



Bateleur Capital Quarterly Report

1Q26





Contents

Introduction

We are pleased to present our commentary for the first quarter of 2026 – a quarter that was defined by a rapidly evolving geopolitical landscape. In the pages that follow, we provide our assessment of the macroeconomic environment, the implications for local markets, and a review of how each fund navigated this period.

The Middle East conflict that began on 28 February, and recently entered a fragile ceasefire period, has already had a pronounced impact on global inflation and growth expectations for 2026. It has also negatively affected capital market prices – evidenced in the sharp retracement of global equity and bond markets during March.

Although the spike in the Brent crude oil price (from \$60 a barrel preceding the conflict to \$98 currently) is inflationary over the short-term, of more concern is the knock-on supply chain impact from the Strait of Hormuz being closed for well over a month and counting (where an estimated 20% of global oil and gas supply passes through).

Even if the conflict were to end tomorrow – the oil, gas and related petrochemical supply chains will not be immediately filled. This will take time, with analysts estimating a staged recovery that could take up to four months for physical normalisation and up to two years for full systemic stability. These scenarios imply that it is unlikely that oil retraces to \$60 a barrel – but rather remains elevated for longer.

Unfortunately, South Africa (“SA”) will not escape unscathed given it imports the vast majority of its oil and gas requirements and holds limited oil reserves in-country. Sasol, through its coal to liquids plants and its Natref refinery, is no longer the dominant force it once was, and currently supplies only 30% of SA’s domestic fuel requirements.

The imported inflation from a higher oil price and related supply chain impacts, such as temporarily running out of oil or not having oil derivative products available on demand, likely stalls any further loosening of interest rates by the South African Reserve Bank (“SARB”), reduces growth expectations, and potentially increases the risk of an earlier tightening cycle.

SA capital markets have adjusted swiftly to the slower growth outlook with equities (JSE All Share Index, “ALSI”) and local government bonds (JSE All Bond Index, “ALBI”) declining 10.5% and 6.8% respectively during March.

Viewed collectively, the Bateleur Capital (“Bateleur”) fund suite performed significantly better than the overall SA equity and bond markets during March – highlighting their generally conservative positioning and capital preservation attributes. In particular, we would highlight that the Bateleur Market Neutral Prescient RI Hedge Fund returned a positive 2.0% for March, emphasising its non-correlation with the SA equity market while staying “true” to its market neutral mandate.

An interesting observation has been the underperformance of gold since the start of the Middle East conflict. This is in stark contrast to its price behaviour in previous global conflicts where it tended to outperform. Gold appears to have transitioned from a natural hedge against geopolitical uncertainty to a high-risk asset, in no small part driven by increased investor speculation (both institutional and retail) over the past two years.

Within the equity asset class, we would emphasise our preference for quality, defensive, compounding companies as opposed to cyclical businesses with highly unpredictable earnings and cash flows. Following the recent de-rating on the JSE, many of these quality, defensive businesses are trading below trend valuations, providing an attractive risk/reward dynamic. The Bateleur suite of funds capitalised on this de-rating to selectively add to existing positions in high-conviction holdings.

While the near-term environment remains volatile and uncertain, we remain disciplined in our approach, confident in the positioning of the funds, and appreciative of the continued confidence you place in our team.

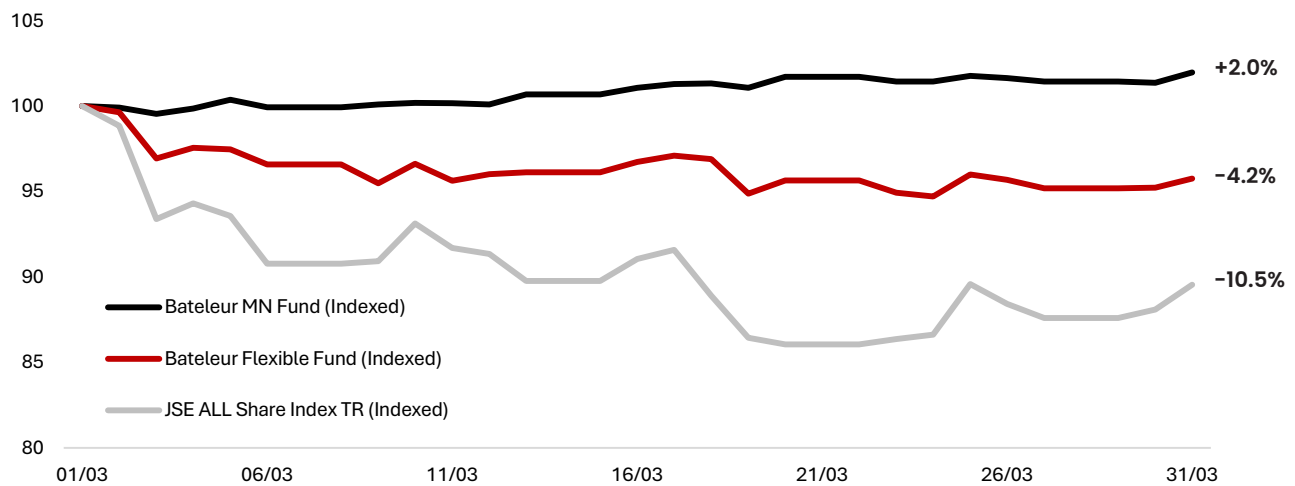
Thematic Drivers of our Funds

Capital Preservation Focus

The events of March 2026 serve as a reminder of why risk management is a key cornerstone of the Bateleur investment process. The ALSI experienced a significant risk-off correction in March, resulting in a drawdown of 10.5%. During the period, our portfolios produced defensive results.

As examples, the Bateleur Flexible Fund contained its decline in March to 4.2%, while the Bateleur Market Neutral Fund delivered a positive return of 2.0% (chart 1). The remaining suite of Bateleur funds displayed similar characteristics, capturing only a fraction of the JSE's downside – ranging from 33% to 63%.

Chart 1: March 2026 Fund Performance vs JSE All Share Index



Source: Bateleur Capital, Bloomberg

Our investment goal is simple, yet demanding: to attempt to broadly keep pace with equity markets in good times and to protect capital in periods of market stress. The ability to mitigate significant drawdowns has historically been a primary driver of medium to long-term outperformance of the Bateleur fund suite and we believe this will remain the case going forward.

This defensive profile is the result of a robust fundamental framework that prioritises valuation discipline and focuses on the quality and durability of the companies' earnings we invest behind.

The investment process favours companies of higher quality, with predictable, growing earnings and dividends supported by strong cash flows. In comparison, the funds tend to be less exposed to capital-intensive businesses with cyclical earnings profiles and a high degree of unpredictability. These cyclical companies tend to be more vulnerable to share price weakness during periods of extreme market volatility, often driven by deteriorating macro-economic expectations, that can materially impact their earnings prospects.

Where mandates allow, Bateleur funds tend to be conservative and hold a reasonable allocation to cash. In the capital preservation products, we utilise cash as a strategic tool to reduce volatility and to have readily available to deploy into new opportunities – particularly after a major market correction.

“Our investment goal is simple, yet demanding: to attempt to broadly keep pace with equity markets in good times and to protect capital in periods of market stress.”

Furthermore, we seldom make use of expensive or complex option structures to protect capital; instead, we opt to increase cash holdings should the outlook for capital markets deteriorate or valuations become stretched.

Over Bateleur's twenty-one-year history, funds have been managed through numerous volatile periods where capital markets incurred deep losses. In each of these instances, the funds protected capital relative to the broader market driven by our disciplined investment process, quality focus and conservative net and gross exposure.

Higher for Longer: An Energy Supply Shock Complicates the Outlook

Coming into 2026, global oil demand was estimated at around 105 million barrels per day ("mmbpd"), with supply running ahead of demand at roughly 107mmbpd. Inventories stood at 8.2 billion barrels - the highest level since February 2021. Brent crude traded at approximately \$60 per barrel, markets were oversupplied, inventories were building, and the outlook for oil prices was, at best, muted.

