

MONTHLY

Wrap-up



NEW ROAD CAPITAL
INVESTMENT MANAGEMENT

March 2026

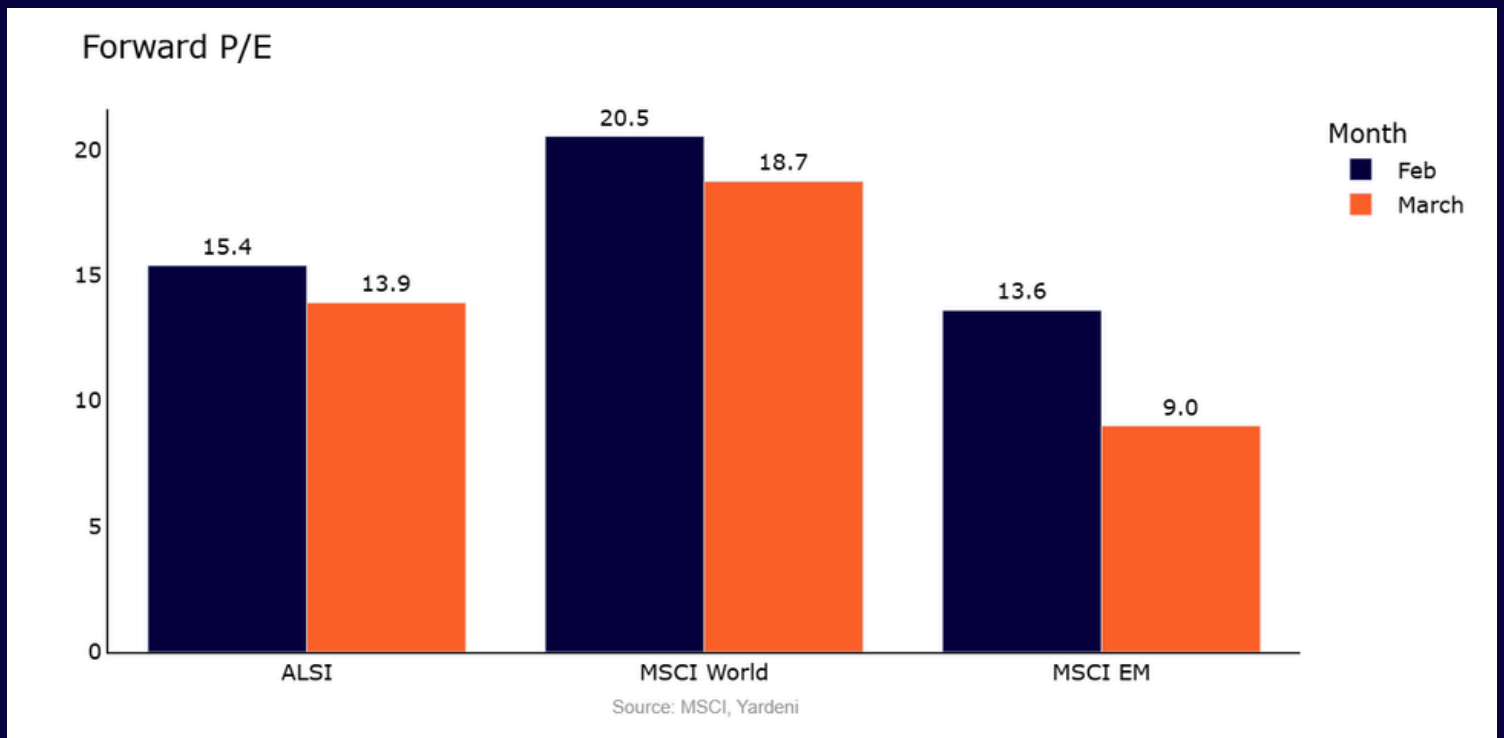
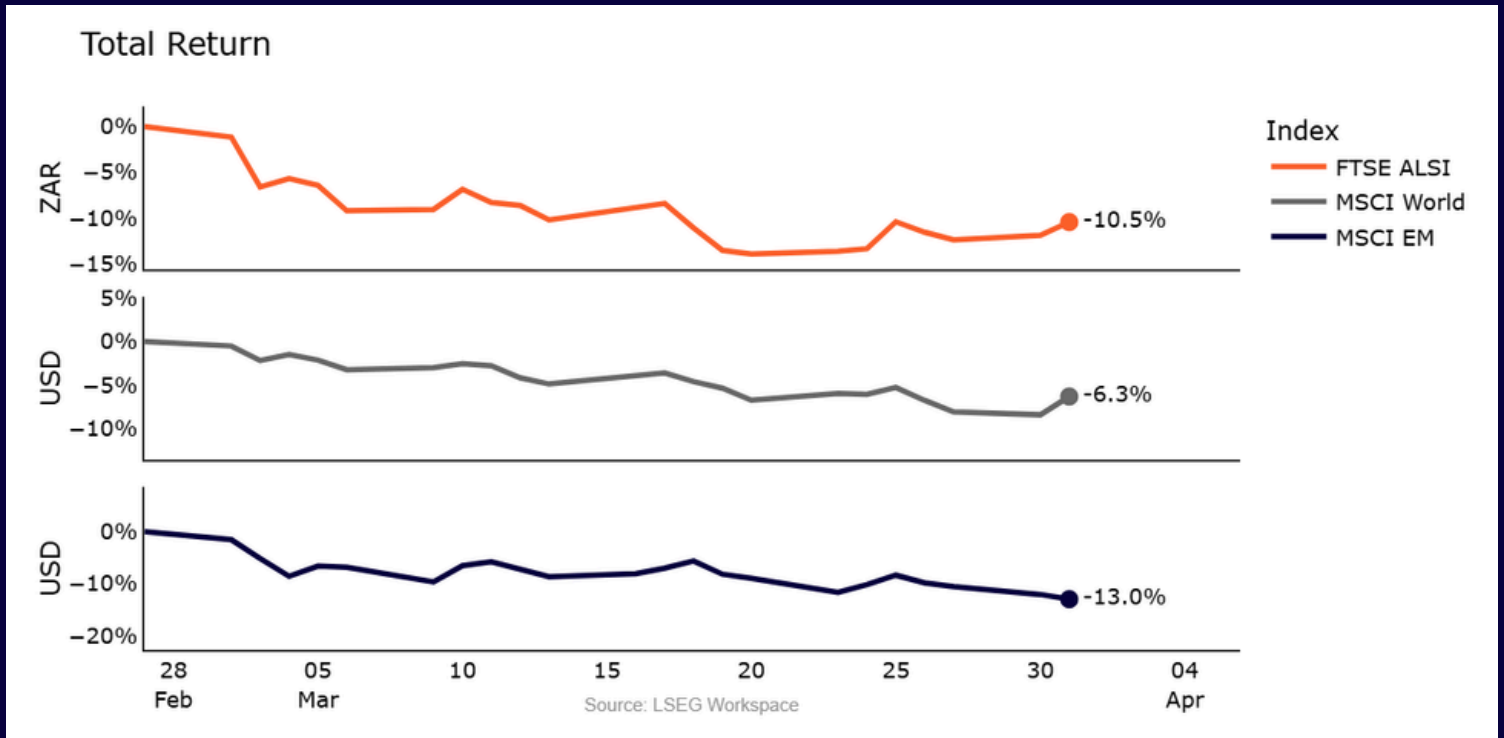
March's volatility, driven by geopolitical tensions, has created more attractive entry points across equity markets while reinforcing the value of diversification. Inflation remains broadly contained despite short-term oil price pressures, and both bonds and offshore assets have provided resilience and flexibility. Overall, the environment continues to favour a disciplined, long-term approach, with opportunities emerging from the recent market dislocation.



