MONTHLY *Wrap-up*

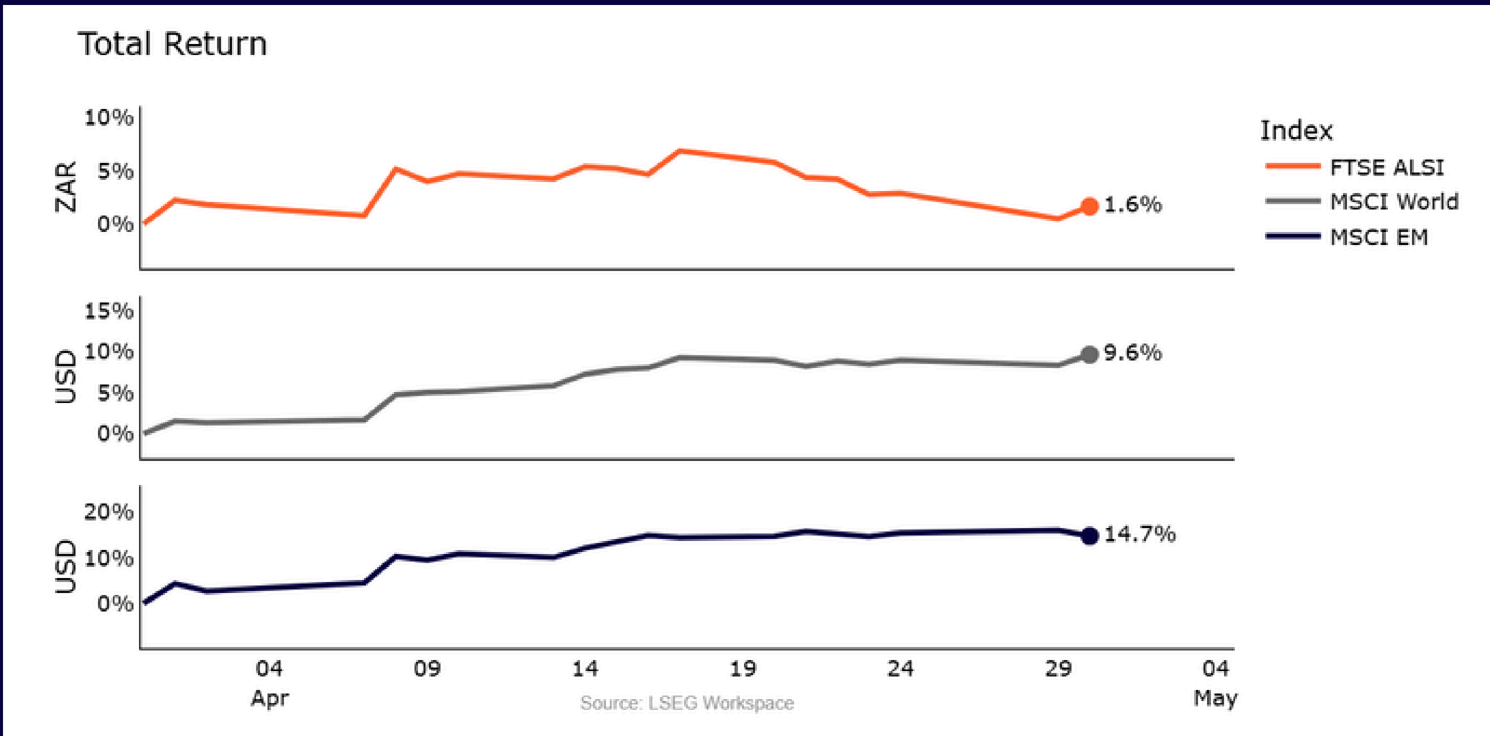
NEW ROAD CAPITAL
INVESTMENT MANAGEMENT

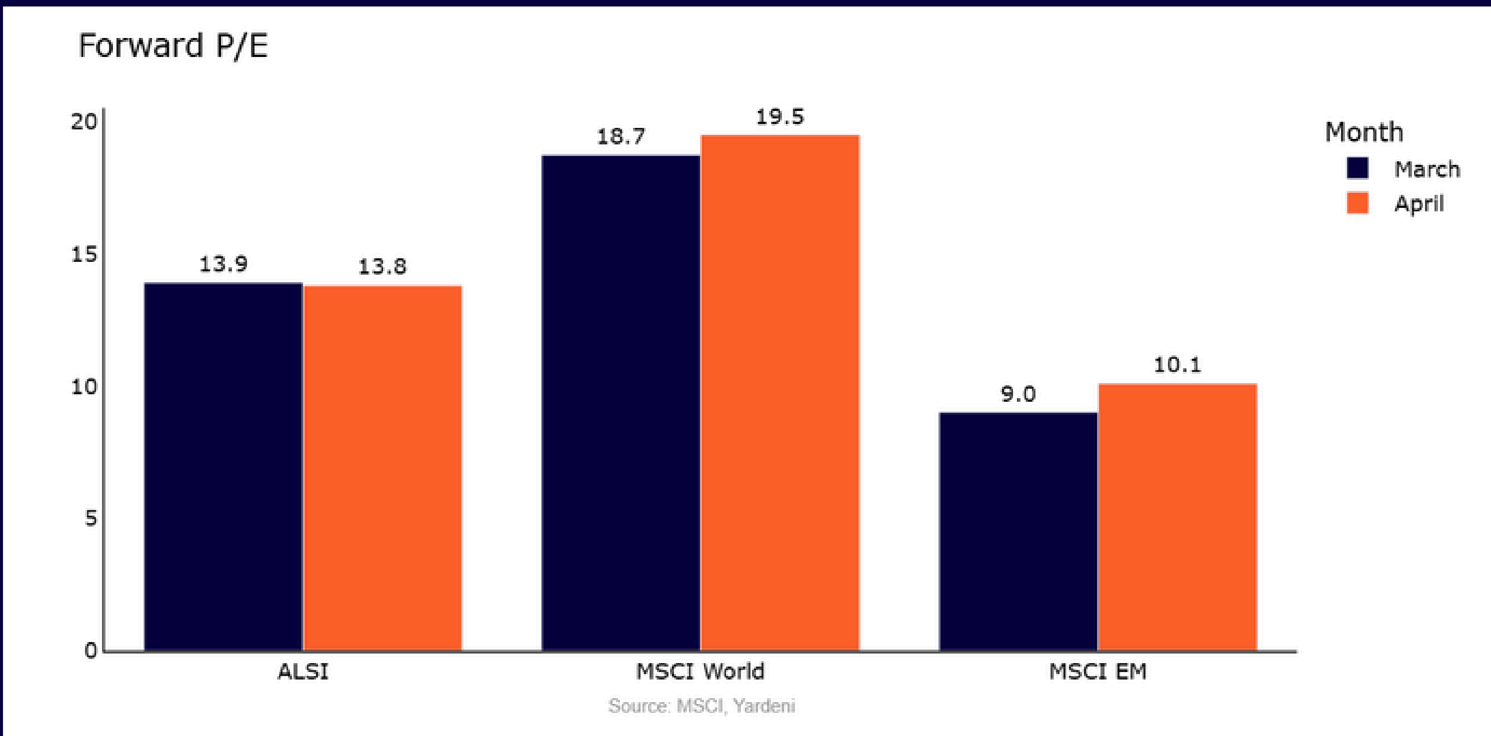
April 2026

April saw a strong rebound across global markets, validating a strategy of leaning into volatility and maintaining offshore exposure. While inflation has ticked higher, this appears largely driven by temporary energy shocks, with longer term pressures expected to ease. Against this backdrop, both equities and bonds continue to present compelling opportunities for patient investors.

