SpaceX's unique combination of launch capability, satellite infrastructure and engineering expertise.

From an investment perspective, we think about SpaceX in three layers:

1. The Launch business provides a durable foundation with significant technological advantages.



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2. Starlink is the company's primary value creation engine today, generating recurring, high-margin revenue from a rapidly expanding customer base.
3. The more ambitious projects, led by Starship, should be viewed as long-dated options that could substantially increase the company's addressable market if execution is successful. While these opportunities are difficult to value today, they help explain why investors are willing to assign such a premium valuation to SpaceX. Much of that valuation reflects the market's confidence in the company's and Musk's ability to execute on its ambitious long-term roadmap.

Measuring SpaceX's value

The biggest mistake investors can make is trying to fit SpaceX into a traditional industry classification. To label it as a rocket company or a telecommunications business would be inaccurate. Instead, SpaceX is best thought of as a vertically integrated infrastructure company built around one core capability, to dramatically reduce the cost of accessing space. Every reduction in launch costs not only improves the economics of the Launch business itself, but also lowers the cost of deploying satellites, expands the addressable market for Starlink and enables entirely new businesses that would otherwise be unprofitable.

This is what makes the investment case so unusual. The Launch business is no longer just a source of revenue; it has become the infrastructure that enables everything else. Rather than maximising profits from each individual launch, SpaceX increasingly uses its launch capability to build and operate its own businesses. Launches deploy Starlink satellites, support government missions, and in future could underpin entirely new markets in global connectivity, AI infrastructure and space-based services. The more launch costs fall, the more attractive each of these businesses becomes.

That makes Starship the single most important technology within the company. Starlink may be the profit engine today, but Starship is the platform that determines how many future profit engines can exist tomorrow. If Starship achieves the step-change in cost and launch cadence SpaceX management is targeting, it has the potential to unlock multiple new revenue streams simultaneously. If it falls short, many of those opportunities become significantly less valuable or are pushed much further into the future.

Therefore, to value a company made up of segments which each have different economics and is at a different stage of maturity, we think the most appropriate approach to valuing SpaceX as a company is to use a sum-of-the-parts (SOTP) valuation, which values each business independently before combining them into a total equity value.

The largest contributor to SpaceX's intrinsic (true value based on fundamentals, assets and future cashflow) is Starlink. It is already one of the world's largest satellite broadband businesses, generating recurring revenue, attractive margins and substantial cash flow. The Launch business deserves value in its own right given its dominant competitive position, although much of its strategic value is realised indirectly by supporting Starlink and the company's other businesses rather than through external Launch revenue alone. The AI business is more difficult to value, with meaningful revenue already emerging but profitability still some way off.

Beyond these operating businesses sits what we believe is the most important component of the investment case - optionality. Unlike many early-stage technology companies, SpaceX has a number of credible opportunities that could evolve into meaningful businesses over time, including direct-to-cell connectivity, defense applications and AI infrastructure. We assign these opportunities a probability-weighted value rather than assuming they all succeed. At the same time, we deliberately assign little or no value to highly speculative concepts such as Mars colonisation or asteroid mining. While they capture headlines, they are simply too uncertain to justify paying for today.

This distinction between intrinsic value and optionality is central to how we think about the business. The existing businesses already justify substantial value on their own. The upside comes from successfully converting today's technological advantages into entirely new future cash-flow streams rather than simply growing the businesses that already exist, see Figure 4.



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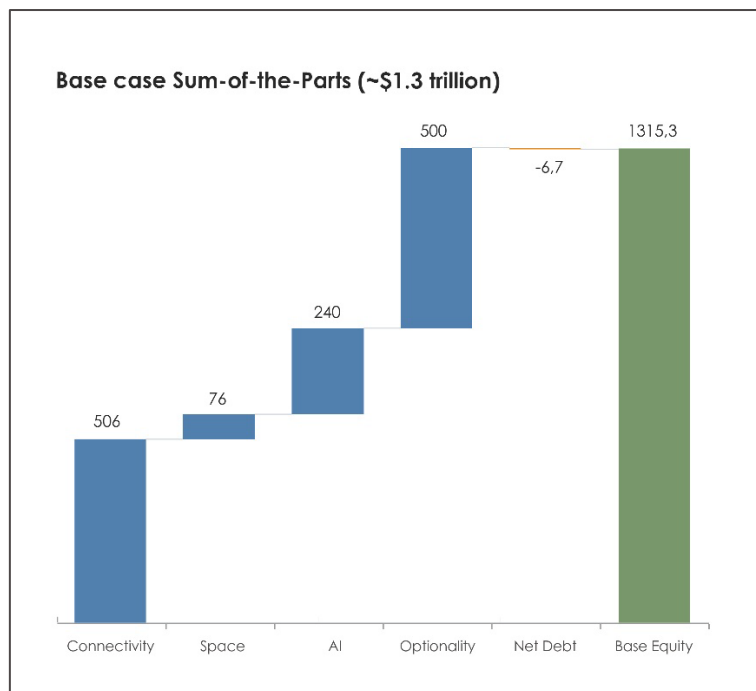


Figure 4: Valuation based on SOTP

Source: CAM estimates

Given the number of moving parts, any valuation should be viewed as a range rather than a single point estimate. Ultimately, the answer depends less on next year's earnings and more on whether SpaceX successfully executes against a handful of key operational milestones over the next decade, see Figure 5.

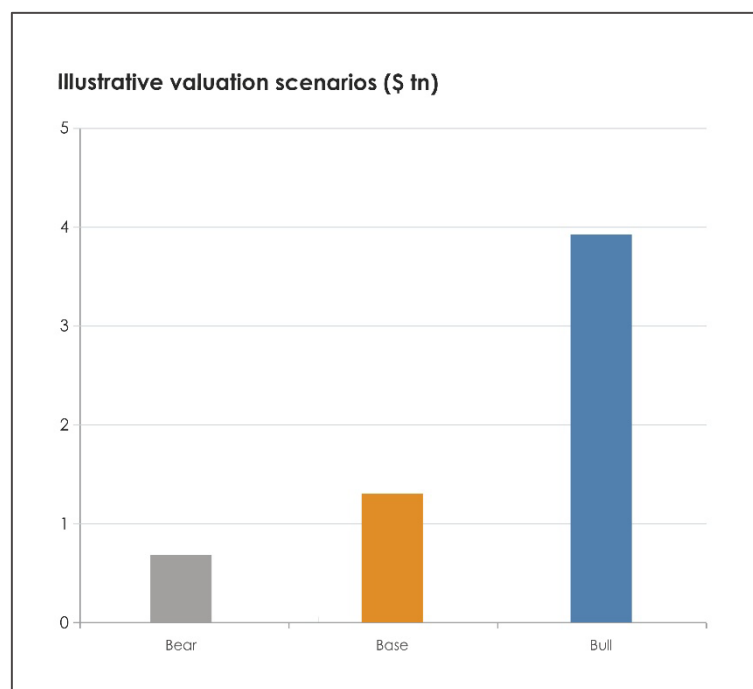


Figure 5: Illustrative valuation scenarios based on SOTP

Source: CAM estimates

1. In our bear case, worth around \$700 billion, Starlink continues to grow but at a much slower pace as competition increases and pricing comes under pressure. More importantly, Starship struggles to reach reliable commercial operations, delaying many of the opportunities that depend on dramatically lower launch



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costs. The business would remain a highly valuable communications company with an industry-leading launch capability, but much of today's embedded optionality would disappear.

2. Our base case points to a valuation of approximately \$1.3 trillion. Here, Starlink continues scaling into one of the world's largest broadband providers, Starship reaches commercial operations over the next few years and the AI business demonstrates a credible path towards attractive long-term returns. In this scenario, investors receive the benefit of a world-class connectivity business together with measured value for several future opportunities, but not every long-term ambition needs to succeed.
3. The bull case, approaching \$4 trillion, requires considerably more to go right. Starship must achieve rapid reusability, materially lowering the cost of access to space and enabling entirely new markets to become commercially viable. Starlink continues expanding globally while maintaining attractive economics, the AI business evolves into a meaningful profit contributor, and newer opportunities such as direct-to-cell connectivity, defence services and AI infrastructure mature into significant businesses in their own right. Rather than simply producing higher earnings, the company creates multiple new profit pools that do not meaningfully exist today.

Perhaps the most important takeaway is that only a handful of variables truly determine where within this range SpaceX ultimately lands. Starship's execution, Starlink's ability to continue growing while maintaining healthy economics, the return generated on AI investments and the pace at which new businesses transition from concepts into commercial reality will account for the vast majority of the company's long-term value creation. Everything else is largely second order, see Table 1.

Scenario	What has to happen	Illustrative Equity Value	How much optionality is realised?
BEAR	Starlink subscriber growth slows and pricing comes under pressure as competition intensifies. Starship struggles to achieve reliable commercial operations, delaying direct-to-cell, V3 satellites and orbital AI. The AI business continues consuming capital without demonstrating attractive returns.	~\$0.7tn	Largely written down. Investors value SpaceX primarily as a slower-growing connectivity business supported by a high-quality launch franchise.
BASE	Starlink continues scaling while maintaining healthy economics. Starship reaches commercial operations and begins unlocking lower launch costs. AI demonstrates a credible path to monetisation, while defence and direct-to-cell begin contributing meaningful value.	~\$1.3tn	Meaningful, but measured. The existing businesses underpin most of the valuation, with investors assigning reasonable probability-weighted value to the most credible future opportunities.
BULL	Starlink becomes the dominant global connectivity platform. Starship achieves rapid reusability and dramatically lowers the cost of access to space. Direct-to-cell, defence and orbital AI mature into significant businesses, while AI earns hyperscaler-like economics.	~\$4.0tn	Multiple options succeed simultaneously. Starship unlocks several new profit pools, transforming SpaceX from a connectivity company into a diversified space and AI infrastructure platform.

