H1 STEWARDSHIP REPORT 2026

Content Page

CIO Letter

> All of them determine whether a crisis is a temporary operational hiccup or a permanent impairment of capital.

Global markets have always been shaped by events occurring far beyond company boardrooms. Yet a few examples better illustrate the interconnectedness of today's economy than the Strait of Hormuz. Roughly a fifth of the world's seaborne oil passes through a channel that narrows to barely 33 kilometres. For decades, disruption was periodically threatened, but a full shutdown never materialized.

This reporting period, it did.

Following the US strikes on Iran on 28 February, transits fell to a fraction of their pre-crisis baseline and have not recovered. What followed was the rollout of a scenario most financial models treated as a mere footnote: futures and physical crude diverging sharply, cargo rerouting around the Cape of Good Hope, and a second major maritime corridor in the Red Sea disrupted simultaneously.

We draw one primary lesson from this, and it has little to do with geopolitical forecasting. We did not predict the closure, and we make no claim that we could have. The lesson lies in the difference between a portfolio built on macro assumptions and one built on the resilience of the underlying businesses. When a low-probability shock occurs, positions dependent on smooth conditions are exposed. Positions held because the underlying business is durable tend to adapt.

This is precisely why we treat Environmental, Social, and Governance (ESG) factors as core to the investment case, rather than as an exercise applied after the fact. We do not treat ESG factors as a separate overlay, but as core inputs to cash flow durability. Governance dictates who allocates capital when the baseline scenario breaks down. Environmental exposure and supply chain concentration dictate how severely a physical shock hits operational margins. Human capital stability dictates how quickly a business recovers. None of these arrive on timetables management controls, but all of them determine whether a crisis is a temporary operational hiccup or a permanent impairment of capital.

This year's bi-annual report reflects Aeon Investment Management's continued commitment to integrating these considerations into our investment process. Ownership is not a passive act. Over the period, we participated in 11 Annual General Meetings and voted on 220 resolutions, opposing 15% of them, or roughly one in seven. Those votes against were concentrated in two specific areas: the election and re-election of non-executive directors, as well as executive remuneration. This focus is deliberate. Board composition and compensation design are the two levers over which shareholders have meaningful control. They determine who sits in the room during a crisis and what those decision-makers are incentivized to optimize for. We do not cast these votes as acts of protest; we cast them when we judge that resilience is being under-built in a business we can still influence.

The world's most consequential passages are often its narrowest, and recent events have shown how little margin sits between an assumption and an outcome. The path to sustainable, long-term returns is rarely broad or straightforward. It demands discipline over reaction, perspective over prediction, and resilience over complacency.

Thank you for entrusting us with your capital through a period in which the improbable became the reality.

Yours Sincerely,

Muneer Ahmed, CA(SA), CFA

Chief Investment Officer

TISFD Framework

01: WHAT?

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) is developing a global disclosure framework that helps businesses and financial institutions identify, assess, manage, and disclose people-related impacts, dependencies, risks, and opportunities. The framework aims to bring social and inequality-related issues into investment decision-making.

02: WHY?

The framework was developed in response to growing recognition that inequality and other people-related issues create significant risks and opportunities for businesses, investors, economies, and society. TISFD aims to improve transparency, support better decision-making, and contribute to more resilient and inclusive economic systems. It also seeks to harmonise social disclosures by building on existing frameworks such as the ISSB, GRI, and ESRS, while recognising the interconnectedness of people, climate, and nature.

03: WHO?

The primary users of the TISFD Framework are investors, companies, financial institutions, regulators, and other stakeholders. Ultimately, the framework seeks to benefit workers, communities, and society more broadly by improving transparency around people-related impacts and inequalities.

04: WHERE?

The TISFD is a global initiative designed for application across all regions and sectors. It seeks to provide a globally relevant and interoperable framework that aligns with existing sustainability reporting standards and can be used by organisations worldwide.

05: HOW?

