



**LAURIUM
CAPITAL**

LAURIUM FLEXIBLE PRESCIENT FUND

Quarterly Commentary March 2026

The first quarter of 2026 ended on a highly unsettled note, with March marking an exceptionally unusual and difficult period for global markets. Geopolitical risk escalated sharply as February drew to a close, following the outbreak of conflict between the Israel-United States alliance and Iran. The conflict drew in a number of regional actors, including parts of the Gulf Cooperation Council, raising fears of broader regional instability. The key issue unsettling markets was Iran's closure of the Strait of Hormuz, a critical chokepoint through which roughly 20% of global oil supply flows, along with significant volumes of refined products and fertiliser. Energy prices responded aggressively, with Brent crude surging sharply at points during March and driving renewed inflation concerns globally.

Against this backdrop, global equity markets struggled to retain early quarter gains. For the quarter as a whole, MSCI World ended broadly flat in local currency terms but declined -3.4% in USD year to date (YTD), while the S&P 500 closed the quarter down -4.4% in USD. Emerging markets were disproportionately affected, reflecting tighter financial conditions driven by higher oil prices, rising real yields and a stronger US dollar. While MSCI Emerging Markets remained positive (+2.5% YTD in ZAR terms), returns were weaker in USD (-0.1% YTD).

South African markets also experienced a volatile quarter. Equities ended modestly higher for the year, with the FTSE/JSE All Share Capped Index down -0.5% YTD, but this masked a sharp sell off in March of -10.5%. Bonds underperformed, with the All Bond Index down -3.6% YTD, reflecting higher global yields and a widening local risk premium. The rand weakened meaningfully over the quarter, amplifying USD based losses and contributing to South Africa's underperformance in dollar terms, with MSCI South Africa down sharply in USD YTD terms.

The SARB maintained a cautious stance, holding the repo rate at 6.75% while revising its inflation outlook higher. While the tone was less hawkish than expected given the scale of the energy shock, the Bank emphasised vigilance around second round inflation effects. Scenario analysis indicated that a prolonged period of elevated oil prices and a weaker rand could still necessitate rate hikes later in the year.

The Laurium Flexible Prescient Fund declined -0.9% over the three months to 31 March 2026, in what proved to be a volatile and uneven quarter across asset classes. The period started with a supportive domestic backdrop, as South African inflation continued to trend lower toward the 3%.

However, conditions deteriorated meaningfully toward quarter end as geopolitical tensions intensified, oil prices rose sharply and global risk appetite weakened. Market performance became increasingly narrow and concentrated, with late quarter drawdowns in both local and global equities weighing on fund returns.

Despite the challenging backdrop, resource exposures were the key support to performance over the quarter. The single largest contributor was Glencore, which added +1.1% to fund performance from an average holding of approximately 3.3%. The stock benefited from sustained investor interest in copper and diversified mining exposure, as well as rising energy prices later in the quarter. Within precious metals, AngloGold Ashanti contributed +0.4%, while Gold Fields added +0.2%, reflecting the fund's constructive positioning in gold during a period marked by heightened geopolitical risk. Together with a smaller contribution from BHP Group (+0.2%), diversified miners and precious metals were central in offsetting weakness elsewhere in the portfolio.

Outside resources, selected rand hedge and financial positions also provided modest support. AB InBev added +0.3%, continuing to play a diversification role within the portfolio, while Standard Bank, Discovery and Remgro contributed small positive returns. Modest positions in FTSE/JSE Top 40 Index futures (+0.2%) and USD/ZAR (+0.1%) further helped cushion the impact of weaker risk sentiment toward quarter end.

The largest detractor was the Naspers/Prosus complex, which reduced fund performance by a combined -1.8%. Prosus alone detracted -1.4%, with Naspers contributing a further -0.4%, reflecting pressure on offshore growth assets and weaker global equity markets as geopolitical developments overshadowed fundamentals. This was the single most important reason the fund ended the quarter in negative territory despite strong contributions from mining.

The fund's offshore equity allocation via the Laurium Global Active Equity Fund was the second largest detractor, reducing performance by -0.7%, as global equities declined sharply in USD terms during March, but the ZAR weakness did offer some protection. Domestically, consumer facing and insurance stocks remained under pressure despite an improving inflation backdrop. Mr Price detracted -0.3%, Clicks -0.2%, and Sanlam -0.2%, while Impala Platinum detracted -0.2%, reflecting weaker PGM prices relative to gold.

Looking ahead, the outlook remains highly fluid. Messaging from the US regarding the likely duration of the conflict has been inconsistent, and the trajectory of oil prices remains critically dependent on how long the Strait of Hormuz remains disrupted. The implications for global inflation and central bank policy responses remain the key risks for markets in the coming quarters.

Against this backdrop, the **Laurium Flexible Prescient Fund** remains well diversified, and has one of the highest cash balances in history with most of the cash in USD. In addition the fund has put option protective structures over the South African Equity Market in place through to the end of June 2026. In an environment defined by geopolitical shocks and policy uncertainty, disciplined risk management is key.

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Performance declaration for Laurium Flexible Prescient Fund (Class A1)

	FUND	BENCHMARK (CPI + 5%)
Annualised return since inception	+12.5%	+10.1%
Cumulative return since inception	+370.0%	+254.7%
1 Year	+22.9%	+8.3%
3 Year (annualised)	+16.1%	+8.9%
Highest rolling 1-year return (since inception)	+45.3%	
Lowest rolling 1-year return (since inception)	-15.1%	
Fund inception date	01 February 2013	

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Performance for the A1 class has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and divided withholding tax. Full performance calculations are available from the manager on request.

Annualised performance: Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request. Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown. NAV: The net asset value represents the assets of a Fund less its liabilities. High Water Mark: The highest level of performance achieved over a specified period. Prescient Management Company (RF) (Pty) Ltd is registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002) . Laurium Capital (Pty) Ltd, Registration number: 2007/026029/07 is an authorised financial services provider. (FSP34142) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002) For any additional information such as fund prices, fees, brochures, minimum disclosure documents and application forms please go to www.lauriumcapital.com