Strait of Hormuz: scale of disruption and (temporary) mitigation measures

Prior to its closure, roughly 20mmbpd of oil and oil products (close to one fifth of global supply) was routinely shipped through the Strait of Hormuz ("the Strait"), with over 80% of these flows destined for Asian markets. To put the scale of this disruption into context, the 1973 oil embargo removed 4.5mmbpd, about 7% of the global supply at the time.

Some oil continues to flow, and several mitigating factors have helped contain the disruption from 20mmbpd to roughly 13mmbpd (table 1).

Table 1: Disruption Waterfall & Mitigating Factors

Disruption Waterfall - Strait of Hormuz	mmbpd	Comment
Pre-war Hormuz flow	20.0	Equivalent to roughly 1/5th of global supply
- Saudi East-West pipeline	-4.3	Saudi Aramco expands capacity to 7mmbpd, implying incremental supply in the region of 4.3mmbpd
- Iranian exports	-1.5	Iran continued to move roughly 1.5mmbpd of its own product through the Strait
- UAE Fujairah (re-route)	-0.5	UAE's pipeline added a modest but real offset, was running at 70% capacity pre-war
- Iraq Kirkuk (re-route)	-0.3	Crude exports from Iraq's Kirkuk fields to Turkey's Ceyhan port have resumed via pipeline
= Disruption after Iran exports/re-routing	13.4	Disruption prior to temporary reserve releases and floating storage consumption
- IEA SPR releases (temporary)	-2.5	Expected to support market for c.160 days, remaining balances limits magnitude of further releases
- Russian floating oil (temporary)	-0.5	Temporarily unsanctioned by the US
- Iranian floating oil (temporary)	-0.7	Temporarily unsanctioned by the US
- Demand destruction	-2.3	IEA estimates demand has already contracted by 2.3mmbpd in April
= Net disruption	7.4	Daily supply disruption

Source: Bateleur Capital, IEA, Kpler, JP Morgan, BNEF

Chief among these is the Saudi East-West pipeline, which bypasses the Strait entirely by running crude overland to the Red Sea port of Yanbu. In addition, Iran continues to move some of its own oil through the Strait, and there have been modest but real offsets from the UAE's Fujairah and Iraq's Kirkuk pipeline, respectively.

Several further developments have helped buffer the disruption. The IEA coordinated an emergency release of 400 million barrels from member state reserves. This is, however, a temporary measure with limited capacity for a second intervention of comparable scale. In parallel, Iranian and Russian oil previously held in floating storage at sea was unsanctioned by the US, providing additional temporary supply relief.

The IEA has estimated global demand destruction at roughly 2.3mmbpd in April, driven mainly by higher prices, product shortages and in some cases mandated government behaviour.

All in, the global oil market is currently estimated to be short somewhere in the region of 7mmbpd. Bringing the market back into balance will likely require a combination of inventory draws, further demand destruction, or a complete reopening of the Strait.

How long can inventory draws last if the Strait remains shut?

Global oil inventories outside the Middle East Gulf were drawn down at a rate of approximately 6.6mmbpd in March. The regional picture is more nuanced (table 2), driven by both the depth of each country's strategic reserves and the degree of their crude supply dependence on the Middle East.

Table 2: Reserves and Import Cover

Region	Crude Imports Transiting Hormuz	Total Strategic & Commercial Stocks (mb)	Hormuz Imports at Risk (mmbpd)	Days Cover (Hormuz Only)	Overall Exposure
India	~40%	146	2.0	73	High
Southeast Asia	High (varies)	Thin (<30 days commercial only)	N/A	<30	High
South Africa	~25% of crude, higher on refined products	28-42 days (Central Energy Fund)	0.2	30-40 (including refined products)	High
China	~40%	1200	4.5	267	Medium
Europe	~6% crude; 12-14% LNG	90+ days (IEA obligation)	N/A	Low direct oil risk	Medium
United States	~2-3%	415	0.2	>2,000	Low

Source: Bateleur Capital, DOE, EIA STEO

Southeast Asian economies are already showing signs of stress: The Philippines has begun emergency fuel rationing and Sri Lanka has introduced a four-day working week. South Africa's vulnerability lies primarily in its exposure to imported refined products.

India is among the more acutely exposed major economies, carrying roughly 70 days of inventory cover at current consumption levels. China is comfortable, by virtue of its material 1.2-billion-barrel stockpile and access to Russian crude. Europe and the US are vulnerable to knock-on effects seen in downstream refined products, such as diesel, jet fuel and gasoline. In practice, crude oil and fuel markets are deeply intertwined. Having adequate crude reserves does not protect against shortages of the refined fuels that economies run on.

For now, the most visible stress appears concentrated in Southeast Asia, though the physical oil market is signalling that the shortage extends well beyond the region. A prolonged closure of the Strait makes a broader contagion increasingly difficult to avoid.

What happens if the Strait is immediately reopened?

Even a full reopening of the Strait would not mean a rapid return to normal. The practical constraint is tanker logistics and the physical process of repairing and restarting energy infrastructure.

Before the conflict, over 100 tankers transited daily. Today, approximately 400 loaded tankers are trapped inside the Gulf waiting to exit, with only around 100 empty tankers waiting to enter. A single Gulf-to-Asia round trip takes roughly 60 days, and shipping companies will not recommit their fleets until they have sustained confidence in safe passage.

This implies that even in an optimistic scenario of the Strait reopening today, flows are unlikely to normalise until July. Higher marine insurance, freight and hedging costs will also likely compound operating expenses, ultimately keeping energy prices higher than pre-war levels.

In the first six weeks of the war, more than 60 energy infrastructure assets in the Gulf were affected by drone or missile strikes and roughly 3.0mmbpd of oil refining capacity was "shut in" across 20 plants. This will take months, and in some cases years, to restore. QatarEnergy, for example, has indicated that parts of its Ras Laffan Industrial City facilities will take between 3-5 years to repair.

Implications for risk assets

Our 2025 year-end quarterly report noted that "unforeseen geopolitical shocks are an increasingly active and under-priced risk in 2026". That risk has clearly arrived. With supply shortages deepening, infrastructure damage extensive, and normalisation slow even under an optimistic reopening scenario, the risk of a sustained higher for longer oil price and resultant inflationary impact remains, in our view, mispriced. Consequently, Bateleur portfolios remain relatively defensively positioned.

Quality at a Discount: The SA Inc. Opportunity

Our fundamental research process attempts to identify quality companies with the ability to compound earnings and dividends over the medium-term, backed by strong cash flows.

When these companies can be acquired at: 1) a low absolute valuation multiple, 2) a discount to their long-term average (trend) rating, or 3) at levels that are attractive relative to other asset classes (for example cash or bonds), the total shareholder return proposition becomes compelling.

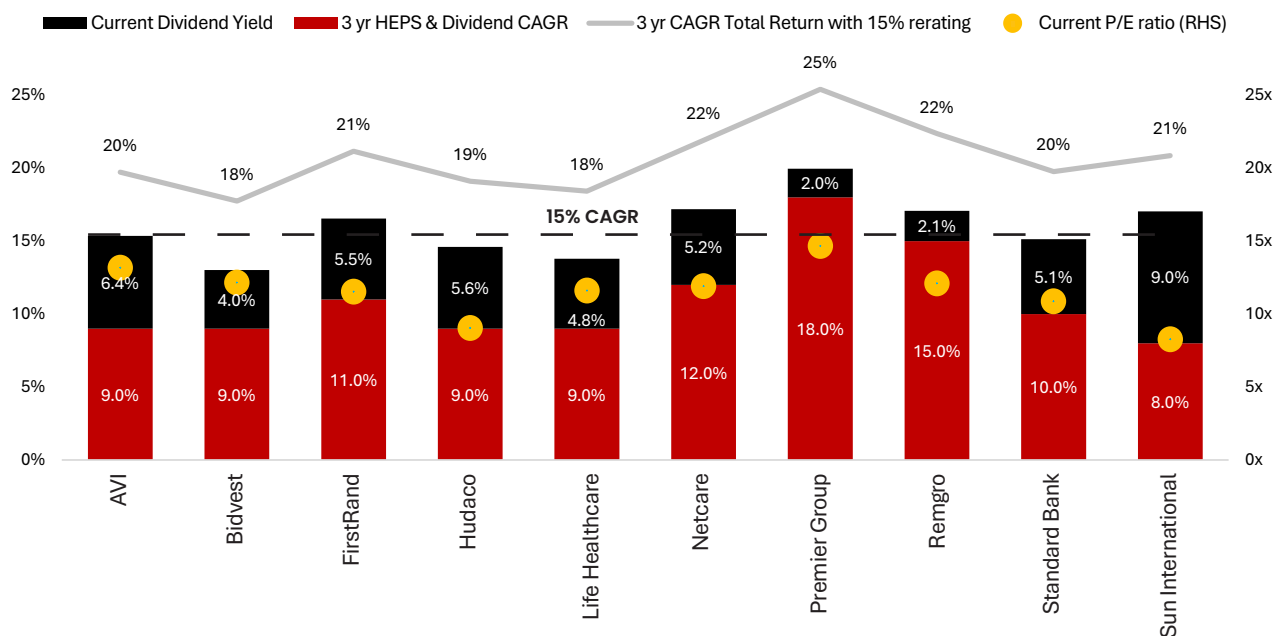
In chart 2 overleaf we illustrate our internally-generated earnings growth forecast (over the next three years) and the current dividend yield for a selection of domestic facing companies listed on the JSE that meet these criteria and are held across the Bateleur portfolios.