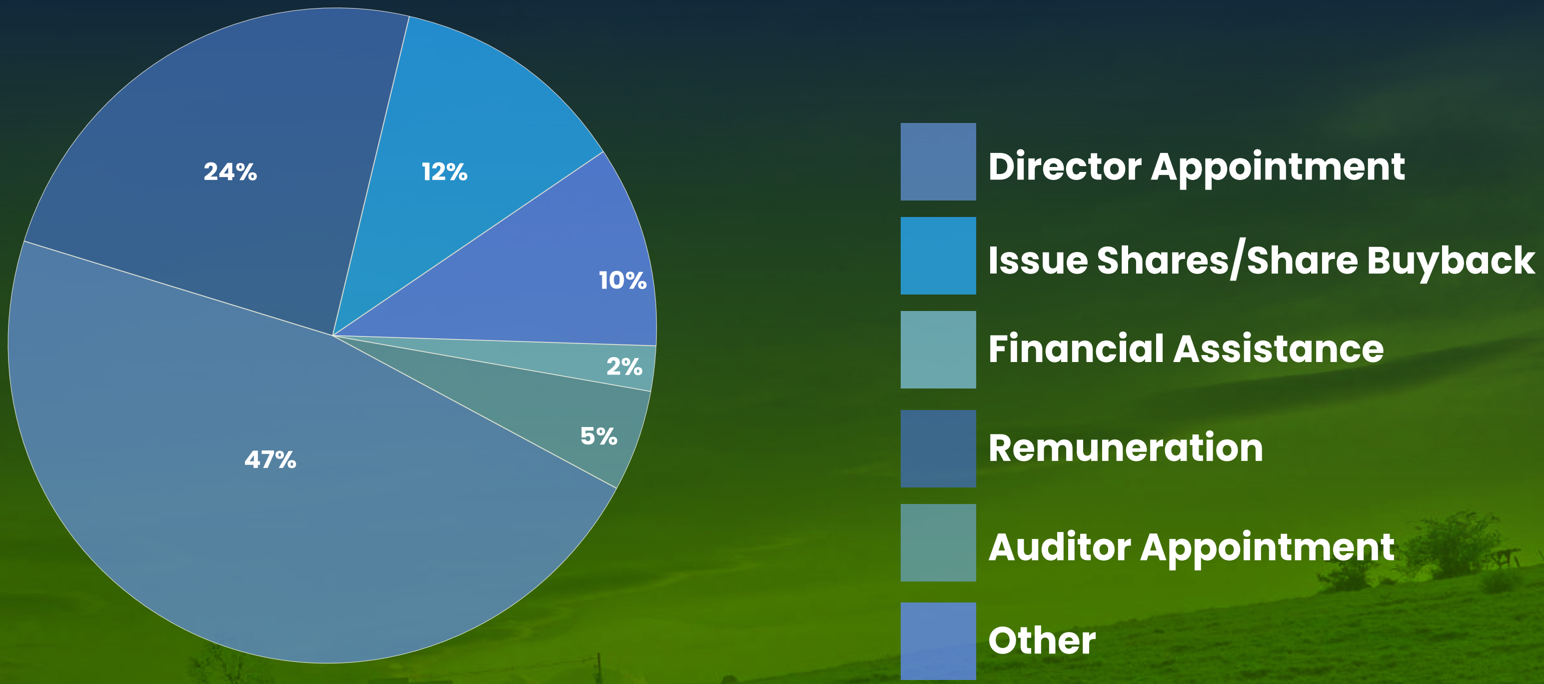
The TISFD proposes disclosures structured around four core pillars (Governance, Strategy, Impact and Risk Management, and Metrics and Targets). These pillars are supported by five general requirements: Materiality, System-Relevant Information, Stakeholder Engagement, Scope, and Time Horizons. These requirements help organisations identify and disclose decision-useful information relating to people-related impacts, dependencies, risks, and opportunities.

06: WHEN?

The first draft of the framework, Beta Version 0.1, was released in May 2026.

Proxy Voting Breakdown (%)

This chart illustrates the breakdown of proxy votes cast by Aeon Investment Management, categorized by the different resolution type, in percentage form.



Stewardship activities form a core component of our responsible investment approach. We exercise our shareholder rights through proxy voting and investee company engagement.