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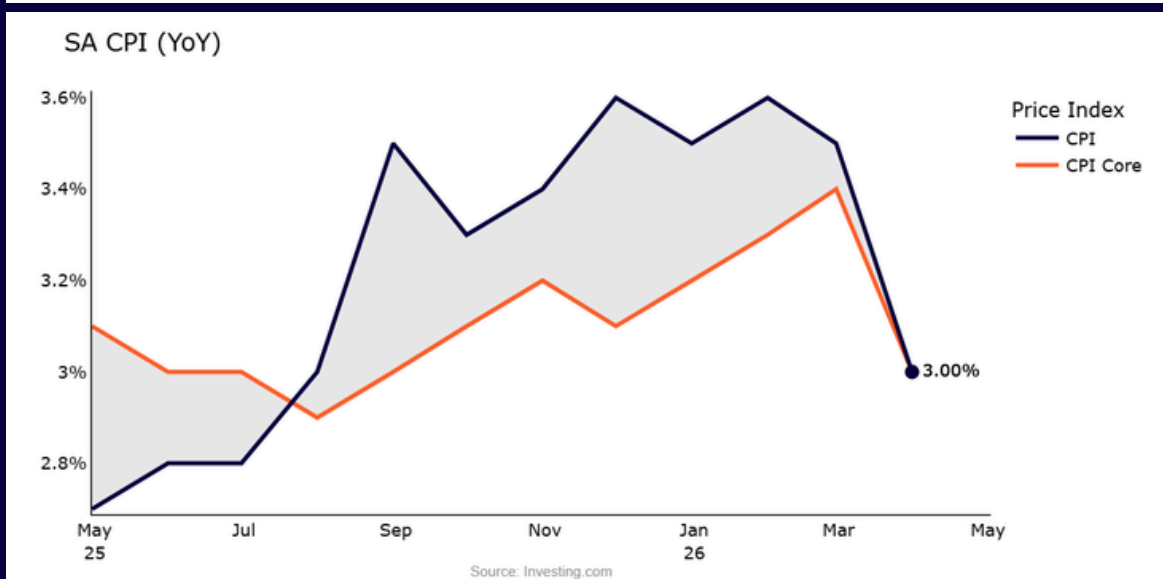