Table 1: Summary of CAM's SpaceX scenarios
Source: CAM

The bottom line

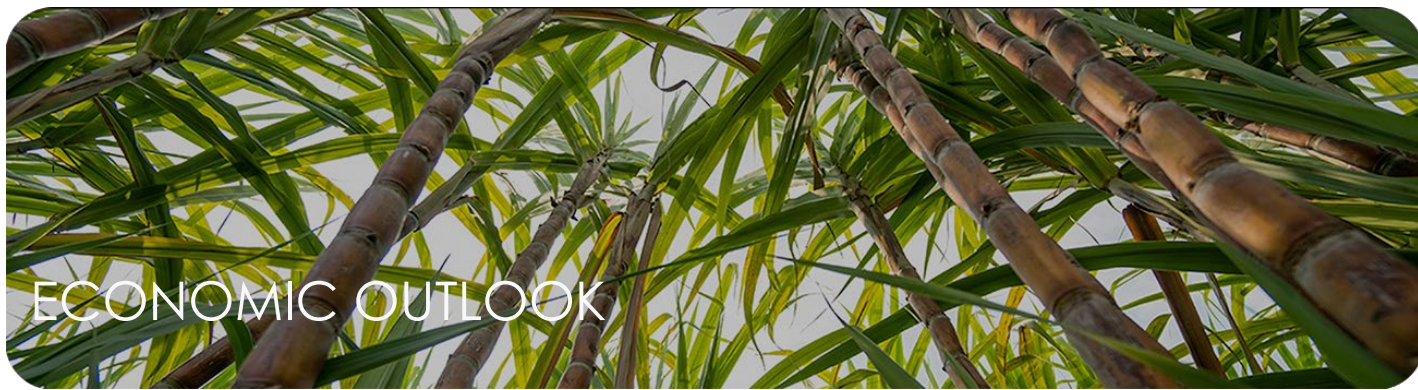
SpaceX is an extraordinary company, but that was never the question. The real question, in our view, is how much of its future is already in the price. The existing businesses, led by a cash-generative Starlink and a Launch franchise that dominates access to orbit, appear to us to justify a substantial valuation in their own right.

What seems to separate the bear case from the bull case is not whether the company is impressive, but whether it can convert engineering leadership into new, durable cash-flow streams faster than the market appears to be pricing in. Almost everything of consequence, as we read it, runs through a handful of variables, and Starship sits at the centre of them all, because it is the single technology that either widens the opportunity set or quietly removes it.

On that view, SpaceX looks to us like one of the more interesting longer-term bets in the market today, though investors may need to be patient and wait for the company to execute on its longer-term road map.



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ECONOMIC RESILIENCE DESPITE GEOPOLITICAL FRAGILITY

Maarten Ackerman
Chief Economist

Since our last edition of *Citation*, markets, policymakers, and investors have been forced to navigate the economic fallout of the conflict in the Middle East. Nevertheless, the global economy has demonstrated remarkable resilience in the face of a fragile geopolitical landscape.

The good news, however, is that while United States (US)-Iran tensions have re-escalated, both the US and Iran still want a resolution to the conflict, albeit behind closed doors. In the US, politics is playing a major role in accelerating efforts toward a diplomatic resolution as consumer confidence has seen a rapid decline and the voter base is not content with all of the decisions coming out of the White House. Iran, on the other hand, also faces its own economic pressures, with trade restrictions, limited access to international markets, and shortages of hard currency, all creating strong incentives for rapid normalisation. As both sides stand to benefit from a resolution, markets reflect a belief that a negotiated agreement is still achievable.

Inflation risk remains elevated

While the initial fears of the worst-case scenario has so far not materialised, infrastructure damage, disrupted supply chains, and logistical bottlenecks mean an economic normalisation will likely take many months. We describe this as a “protracted disruption,” which assumes ongoing economic headwinds, weaker growth, and elevated inflation over an extended period.

Even if oil prices ease, inflationary pressures will remain stubborn for several reasons.

- Rising freight costs and supply constraints as freight networks have not fully normalised.
- Middle East energy infrastructure rebuilding costs will continue to filter through the global economy.
- Knock-on effects are beginning to emerge in agriculture and food production, with fertiliser shortages and supply chain disruptions placing upward pressure on food prices.
- Concerns surrounding the El Niño climate phenomenon – which may extend into 2027 – have heightened fears of reduced agricultural output and further food inflation, globally.

Before the conflict began, many analysts anticipated multiple interest rate cuts across major economies. Those expectations U-turned after the outbreak of hostilities. The consensus view now is that rate cuts have been put on hold. The debate among central bankers is no longer about how quickly rates will fall, but whether additional hikes may still be necessary before inflation returns convincingly toward target levels.

From a J-shape to a K-shape recovery

When the Middle East tension started, we expected a J-shape global economic recovery, with growth falling by about 0.5% before slowly moving back to capacity. Three months later, and the global growth outlook has improved modestly compared with the worst-case assumptions made earlier in the year. If the US and Iran can reach an agreement to end



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the war, there is hope that global growth could turn out more resilient and that the J-shape might be much less severe. This scenario presents a far more favourable outcome than initially feared, and the global economy will avoid the severe disruptions that many worried could trigger a much deeper slowdown.

What must be noted, however, is that while the global growth outlook has stabilised, not all regions are positioned equally. Current growth patterns among developed markets increasingly resemble a K-shaped recovery. The US continues to move upward, while Europe, the United Kingdom (UK), and Japan struggle to achieve meaningful growth. Several factors explain America's relative strength to its peers.

THE US: Buoyed by tech investment

The US economy has been supported by massive investments in technology, artificial intelligence, and digital infrastructure, which are generating substantial productivity gains. This focus on tech is supporting corporate profitability and helping sustain economic growth while underpinning the equity market as well.

However, despite the resilience of the US economy – driven by tech and high-income consumers – US voters have become increasingly dissatisfied with rising inflation and living costs. This has resulted in consumer confidence weakening significantly particularly amongst citizens in the lower income bracket who feel the impact of inflation and higher oil prices more keenly. The US is also seeing declining savings rates, which is a further indication of the pressure on lower-income consumers, who are tapping into their savings.

For US President, Donald Trump, this political pressure is mounting ahead of mid-term elections in November, forcing policymakers to focus more heavily on domestic priorities such as housing affordability and consumer welfare. In fact, in a rare moment of political cohesion, the Bipartisan Housing Bill has been enacted, which aims to make new housing more affordable for Americans.

Given the US's enduring competitive advantages—particularly the significant productivity gains driven by sustained investment in technology and innovation—the US economy continues to command a growth premium relative to its developed-market peers. This stronger growth outlook should, over time, support the dollar's relative strength against other major currencies.

While several structural trends are creating pressure on the dollar, including efforts by the BRICS bloc to increase trade in local currencies and reduce reliance on the greenback, these developments should be viewed in context. As long as the US maintains a meaningful economic and productivity advantage over its peers, the notion that the dollar is at risk of losing its dominant role in global trade and finance appears overstated. The dollar's status is underpinned not only by the size and resilience of the US economy, but also by the depth of its financial markets, institutional strength, and continued leadership in innovation. Consequently, concerns about an imminent erosion of the dollar's reserve currency status are arguably unwarranted.

We don't see the US's tech boom petering out any time soon. These companies are all extremely profitable, their future capex plans are very strong, and they are being fuelled by global capital. This means that the US economy and the dollar will remain on the front foot for the foreseeable future.

In this climate, we expect the US to continue growing slightly above capacity, at about 2.2% per annum, which is well ahead of its developed market peers.

EUROPE AND UK: Hit hard by inflated energy costs

Europe remains particularly vulnerable. Even before the current conflict, many European economies were grappling with deep-seated structural challenges, including ageing populations, weaker productivity growth, rising social tensions, and increasing political fragmentation. These pressures have been reflected in the growing appeal of nationalist and Eurosceptic movements, persistent wage stagnation in several economies, and a worsening housing affordability crisis. At the same time, European manufacturers are facing intensifying competition from lower-cost Chinese imports, particularly in the electric vehicle sector, placing additional strain on the region's industrial base and economic growth prospects.



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So, from a growth perspective, they are coming off a very low base that has nothing to do with the war. The disruption of energy supplies has only intensified these weaknesses as the region has a heavy dependence on imported energy.

Over the quarter, numerous ships carrying oil and gas, which were originally destined for Europe were redirected elsewhere, like Asia and Australia, forcing European nations to seek alternative suppliers. Interestingly, the US benefited significantly from this development. Having achieved energy self-sufficiency, the US was able to increase exports of oil and refined products, including jet fuel, to European markets. While this has contributed to the US economy, it has helped alleviate some of Europe's energy concerns.

Given its challenges, if the war continues indefinitely, Europe would be the first major economy to face a recession. As it stands, Europe's growth trajectory remains subdued, coming from below 1% growth. We expect that it may only average around 1% over the next three years.

The UK is facing many of the same headwinds as its European neighbours. While continental Europe continues to grapple with rising euroscepticism and political fragmentation, the UK is still contending with the economic consequences of Brexit a decade on. Many measures of economic performance suggest that growth, investment, trade, and productivity have been weaker than they might otherwise have been, adding to the country's long-term structural challenges.