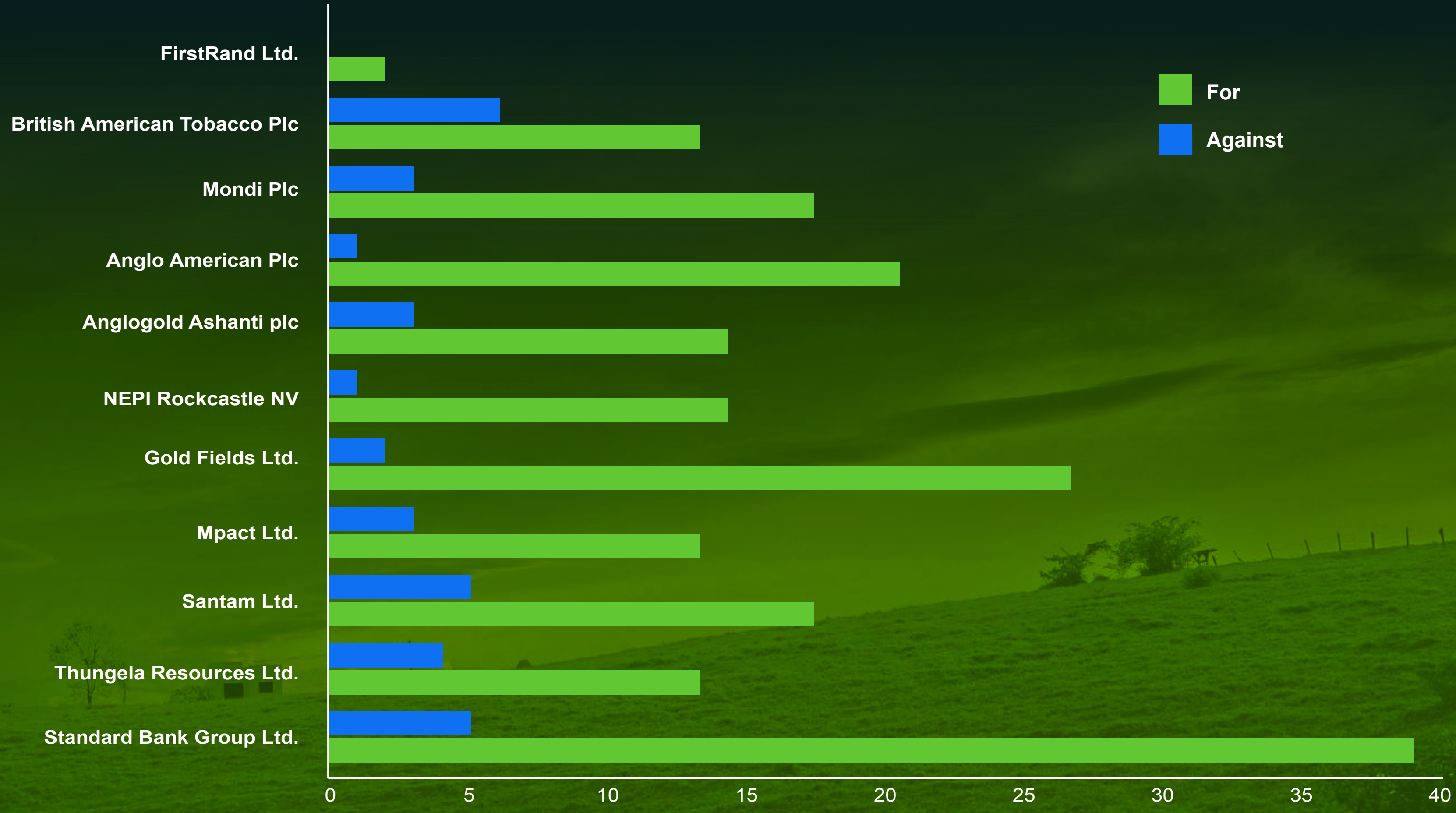
Our proxy voting decisions are guided by principles set out in our Governance Policy, our investment philosophy and King V recommendations.

Proxy Voting Recommendation Type

This chart illustrates the breakdown of proxy votes cast by Aeon Investment Management, categorized by the different resolution type. Majority of casted votes related to director appointments. We voted in favour of most director appointments and re-elections during the reporting period. Exceptions were made where appointments were not aligned with our governance principles and King V recommendations.