NEW ROAD CAPITAL
INVESTMENT MANAGEMENT

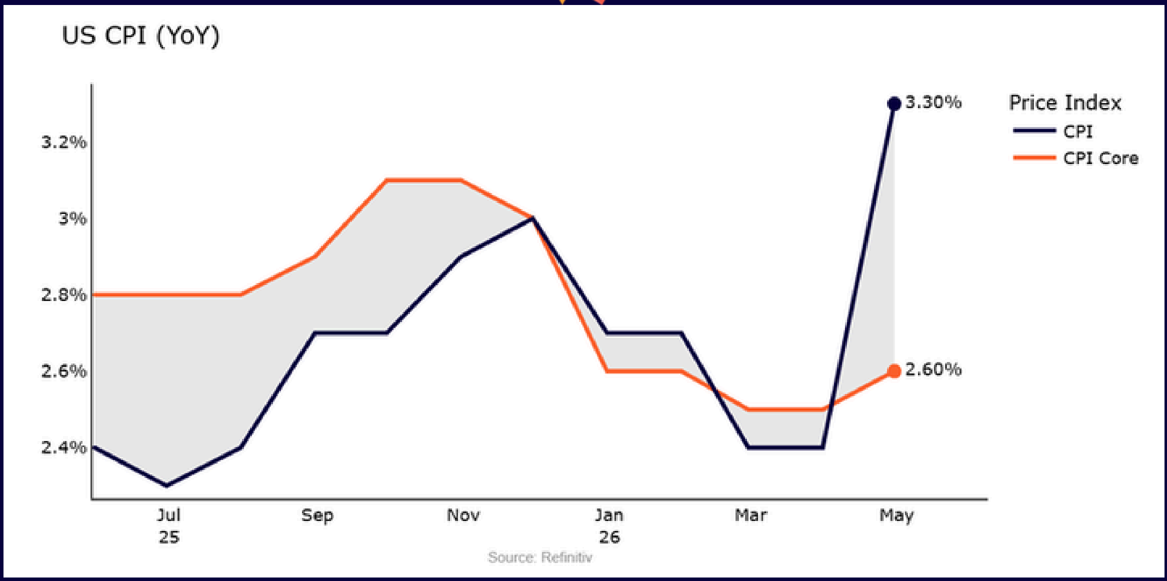
EQUITIES

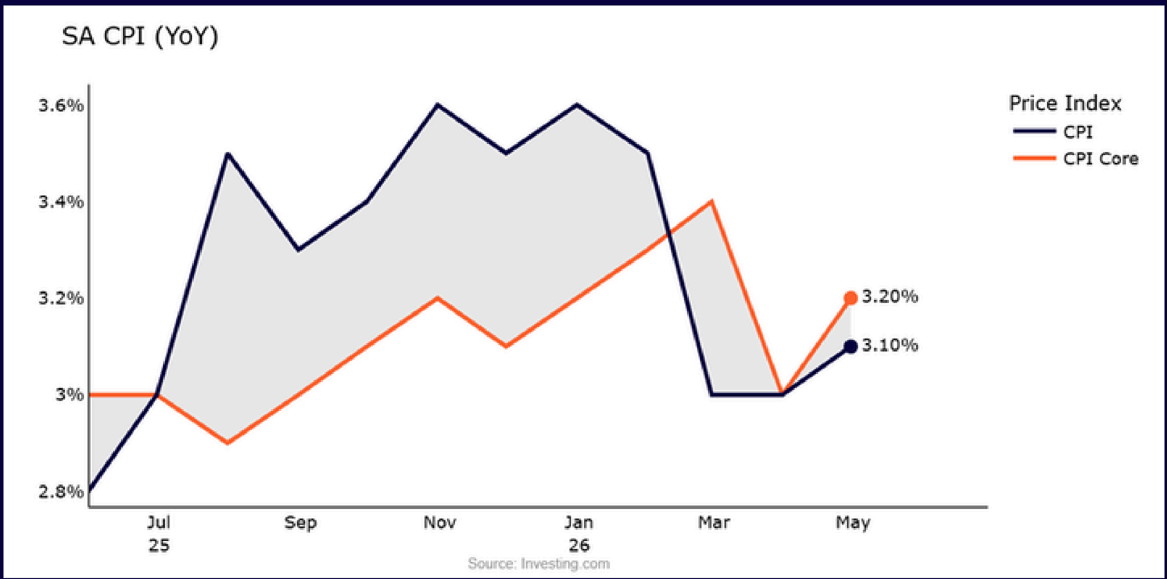




- Markets rebounded sharply in April following what now appears to have been an overreaction in March, reinforcing the importance of staying invested and leaning into volatility rather than away from it.
- Increasing offshore equity exposure during the dip proved beneficial, with global markets, particularly in the US, driving strong portfolio performance.
- Corporate fundamentals remain resilient, with major tech companies continuing to deliver earnings above expectations, suggesting that underlying growth remains intact despite geopolitical noise.
- While oil related uncertainty persists, markets are already looking through the disruption, pricing in a normalization as global supply chains adjust, much like the post Ukraine invasion period.
- Valuations still appear reasonable, and the broader investment thesis remains constructive, with opportunities continuing to present themselves for disciplined investors.

