

MONTHLY

Wrap-up



NEW ROAD CAPITAL
INVESTMENT MANAGEMENT

February 2026

February was another strong month for risk assets, led by emerging markets and commodity-linked South African equities. Cooling inflation in the US and contained inflation locally are reinforcing expectations for eventual interest-rate cuts, creating a supportive backdrop for both equities and bonds. Meanwhile, attractive real yields continue to make South African bonds and long-duration US Treasuries compelling opportunities.



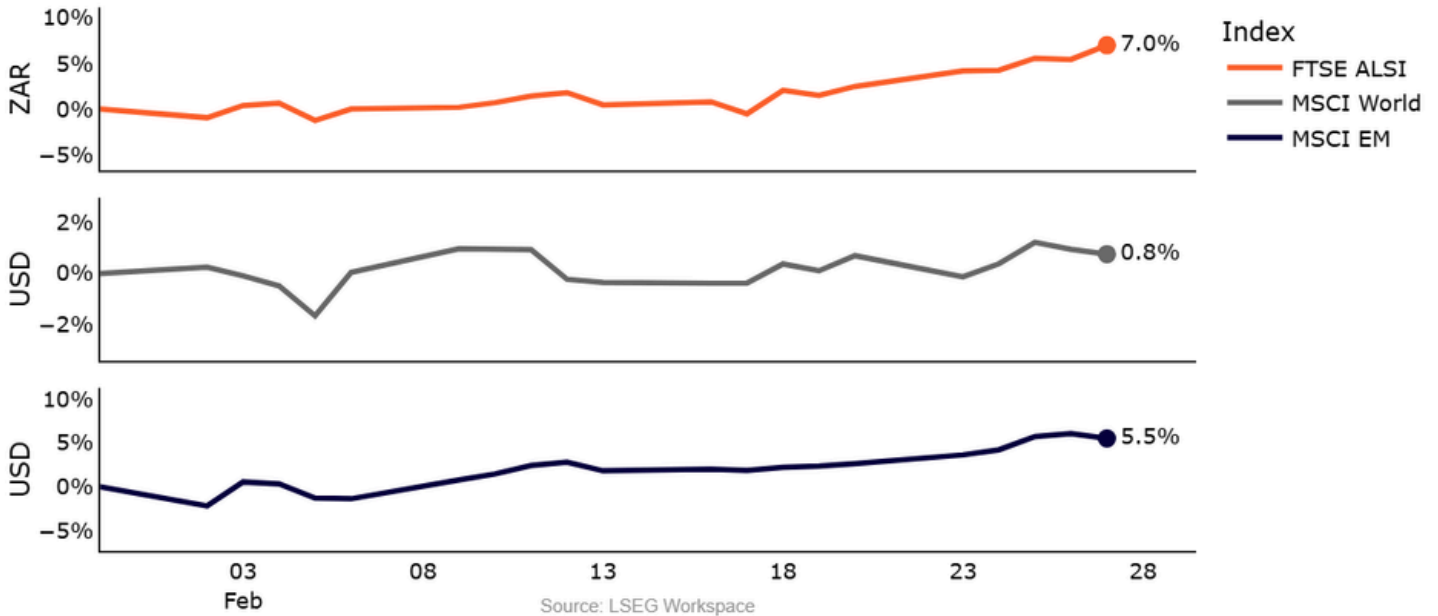
NEW ROAD CAPITAL
INVESTMENT MANAGEMENT



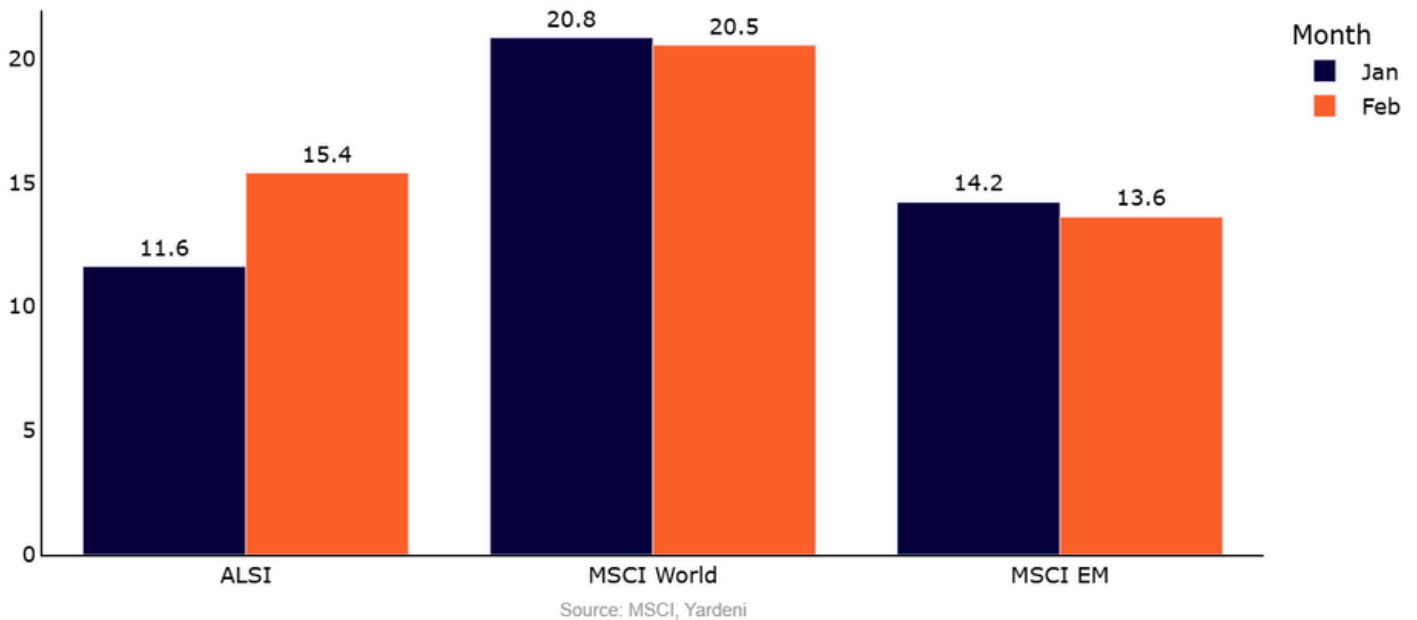
EQUITIES



Total Return

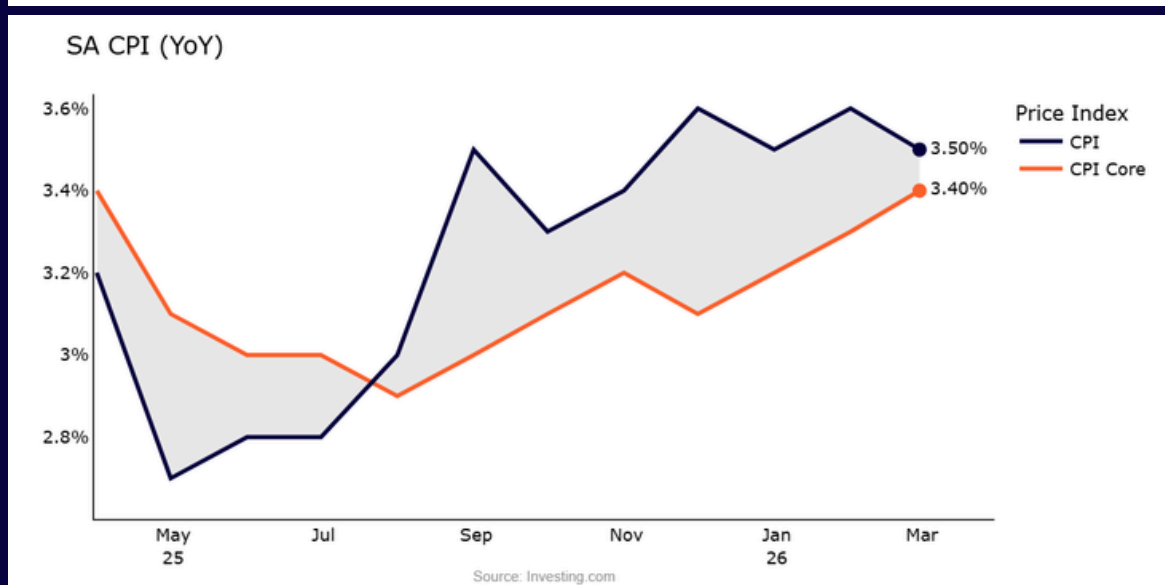
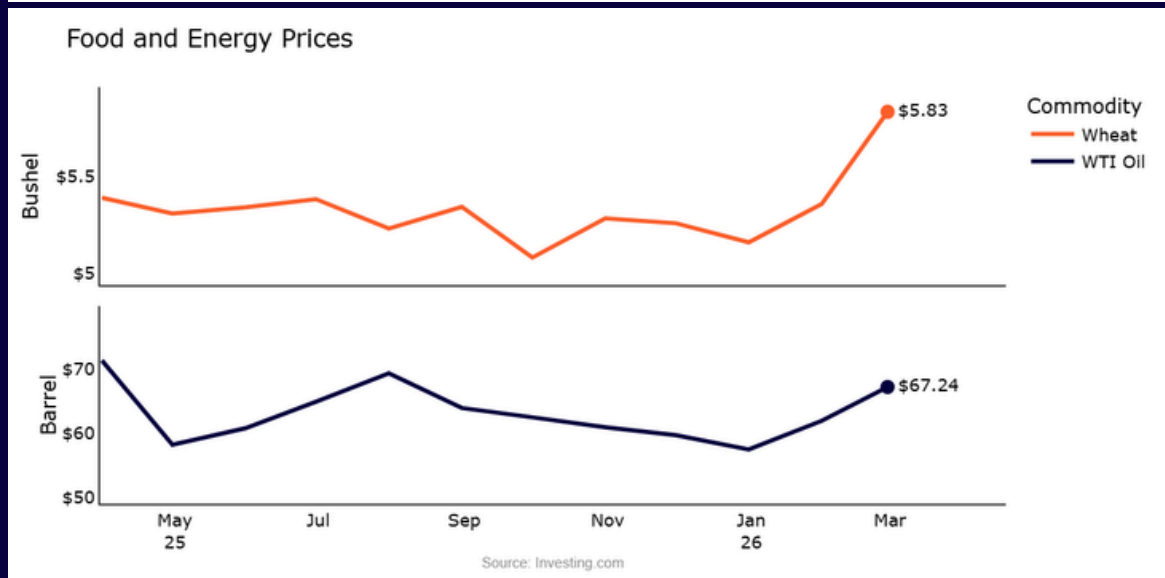
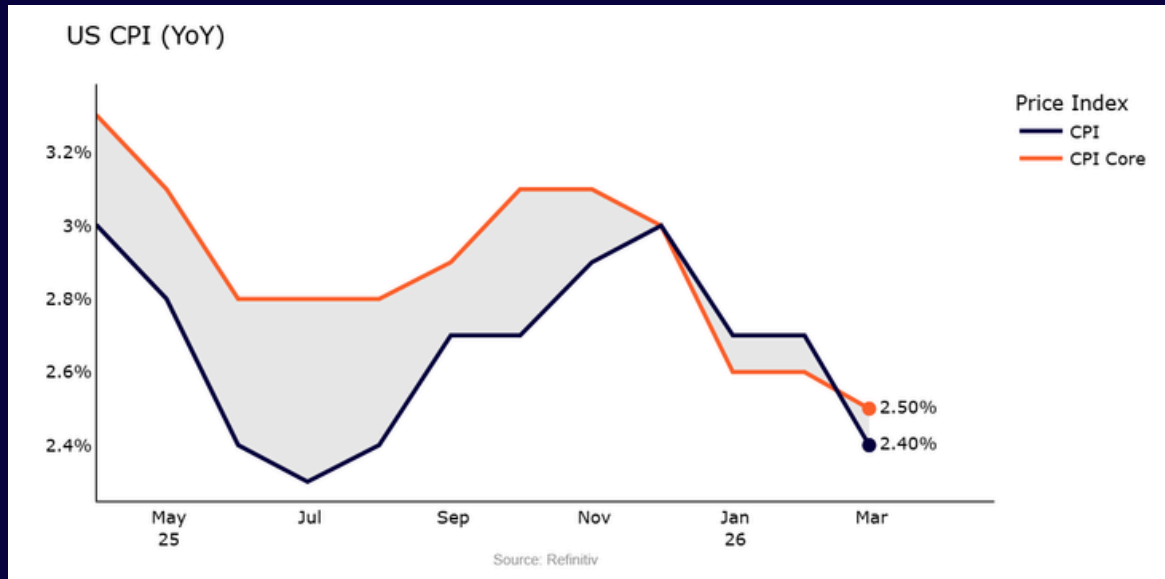


