Alternative Investments

Quarterly Dashboard Q1 2026

CATALYST
FUND MANAGERS ALTERNATIVE INVESTMENTS
25 YEARS

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Market Commentary

First Quarter 2026

Quarterly commentary author

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The SA Listed Property Index (SAPY) and the All-Property Index (ALPI) recorded total returns of -4.92% and -5.32% respectively for the quarter ended March 2026. The yield-to-maturity (YTM) on the long-term South African government bond (RLRS) increased by 87bps ending the quarter at 9.23% (8.36% - 31 December 2025).

The first quarter of 2026 started with the same optimism that we left 2025 with. Continued firming bond yields, a strengthening ZAR against major currencies and continued strong results from SA-centric companies - in most cases showing accelerating distributable income growth. While rates were kept on hold in January, a dovish SARB governor alluded to a strong possibility of the easing cycle continuing in March. Through February, the ALPI was up 7.78%.

In global markets, some concern over the amount of non-income generating capital expenditure that was being spent by the AI heavy-weight stocks led to the sell off from the tech sector. Interestingly, at the same time, a narrative of AI making traditional software obsolete cause software stocks like Oracle, Adobe, and Salesforce to sell off over 20% in the beginning of the year. Generally, in times like this, the market looks for safe haven assets, but the US Dollar has been shunned in the past 18 months, and Gold has had an uncharacteristic rally, behaving more like a risk on asset since 2024. Enter the HALO trade, which stands for Heavy Assets, Low Obsolescence.

Listed real estate fits this narrative perfectly and caught a bid in January and February, with the attractive income yield, growth, and predictability of earnings finding favour amongst investors. Global listed property rallied 9.98% in USD through February 2026.

On the 27th of Feb 2026, President Trump launched an attack on Iran with the intention to facilitate regime change, capture the country's oil reserves and to neutralise their nuclear threat. Iran's control of the Strait of Hormuz, through which 20% of the world's oil flows, immediately sent Brent and Crude oil prices skyrocketing. The market underwrote inflation spiking as a result, sending bond yields up, and equities down. The ALPI ended down 12.16% in March while Global property ended down 8.00% in USD.

It's sometimes difficult to separate public market cycles with real estate cycles, but the immediate impact on real estate fundamentals were low vs other "black swan events". In fact, the geographic location and somewhat neutral stance by South Africa in the conflict could be seen as a longer-term positive for the country. In addition to this, post the initial emerging market (EM) sell off in the height of the crisis, flows may depart the US due to the volatile nature of the President and could benefit EM over the medium term.

Performance Commentary

First Quarter 2026

The Fund recorded a negative total return of -0.89% for Q1 2026, underperforming its benchmark (1.66%), but outperforming the ALPI (-5.32%). The fund was largely successful in protecting capital. As a long-biased hedge fund, the aim of the fund is to capture more upside in positive months and capture less downside in negative months thereby providing a return in excess of cash at a lower volatility than the underlying property indices. In February, the fund (6.61%) captured 99.7% of the ALPI return (6.63%), but in March, only captured 47.9% of the downside -5.84% vs -12.16%.

Global developed listed real estate delivered a return of 3.87% in ZAR terms during the quarter. The US Dollar caught a bid in March and the ZAR weakened to the USD by 2.65% during the quarter.

In periods of heightened market volatility, it is important to consider longer-term performance. Over the past three years, the Fund has delivered an annualised net return of 13.37%, compared with 8.08% for its benchmark and 23.12% per annum for the ALPI. These returns were achieved at materially lower volatility (9.87%) than the ALPI (16.17%), resulting in an enhanced Sharpe ratio.

The best performing stocks in the local listed property investible universe for Q1 2026 included Fairvest A (+5.6%). This stock is essentially a preference share with inflationary growth, so it was insulated from the volatility of capital markets. Octodec (+5.5%) also posted a strong quarter as it was a beneficiary of index inclusion during March which meant there was strong buying of the stock. Laggards for the quarter included Mas (-13.2%) which continued to withhold dividends and posted results which showed slowing fundamentals in Romania. Vukile (-11.6%) was also a weak performer for fear of management making a large equity raise to fund external growth offshore.