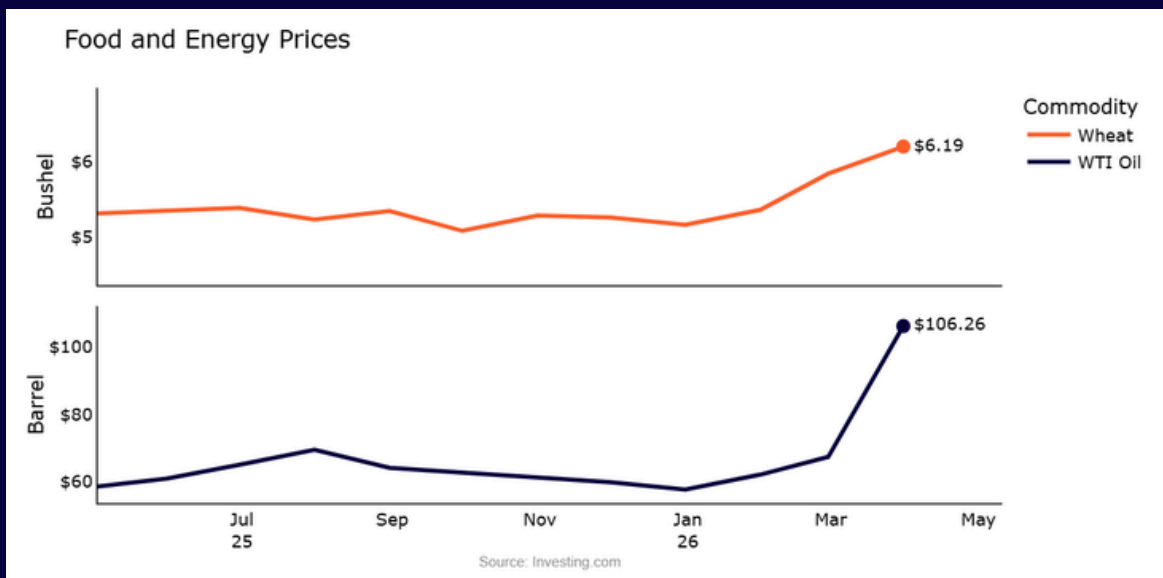
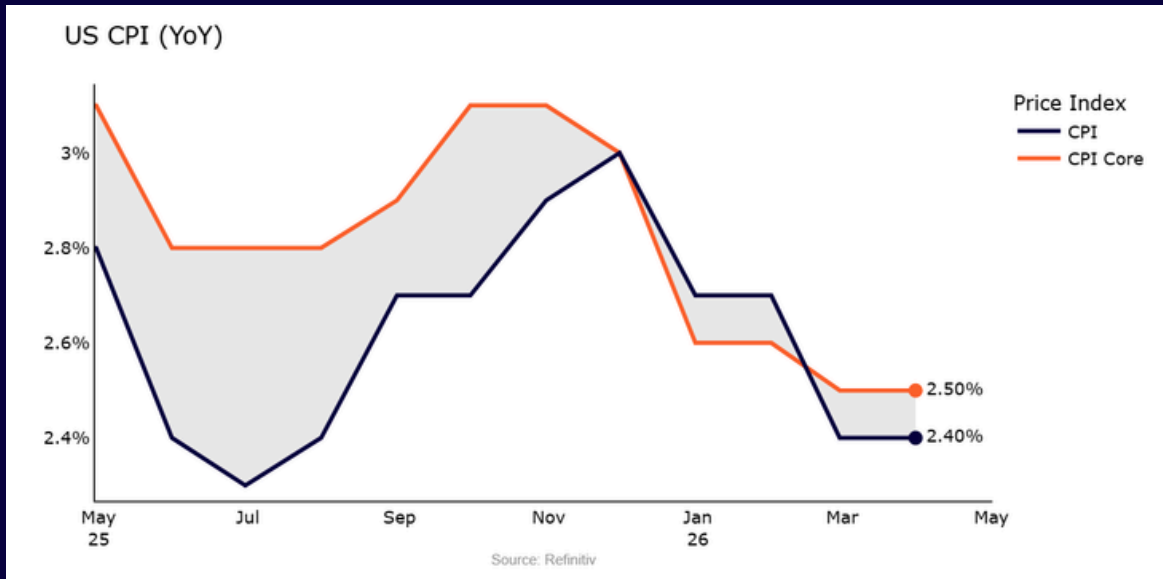