Forward P/E



- Risk assets continued their strong run in February, with emerging markets leading the charge. South African equities were a standout, with the local market rally largely driven by platinum and gold producers benefiting from strong commodity dynamics.
- Developed market equities delivered more modest gains but remain resilient, continuing to hold up well even as leadership rotates toward emerging markets.
- Importantly, the strength in equities is still supported by fundamentals rather than speculation. The latest US earnings season showed companies broadly beating expectations, reinforcing the view that corporate profitability remains healthy.
- While geopolitical tensions in the Middle East have picked up, markets have responded with notable calm. Short-term volatility is possible, but so far the reaction across equities suggests investors remain focused on economic fundamentals rather than headlines.

INFLATION

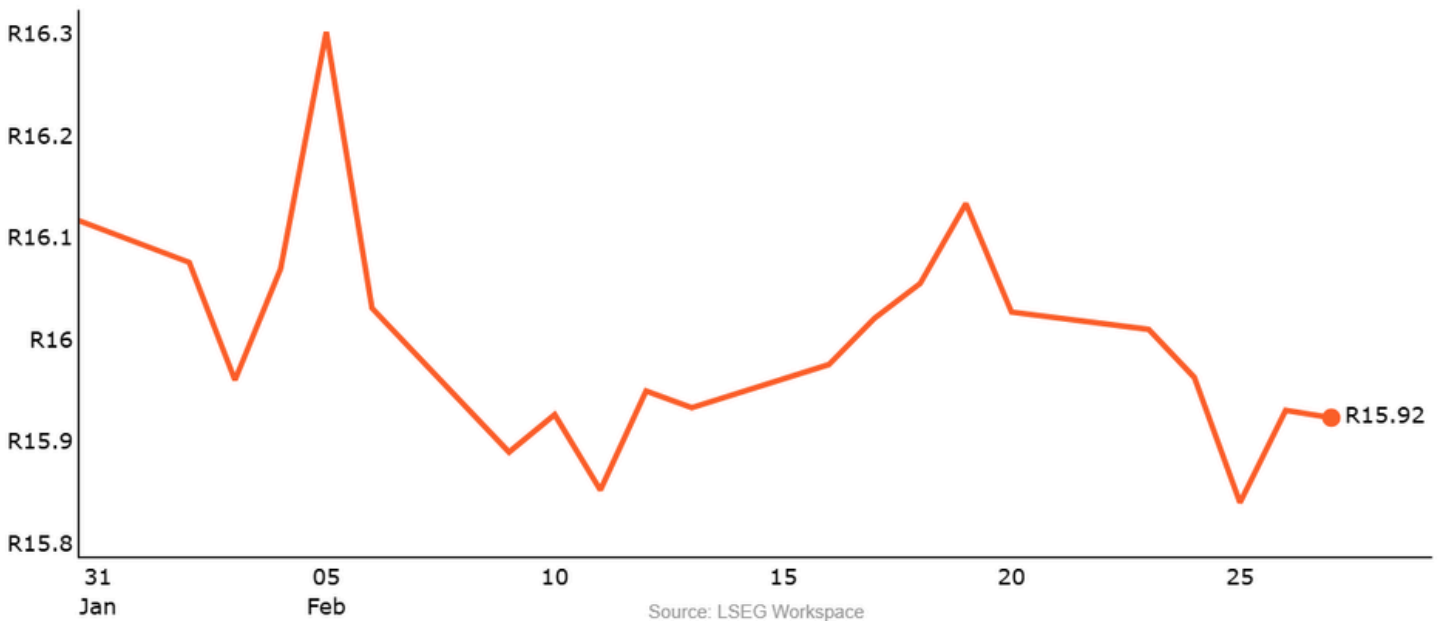


- US inflation surprised slightly to the downside, coming in at 2.4% versus expectations of 2.5% and the previous reading of 2.7%. The continued moderation supports the view that inflation pressures in the US are easing rather than reaccelerating.
- This trend strengthens the case for further interest rate cuts in the US, which could provide additional support to both economic growth and financial markets over time.
- In South Africa, inflation ticked up to 3.5%, slightly above the midpoint of the target band but still broadly contained.
- Overall, the inflation backdrop in both the US and South Africa remains constructive, suggesting that monetary policy in both regions could gradually become more supportive of growth during the year.