These companies include select financials (Standard Bank, FirstRand, Remgro), food producers (AVI, Premier Group), industrials (Bidvest, Hudaco), healthcare (Netcare, Life Healthcare) and gaming (Sun International).

Importantly, our earnings and dividend expectations over this forecast period for these companies are not materially different to the historical results achieved, apart from Remgro where an acceleration is expected relative to its recent trend.

On average, this selection of companies offers total shareholder returns of approximately 15% per annum, backed by a combination of reasonable earnings growth and healthy dividend yields ranging from 2% (high-growth Premier Group) to 9% (cash-generative Sun International). The 15% per annum expected return for this basket of shares assumes no re-rating from current valuation levels.

Chart 2: Select SA Equities, 3-Year Estimates & Current Valuation Multiples



Source: Bateleur Capital, Bloomberg, data and prices as at 8 April 2026

However, these companies currently trade at valuation multiples that are at a discount relative to long-term averages.

If we apply a modest 15% upward adjustment to their 3-year exit multiples, the total shareholder returns shift noticeably higher - ranging from 18% to 25% per annum over the forecast period. As fundamental investors, we find comfort in this margin of safety and optionality should financial and operational results exceed expectations.

Gold: Hedge or Momentum?

The price of gold fell 8% in the month of March following the outbreak of the Middle East conflict that commenced on 28 February (chart 3 overleaf), its weakest monthly performance since June 2013. Rather than rallying decisively on geopolitical risk as one might expect, gold has tracked broader risk assets lower and has notably been muted relative to the 30 trading days following prior risk events (chart 4 overleaf).

Chart 3: Recent Price Movements

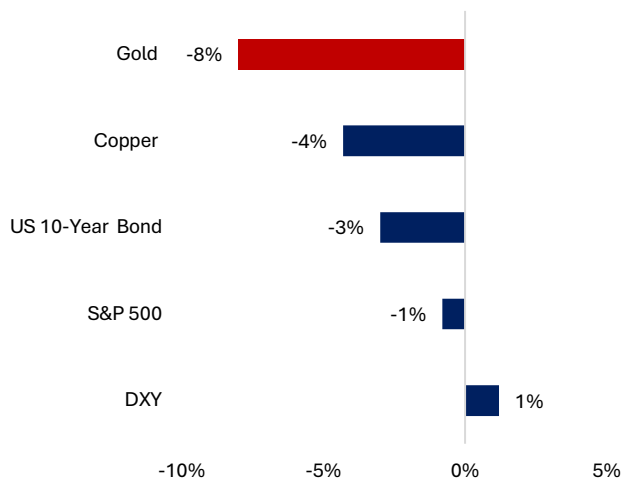
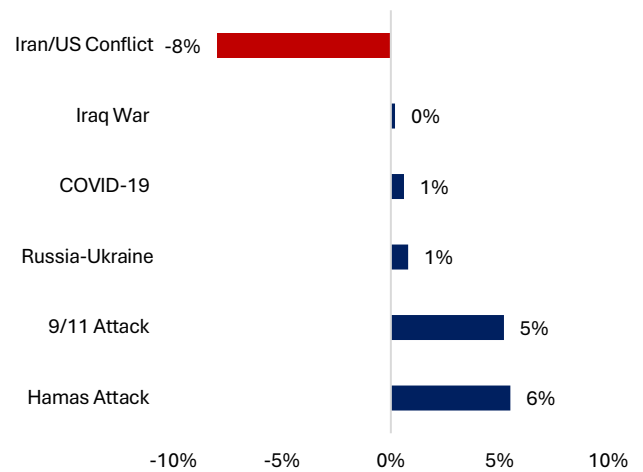


Chart 4: Gold Price after Risk Events



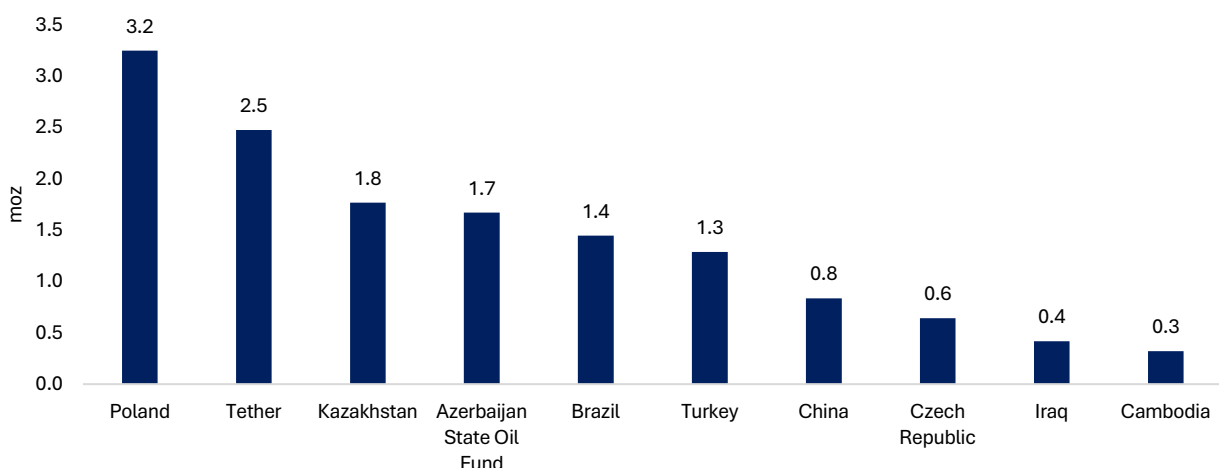
Source: Bateleur Capital, Morgan Stanley, FactSet

Chart 3: Price movement from 27 February to 7 April

Chart 4: Gold price performance 30 trading days post risk events

Recent central bank activity has added further pricing pressure relative to strong demand for gold bullion in 2025 (chart 5). Turkey, a significant buyer of gold among central banks in 2025, sold or loaned c.1.6moz (valued at \$20bn) of gold to defend the lira following the outbreak of the Iran war, the largest reserve drawdown in seven years. More tellingly, Poland, the largest central bank buyer of gold in 2025, saw its governor Glapinski publicly flag using unrealised gold profits to fund military spending, suggesting opportunistic monetisation at elevated prices rather than any policy commitment to continued accumulation. These actions challenge the narrative that central banks are price-insensitive buyers of gold.