Political instability has compounded these difficulties. Since the Brexit referendum, the UK has seen a succession of prime ministers, with its seventh leader in just over a decade, highlighting the challenges policymakers face in delivering consistent long-term reforms. Together, subdued economic performance, political uncertainty, weak productivity growth, and ongoing fiscal pressures underscore the structural issues that continue to weigh on the UK's economic outlook.

UK growth is moving in tandem with the European Union, and we expect the country's economy to also average around 1% growth over the next three years.

CHINA: Facing structural challenges beyond the conflict

China continues to face a range of economic challenges, yet policymakers remain focused on preserving growth momentum and supporting long-term stability. The economy is contending with subdued consumer demand, ongoing structural adjustments, and a prolonged downturn in the property sector, which has historically been one of the country's most important engines of growth. Property investment remains under significant pressure, declining by approximately 24% year-on-year, reflecting weak confidence, excess housing supply, and tighter financing conditions. Despite these headwinds, authorities continue to deploy targeted policy measures aimed at stabilising activity, boosting domestic demand, and guiding the economy through a gradual transition towards a more consumption and innovation-driven growth model.

In order to maintain its current growth outlook, China continues to rely heavily on exports. While a number of traditional exports are down, the current concentration lies in technology and vehicles – putting it at risk of increased vulnerability to external demand shocks. With China's trade with the US down, it has successfully redirected its trade toward other markets, and as such, its exports to the rest of the world have more than offset the US declines.

As they look to the future, China's policymakers are increasingly focused on what has been termed the “Six Networks” strategy. Unlike previous growth models built around property and traditional infrastructure, the new approach emphasises technology-driven investment of up to 5% of GDP, which would include:

1. Data centres
2. Semiconductor manufacturing
3. Advanced communication networks
4. Digital infrastructure
5. Artificial intelligence capabilities
6. High-tech industrial expansion



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These initiatives could generate significant investment demand, particularly for commodities such as copper and other industrial metals, but the deployment timing remains uncertain.

Currently our China growth outlook is around 4.25% which is slightly below consensus of 4.5%.

Global trade evolving

Global trade trends are also shifting. While the US has started to pursue more protectionist policies, China has sought to strengthen international economic relationships and secure new markets. This shift is gradually reshaping global trade networks and could have significant long-term implications for economic influence and trade flows.

While the United States was the dominant trading partner for most major economies in the early 2000s, that landscape has shifted significantly over the past two decades, with China now occupying that position for a growing number of countries. China's expanding economic footprint, extensive trade networks, and strategic investment initiatives have strengthened its influence across both developed and emerging markets.

An interesting reflection of this shift is that Chinese President Xi Jinping rarely travels abroad compared with many global leaders. Instead, an increasing number of heads of state and business leaders are making the journey to Beijing to strengthen diplomatic ties and secure trade and investment agreements. In many cases, these engagements now attract more attention than visits to Washington, underscoring China's growing role as a central hub in global trade and economic diplomacy.

While global trade has remained remarkably resilient, supported by countries diversifying their trading relationships and opening new markets, we did see some softness in trade volumes this quarter. Importantly, this slowdown appears to be less a consequence of US tariffs and more a reflection of logistical disruptions around the Strait of Hormuz.

At one point, nearly 3,000 vessels were delayed around the Strait, with approximately half carrying cargo valued at an estimated \$125 billion. Given the Strait's critical role as one of the world's most important maritime trade routes, these disruptions inevitably affected the movement of goods and supply chains globally. As a result, the recent dip in trade activity is likely attributable to these temporary logistical bottlenecks rather than a deterioration in underlying global demand. Once shipping flows normalise, trade volumes should recover accordingly.

SOUTH AFRICA: Conflict re-exposes structural flaws within economy

Turning to South Africa, the economic outlook remains difficult despite some positive developments.

Agriculture under pressure

South Africa entered the conflict period with significant vulnerabilities. Its agricultural sector relies heavily on imported fuel and fertiliser, much of which originates from the Middle East. These imports account for 40% of agricultural input costs. Concerns about supply disruptions initially raised fears of severe economic consequences and although supply chains have proven more resilient than expected, substantial structural challenges remain.

In 2025, agriculture played a disproportionately large role in supporting South Africa's economic growth, with the sector rebounding by approximately 17%. However, this strong performance came off a very low base, following an 8% contraction in 2024. As a result, replicating such robust growth in 2026 is likely to be far more challenging. The sector continues to face several headwinds, including rising input costs, weather-related risks such as recent flooding and the potential effects of El Niño, fertiliser supply constraints, and ongoing concerns around foot-and-mouth disease. While agriculture should continue to make a positive contribution to the economy, it is unlikely to provide the same degree of support as it did in 2025. This moderation needs to be reflected in our growth outlook, as one of last year's key drivers of economic expansion is expected to play a less significant role going forward.

Growth drivers faltering

Last year, South Africa grew 1% helped largely by the agriculture sector. The finance and real estate sectors also contributed positively to 2025's growth. Unfortunately, the rest of the economy was not worth mentioning.



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In addition, consumer spending, which accounts for roughly 60% of South Africa's economy, has weakened noticeably from 1% of GDP for the last eight quarters, to 0.1% in the last quarter, which is a significant drop. This is because higher fuel costs, elevated interest rates, and broader economic uncertainty have reduced discretionary spending. Retail sales have softened, and consumers are increasingly prioritising essential purchases over non-essential items. Fuel purchases, for example, were down around 30%, which indicates a massive shift in discretionary spending. This pressure is expected to persist throughout the coming year.

Exports and commodities on a shaky foundation

While local exports have faced headwinds, vehicle and component exports to the US have almost halved since 2024 to the middle of 2025, commodity exports have helped offset weakness elsewhere in the economy, particularly during periods of strong global commodity prices. This means that while export totals have remained steady, there has been a huge substitution taking place. Like China, because of tariffs, local exports to the US have fallen, but there has been a strong uptick in exports to China and Germany, making up for the US losses.

Yet a closer examination of the commodity boom, reveals a concerning trend in that it has purely been based on price. For many key commodities including platinum, gold and coal, production volumes have declined over the last five years. Only manganese has seen an uptick in mining volumes. Strong commodity prices can temporarily boost revenues, but long-term growth requires increased production rather than simply higher prices. South Africa's production volumes have hit historic lows relative to capacity, meaning commodities' contribution to the South African GDP is shrinking.

Logistical challenges also remain a major obstacle to local exports. Industry participants frequently note that while export demand exists, inadequate rail and port infrastructure prevents South Africa from fully capitalising from such opportunities.

Investment is key to South African growth

To turn the South African economy around, South Africa needs investment. Fixed capital formation has remained stubbornly low for years. Both public- and private-sector investment levels are insufficient to support meaningful economic expansion. However, there are initiatives in the pipeline to get the private sector to back essential parts of the economy including logistic networks, harbours, electricity production and radio licences to name a few, but this is a slow process.

Currently, gross fixed capital formation sits at approximately 14% of GDP. With South Africa's National Development Plan envisioning investment levels closer to 30% of GDP, it is important for South Africa to be seen as an investment-friendly destination. However, reaching that target would likely only lift growth modestly to about 2%. In reality, if South Africa wants to achieve sustained growth rates closer to 5%, the economy requires investment levels approaching 40% of GDP. This highlights the central challenge currently facing policymakers.

Green shoots

Despite concerns, there are some green shoots worth noting. Supply chains are not fully broken, and there will be some consumer relief with potential fuel price reductions.

In addition, ongoing structural reforms are starting to deliver tangible economic benefits. Progress in the energy sector has helped ease Eskom's electricity constraints, while reforms have encouraged greater private-sector participation in generation and infrastructure. Improvements in the transport sector are also becoming evident, with rail volumes recovering and key logistics bottlenecks gradually being addressed.

South Africa's ports, long regarded as a major impediment to growth and trade competitiveness, are beginning to show meaningful signs of improvement. Just a year ago, several local harbours ranked among the worst-performing globally. Since the appointment of a new international operator, Durban Harbour has reportedly climbed almost 500 places in global port rankings, making it one of the fastest-improving ports in the world. Similarly, the harbours of Coega and Port Elizabeth in the Eastern Cape have emerged among the top global performers in terms of operational improvement.



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While significant challenges remain, these developments illustrate the positive impact that well-executed structural reforms can have on economic activity. Addressing longstanding constraints in energy, logistics and transport not only improves business confidence but also enhances productivity, competitiveness and South Africa's long-term growth potential.

As the second half of 2026 commences, South Africa will also have to navigate some political challenges, with November's local government elections and the national elections in 2028. However, if reform momentum continues, economic growth could gradually improve over the medium term. Yet, meaningful gains are unlikely to occur immediately, and the next 12 months are expected to remain challenging for the local economy.

We think it will be very difficult for South Africa to achieve growth of above 1% this year – which is lower than the market consensus – as the country's structural issues cannot be solved overnight. But with the private sector partnerships, we expect growth to lift to close to 2% over the next three years.

Managing your wealth in an uncertain world

From an investment point of view, CAM will continue to do what it has been doing for the last 3 decades. The lessons we learned from COVID were to not overreact when a crisis like this is unfolding. We are being much more prudent on our growth assumptions and not making any aggressive adjustments while the war plays out. Our strategy is similar in terms of portfolio positioning, as Harold Strydom will lay out in the CAM three-year High-Conviction scenario.



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HOUSEVIEW UPDATE

ASSET CLASS VIEWS

Harold Strydom

Investment Strategist and Portfolio Manager

Scenario modelling has formed part of Citadel's investment philosophy for over two decades, and it enables us to better understand potential market outcomes and construct stronger portfolios. The Citadel Asset Management team has a core or "High Conviction" scenario based on a three-year view, which is expressed as macroeconomic and market assumptions, including economic growth, inflation, interest rates, price-earnings multiples, and credit spreads, to list a few. Based on these assumptions, our asset valuation models produce expected returns for various asset classes. This section is used to summarise our High Conviction view and the resulting asset signals.