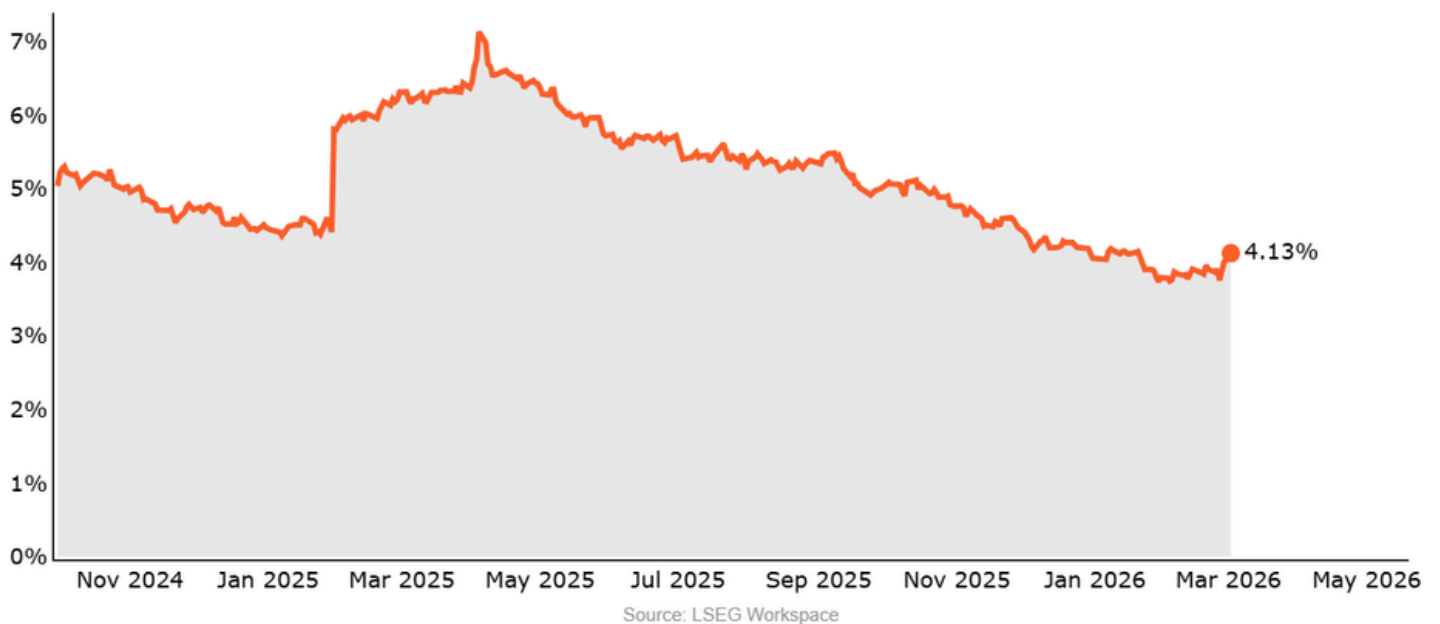
LOCAL vs ECONOMY



ZAR/USD Exchange Rate



SA-US 10y Bond Spread

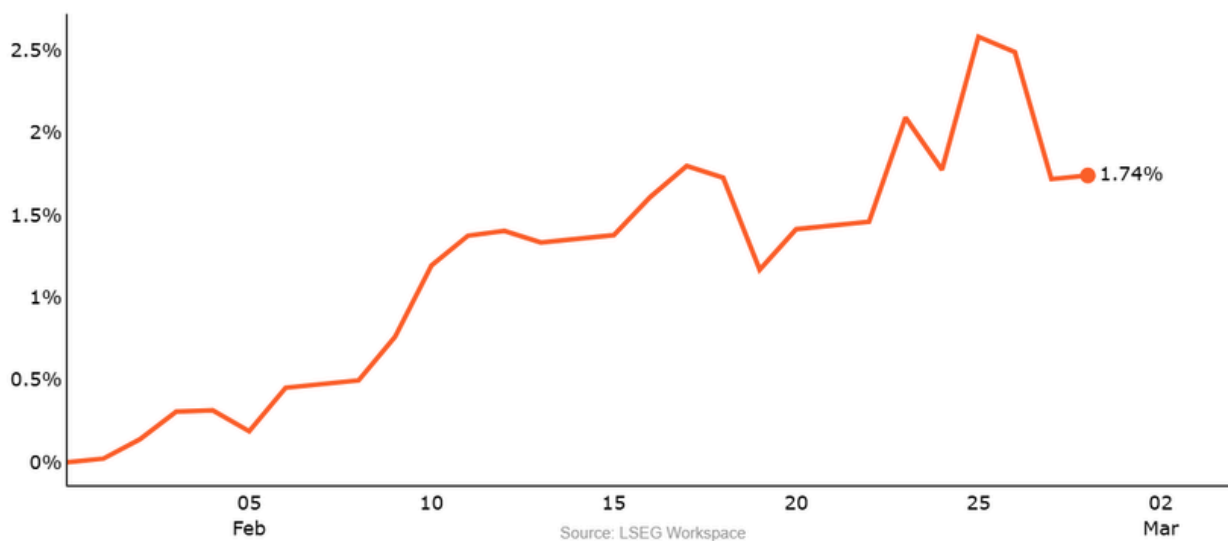


- February's risk on environment supported emerging markets broadly, with South Africa participating strongly in the rally. The rand also strengthened modestly against the US dollar during the month.
- A softer US inflation backdrop and the prospect of lower interest rates globally tend to be supportive for emerging markets, particularly those offering attractive yields.
- From a fundamental perspective, the US economy continues to look healthy. Corporate earnings remain robust and economic activity is holding up well, which provides an important anchor for global markets.
- Taken together, the combination of resilient US growth and improving conditions for emerging markets creates a constructive environment for diversified portfolios.