Chart 5: 2025 Central Bank & Large Institutional Gold Purchases

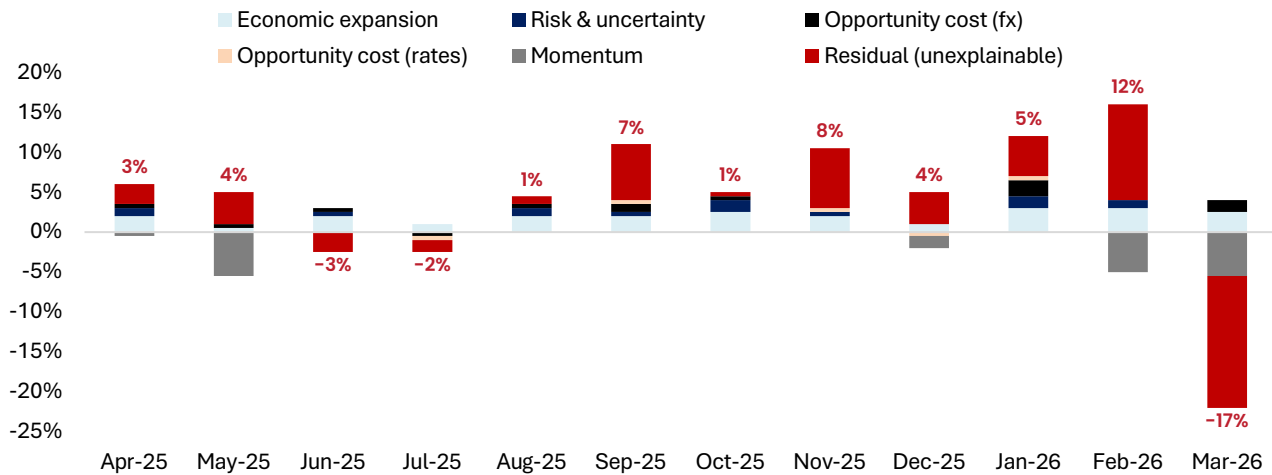


Source: Bateleur Capital, Morgan Stanley, World Gold Council

Global gold ETFs also shed c.2.7moz (valued at US\$12bn) during the month of March - a pattern more consistent with a crowded momentum trade unwinding than a safe-haven asset. Looking ahead, should the US/Iran conflict sustain elevated oil prices, the resulting rise in nominal rates (as central banks respond to inflationary pressure) would increase the opportunity cost of holding gold that could add further downside risk to the price.

According to the World Gold Council's April 2026 commentary, the March drawdown was driven primarily by momentum factors alongside a "residual" element - the portion of the price move their own model cannot explain. This speaks to the inherent difficulty of valuing gold given the repetitive occurrence of the model not being able to accurately explain price moves in gold (chart 6).

Chart 6: World Gold Council Return Attribution Model



Source: Bateleur Capital, World Gold Council

Ultimately, the gold price is trading well above the cost of production and is currently determined by sentiment, momentum, and fund flows rather than any identifiable intrinsic value. As the central bank buying dynamic shows signs of fading, the most significant pillar of the 2025 bull narrative is coming under pressure. Consequently, Bateleur funds continue to have limited exposure to gold and gold companies.

Quarterly Performance

Returns in Review

The net performance of the Bateleur funds is tabled below, and has been annualised over various periods.

The majority of our funds are managed with an absolute return focus, where our consistent investment process prioritises companies growing their earnings and dividends over the medium term with strong cash flow and positive shareholder return potential.

Over the medium term, the funds have protected capital and delivered positive real returns, successfully outperforming their respective benchmarks.

Annualised Net Returns as at 31 March 2026	Track Record*	1 Year	3 Years	5 Years	Inception
Unit Trusts					
Bateleur Flexible Prescient Fund	15	12.4%	9.4%	9.5%	12.9%
<i>Benchmark: CPI +4%</i>		7.0%	7.9%	8.9%	8.9%
Bateleur SA Flexible Prescient Fund	2	18.0%			12.8%
<i>Benchmark: CPI +4%</i>		7.0%			7.4%
Bateleur BCI SA Equity Fund	10	20.3%	10.8%	11.8%	7.3%
<i>Benchmark: Capped JSE All Share Index</i>		34.1%	18.7%	16.3%	10.7%
Hedge Funds					
Bateleur Long Short Prescient RI Hedge Fund	21	16.0%	14.1%	13.2%	14.6%
<i>Benchmark: CPI +4%</i>		7.0%	7.9%	8.9%	9.2%
Bateleur Market Neutral Prescient RI Hedge Fund	17	9.3%	8.5%	9.9%	9.6%
<i>Benchmark: STeFI</i>		7.0%	7.7%	6.5%	6.3%
Bateleur Special Opportunities Prescient RI Hedge Fund	8	21.7%	16.1%	19.0%	15.3%
<i>Benchmark: CPI +4%</i>		7.0%	7.9%	8.9%	8.5%

Note: Please refer to performance disclaimers at the end of the report - all fund figures in the pages to follow are net of fees.

*Track record in years



Bateleur Flexible Prescient Fund

The award-winning Bateleur Flexible Prescient Fund is a multi-asset fund with a 15-year track record of achieving long-term real capital growth. The fund has the flexibility to invest across a broad mix of asset classes both locally and offshore - including equities, bonds, property and cash. This makes the fund suitable for investors seeking inflation-beating growth with prudent risk management, adaptable asset allocation and offshore exposure.

The Bateleur Flexible Prescient Fund declined 1.8% over the first quarter of 2026. As comparisons over the same period, the ALSI declined 0.6% before fees, ALBI declined 3.4%, while the MSCI World Equity Index declined 3.6% when measured in USD. In the fifteen-and-a-half-year period since inception in July 2010, the fund has compounded at 12.9% per annum, ahead of its CPI +4% benchmark of 8.9% per annum.

Fund returns have been generated at volatility well below that of the overall SA equity market (an average of 8.6% for the fund since inception vs 15.7% for the ALSI over the same measurement period).

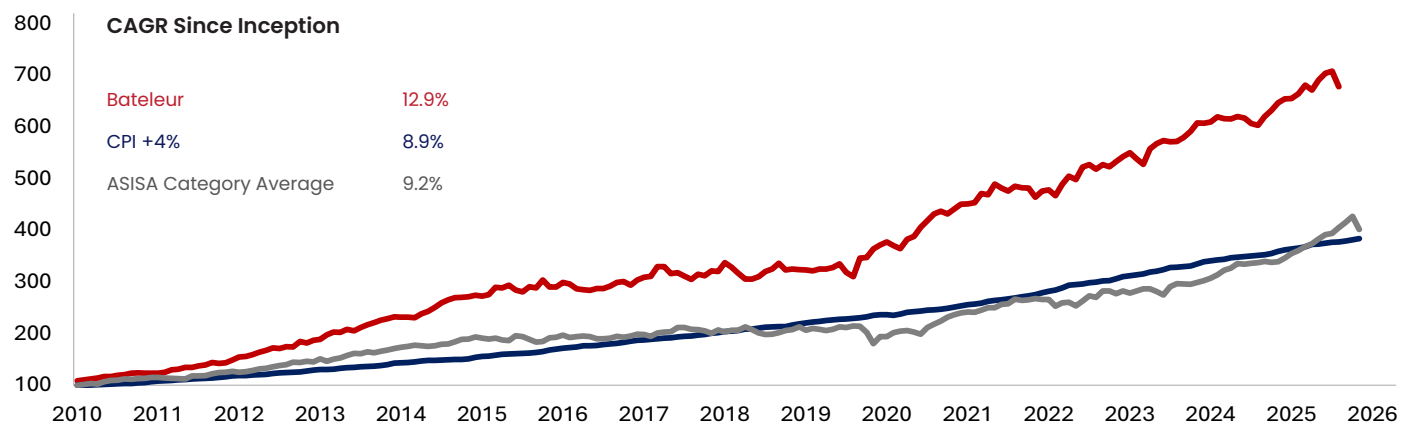
A breakdown of the return by strategy as well as the top individual contributors and detractors is shown in the table below.

Fund Attribution

Return by Strategy	1Q26	Top Contributors	%	Top Detractors	%
JSE-Listed Equities	-0.2%	Glencore	1.1%	Naspers/Prosus	-2.1%
Foreign-Listed Equities	-1.3%	Aker BP	0.6%	Microsoft	-0.5%
Government Bonds	0.0%	Honeywell	0.4%	Universal Music Group	-0.5%
Cash	0.1%	Sun International	0.3%	Accenture	-0.3%
Costs & Other	-0.4%	African Rainbow Minerals	0.3%	S&P Global	-0.3%
Total	-1.8%				

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital

Note: Please refer to disclaimers at the end of the report

Performance Commentary

The Middle East conflict that commenced on 28 February triggered a sharp decline in global and domestic capital markets during March that negatively impacted year-to-date fund performance. Importantly, the fund's drawdown in March (-4.2%) was significantly lower than the ALSI (-10.5%) highlighting its conservative positioning and defensive nature.