EQUITIES



- March volatility was largely driven by geopolitical tensions, but the relative resilience of developed markets, particularly the US, reinforces their role as a stabilising core in global portfolios.
- The US market's comparative strength highlights the benefit of structural advantages like energy independence and geographic insulation, which helped cushion downside risk.
- The recent sell-off has meaningfully improved valuations, with global price-to-earnings multiples compressing, creating a more attractive entry point for long-term investors.
- Rather than reacting defensively, this environment has presented an opportunity to rotate capital, trimming defensives and incrementally adding to equities at more compelling levels.
- Importantly, the broader investment thesis remains intact, with short-term volatility viewed as noise against a still constructive long-term outlook.

INFLATION

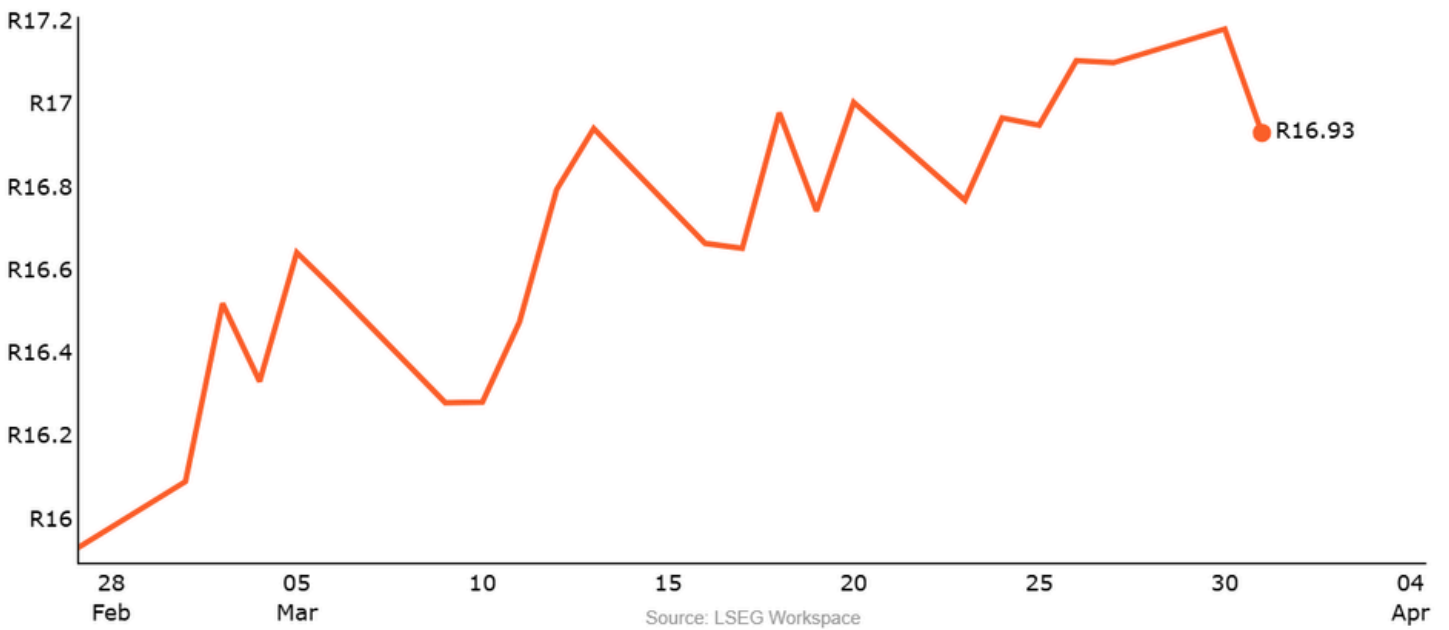


- Inflation in the US remains well-contained, suggesting that underlying economic conditions are still relatively stable despite geopolitical disruptions.
- The sharp rise in oil prices is expected to be temporary, driven more by short-term supply constraints than a structural shift in demand.
- While fuel price increases may feed into near-term inflation prints, inflation itself is a gradual process, not a once-off adjustment, which tempers the longer-term impact.
- In South Africa, inflation remains anchored, and although fuel costs may push it higher in the short term, the broader trajectory is expected to remain manageable.
- The key takeaway is that inflation risks appear contained for now, allowing investors to focus more on medium- to long-term fundamentals.