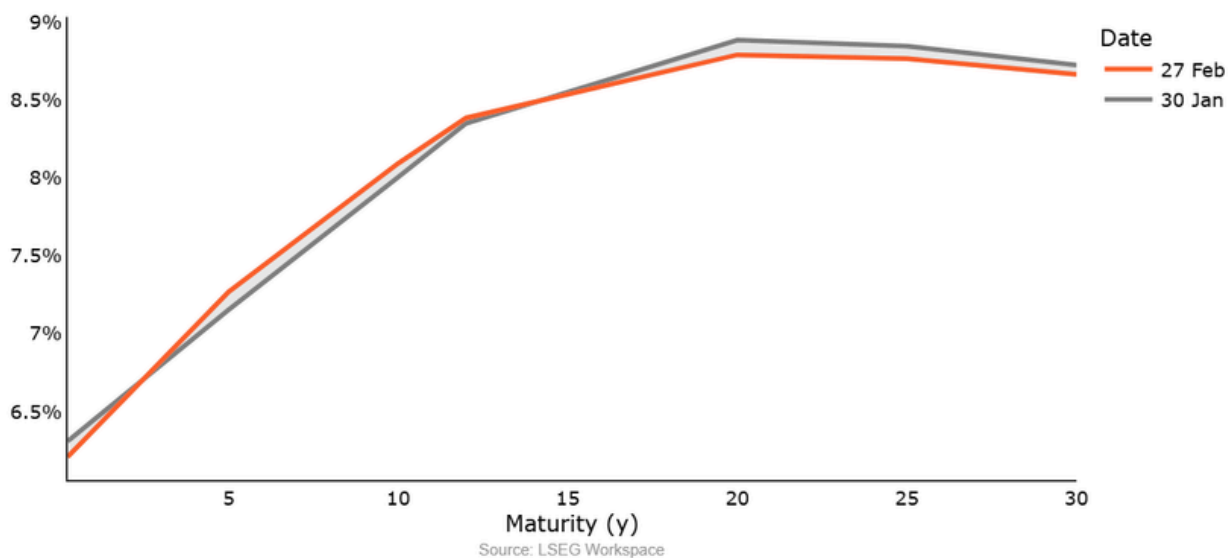
BONDS



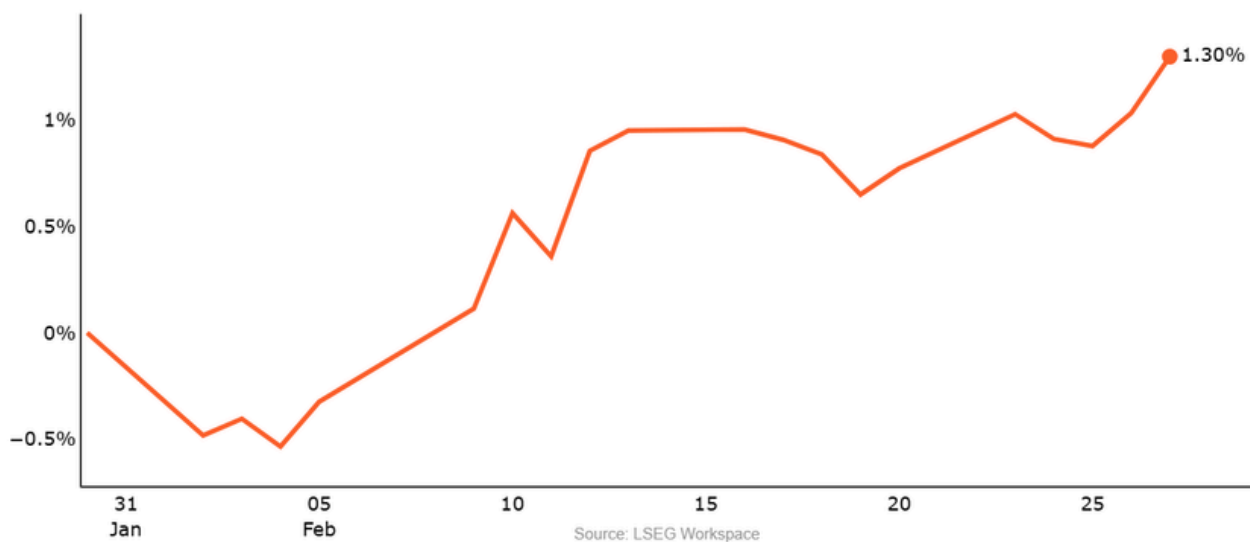
ALBI Total Return



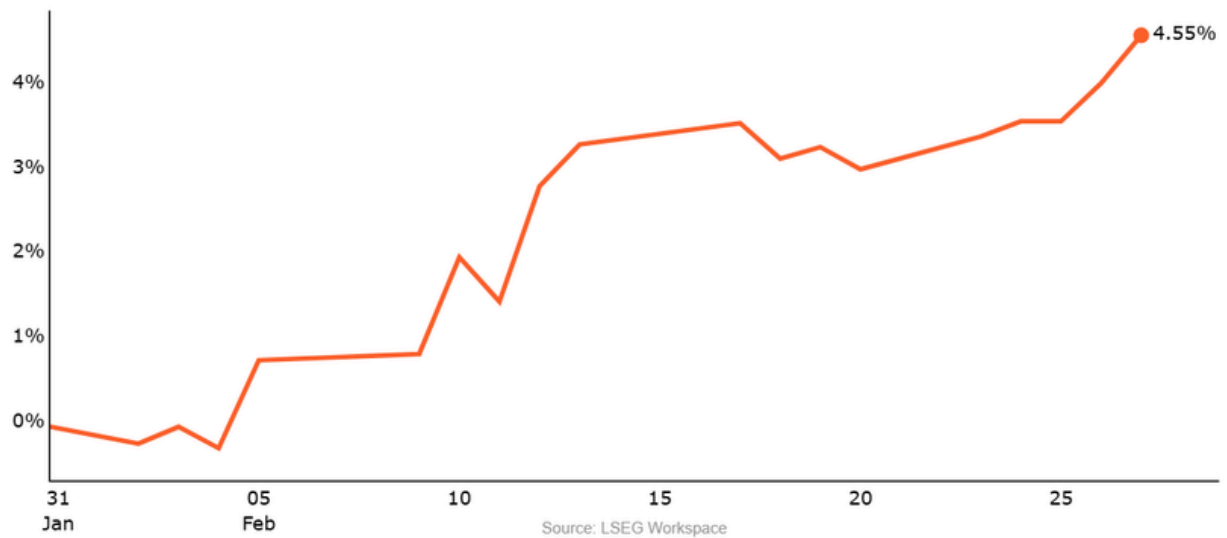
Yield Curve South Africa



FTSE G7 Total Return



ICE US Treasury 20+ Year Index Total Return



- South African bonds delivered another strong month, reinforcing their attractiveness in a global context where real yields remain compelling.
- Offshore bonds also added value in dollar terms, supported by stable inflation and steady central bank policy.
- Fixed income continues to play a dual role: providing income while offering downside protection should growth expectations soften.