Top fund contributors over the quarter included Aker BP and Glencore, both benefiting directly and indirectly from the higher oil price.

Detractors were largely technology (long-duration) companies whose ratings compressed in the current risk-off environment. These include Naspers, Microsoft and Accenture. The near-term earnings growth trajectory for all three companies remains intact while valuations are at multi-year lows, providing attractive upside potential.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
JSE-Listed Equities	65.0%	-0.4%	65.4%
Foreign-Listed Equities	21.2%	-1.7%	22.9%
Government Bonds	0.0%	-5.3%	5.3%
Cash	13.8%	7.4%	6.4%
Total	100%		100%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

Following strong gains during calendar 2025 and a more subdued risk/return outlook, the fund's domestic government bond holdings were exited in their entirety in January and recycled into cash and money market funds. Consequently, cash weightings increased to 13.8% at quarter-end and provide a healthy buffer to be deployed into riskier assets as and when opportunities arise.

Although JSE-listed equity exposure at the end of March (65.0%) remained at similar levels to the prior quarter-end (65.4%), activity levels beneath the surface remained robust.

Following strong share price gains, holdings were lightened in resource stocks Glencore, Impala Platinum, Valterra and African Rainbow Minerals. These sale proceeds were deployed into several domestic-facing counters including Bidvest, Netcare, Outsurance, PPC and Remgro.

The fund's foreign equity allocation declined marginally to end the quarter at 21.2% of fund NAV, down from 22.9% at the start of the year. Individually, holdings were profitably exited in Honeywell and Vinci while a new holding in eyewear company Fielmann Group was initiated. Weightings were increased in Aker BP and Visa. Amazon remains the fund's largest foreign holding.

Bateleur SA Flexible Prescient Fund

The Bateleur SA Flexible Prescient Fund is a multi-asset fund that follows a disciplined investment process and aims to achieve sustainable capital growth in real terms. The fund has the flexibility to invest across a broad mix of local asset classes – including equities, bonds, property and cash. This makes the fund suitable for investors wanting a ‘building block’ approach, and for those seeking inflation-beating growth with prudent risk management, and adaptable asset allocation concentrated within South Africa.

The Bateleur SA Flexible Prescient Fund registered a 0.7% gain over the first quarter, slightly lagging its CPI +4% benchmark that returned 1.8%. Since inception in September 2023, the fund has compounded at 12.8% per annum, ahead of its CPI +4% benchmark of 7.4% per annum.

Fund returns have been generated at volatility well below that of the overall SA equity market (an average of 9.7% for the fund since inception vs 14.5% for the ALSI over the same measurement period).

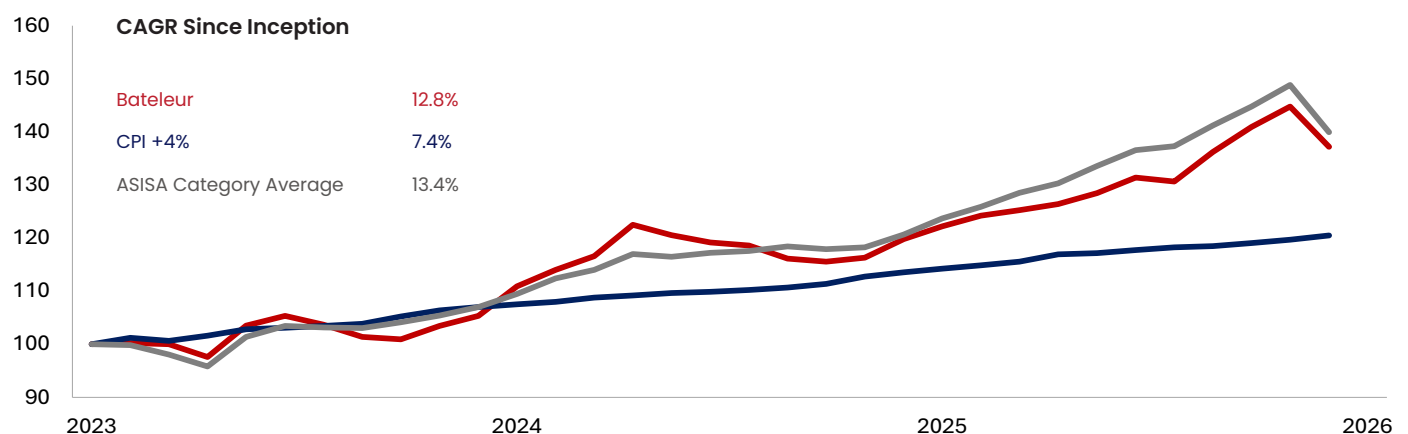
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Fund Attribution

Return by Strategy	1Q26	Top Contributors	%	Top Detractors	%
JSE-Listed Equities	0.6%	Glencore	1.3%	Naspers/Prosus	-2.3%
Government Bonds	0.1%	African Rainbow Minerals	0.4%	Reinet	-0.2%
Cash	0.2%	Standard Bank	0.4%	Mr Price	-0.2%
Costs & Other	-0.2%	Sun International	0.4%	FirstRand	-0.2%
Total	0.7%	South32	0.3%	Absa	-0.1%

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital
 Note: Please refer to disclaimers at the end of the report

Performance Commentary

The Middle East conflict that commenced on 28 February triggered a sharp decline in global and domestic capital markets during March. The fund demonstrated its defensive positioning during the month as evidenced in the significantly lower drawdown relative to the ALSI (-5.2% for the fund vs -10.5% for the index).

The fund's year-to-date performance was driven by gains in Glencore and losses in Naspers/Prosus.

Glencore, a long-term holding in the fund, returned 40% in the quarter. We have long held the view that Glencore offers the most attractive entry point into the copper market when compared to the valuations of major diversified miners.

At a Capital Markets Day in December 2025, the company showcased several copper growth opportunities that can be internally funded and which would double its copper production profile by 2035. Similar copper growth projects and pure-play copper miners are valued at a substantial premium to Glencore's implied sum-of-the-parts valuation for its copper assets. In addition, Glencore's coal and trading divisions are expected to benefit from the current commodity price volatility – similar to what was experienced during the initial Russian invasion of Ukraine.

In terms of detractors, Naspers declined 22% over the quarter, tracking weakness in Tencent's share price that was down 18% in rand. The sell-off reflects: 1) the current risk-off environment where technology (long-duration) companies tend to suffer from multiple compression, and 2) near-term concerns around Tencent's AI positioning within China. Despite this short-term volatility, we remain confident in Tencent's strategic approach to AI and its future growth prospects, which continue to be supported by an attractive valuation, estimated at 14 times twelve-month forward earnings.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
JSE-Listed Equities	86.5%	-2.0%	88.5%
Government Bonds	0.0%	-6.6%	6.6%
Cash	13.5%	8.6%	4.9%
Total	100%		100%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

Following strong gains during calendar 2025 and a more subdued risk/return outlook, the fund's domestic government bond holdings were exited in their entirety in January.

There was no material change in the equity exposure, and the fund holds a healthy cash weighting (13.5%) that can be deployed into riskier assets as and when opportunities arise.

Following strong share price gains, the fund reduced exposure to Glencore and sold out of African Rainbow Minerals, Optasia and the Rhodium ETF during the quarter. New positions were initiated in ABSA and Sasol.

Bateleur BCI SA Equity Fund

The Bateleur BCI SA Equity Fund is a South African equity fund which aims to deliver returns in excess of the JSE Capped All Share Total Return Index over the medium to longer term, while maintaining acceptable risk parameters. The fund invests in selected shares across all sectors and across the spectrum of large, mid and small-cap companies. Although permitted to invest in offshore jurisdictions, the fund is intended as a core building block for investors and accordingly focuses on South African markets.