HIGH CONVICTION SCENARIO: MEDIUM-TERM EXPECTED RETURNS

The global economy has navigated a period of heightened geopolitical uncertainty more effectively than many investors feared. Despite intermittent market volatility, our central expectation remains that global growth will remain close to long-term potential over the next three years. Inflation has moved somewhat higher in the near term, but is expected to moderate gradually over the projection horizon and converge towards central bank targets.

Central banks have adopted a more cautious tone in recent months as inflation has proven somewhat more persistent than expected. Market expectations for further policy tightening have increased in some regions, although our High Conviction scenario assumes the major central banks will remain on hold in the near term, with the Bank of Japan being the exception, where further hikes are expected. Government bond yields have moved higher and are above our fair value assumptions in most regions, supporting improved medium-term return expectations. Credit spreads remain near historically tight levels, reflecting resilient corporate fundamentals and generally healthy balance sheets.

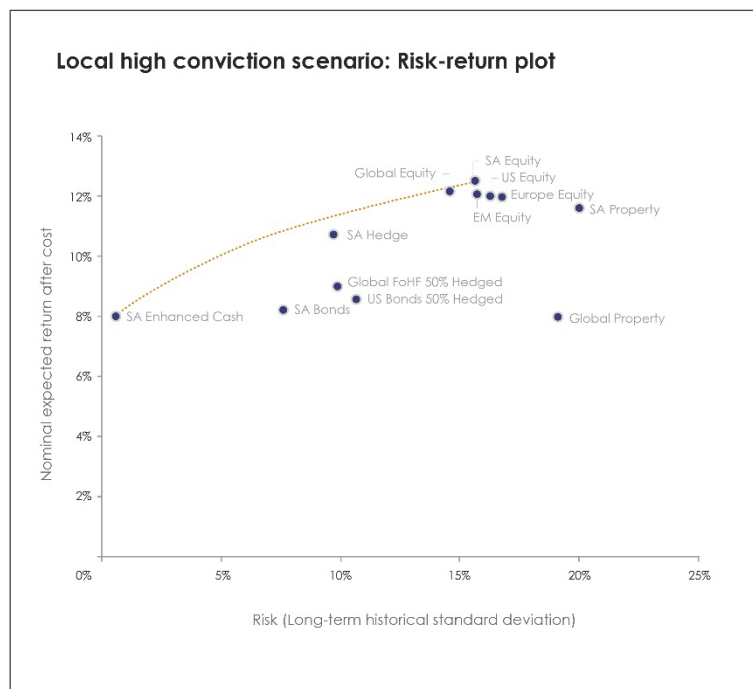
The outlook for corporate earnings remains constructive. Recent earnings delivery has been robust and analysts continue to forecast strong profit growth over the coming years. The key question for investors is whether these elevated growth expectations can be sustained. While equity markets have de-rated on a forward earnings basis and valuations appear more reasonable than headline measures may suggest, our valuation framework assumes that strong earnings growth will need to materialise to justify current market levels. As a result, medium-term valuation signals across most equity markets have become more balanced.

South Africa's (SA's) outlook has benefited from a more stable global backdrop, although domestic challenges remain. Inflation has edged higher, but longer-term inflation expectations remain relatively well anchored. While there is some risk of further policy tightening, our central assumption remains that the South African Reserve Bank will keep rates unchanged in the near term. SA bond yields have declined and now trade below our fair value assumptions, while SA equities have produced a disappointing year-to-date return and remain exposed to the risk of further earnings downgrades. Despite these headwinds, both asset classes continue to screen broadly neutral within our valuation framework, while SA cash remains the most attractive of the major local asset classes.

The chart below shows the three-year expected return versus the historical standard deviation of each asset class, based on our High Conviction scenario.



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NEAR-TERM ASSET CLASS VIEWS

Our investment process is anchored by a High Conviction macroeconomic scenario and the expected returns it produces for various asset classes. While these medium-term valuation signals provide an important foundation for portfolio construction, market behaviour can diverge materially from fair value over shorter periods.

To complement our valuation framework, we incorporate a range of shorter-term indicators, including market dynamics, cross-asset relationships, currency trends and commodity signals. These tools help us identify opportunities and risks that may not yet be reflected in longer-term valuations.

The diagram below gives a visual representation of how these two parts of the process play into each other.



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We also integrate the fundamental insights generated by our investment team. Detailed company and sector research helps refine our portfolio positioning and provides an important balance to broader market signals when bottom-up fundamentals differ from top-down expectations.

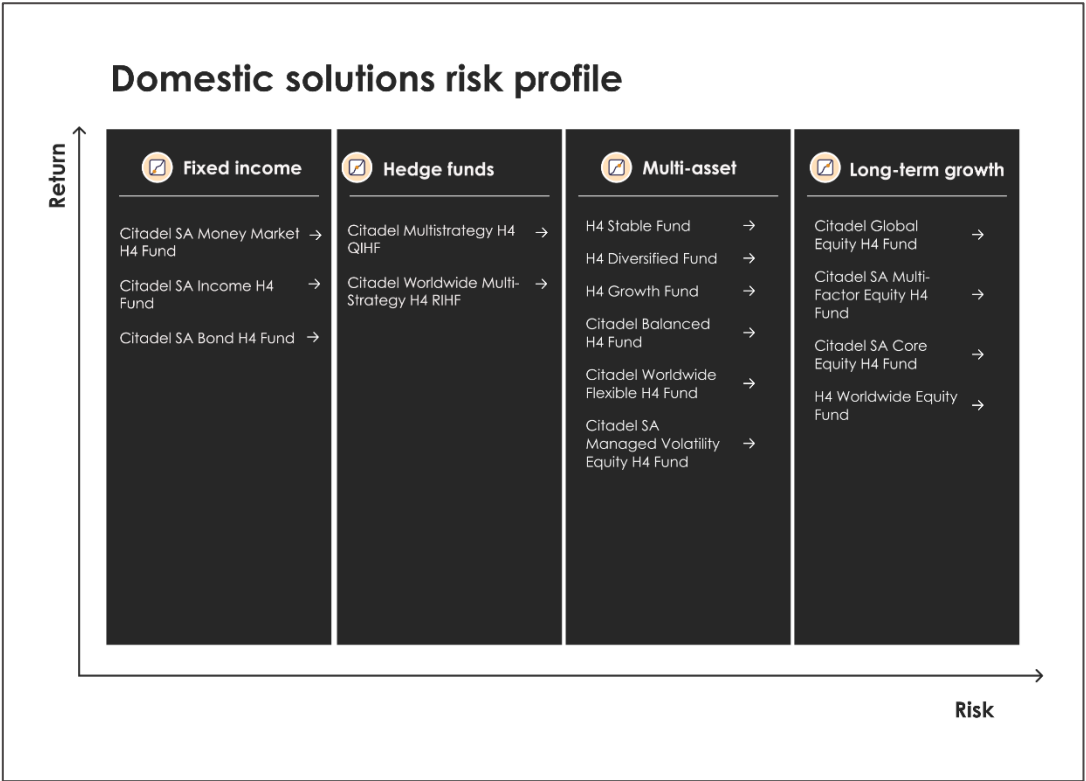
Our latest asset class views are summarised below. The orange blocks represent the short-term tactical views from the team, sometimes with an additional arrow if a Neutral view has more up or downside potential. Where the High Conviction scenario medium-term signals are different from the short-term views, it is indicated in blue. To determine the signal as Neutral or Above and Below, the model compares expected returns to what investors have historically required from these asset classes. For example, a Neutral Outlook implies a real expected return range of 1% to 3% for SA Cash, 2.5% to 5.5% for SA Bonds, and 4.5% to 9.5% for SA Equity. Views are expressed in the base currency of each asset class; currencies views are expressed separately.



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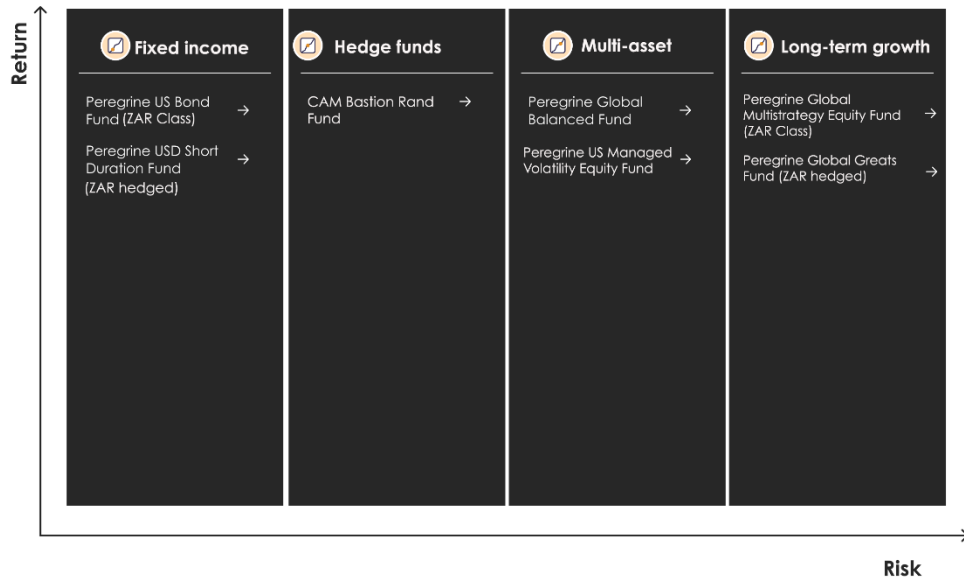