Globally, there is far more optionality across subsectors and geographies.

Sub-sectors that underperformed during the quarter include:

UK Student Housing (-19.8%): Heightened political scrutiny around immigration in the UK has made it more difficult for international students to secure placements at UK universities. The primary stock in the subsector, Unite, partners with leading institutions such as Cambridge and Oxford. As application volumes decline, the knock-on effects are felt across the student housing sector.

EUR Storage (-16.6%): European storage came under pressure when Shurgard released soft results. For a while now, UK fundamentals have been softer, but continental European storage remained robust. In the latest print, it appeared that asking rents and occupancy were slowing down too. The market was disappointed with this update and the stock sold off.

At the end of Q1 2026, net physical exposure to SA listed real estate and Global listed real estate (including ZAR hedges) stood at 61.9% and 35.6%, respectively.

The fund's long-term strategy is to maintain, over time, a broadly balanced allocation between local and global listed real estate. Within each market, capital is allocated to the fund's highest conviction long and short ideas. This approach is underpinned by the low correlation between local and global listed real estate security returns, both in local currency terms and in ZAR. Material deviations from this allocation reflect relative value opportunities between the two markets.

Approximately 31.6% of the fund's exposure is invested in direct offshore opportunities. While we continue to identify attractive opportunities within the global listed real estate universe, we remain mindful that strong demand for US technology stocks has led to US real estate being overlooked in the short term, despite compelling valuations. The remaining developed-market currency exposure is held through net long positions in rand-hedge JSE-listed real estate stocks and offshore cash.

South African cash and cash equivalents, including enhanced cash and indirect foreign cash, comprise approximately 13.7% of Fund NAV (Q4 2025: 15.8%). At the end of February, the fund increased its cash position on strong performance from SA and Global markets which allowed the fund to protect capital and deploy opportunistically during the March war-induced weakness.

Sub-sectors that outperformed during the quarter include:

US Data Centres (23.9%): Data centres had a weak 2025 despite robust fundamentals. During Q1 2026, the stocks recovered after posting exceptional results for Q4 2025 and posting promising guidance. The backdrop of insatiable demand from AI Capex expansion and limited supply creates strong growth in the subsector.

US Strip Retail (7.9%): Q1 in retail subsectors is always defined by tenant bankruptcies that make it through the festive season and then file. This year, bankruptcies were minimal and the space that does become available is quickly repurposed and filled at higher rents due to almost no new supply in 10 years. The sector also proves very steady, forecastable income which was rewarded in a volatile quarter.

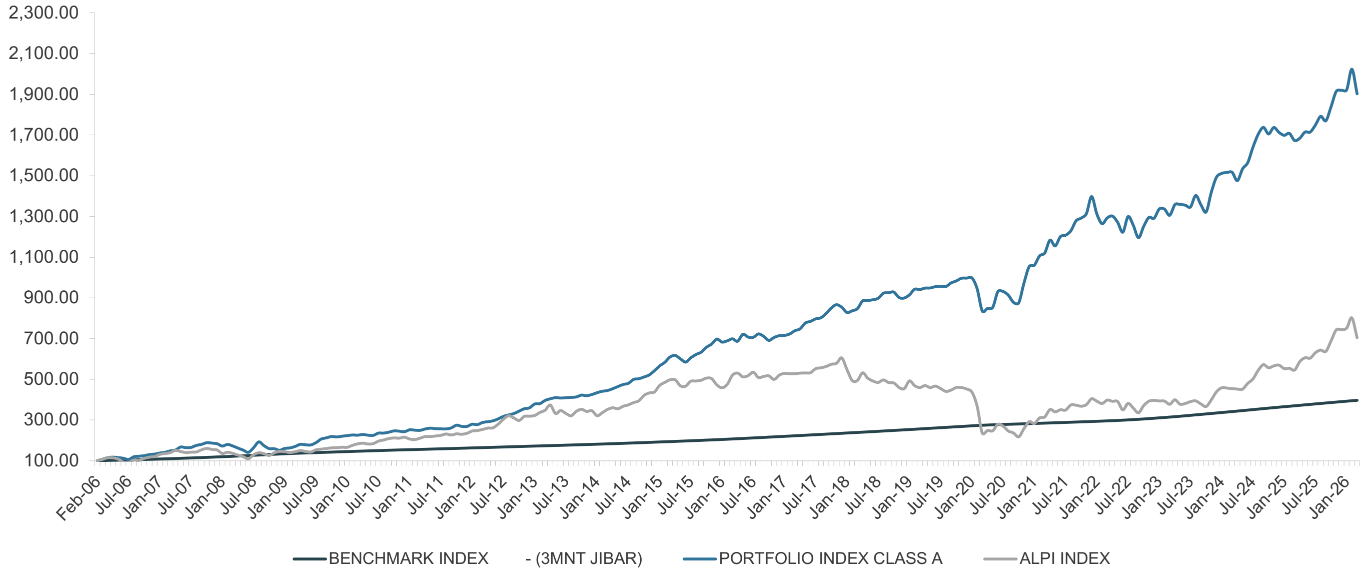
Gross physical equity exposure	Net physical equity exposure	Net direct credit exposure
121.7%	97.5%	-11.6%