The Bateleur BCI SA Equity Fund registered a 0.1% gain over the first quarter, ahead of its FTSE/JSE Capped ALSI benchmark that declined by 0.5% before fees.

The fund's medium-term track record has been assisted by sound returns over the past five years with the fund delivering an annualised 11.8% return over the period, albeit below that of its benchmark, which has benefited from outsized gains from cyclical precious metal miners over the last year.

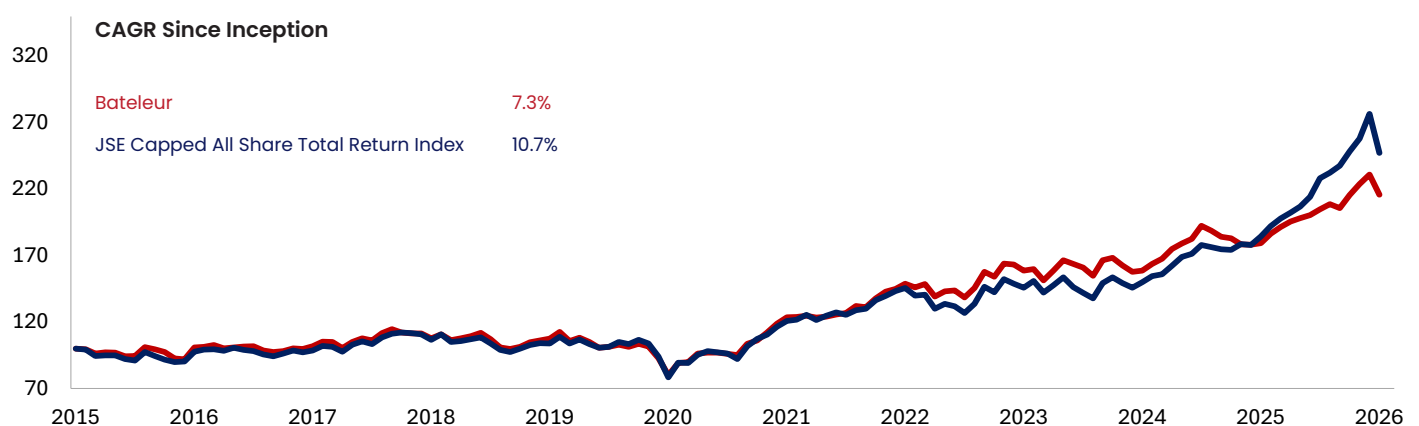
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Fund Attribution

Return by Strategy	1Q26	Top Relative Contributors	%	Top Relative Detractors	%
JSE-Listed Equities	0.2%	Glencore	1.4%	AngloGold	-0.9%
Costs & Other	-0.1%	African Rainbow Minerals	0.5%	Gold Fields	-0.6%
Total	0.1%	Harmony Gold	0.5%	Sasol	-0.6%
		Sun International	0.4%	MTN	-0.5%
		Richemont	0.4%	Naspers/Prosus	-0.5%

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital

Note: Please refer to disclaimers at the end of the report

Performance Commentary

The Middle East conflict that commenced on 28 February triggered a sharp decline in global and domestic capital markets during March. The fund demonstrated its defensive positioning during the month as evidenced in the significantly lower drawdown relative to its benchmark (-6.6% for the fund vs -10.6% for the FTSE/JSE Capped ALSI).

The fund's year-to-date performance was driven by mixed results in the resource sector and relative underperformance from Naspers/Prosus.

Within the resource sector, overweight positions in Glencore and African Rainbow Minerals as well as underweight exposure to Harmony Gold assisted relative returns. However, large-cap gold producers, Anglo Gold and Gold Fields, continue to detract from relative performance notwithstanding the recent volatility in the gold price.

Sun International returned 23% in the quarter. The company reported full-year adjusted headline earnings per share growth of 6% and declared a welcome special dividend. In addition, Sun International showed robust growth targets at its Capital Markets Day, highlighting the fast-growing online betting division, Sunbet. Sun International remains attractively priced at an estimated twelve-month forward P/E ratio of 7.5 times and a dividend yield close to 9%.

In terms of detractors, relative performance was hindered by underweight allocations to Sasol and MTN for much of the period, though a tactical position in Sasol was established toward the end of the quarter. In addition, Naspers declined 22% over the quarter, tracking weakness in Tencent's share price that was down 18% in rand. The sell-off reflects: 1) the current risk-off environment where technology (long-duration) companies tend to suffer from multiple compression, and 2) near-term concerns around Tencent's AI positioning within China. Despite this short-term volatility, we remain confident in Tencent's strategic approach to AI and its future growth prospects, which continue to be supported by an attractive valuation, estimated at 14 times twelve-month forward earnings.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
JSE-Listed Equities	95.4%	-4.1%	99.5%
Cash	4.6%	4.1%	0.5%
Total	100%		100%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

Equity exposure was reduced by 4.1% during the period. This move, executed in March, locked in relative outperformance from stock-specific holdings in the period.

Following strong share price gains, the fund reduced exposure to Glencore and sold out of African Rainbow Minerals, Optasia and the Rhodium ETF during the quarter. New positions were initiated in ABSA and Sasol.

Bateleur Long Short Prescient RI Hedge Fund

The Bateleur Long Short Prescient RI Hedge Fund is our flagship award-winning hedge fund and longest-running fund with a 21-year track record. The fund is a long/short equity hedge fund and is suitable for investors looking to benefit from equity market growth while safeguarding their capital during times of market uncertainty, ultimately aiming to achieve superior returns at lower volatility compared to equity markets over the medium to longer term.

The Bateleur Long Short Prescient RI Hedge Fund registered a 1.0% gain over the first quarter of 2026. As comparisons over the same period, the ALSI declined 0.6% before fees, ALBI declined 3.4%, while the MSCI World Equity Index declined 3.6% when measured in USD. In the 21-year period since inception in January 2005, the fund has compounded at 14.6% per annum, ahead of its CPI +4% benchmark of 9.2% per annum.

Fund returns have been generated at volatility well below that of the overall SA equity market (an average of 8.1% for the fund since inception vs 17.3% for the ALSI over the same measurement period).

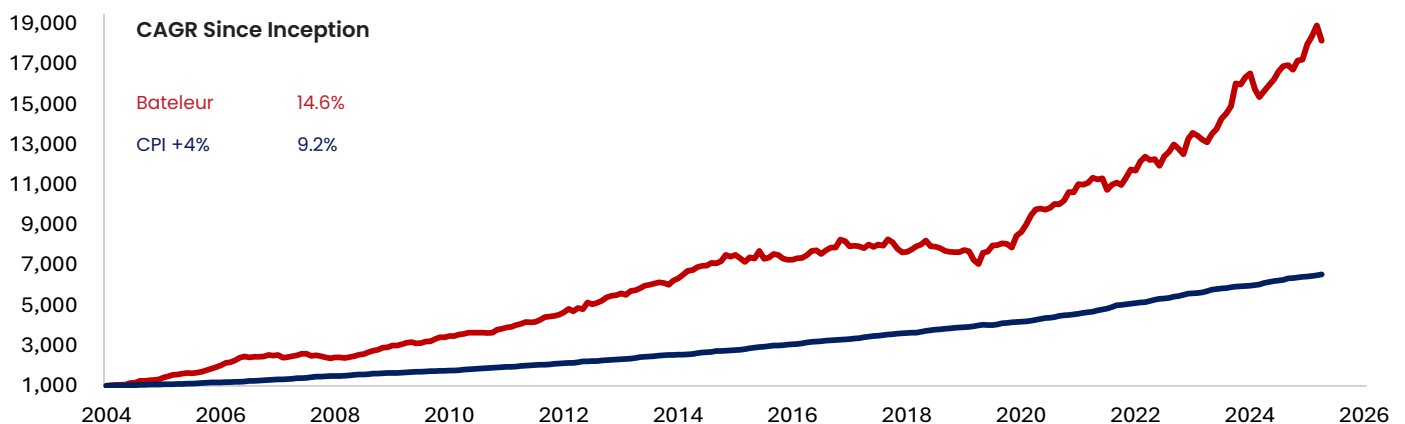
A breakdown of the top individual contributors and detractors is shown in the table below.