FUND PERFORMANCE

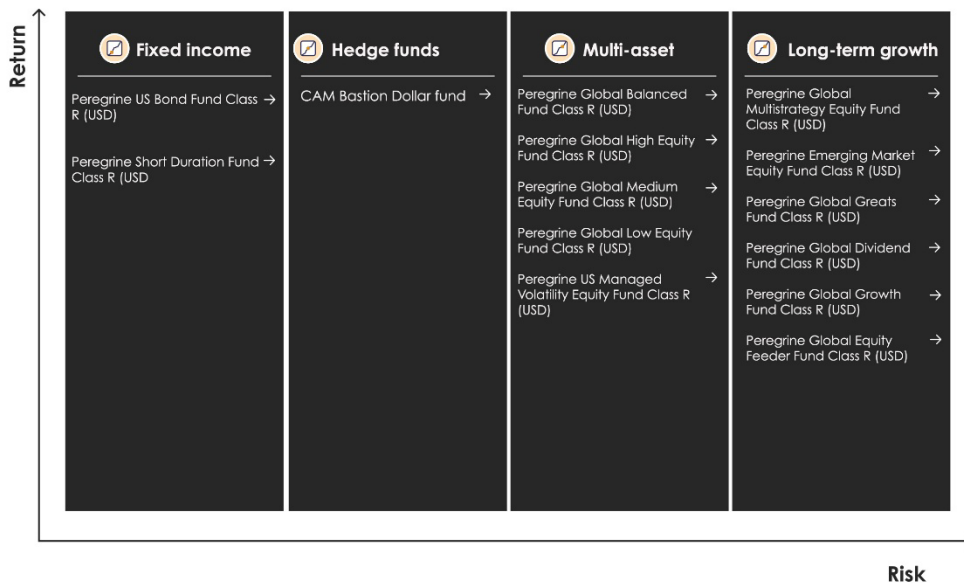


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International solutions risk profile (ZAR)



International solutions risk profile (USD)



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ASSET CLASSES AND ECONOMIC DATA

Asset classes and economic data

Index	Asset Class	3 Months	1 Year	3 Years	5 Years	Notes
^ Performance in rand						
STeFI 3-month Total Return Index	South African Money Market	1,6%	6,8%	7,6%	6,6%	
FTSE/JSE All Bond Index	South African Bonds	7,9%	21,5%	17,8%	12,4%	
FTSE/JSE All Share Index	South African Equity	-2,4%	18,4%	17,4%	15,2%	
Bloomberg US Treasury Index	US Bonds	-3,9%	-5,3%	-1,6%	2,4%	
MSCI AC World Index (Net)	Global Equity	10,0%	14,1%	14,2%	14,1%	
MSCI AC World High Dividend Yield Index (Net)	Global Equity (High Dividend Yielding)	1,2%	11,1%	9,2%	11,4%	
MSCI Emerging Markets Index (Net)	Emerging Market Equity	18,8%	32,4%	17,3%	10,2%	
SA CPI	South African Inflation	2,3%	4,7%	4,3%	5,1%	
ZAR/USD		-4,3%	-7,8%	-4,6%	2,8%	
^ Performance in US dollar						
FTSE/JSE All Bond Index	South African Bonds	12,7%	31,7%	23,5%	9,3%	
Bloomberg US Treasury Index	US Bonds	0,3%	2,7%	3,2%	-0,4%	
FTSE/JSE All Share Index	South African Equity	2,0%	28,4%	23,1%	12,0%	
MSCI AC World Index (Net)	Global Equity	14,9%	23,7%	19,7%	11,0%	
MSCI AC World High Dividend Yield Index (Net)	Global Equity (High Dividend Yielding)	5,7%	20,4%	14,5%	8,3%	
MSCI Emerging Markets Index (Net)	Emerging Market Equity	24,1%	43,5%	23,0%	7,2%	



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PORTFOLIO PERFORMANCE

Unit trusts

Portfolio performance							
Unit trusts							
Fund	Morningstar Category	1 Year	3 Years	5 Years	Since Inception	Inception date	Notes
(Performance in rand)							
^ Fixed income							
Citadel SA Money Market H4 Fund	South African - Fixed Income - Money Market	7,1%	7,9%	7,0%	6,8%	01-Sep-2013	
Benchmark: STeFI 3-month Total Return Index		6,8%	7,6%	6,6%	6,3%		
Citadel SA Income H4 Fund	South African - Fixed Income - Short Term	8,0%	9,0%	7,8%	7,6%	05-Nov-2014	
Benchmark: STeFI Composite Total Return Index		7,1%	7,9%	6,9%	6,8%		
Citadel SA Bond H4 Fund	South African - Fixed Income - Variable Term	16,7%	15,4%	10,9%	9,3%	08-Aug-2001	
Benchmark: FTSE/JSE All Bond Index		21,5%	17,8%	12,4%	10,0%		
^ Retail hedge funds							
Citadel Worldwide Multi-Strategy H4 Retail Hedge Fund B	Worldwide - Multi-Strategy Hedge Fund	4,3%	7,2%		7,2%	14-Jun-2023	10
Benchmark: 50% SA Cash, 50% US Cash (hedged to ZAR)		6,6%	7,5%		7,5%		
^ Qualified investor hedge funds							
Citadel Multi-Strategy H4 QI Hedge Fund	South African - Multi-Strategy Hedge Fund	9,8%	13,2%	12,2%	9,4%	01-Nov-2016	8
Benchmark: STeFI 3-month Total Return Index + 3%		10,0%	10,9%	9,8%	9,6%		
^ Multi-asset							
Citadel Balanced H4 Fund	South African - Multi Asset - High Equity	6,4%	9,4%	10,6%	9,2%	01-Apr-2011	
Benchmark: (ASISA) South African MA High Equity Peer Group Average		12,3%	12,6%	11,0%	9,2%		2
Citadel SA Managed Volatility Equity H4 Fund	South African - Multi Asset - Flexible	8,9%	11,8%	11,2%	8,3%	02-Feb-2015	6
Benchmark: 60% FTSE/JSE Top 40, 40% STeFI Composite		14,3%	13,5%	12,2%	9,6%		
Citadel Worldwide Flexible H4 Fund	Worldwide - Multi Asset - Flexible	7,1%	9,7%	11,3%	9,4%	17-Oct-2017	
Benchmark: (ASISA) Wwide MA Flexible Peer Group Average		8,0%	10,6%	9,6%	8,6%		9
H4 Growth Fund	Worldwide - Multi Asset - Flexible	11,7%	12,0%	12,4%	9,2%	22-May-2013	
Benchmark: (ASISA) Wwide MA Flexible Peer Group Average		8,0%	10,6%	9,6%	9,4%		9
H4 Diversified Fund	South African - Multi Asset - High Equity	12,6%	12,7%	12,3%	9,2%	22-May-2013	
Benchmark: (ASISA) South African MA High Equity Peer Group Average		12,3%	12,6%	11,0%	8,5%		9
H4 Moderate Fund	South African - Multi Asset - Medium Equity	12,5%			12,9%	16-Jul-2024	
Benchmark: (ASISA) South African MA Medium Equity Peer Group Average		12,5%			12,5%		
H4 Stable Fund	South African - Multi Asset - Low Equity	12,1%	12,5%	11,3%	8,8%	01-Jul-2015	1
Benchmark: (ASISA) South African MA Low Equity Peer Group Average		12,0%	11,7%	9,9%	7,8%		9



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^ Equity							
Citadel SA Core Equity H4 Fund	South African - Equity - SA General	15,8%	14,0%	13,7%	10,2%	09-May-2017	7
Benchmark: FTSE/JSE Capped Top 40 Index (J300T)		20,8%	17,1%	15,5%	12,5%		3
Citadel SA Multi-Factor Equity H4 Fund	South African - Equity - SA General	12,5%	13,7%	12,4%	8,7%	18-Jun-2015	
Benchmark: FTSE/JSE Capped All Share Index (J303T)		19,4%	17,5%	15,4%	10,9%		4
Citadel Global Equity H4 FoF	Global - Equity - General	8,2%	10,5%	11,2%	9,6%	06-Nov-2002	
Benchmark: (ASISA) Global EQ General Peer Group Average		6,4%	9,9%	9,6%	9,5%		5
H4 Worldwide Equity Fund	Worldwide - Equity - General	14,1%	13,3%	13,5%	10,9%	22-May-2013	
Benchmark: 35% (ASISA) SA – Equity – General Peer Group Average, 65% (ASISA) Global - Equity - General Peer Group Average		9,9%	11,9%	10,9%	11,3%		9
<i>i</i> Notes View notes ^ Returns for periods longer than 1 year are annualised 1. H4 Stable Fund's inception date is 31 May 2013. Strategy changed on 1 July 2015 and prior performance history was lost. 2. The fund's benchmark was changed with effect 1 June 2022 3. FTSE/JSE Top 40 Index (J200T) before 5 March 2018. 4. FTSE/JSE All Share Index before 1 June 2018. 5. The fund's benchmark was changed with effect 1 April 2024. 6. SA Protected Equity prior to name change on 1 April 2021. 7. Citadel SA 20/20 Equity H4 Fund prior to name change on the 1st of December 2022. 8. Only 'Qualified Investors' which meet prescribed requirements are permitted to invest in this fund. Please speak to your financial advisor if you have any questions. 9. The fund's benchmark was changed with effect 1 August 2023. 10. The performance since inception is calculated from 30 June 2023.							