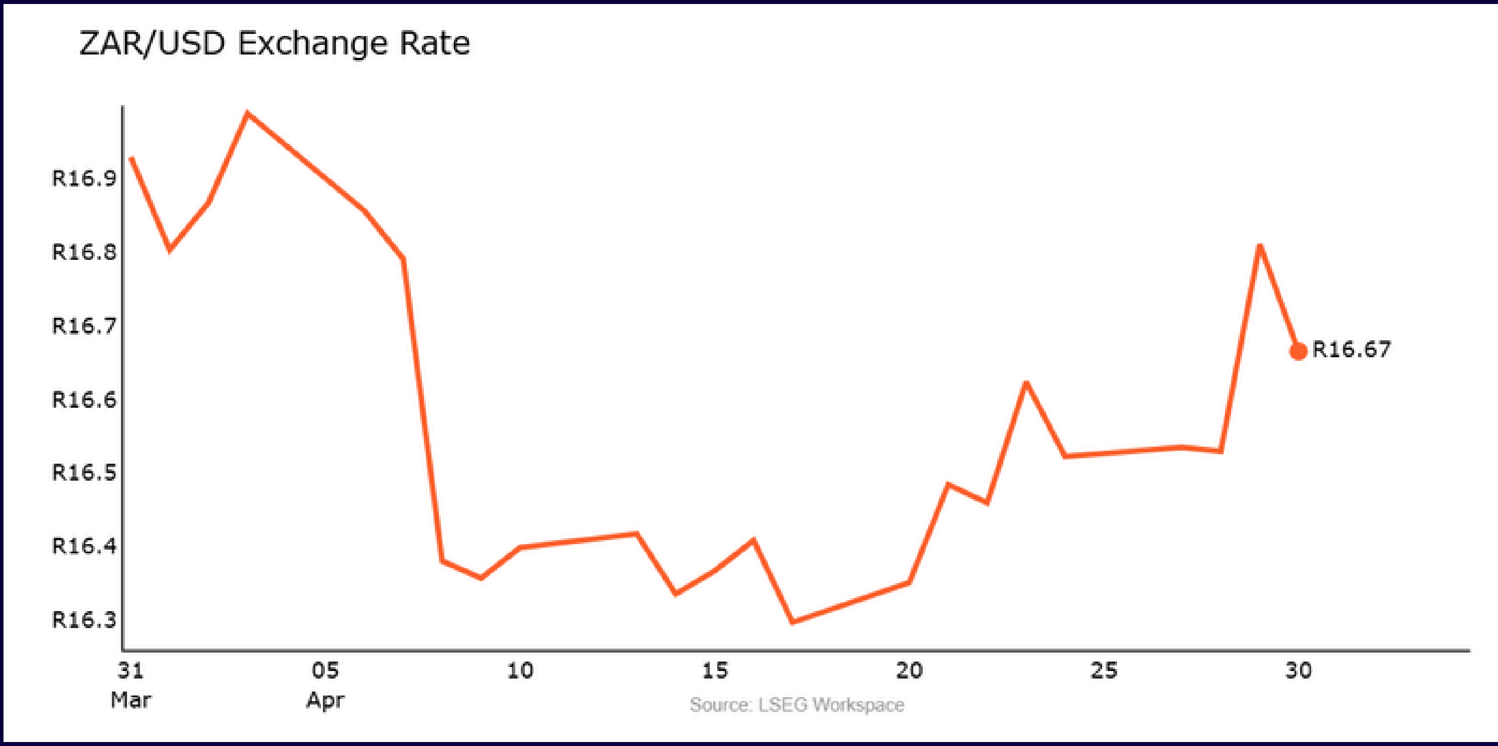
INFLATION

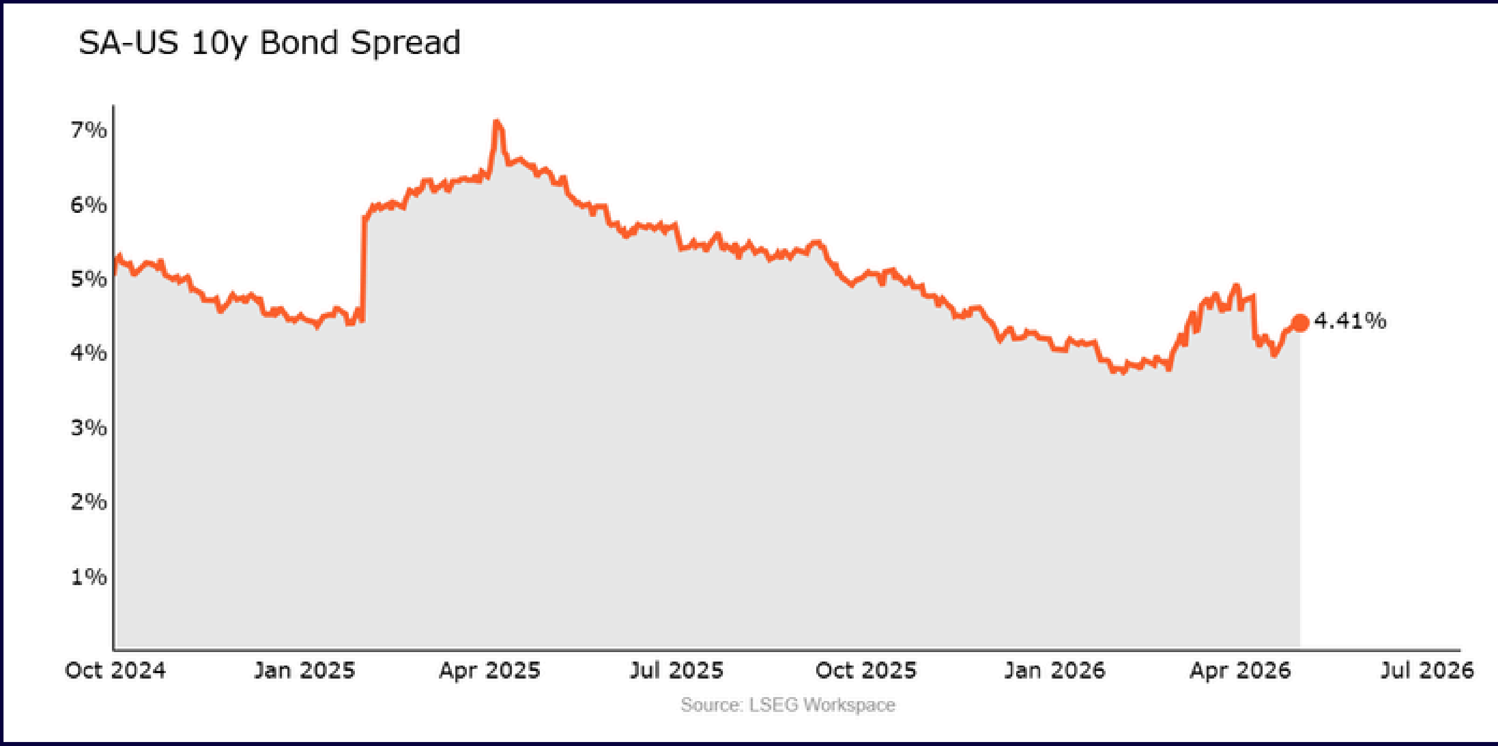




- The recent uptick in US inflation, from 2.4% to 3.3%, is largely attributable to higher oil prices, pointing more to a temporary shock than a sustained inflationary trend.
- Energy and food price increases are filtering through headline inflation, but these pressures are expected to ease as supply chains adapt and oil prices stabilize.
- Longer term, structural inflationary forces remain muted, supporting the view that inflation will trend lower once current base effects unwind.
- Locally, inflation remains relatively contained, though short-term pressure from fuel costs is expected before moderating in line with global trends.