Fund Attribution

Top Contributors	%	Top Detractors	%
Sun International	1.1%	Naspers/Prosus	-1.6%
Glencore	1.0%	WBHO	-0.6%
Rhodium ETF	0.7%	City Lodge	-0.5%
Rainbow Chicken	0.4%	Santam	-0.3%
Valterra	0.4%	Reinet	-0.2%

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital
Note: Please refer to disclaimers at the end of the report

Performance Commentary

The Middle East conflict that commenced on 28 February triggered a sharp decline in global and domestic capital markets during March that negatively impacted year-to-date fund performance. Importantly, the fund's drawdown in March (-4.0%) was significantly lower than the ALSI (-10.5%) highlighting its conservative positioning and defensive nature.

Top contributors over the quarter include Glencore, whose marketing business should benefit from: 1) the current high oil price, and 2) dislocations in the global oil and petrochemical supply chain that are likely to persist over the medium term.

Sun International returned 23% in the quarter. The company reported full-year adjusted headline earnings per share growth of 6% and declared a welcome special dividend. In addition, the company showed robust growth targets at its Capital Markets Day, highlighting the fast-growing online betting division, Sunbet. Sun International remains attractively priced at an estimated twelve-month forward P/E ratio of 7.5 times and a dividend yield close to 9%.

In terms of detractors, Naspers declined 22% over the quarter, tracking weakness in Tencent's share price that was down 18% in rand. The sell-off reflects: 1) the current risk-off environment where technology (long-duration) companies tend to suffer from multiple compression, and 2) near-term concerns around Tencent's AI positioning within China. Despite this short-term volatility, we remain confident in Tencent's strategic approach to AI and its future growth prospects, which continue to be supported by an attractive valuation, estimated at 14 times twelve-month forward earnings.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
Core Long Equities	86.3%	-16.6%	102.9%
Short Positions	-5.2%	0.0%	-5.2%
Liquid Investments and Cash	18.9%	16.6%	2.3%
Net Exposure	81.1%	-16.6%	97.7%
Gross Exposure	91.5%	-16.6%	108.1%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

Fund net equity exposure meaningfully reduced over the quarter from 97.7% at the start of the year to 81.1% at the end of March. This was a deliberate strategy given the heightened geopolitical turmoil in the Middle East, expected lengthy delays in filling the oil and related petrochemical supply chains with knock-on inflation impacts, and a slowing global growth outlook.

Holdings were profitably exited in City Lodge, Northam Platinum, Optasia, Reunert, the Rhodium ETF and TSMC, while a new holding in WBHO (construction) was initiated.

Cash levels increased commensurately to 18.9% of fund NAV at quarter-end, up from 2.3% at the start of the year, providing a healthy buffer to invest as and when opportunities arise. The fund remains ungeared with gross exposure of 91.5% at period end.

Bateleur Market Neutral Prescient RI Hedge Fund

The Bateleur Market Neutral Prescient RI Hedge Fund was launched in 2008 and expanded on our hedge fund capabilities. The fund is a relative value equity hedge fund that is generally positioned to be market neutral and is suitable for investors looking for returns in excess of cash on an annual basis, and at lower levels of volatility compared to the JSE All Bond Index while prioritising capital preservation.

The Bateleur Market Neutral Prescient RI Hedge Fund registered a 2.3% gain over the first quarter, ahead of its STeFI benchmark of 1.6%. Since inception in July 2008, the fund has compounded at 9.6% per annum. As additional comparisons over the same period, STeFI has compounded at 6.3% per annum before fees, and the ALBI at 10.1%.

Fund returns have been generated at volatility well below that of the ALBI (4.1% for the fund since inception vs 7.5% for the ALBI over the same measurement period).

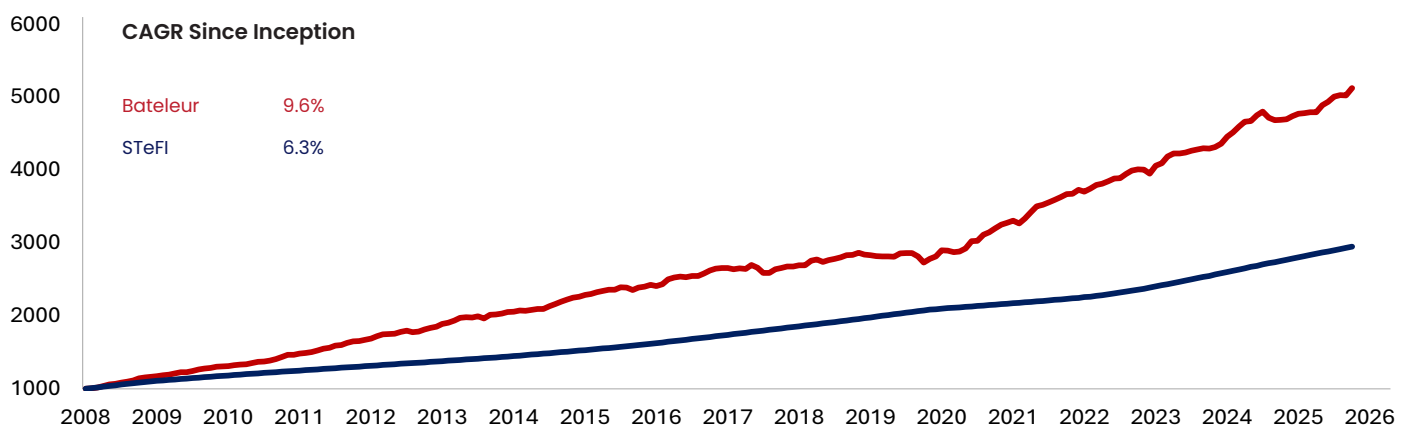
A breakdown of the top strategy contributors and detractors is shown in the table below.

Fund Attribution

Top Contributors	%	Top Detractors	%
Oil & Commodities	1.0%	Technology & Telecoms	-1.4%
Market Pairs	0.7%	Industrials	-0.2%
Financials	0.4%		
Retail & Food Producers	0.4%		
Healthcare	0.1%		

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital
 Note: Please refer to disclaimers at the end of the report

Performance Commentary

The fund delivered an acceptable performance in the period characterised by the JSE's deep drawdown of 10.5% in March. The fund's conservative positioning, low net exposure and active management protected investor capital while generating an above benchmark return.

The oil & commodities strategy was a key performance driver. The fund successfully traded in Glencore (paired against short positions in Mondi and BHP Group), which benefited from rising copper prices and corporate action speculation. Profitable exits were also realised in Exxaro (long) vs Kumba Iron Ore and BHP Group (both short).

Stock-specific opportunities (Sun International and Rainbow Chicken) and the tactical use of ALSI short futures supported returns in the market pairs strategy, particularly in March. Short exposure to ALSI futures was reduced into market weakness.

The fund was active in the retail & food producers strategy – exiting profitable transactions in Pepkor (long) vs Clicks (short) and Tiger Brands (long) vs Woolworths (short). In addition, Premier Group, a consistent contributor to fund returns, guided that headline earnings per share are expected to grow by 25% for the financial year ended March 2026, that was well received.

Returns in the financial sector were supported by successful banking pairs and profitable short positions in select life insurers.

The hospital groups (healthcare strategy) produced a marginal return but continues to trade at attractive valuations.

The technology & telecoms strategy was the primary detractor in the period. Naspers' (long) share price declined 22%, tracking an 18% (in rand) drop in Tencent's share price. The sell-off reflects near-term concerns around Tencent's AI positioning within China. However, we remain confident in Tencent's investment case, strategic approach to AI and its future growth prospects, which continue to be supported by an attractive valuation multiple. In addition, global pairs, for example Microsoft (long) vs Apple (short) and Amazon (long) vs Walmart (short), detracted from returns notwithstanding favourable relative valuations and earnings growth prospects.