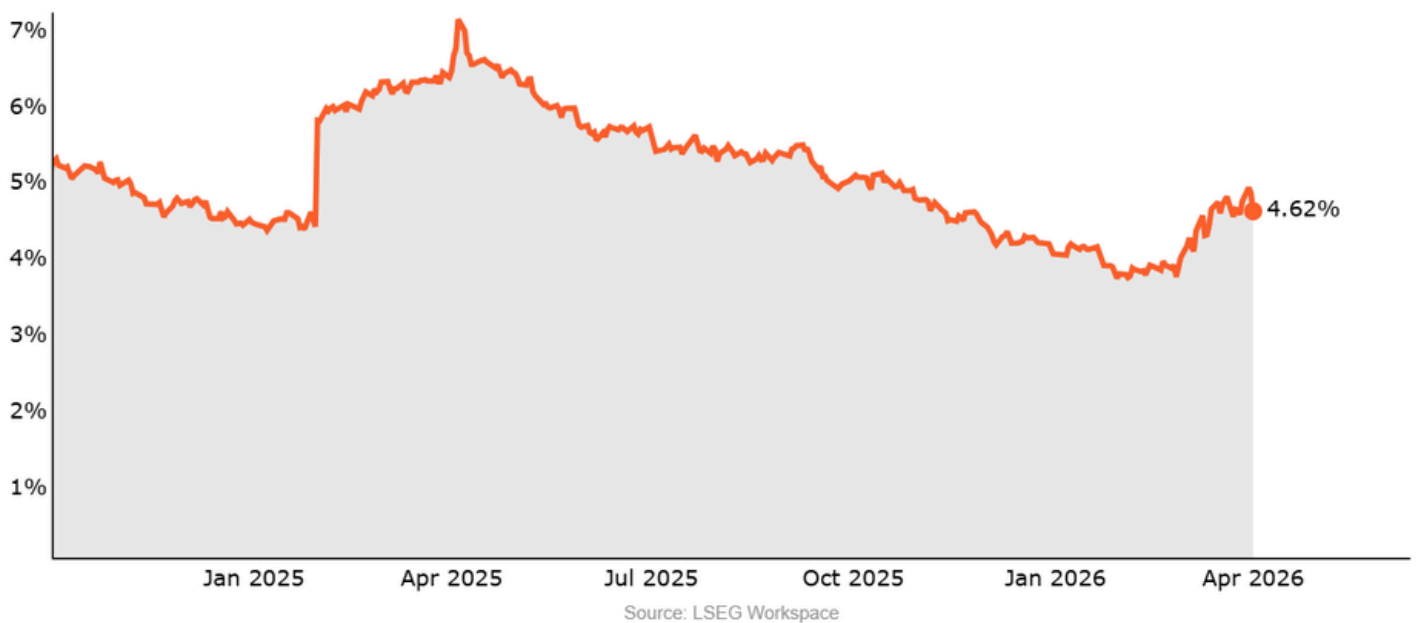
LOCAL vs ECONOMY



ZAR/USD Exchange Rate



SA-US 10y Bond Spread

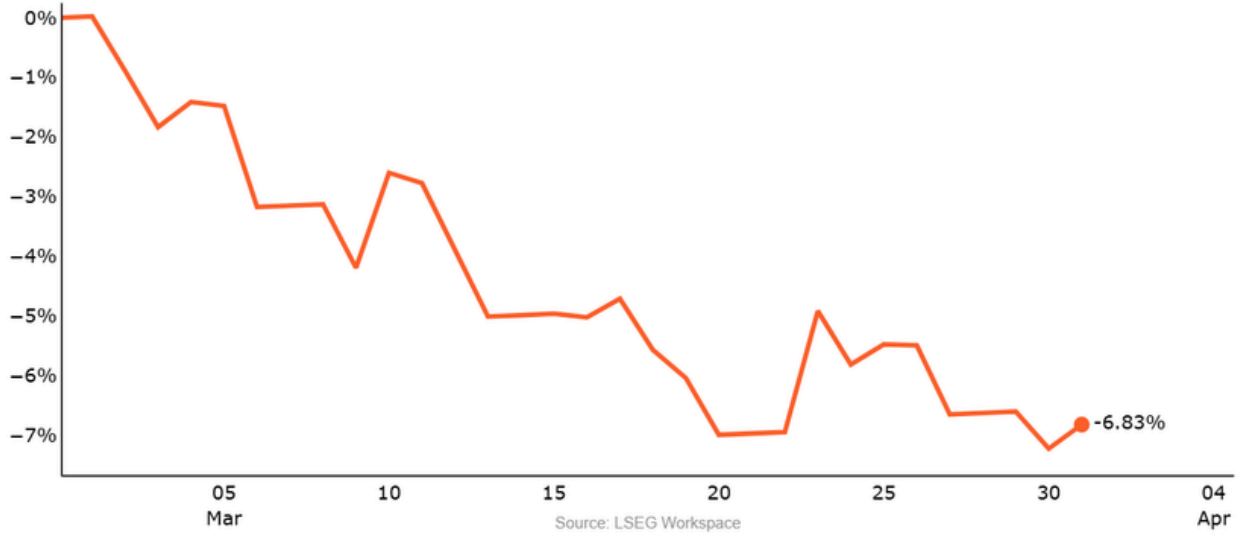


- The Rand weakened over the month, reinforcing the importance of offshore diversification as a natural hedge against local currency risk.
- Offshore assets, particularly US exposures, provided meaningful protection, both from market resilience and currency tailwinds.
- The combination of global diversification and currency movement created liquidity that could be redeployed into equities at lower levels.
- This dynamic underscores a core portfolio principle: offshore allocations are not just about growth, but also about resilience and optionality during periods of stress.
- The US continues to demonstrate relative economic robustness compared to emerging markets, supporting its role as a key portfolio anchor.