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International solutions (FSCA approved) USD

International solutions (FSCA Approved) USD							
Fund	Morningstar Category	1 Year	3 Years	5 Years	Since Inception	Inception date	Notes
(Performance in US dollar)							
^ Fixed income							
Peregrine Short Duration Fund	US - Fixed Income - Short Term	3,7%	4,7%	3,2%	2,6%	25-Jul-2019	5
Benchmark: Bloomberg US Treasury Bills 1-3 Months Index		4,0%	4,7%	3,6%	2,8%		6
Peregrine US Bond Fund USD Share Class	US - Fixed Income	2,8%	3,4%	-0,7%	-0,2%	02-Sep-2019	
Benchmark: Bloomberg US Treasury Index		2,7%	3,2%	-0,4%	0,2%		6
^ Hedge funds							
CAM Bastion Dollar Fund	Global - Hedge Fund	-2,5%	5,9%	1,6%	1,1%	01-Sep-2020	
Benchmark: US Cash + 1,75%		5,9%	6,6%	5,5%	5,0%		
^ Multi-asset							
Peregrine US Managed Volatility Equity Fund USD Class R	US - Multi-Asset - Flexible	9,4%	11,2%	7,0%	7,0%	27-Oct-2016	4
Benchmark: 60% S&P 500, 40% US Cash		14,6%	14,0%	9,5%	10,3%		
Peregrine Global Balanced Fund	Global - Multi Asset - High Equity	12,5%	11,9%	5,8%	5,6%	01-Feb-2011	
Benchmark: (Morningstar) EAA Fund USD Aggressive Allocation Peer Group Average		15,1%	12,3%	5,8%	5,6%		2
Peregrine Global High Equity Fund Class R USD	Global - Multi Asset - High Equity	18,3%	15,3%		10,5%	14-Apr-2022	
Benchmark: (Morningstar) EAA Fund USD Aggressive Allocation Peer Group Average		15,1%	12,3%		8,0%		
Peregrine Global Medium Equity Fund Class R USD	Global - Multi Asset - Medium Equity	13,7%	12,1%		8,9%	26-Apr-2022	
Benchmark: (Morningstar) EAA Fund USD Moderate Allocation Peer Group Average		12,2%	10,1%		6,9%		
Peregrine Global Low Equity Fund Class R USD	Global - Multi Asset - Low Equity	8,7%	8,5%		5,6%	26-Apr-2022	
Benchmark: (Morningstar) EAA Fund USD Cautious Allocation Peer Group Average		7,5%	7,1%		4,6%		



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Peregrine Global Greats Fund Class R USD	Global - Equity - Large-Cap Blend	12,8%	15,0%	8,8%	9,8%	03-Aug-2012	
Benchmark: MSCI World (Net) in US\$		21,3%	19,2%	11,5%	12,0%		3
Peregrine Global Multi-Strategy Equity USD	Global - Equity - Large-Cap Blend	16,3%	15,7%	8,1%	4,7%	03-Jun-2000	
Benchmark: MSCI AC World Net US\$		23,7%	19,7%	11,0%	6,4%		1
Peregrine Global Growth Fund USD Class R	Global - Equity - Large-Cap Growth	17,2%	16,8%		9,5%	20-Aug-2021	
Benchmark: 20% US Cash, 80% MSCI World (Net) in US\$		17,8%	16,4%		10,0%		
Peregrine Global Equity Feeder Fund USD Class R	Global - Equity - Large-Cap Growth	20,4%	19,0%		10,1%	10-Aug-2021	
Benchmark: MSCI AC World Net US\$		23,7%	19,7%		10,9%		
Peregrine Global Dividend Fund USD Class R	Global - Equity - Income	13,0%	11,3%		6,1%	08-Sep-2021	
Benchmark: MSCI World High Dividend Yield Index		18,1%	13,6%		8,7%		
^ Emerging market equity							
Peregrine Emerging Market Equity Fund USD R	Global - Equity - Emerging Market	41,9%	20,6%	7,0%	6,6%	02-Jun-2021	
Benchmark: MSCI Emerging Market Net US\$		43,5%	23,0%	7,2%	6,9%		
<i>i</i> Notes View notes ^							
Returns for periods longer than 1 year are annualised 1. MSCI World (Net) in US\$ before 1 April 2011. 2. The fund's benchmark was changed with effect 1 August 2023. 3. MSCI AC World Net US\$ before 1 January 2018. 4. Peregrine US Protected Equity Fund prior to name change on the 1 December 2020. 5. Peregrine USD Short Duration Fund prior to name change on the 1 November 2025. 6. The fund's benchmark was changed with effect 1 November 2025.							



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International solutions (FSCA approved) ZAR

International solutions (FSCA Approved) ZAR							
Fund	Morningstar category	1 Year	3 Years	5 Years	Since Inception	Inception date	Notes
(Performance in rand)							
^ Fixed income							
Peregrine Short Duration Fund	US - Fixed Income - Short Term	-4,3%	-0,2%	6,1%	5,0%	25-Jul-2019	6
Benchmark: Bloomberg US Treasury Bills 1-3 Months Index		-4,1%	-0,1%	6,5%	5,3%		7
Peregrine US Bond Fund USD Share Class	US - Fixed Income	-5,2%	-1,4%	2,0%	0,9%	02-Sept-2019	
Benchmark: Bloomberg US Treasury Index		-5,3%	-1,6%	2,4%	1,3%		7
^ Fixed income (Hedged to rand)							
Peregrine Short Duration Fund ZAR Share Class	US - Fixed Income - Short Term (Hedged to rand)	6,2%	7,4%	6,5%	6,3%	22-Jul-2020	6
Benchmark: Bloomberg US Treasury Bills 1-3 Months Index (Hedged to Rand)		6,3%	7,5%	6,8%	6,4%		7
Peregrine US Bond Fund ZAR Share Class	US - Fixed Income (Hedged to rand)	-1,8%	2,2%	3,5%	3,3%	02-Sept-2019	
Benchmark: Bloomberg US Treasury Index (50% Hedged to Rand)		-0,2%	2,1%	2,6%	2,7%		7
^ Hedge funds							
CAM Bastion Dollar Fund	Global - Hedge Fund	-10,1%	1,0%	4,4%	0,5%	01-Sept-2020	
Benchmark: US Cash + 1.75%		-2,4%	1,7%	8,5%	4,4%		
^ Hedge funds (Hedged to rand)							
CAM Bastion Rand Fund	Global - Hedge Fund (Hedged to rand)	-0,3%	8,7%	8,0%	6,6%	01-Sept-2020	
Benchmark: US Cash + 1.75% (Hedged to Rand)		8,3%	9,4%	8,8%	8,4%		



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^ Multi-asset							
Peregrine US Managed Volatility Equity Fund USD Class R	US - Multi-Asset - Flexible	0,9%	6,1%	10,0%	8,8%	27-Oct-2016	5
Benchmark: 60% S&P 500, 40% US Cash		5,7%	8,7%	12,5%	12,2%		
Peregrine Global Balanced	Global - Multi Asset - High Equity	3,8%	6,8%	8,7%	11,4%	01-Feb-2011	
Benchmark: [Morningstar] EAA Fund USD Aggressive Allocation Peer Group Average		6,2%	7,1%	8,8%	11,4%		2
Peregrine Global High Equity Fund Class R USD	Global - Multi Asset - High Equity	9,1%	9,9%		13,7%	14-Apr-2022	
Benchmark: [Morningstar] EAA Fund USD Aggressive Allocation Peer Group Average		6,2%	7,1%		11,1%		
Peregrine Global Medium Equity Fund Class R USD	Global - Multi Asset - Medium Equity	4,9%	6,9%		9,9%	26-Apr-2022	
Benchmark: [Morningstar] EAA Fund USD Moderate Allocation Peer Group Average		3,5%	5,0%		7,9%		
Peregrine Global Low Equity Fund Class R USD	Global - Multi Asset - Low Equity	0,3%	3,5%		6,6%	26-Apr-2022	
Benchmark: [Morningstar] EAA Fund USD Cautious Allocation Peer Group Average		-0,8%	2,2%		5,6%		
^ Multi-asset (Hedged to rand)							
Peregrine US Managed Volatility Equity Fund Class R ZAR Share Class	US - Multi-Asset - Flexible (Hedged to rand)	4,6%	10,1%	11,6%	12,2%	01-Dec-2020	
Benchmark: 60% S&P 500, 40% US Cash (50% Hedged to rand)		11,3%	13,0%	12,9%	13,2%		
Peregrine Global Balanced Fund ZAR Share Class	Global - Multi Asset - High Equity (Hedged to rand)	15,0%	14,8%	9,0%	10,3%	01-Jul-2011	
Benchmark: [Morningstar] EAA Fund USD Aggressive Allocation Peer Group Average (ZAR hedged)		16,5%	14,5%	8,3%	9,2%		2
^ Equity							
Peregrine Global Greats Fund Class R USD	Global - Equity - Large-Cap Blend	4,1%	9,6%	11,9%	15,2%	03-Aug-2012	
Benchmark: MSCI World (Net) in US\$		11,9%	13,7%	14,6%	17,5%		3
Peregrine Global Multi-Strategy Equity USD	Global - Equity - Large-Cap Blend	7,3%	10,3%	11,2%	8,2%	03-Jun-2000	
Benchmark: MSCI AC World Net US\$		14,1%	14,2%	14,1%	10,0%		1
Peregrine Global Growth Fund USD Class R	Global - Equity - Large-Cap Growth	8,1%	11,4%		11,2%	20-Aug-2021	
Benchmark: 20% US Cash, 80% MSCI World (Net) in US\$		8,7%	11,0%		11,8%		
Peregrine Global Equity Feeder Fund USD Class R	Global - Equity - Large-Cap Growth	11,0%	13,5%		12,5%	10-Aug-2021	
Benchmark: MSCI AC World Net US\$		14,1%	14,2%		13,2%		
Peregrine Global Dividend Fund USD Class R	Global - Equity - Income	4,2%	6,2%		9,1%	08-Sept-2021	
Benchmark: MSCI World High Dividend Yield Index		8,9%	8,3%		11,8%		