Performance in the industrials strategy was negatively impacted by a short position in Richemont, where an untimely closure of the position detracted from returns.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
Equity Holdings	28.6%	-5.6%	34.2%
Futures & Index Holdings	-5.9%	4.8%	-10.7%
Liquid Investments & Cash	77.3%	0.8%	76.5%
Net Exposure	22.7%	-0.8%	23.5%
Gross Exposure	92.1%	1.5%	90.6%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

During the period, net and gross exposures remained within conservative parameters. At period end, gross exposure was in line with past trends while net exposure was above historic levels based on the attractive valuations of domestic-facing companies.

Bateleur Special Opportunities Prescient RI Hedge Fund

The Bateleur Special Opportunities Prescient RI Hedge Fund is a long/short equity hedge fund that seeks to capture value opportunities in South African equities, where the value is likely to be unlocked over a period of two to three years. The fund was launched in 2018 and is suitable for investors who are more tolerant to risk and short-term volatility, and are seeking superior returns over the medium to long term.

The Bateleur Special Opportunities Prescient RI Hedge Fund registered a 2.9% gain over the first quarter, outperforming its CPI +4% benchmark of 1.8%. Since inception in February 2018, the fund has compounded at 15.3% per annum. As comparisons over the same period, its benchmark has compounded at 8.5% per annum before fees, and the JSE Mid Cap Index at 8.3%.

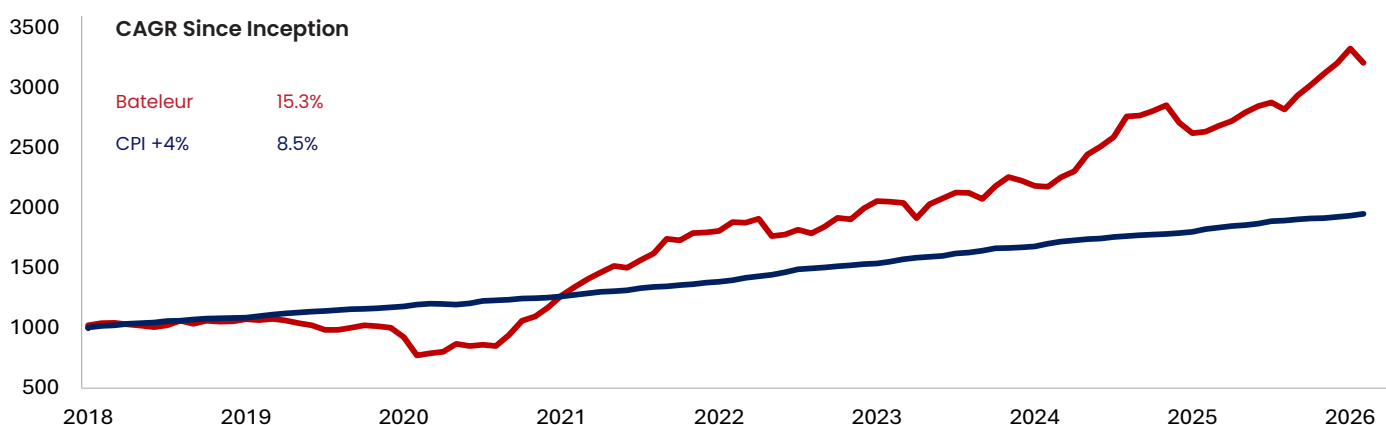
A breakdown of the top individual contributors and detractors is shown in the table below.

Fund Attribution

Top Contributors	%	Top Detractors	%
Rainbow Chicken	1.5%	KAL Group	-0.5%
Sun International	1.3%	Reinet	-0.4%
Rhodium ETF	0.5%	WBHO	-0.3%
Premier Group	0.5%	Astral Foods	-0.2%
Glencore	0.4%	Combined Motor Holdings	-0.2%

Source: Bateleur Capital

Cumulative Performance Since Inception



Source: Bloomberg, performance as calculated by Bateleur Capital
 Note: Please refer to disclaimers at the end of the report

Performance Commentary

Performance in the period was acceptable given the extreme capital market volatility post the commencement of the Middle East conflict in late February and the subsequent closure of the Strait of Hormuz.

The fund profited from fundamental, long-term holdings that continue to deliver pleasing financial and operational results. Rainbow Chicken reported stellar interim results, with headline earnings per share up 110%, and declared a maiden interim dividend. The company is expected to continue to benefit from favourable input costs and firm poultry prices in the period ahead. In addition, the combination of a low valuation multiple and very strong balance sheet (net cash to market capitalisation at 23%), continues to support the investment case.

Sun International returned 23% in the quarter. The company reported full-year adjusted headline earnings per share growth of 6% and declared a welcome special dividend. In addition, the company showed robust growth targets at its Capital Markets Day, highlighting the fast-growing online betting division, Sunbet. Sun International remains attractively priced at an estimated twelve-month forward P/E ratio of 7.5 times and a dividend yield close to 9%.

Premier Group, a consistent contributor to fund returns, guided that headline earnings per share are expected to grow by 25% for the financial year ended March 2026. Positions in Glencore and the Rhodium ETF were sold following strong year-to-date gains.

KAL Group, Reinet, WBHO, Astral and Combined Motor Holdings weighed on performance. However, exposure has been maintained as the underlying investment case for each remains intact.

Asset Allocation

Asset Allocation	31 March 2026	% Change Q/Q	31 December 2025
Equity Holdings	88.1%	-7.2%	95.3%
Liquid Investments & Cash	11.9%	7.2%	4.7%
Net Exposure	88.1%	-7.2%	95.3%
Gross Exposure	88.1%	-7.2%	95.3%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

At period end there were 19 core long positions in the fund and no short positions. The top 10 holdings made up 63% of the fund's exposure and the fund was 88.1% invested. The portfolio is attractively priced, trading on an estimated twelve-month forward P/E ratio of 8.7 times and offering a 6.3% dividend yield.

We have prioritised companies with proven management teams and strong cash-generation abilities that can continue to deliver earnings and dividend growth and remain confident in the ability of portfolio holdings to create shareholder value.

HEDGE FUNDS

Bateleur Long Short Prescient RI Hedge Fund as at 31 March 2026

Lead Class Performance

Inception date of the Fund

January 2005 – Fund 1 Partnership

October 2016 – Retail CIS Hedge

Highest rolling 1 year return: Fund 52.1% | Benchmark 73.0%

Lowest rolling 1 year return: -12.1% | Benchmark -37.6%

Bateleur Market Neutral Prescient RI Hedge Fund as at 31 March 2026

Lead Class Performance

Inception date of the Fund

July 2008 – MN Fund Partnership

Oct 2016 – Qualified CIS Hedge

Reclassified to Retail CIS Hedge Fund from 20 December 2022

Highest rolling 1 year return: Fund 19.8% | Benchmark 28.2%

Lowest rolling 1 year return: -3.7% | Benchmark -5.6%

Bateleur Special Opportunities Prescient RI Hedge Fund as at 31 March 2026

Lead Class Performance

Inception date of the Fund

1 February 2018

Reclassified to Retail CIS Hedge Fund from 20 December 2022

Highest rolling 1 year return: Fund 90.6% | Benchmark 51.9%

Lowest rolling 1 year return: -27.6% | Benchmark -27.5%

UNIT TRUSTS

Bateleur Flexible Prescient Fund as at 31 March 2026

A1 Class Performance

Inception date of the Fund July 2010

Highest rolling 1 year return: Fund 39.0% | Benchmark 54.5%

Lowest rolling 1 year return: -7.2% | Benchmark -18.4%

Bateleur SA Flexible Prescient Fund as at 31 March 2026

A2 Class Performance

Inception date of the Fund August 2023

Highest rolling 1 year return: Fund 25.2% | Benchmark 54.5%

Lowest rolling 1 year return: 4.9% | Benchmark 13.4%

Bateleur BCI SA Equity Fund as at 31 March 2026

B6 Class Performance

Inception date of the Fund April 2015

Highest rolling 1 year return: Fund 54.4% | Benchmark 55.6%

Lowest rolling 1 year return: -25.5% | Benchmark -20.1%

The forecasts are based on reasonable assumptions, are not guaranteed to occur and are provided for illustrative purposes only.

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The respective management companies retain full legal responsibility for the third-party-named portfolios.

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