LOCAL vs ECONOMY

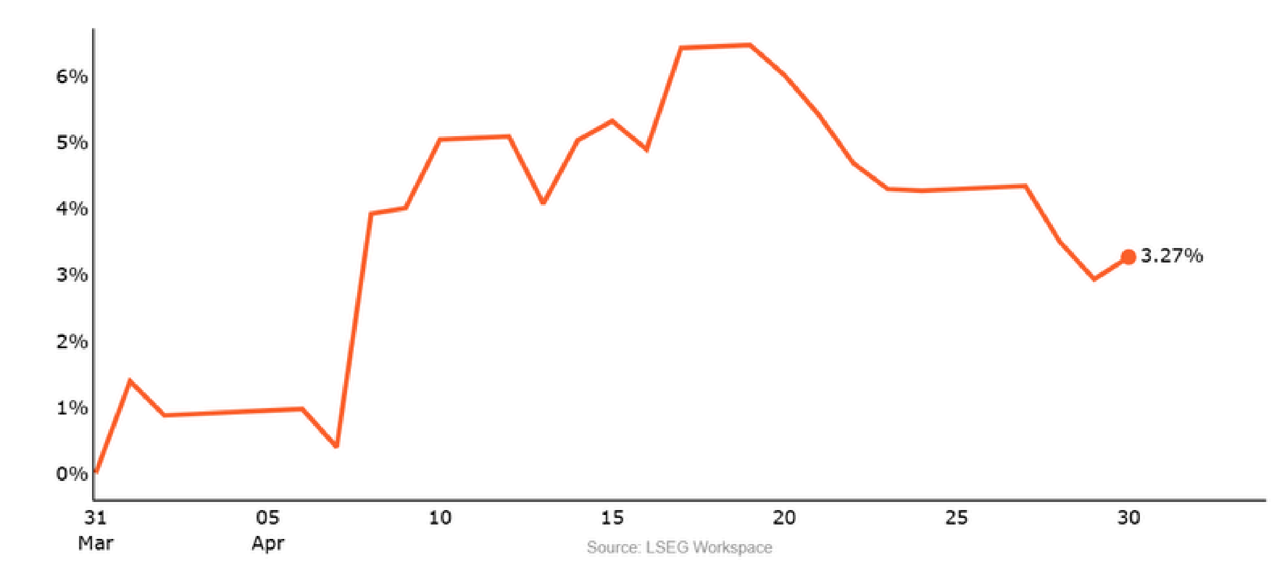




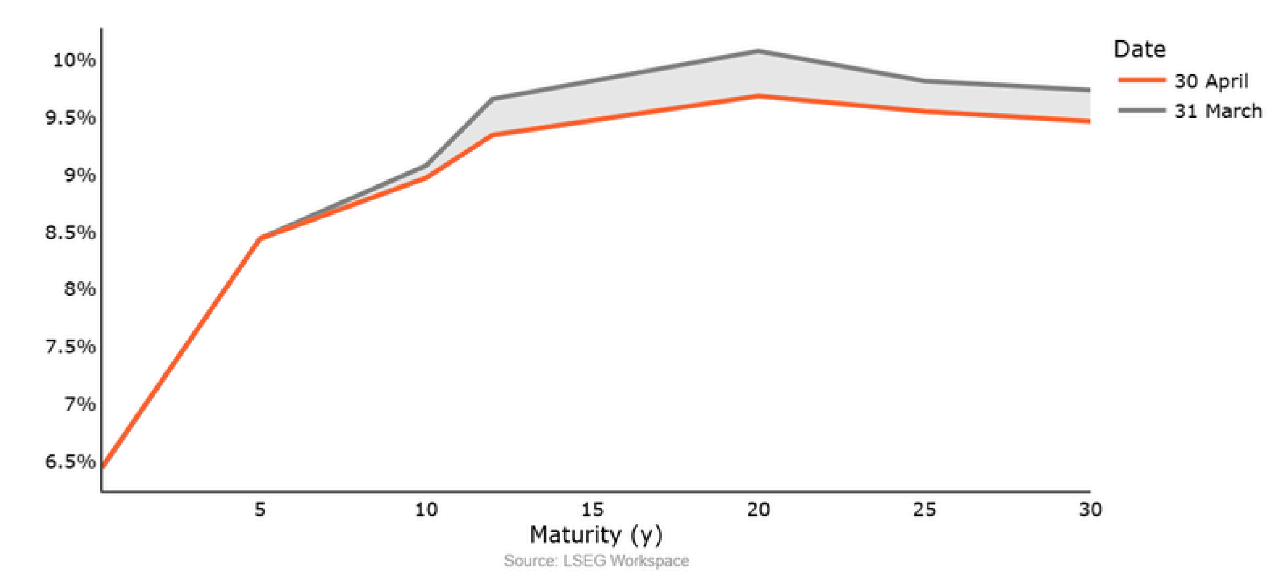
- The rand strengthened modestly during April amid improved global risk sentiment, though some of those gains were partially reversed later in the month.
- Offshore assets, particularly US equities, continued to outperform, delivering strong returns even when translated back into rand terms.
- South Africa's inflation backdrop remains more stable relative to global peers, although both economies are navigating similar short-term energy driven pressures.
- Structural growth and earnings momentum remain more compelling in the US, reinforcing the case for maintaining offshore exposure within diversified portfolios.