Net Fund Performance (in ZAR)

Date	Fund Return	Benchmark Index (3 Month JIBAR)	JSE ALPI (All Property) Index	JSE All Share Index
Q1 2026	-0.89%	1.66%	-5.32%	-0.61%
1 Year	13.73%	7.26%	29.10%	33.60%
3 Year				
Annualised	13.37%	8.08%	23.12%	18.59%
3 year Standard Deviation	9.87%	0.20%	16.17%	12.84%
5 Year				
Annualised	11.16%	6.87%	17.46%	15.72%
5 Year Standard Deviation	10.97%	0.50%	17.42%	13.98%
Since Inception				
Inception to date	1801.97%	296.20%	604.73%	993.25%
Annualised inception to date	15.72%	7.06%	10.16%	12.59%
Standard Deviation	12.42%	0.54%	19.58%	14.89%
Sharpe Ratio	0.70	-	0.16	0.37
Positive months	70%	-	-	-

Source: Bloomberg | Data as at 31 March 2026

Net Performance of R100 Invested Since Inception



The investment performance which is shown is for illustrative purposes only, and takes the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

Source: Catalyst Fund Managers & Bloomberg | Data as at 31 March 2026

Fund's 3 Year Rolling Return Annualised (ZAR)

Positive Since Inception

Source: Catalyst Fund Managers | Data as at 31 March 2026

Portfolio Commentary

First Quarter 2026

Our largest long positions remain investments in specialist, focused companies, that have remained attractive on a risk-adjusted basis. The fund is overweight South African small-cap stocks, while offshore rand-hedge exposure is diversified across Eastern European, Western European, and UK retail property.

During the quarter, the fund transacted 85% of average NAV and ended the period with net exposure above its long-term average. Despite the re-rating in SA-centric stocks, meaningful tailwinds remain, and the market has yet to fully price in a sustained recovery in distributable income growth across the sector.

The fund was extremely active during the quarter as significant share price movements, both up and down, occurred. The fund does not aim to trade and focusses on holding positions on a long-term valuation methodology, but when there is such violent movement in capital markets, positions can move through or into value quickly. The below monthly exposure graph shows how the fund navigated through the volatility:

	December 2025	January 2026	February 2026	March 2026
Asset Allocation	Net	Net	Net	Net
SA Listed Property Equity	64.4%	65.4%	49.0%	61.4%
SA Bonds	-9.4%	-9.6%	-11.2%	-11.2%
SA Listed Property, Rand Hedge	1.8%	5.8%	4.7%	4.2%
Synthetic SA Property*	-12.0%	-12.0%	-12.0%	0.0%
Enhanced Cash	0.0%	0.0%	0.0%	0.0%
Direct Offshore	30.2%	29.2%	30.1%	32.9%
Currency Future	-12.9%	-12.2%	-16.4%	-22.7%
Total cash and cash equivalents	13.0%	9.2%	27.4%	12.8%

Note: the above figures refer to the Catalyst retail solution: Amplify SCI Property Retail Hedge Fund (“RIHF”).