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^ Emerging market equity							
Peregrine Emerging Market Equity Fund USD R	Global - Equity - Emerging Market	30,9%	15,0%	10,0%	10,4%	02-Jun-2021	
Benchmark: MSCI Emerging Market Net US\$		32,4%	17,3%	10,2%	10,6%		
^ Equity (Hedged to rand)							
Peregrine Global Greats Fund Class R ZAR Share Class	Global - Equity - Large-Cap Blend (Hedged to rand)	14,9%	17,4%	11,4%	14,2%	06-Sept-2017	
Benchmark: MSCI World Net US\$ (Hedged to rand)		22,6%	21,5%	13,9%	15,2%		4
Peregrine Global Multi-Strategy Equity ZAR Share Class	Global - Equity - Large-Cap Blend (Hedged to rand)	11,6%	14,6%		11,6%	08-Dec-2021	
MSCI ACWI (50% ZAR hedged)		19,5%	18,1%		12,8%		
<i>i</i> Notes View notes ^							
Returns for periods longer than 1 year are annualised 1. MSCI World (Net) in US\$ before 1 April 2011. 2. The fund's benchmark was changed with effect 1 August 2023. 3. MSCI AC World Net US\$ before 1 January 2018. 4. MSCI AC World Net US\$ (hedged to ZAR) prior to 1 January 2018 5. Peregrine US Protected Equity Fund prior to name change on the 1st of December 2020. 6. Peregrine USD Short Duration Fund prior to name change on the 1 November 2025. 7. The fund's benchmark was changed with effect 1 November 2025.							



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FUND COSTS

Domestic unit trusts and hedge funds

Fund costs

Domestic unit trusts and hedge funds

Fund	ASISA Category	Annual Management fee (incl.VAT)	Financial Year Total Expense Ratio	ASISA Total Expense Ratio	Transaction Costs	Total Investment Charges	Inception date	Notes
^ Fixed income								
Citadel SA Money Market H4 B1 Class Fund	South African - Fixed Income - Money Market	0,46%	0,55%	0,56%	0,00%	0,56%	01-Sep-2013	
Citadel SA Income H4 B1 Class Fund	South African - Fixed Income - Short Term	0,58%	0,60%	0,59%	0,00%	0,59%	05-Nov-2014	
Citadel SA Bond H4 B1 Class Fund	South African - Fixed Income - Variable Term	0,75%	0,77%	0,84%	0,02%	0,86%	08-Aug-2001	
^ Retail hedge funds								
Citadel Worldwide Multi-Strategy H4 Retail Hedge Fund B	Worldwide - Multi-Strategy Hedge Fund	1,44%	2,68%	2,68%	0,26%	2,94%	14-Jun-2023	
^ Qualified investor hedge funds								
Citadel Multi-Strategy H4 QI Hedge Fund	South African - Multi-Strategy Hedge Fund	1,44%	5,44%	5,54%	0,90%	6,42%	01-Nov-2016	1
^ Multi-asset								
Citadel Balanced H4 B1 Class Fund	South African - Multi Asset - High Equity	1,44%	1,50%	1,52%	0,16%	1,68%	01-Apr-2011	
Citadel SA Managed Volatility Equity H4 Fund	South African - Multi Asset - Flexible	1,15%	1,16%	1,18%	0,14%	1,32%	02-Feb-2015	
Citadel Worldwide Flexible H4 Fund B3	Worldwide Multi Asset Flexible	1,44%	1,48%	1,48%	0,18%	1,66%	17-Oct-2017	
H4 Growth Fund	Worldwide - Multi Asset - Flexible	0,86%	0,83%	0,87%	0,11%	0,98%	22-May-2013	
H4 Diversified Fund	South African - Multi Asset - High Equity	0,86%	0,79%	0,81%	0,10%	0,91%	22-May-2013	
H4 Moderate Fund	South African - Multi Asset - Medium Equity	0,86%	0,75%	0,88%	0,08%	0,96%	16-Jul-2024	
H4 Stable Fund	South African - Multi Asset - Low Equity	0,86%	0,80%	0,80%	0,07%	0,87%	01-Jul-2015	
^ Equity								
Citadel SA Core Equity H4 B1 Class Fund	South African - Equity - SA General	1,15%	1,15%	1,17%	0,16%	1,33%	09-May-2017	
Citadel SA Multi-Factor Equity H4 B1 Class Fund	South African - Equity - SA General	0,92%	0,92%	0,94%	0,27%	1,21%	18-Jun-2015	
Citadel Global Equity H4 FoF	Global - Equity - General	1,44%	1,58%	1,60%	0,04%	1,64%	06-Nov-2002	
H4 Worldwide Equity Fund	Worldwide - Equity - General	0,65%	0,86%	0,87%	0,12%	0,99%	22-May-2013	



Notes

[View notes](#)

Returns for periods longer than 1 year are annualised

FY TERs (Total Expense Ratio as at Financial Year-end) have been calculated using data from 1 April 2025 to 31 March 2026 unless stated otherwise.

ASISA TER (Total Expense Ratio) and TCs (Transaction Cost Ratio) have been calculated using data from 1 April 2023 to 31 March 2026 unless stated otherwise. The TIC (Total Investment Charges) is the sum of these figures.

1. Only 'Qualified Investors' which meet prescribed requirements are permitted to invest in this fund. Please speak to your financial advisor if you have any questions.



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International solutions (FSCA approved)

International solutions (FSCA Approved)								
Fund	Morningstar Category	Annual Management fee (incl.VAT)	Financial Year Total Expense Ratio	ASISA Total Expense Ratio	Transaction Costs	Total Investment Charges	Inception date	Notes
^ Fixed income								
Peregrine Short Duration Fund	US - Fixed Income - Short Term	0,0025	0,0042	0,0046	0,0004	0,0049	2019/07/25	
Peregrine Short Duration Fund ZAR Share Class	US - Fixed Income - Short Term (Hedged to rand)	0,25%	0,47%	0,52%	0,04%	0,56%	22-Jul-2020	
Peregrine US Bond Fund USD Share Class	US - Fixed Income	0,60%	1,06%	1,05%	0,09%	1,14%	02-Sep-2019	
Peregrine US Bond Fund ZAR Share Class	US - Fixed Income (Hedged to rand)	0,80%	1,33%	1,28%	0,09%	1,37%	02-Sep-2019	
^ Hedge funds								
CAM Bastion Dollar Fund	Global - Hedge Fund	1,25%	1,68%	1,77%	0,14%	1,91%	01-Sep-2020	
CAM Bastion Rand Fund	Global - Hedge Fund (Hedged to rand)	1,25%	1,73%	1,82%	0,14%	1,96%	01-Sep-2020	
^ Equity								
Peregrine Global Greats Fund Class R USD	Global - Equity - Large-Cap Blend	1,25%	1,37%	1,37%	0,05%	1,42%	03-Aug-2012	
Peregrine Global Greats Fund Class R ZAR Share Class	Global - Equity - Large-Cap Blend (Hedged to Rand)	1,25%	1,41%	1,42%	0,05%	1,47%	06-Sep-2017	
Peregrine Global Multi-Strategy Equity USD	Global - Equity - Large-Cap Blend	1,25%	1,65%	1,66%	0,15%	1,81%	03-Jun-2000	1
Peregrine Global Multi-Strategy Equity ZAR Share Class	Global - Equity - Large-Cap Blend (Hedged to Rand)	1,25%	1,69%	1,66%	0,15%	1,81%	01-Dec-2022	1
Peregrine Global Growth Fund USD Class R	Global - Equity - Large-Cap Growth	1,25%	1,38%	1,40%	0,04%	1,44%	20-Aug-2021	
Peregrine Global Equity Feeder Fund USD Class R	Global - Equity - Large-Cap Growth	1,25%	1,91%	1,74%	0,40%	2,14%	10-Aug-2021	
Peregrine Global Dividend Fund USD Class R	Global - Equity - Income	1,25%	1,38%	1,39%	0,09%	1,47%	08-Sep-2021	



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^ Emerging market equity								
Peregrine Emerging OMarket Equity Fund USD R	Global - Equity - Emerging Market	1,25%	1,71%	1,70%	0,51%	2,21%	02-Jun-2021	
^ Multi-asset								
Peregrine US Managed Volatility Equity Fund USD Class R	US - Multi-Asset - Flexible	1,25%	1,49%	1,49%	0,06%	1,55	27-Oct-2016	
Peregrine US Managed Volatility Equity Fund Class R ZAR Share Class	US - Multi-Asset - Flexible (Hedged to Rand)	1,25%	1,54%	1,52%	0,06%	1,58%	08-Dec-2020	
Peregrine Global Balanced	Global - Multi Asset - High Equity	1,15%	1,67%	1,69%	0,11%	1,80%	01-Feb-2011	1
Peregrine Global Balanced Fund ZAR Share Class	Global - Multi Asset - High Equity (Hedged to Rand)	1,15%	1,77%	1,69%	0,11%	1,80%	01-Jul-2011	1
Peregrine Global High Equity Fund Class R USD	Global - Multi Asset - High Equity	0,85%	1,17%	1,18%	0,08%	1,25%	14-Apr-2022	
Peregrine Global Medium Equity Fund Class R USD	Global - Multi Asset - Medium Equity	0,80%	1,12%	1,13%	0,11%	1,24%	26-Ape-2022	
Peregrine Global Low Equity Fund Class R USD	Global - Multi Asset - Low Equity	0,75%	1,07%	1,09%	0,11%	1,20%	26-Apr-2022	
<i>i</i> Notes View notes ^								
Returns for periods longer than 1 year are annualised FY TERs (Total Expense Ratio as at Financial Year-end) have been calculated using data from 1 January 2025 to 31 December 2025 unless stated otherwise. ASISA TER (Total Expense Ratio) and TCs (Transaction Cost Ratio) have been calculated using data from 1 April 2023 to 31 March 2026 unless stated otherwise. The TIC (Total Investment Charges) is the sum of these figures. 1. FY TERs (Total Expense Ratio as at Financial Year-end) have been calculated using data from 1 April 2025 to 31 March 2026.								