BONDS

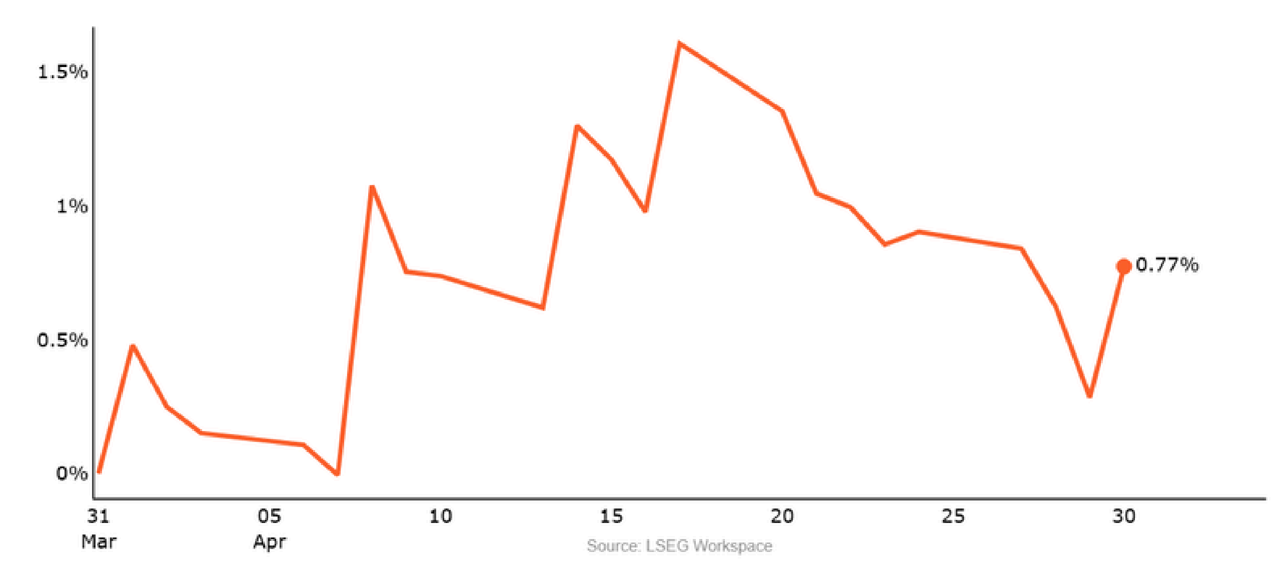
ALBI Total Return



Yield Curve South Africa



FTSE G7 Total Return



- Both local and US bonds recovered in April after weakness in March, highlighting improved entry points following earlier yield driven sell offs.
- South African bonds continue to offer attractive yields (above 9.5% on the long end), with potential for capital appreciation if inflation moderates as expected.
- Maintaining exposure to longer-duration bonds has been rewarding, with both income and capital returns contributing positively.
- US Treasuries continue to play a valuable diversification role, acting as a hedge within portfolios and supporting overall stability during periods of market volatility.