Blue: SA Inc net exposure was above long-term norms going into February on strong momentum in the sector and continued positive rhetoric on the country and company results. By the end of February, and up almost 8% YTD, stocks had moved through value and the fund harvested approximately 15.4% and buffered up its war chest. During the March US/Iran war and subsequent 12% ALPI sell off, the fund redeployed opportunistically into the market.

Grey: The fund incrementally sold long government bonds - the 5-year proxy R213 and 10-year proxy R2035 went as low as 7.1% and 7.8% YTM, respectively. The fund saw this as a good funding mechanism for SA-centric property stocks, while hedging against macro or SA Inc risk.

Green: The fund had sold short call options that were deep in the money (effectively delta 1) on two liquid SA Property stocks. As the market fell in March, the fund closed these positions as they contributed north of 110bps of positive performance. *Exposure is approximate as delta changes as share prices change.

Orange: The fund tends to keep a portion of its foreign equity and cash exposure unhedged to capture exchange rate move outs in macro events. When the USDZAR exchange rate moved from below R16 to approximately R17.20 to the USD, the fund took the opportunity to lock in some of the weakness.

Net exposure to SA rand-hedge listed real estate is 4.0% at the end of Q1 2026, which was higher than the 1.9% of NAV at the end of Q4 2025. The fund increased it's stake in the German multi let industrial stock, Sirius, on an attractive yield and strong growth from disciplined capital deployment.

After a significant sell off in SA and global listed real estate due to the middle eastern conflict, we find attractive pockets of opportunity within listed property. The relative performance within SA listed property was also stark. An example is SAC (-18.3%) and OCT (+5.5%) - both as fully SA-centric stocks with a residential component in their portfolios. SAC provided strong results but withheld guidance due to the global macro uncertainty. OCT was subject to index inclusion during the quarter. This example of bifurcation of returns creates opportunity to rotate, reallocate and reposition.

The fund is well positioned to capitalize on compelling long-term risk-adjusted return opportunities. We will continue to do so in a disciplined manner, maintaining strict adherence to our investment philosophy.

Asset Class	Long	Short	Net
SA Listed Property Equity	68.4%	-6.5%	61.9%
SA Bonds	0.0%	-11.6%	-11.6%
SA Listed Property, Rand Hedge	7.4%	-3.4%	4.0%
Enhanced Cash	0.0%	0.0%	0.0%
Global Listed Property Equity	0.0%	0.0%	0.0%
Global Bond Shorts	0.0%	0.0%	0.0%
Indirect Cash - Foreign	0.0%	0.0%	0.0%
Global Qualifying Investor Fund	0.0%	0.0%	0.0%
Direct Offshore	33.7%	-2.1%	31.6%
Currency Futures	20.3%	-20.0%	0.4%
Total cash and cash equivalents	13.9%	-0.2%	13.7%
Total Gross	143.8%	-43.8%	100.0%
Leverage(adjusted gross)	141.6%	-	-

Currency Exposure % NAV	Net
JPY	0.0%
CAD	0.0%
SEK	0.0%
GBP	7.5%
USD	5.8%
HKD	0.0%
EUR	5.6%
AUD	0.7%
CHF	0.0%
SGD	0.0%
ZAR	80.3%
Total	**100%**

Amplify SCI Property Retail Hedge Fund (“RIHF”)

This fund is distributed by Amplify. Follow the link below for the latest MDD

VIEW MDD HERE

CATALYST
FUND MANAGERS ALTERNATIVE INVESTMENTS
25 YEARS

Company Snapshot

First Quarter 2026

R25bn
Assets under management

25 yrs
Building real asset returns since 2001

108 yrs
Combined industry experience

Single asset class

Boutique, focused **public market real assets** manager since 2001 with **R25bn AUM**

Track record

25 years of building consistent, risk-adjusted real asset returns across market cycles

Experience

- **10** dedicated professionals
- **108 yrs** industry experience
- **81 yrs** at Catalyst

ESG

CFMSA is a **PRI signatory** - committed to responsible investment principles

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Real assets, Real returns.

It’s in our DNA.