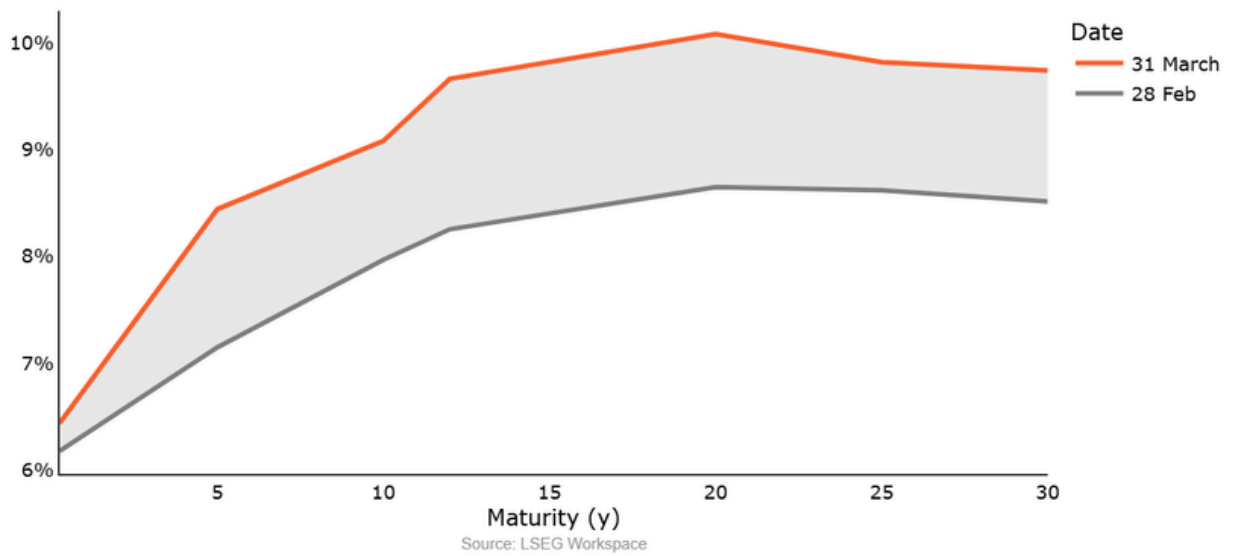
BONDS



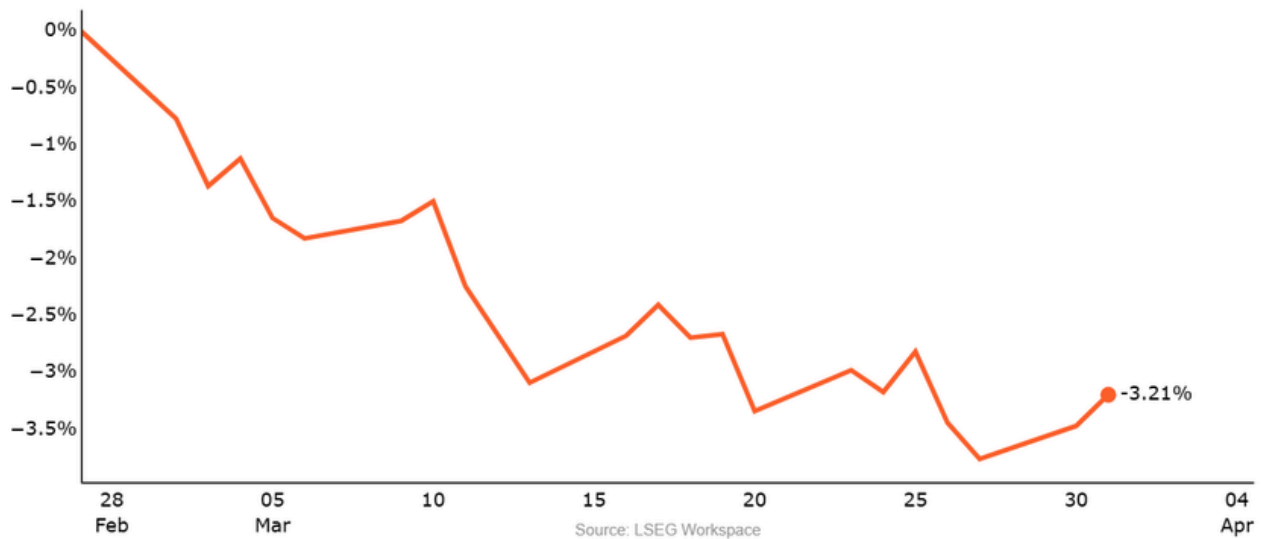
ALBI Total Return



Yield Curve South Africa



FTSE G7 Total Return





- Despite short-term price declines, South African bonds continue to offer compelling yields, with long-dated government bonds approaching double-digit returns.
- The recent sell-off has improved forward-looking return potential, making bonds increasingly attractive from an income and valuation perspective.
- Offshore bonds experienced weakness in dollar terms, but currency movements meant they delivered positive returns in Rand, again highlighting diversification benefits.
- Bond allocations have played a dual role: providing income and acting as a source of liquidity to rebalance into equities during market weakness.
- Overall, both local and global bonds remain an important component of portfolios, offering attractive yields and strategic flexibility.