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FUND INFORMATION

(CLICK TO VIEW A FULL REPORT)

DOMESTIC SOLUTIONS

INTERNATIONAL SOLUTIONS

FIXED INCOME

CITADEL SA MONEY MARKET H4 FUND B1

PEREGRINE US BOND FUND CLASS R (USD)

CITADEL SA INCOME H4 FUND B1

PEREGRINE US BOND FUND CLASS R (ZAR HEDGED)

CITADEL SA BOND H4 FUND B1

PEREGRINE SHORT DURATION FUND CLASS R (USD)

PEREGRINE SHORT DURATION FUND CLASS R (ZAR HEDGED)

HEDGE FUNDS

CITADEL WORLDWIDE MULTI-STRATEGY H4 RETAIL HEDGE FUND B

CAM BASTION DOLLAR FUND LTD (RETAIL INVESTOR HEDGE FUND)

CITADEL MULTI-STRATEGY H4 QUALIFIED INVESTOR HEDGE FUND B

CAM BASTION RAND FUND LTD (RETAIL INVESTOR HEDGE FUND)

MULTI-ASSET

CITADEL BALANCED H4 FUND B1

PEREGRINE GLOBAL BALANCED FUND CLASS R (USD)

CITADEL WORLDWIDE FLEXIBLE H4 FUND B3

PEREGRINE GLOBAL BALANCED FUND CLASS R (ZAR HEDGED)

H4 STABLE FUND B1

PEREGRINE GLOBAL HIGH EQUITY FUND CLASS R (USD)

H4 DIVERSIFIED FUND B1

PEREGRINE GLOBAL MEDIUM EQUITY FUND CLASS R (USD)

H4 GROWTH FUND B1

PEREGRINE GLOBAL LOW EQUITY FUND CLASS R (USD)

CITADEL SA MANAGED VOLATILITY EQUITY H4 FUND B1

PEREGRINE US MANAGED VOLATILITY EQUITY FUND CLASS R (USD)

PEREGRINE US MANAGED VOLATILITY EQUITY FUND CLASS R (ZAR HEDGED)

LONG-TERM GROWTH

CITADEL SA CORE EQUITY H4 FUND B1

PEREGRINE GLOBAL GREATS FUND CLASS R (USD)

CITADEL SA MULTI-FACTOR EQUITY H4 FUND B1

PEREGRINE GLOBAL GREATS FUND CLASS R (ZAR HEDGED)



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DOMESTIC SOLUTIONS

INTERNATIONAL SOLUTIONS

LONG-TERM GROWTH

CITADEL GLOBAL EQUITY H4 FOF B1

H4 WORLDWIDE EQUITY FUND B1

PEREGRINE GLOBAL MULTISTRATEGY EQUITY FUND
CLASS R (USD)PEREGRINE GLOBAL MULTISTRATEGY EQUITY FUND
CLASS R (ZAR HEDGED)PEREGRINE EMERGING MARKET EQUITY FUND CLASS R
(USD)

PEREGRINE GLOBAL DIVIDEND FUND CLASS R (USD)

PEREGRINE GLOBAL EQUITY FEEDER FUND CLASS R
(USD)

PEREGRINE GLOBAL GROWTH FUND CLASS R (USD)



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IMPORTANT INFORMATION

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COLLECTIVE INVESTMENTS AND HEDGE FUNDS

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Citadel has been appointed by H4 as the investment manager of various portfolios within the H4 Qualified Investor Hedge Fund Scheme.

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The performances calculated and shown are those of the portfolios. Individual investor performances may differ as a result of initial fees (if applicable), the actual investment date, the date of reinvestment and dividend withholding tax. Where periods of longer than one year are used in calculating past performance, certain figures may be annualised. Annualisation is the conversion of a rate of any length of time into a rate that is reflected on an annual basis. Where a yield is quoted it is historic and is calculated as at the stipulated date.

DISCLOSURES IN RESPECT OF THE CITADEL SA MONEY MARKET H4 FUND

A money market portfolio is not a bank deposit account. The price of participatory interests is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular investment, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals



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from the portfolio may place the portfolio under liquidity pressures – in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated monthly using historical figures and is annualised.

DISCLOSURES IN RESPECT OF THE CITADEL GLOBAL EQUITY H4 FUND OF FUNDS AND THE CITADEL MULTISTRATEGY H4 QUALIFIED INVESTOR HEDGE FUND

These portfolios are a fund of funds, and a fund of hedge funds, respectively. A fund of funds portfolio invests in portfolios of collective investment schemes. A fund of hedge funds invests in other hedge funds. These other collective investment schemes and hedge funds into which the primary fund invests levy their own charges, which could result in a higher fee structure for the fund of funds or fund of hedge funds, as the case may be.

DISCLOSURES IN RESPECT OF THE CITADEL SA MONEY MARKET H4 FUND, THE CITADEL SA BOND H4 FUND, THE CITADEL GLOBAL EQUITY H4 FUND OF FUNDS AND THE CITADEL BALANCED H4 FUND

These funds were originally established under the Sanlam Collective Investments Scheme (SCI) under the names CAM Fortis Institutional Fund, CAM Universum Institutional Fund, CAM Ascendo Fund of Funds and CAM Balanced H4 Fund, respectively. These funds were all established under the H4 Collective Investments Scheme on 29 April 2013 and amalgamated with their respective SCI counterparts on 28 August 2013. The amalgamated portfolios continued under their current names under the H4 Collective Investments Scheme. On amalgamation, the Citadel SA Money Market H4 Fund did not retain the performance history of the CAM Fortis Institutional Fund.

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A third-party named portfolio bears the name of both the collective investment scheme manager (“the manager”) and the investment manager. The manager retains full legal responsibility for the third-party named portfolio.

TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS

The TER is a calculation of the charges, levies and fees incurred in the management of this fund as a percentage of the average NAV (net asset value). A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. The TER does not include Transaction Costs, which are shown separately. Transaction Costs are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

RISK WARNING

It is important to note that there are many risks associated with investing in collective investment schemes. These can include but are not limited to the following: general market risks (such as general movements in interest rates; external factors [war, natural disasters and such like]; changes to the law and regulatory frameworks; governmental policy changes; global, regional or national economic developments), risks related to a specific security (like the possibility of a company’s credit rating being downgraded); and loss in the purchasing power of an investment as a result of an increase in the price of consumer goods (known as inflationary risks).

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Some of the portfolios referred to in this publication may have exposure to derivatives. Derivatives derive their value from the value of an underlying asset. Investing in derivatives involves risk because depending on how the derivative is structured, the portfolio's losses or gains may be unlimited. To prevent this, for portfolios other than hedge funds, the portfolio's derivative positions must be "covered" at all times. This means that the portfolio must always hold the underlying asset on which the derivative is based or have sufficient cash or "margin" to deliver if the portfolio's derivative positions move against it. The use of derivatives in collective investment schemes in securities is governed by regulation. Derivatives can, in such schemes, be used only for efficiency in portfolio management, for increasing a portfolio's yield, or to protect the portfolio against losses if the value of the shares or instruments invested in, or the market, falls. They may not be used for speculating or for enhancing the return of the portfolio by using gearing. The most common derivatives are options (puts and calls) and futures.

Hedge funds use complex hedging strategies that include the use of leverage to increase the exposure of the portfolio beyond the capital that is employed to an investment. Leveraging includes the use of derivatives. Other risks to which hedge funds are exposed include counterparty risk and liquidity risk. Counterparty risk is the risk that the other party to a transaction may not be able to perform their obligations. Liquidity risk means that during volatile periods, the tradability of certain instruments may be impeded. A qualified investor hedge fund portfolio's gross exposure to the market is unlimited. A retail hedge fund portfolio's gross exposure to the market may be up to 200% of the total net asset value of the portfolio.

CALCULATION OF THE NAV AND PRICE

The value of participatory interests is calculated on a NAV basis. The NAV is the total value of all assets in the portfolio including any income accruals and less any deductible expenses (which may include audit fees, brokerage, service fees, securities transfer tax and bank charges). The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue. The portfolios are available via certain LISPs, who levy their own fees. Investors in these portfolios may thus be liable for an initial fee and/or annual service fee levied by the third party administrator that is not reflected in the initial charge (where applicable) or NAV calculation.

ADDITIONAL INFORMATION

The manager of the H4 Collective Investments Scheme, the H4 Retail Hedge Fund Scheme and the H4 Qualified Investor Hedge Fund Scheme is: H4 Collective Investments (RF) (Pty) Ltd situated at The Citadel, 15 Cavendish Street, Claremont / PO Box 23388, Claremont, 7735.

Peregrine Funds principal manager and investment manager: Peregrine Guernsey Limited, Canada Court, Upland Road, St Peter Port, Guernsey, C.I., GY1 3QE

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