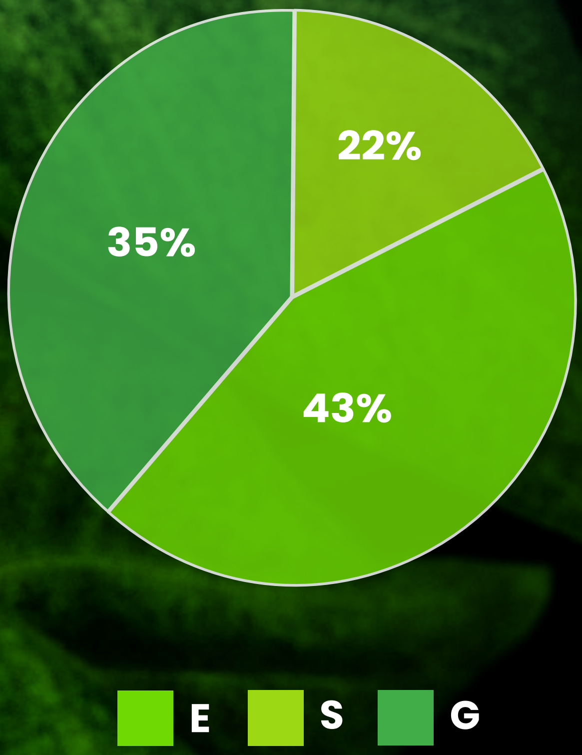
Company Proxy Voting Breakdown

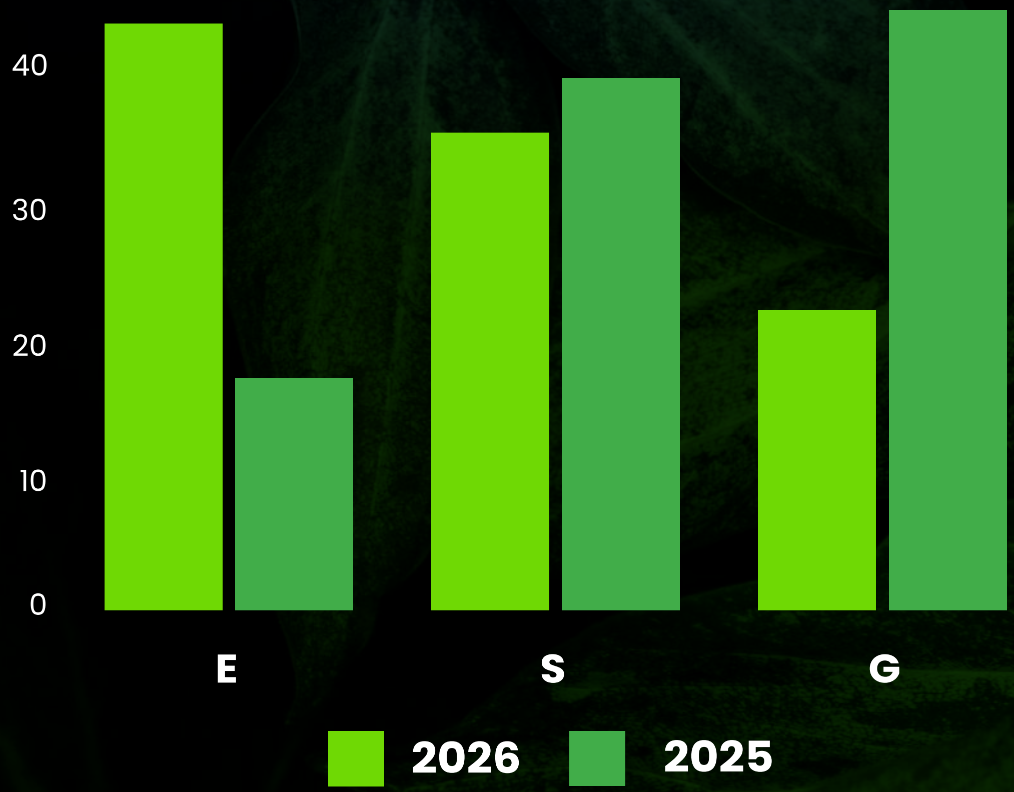
This chart illustrates the breakdown of proxy votes cast by Aeon Investment Management, divided between those voted in favour and those voted against.



Many of the resolutions we voted against during this period, related to remuneration. The rationale for these votes included concerns on executive remuneration, excessive or inappropriate non-executive director fees or insufficient disclosures on key remuneration metrics such as pay ratios or gender pay gap.

During H1 2026, Aeon Investment Management engaged with stakeholders across all three ESG pillars. Environmental engagements increased significantly compared with the prior year, while Social and Governance engagements remained an important engagement focus point. This reflects Aeon's continued commitment to meaningful stakeholder engagement, addressing material ESG issues and contributing to a more sustainable South Africa, while seeking to generate positive, sustainable returns for our clients.





Bittersweet: The State of South Africa's Sugar Industry

South Africa's sugar industry has been under an immense amount of pressure. Unprecedented levels of low-cost imports have flooded the market which has threatened the livelihoods of thousands of people.

Ever thought that something as small as a sugar particle could make up a multi-million-rand industry? Well, the tiny sugar crystals that make their way into your morning coffee have roots that can be traced back to an industry worth millions.

Thousands of growers cultivate nearly 350,000 hectares of sugarcane across the rural landscapes of KwaZulu-Natal and Mpumalanga. From there, the harvest is funnelled through a network of mills that collectively produce nearly 17 million tonnes of sugar each year.

What ends up as an ingredient in your favourite treat is actually part of a value chain that supports thousands of jobs, small-scale growers, and sustains many livelihoods in communities with limited economic alternatives.

The local sugar industry is currently exposed to factors beyond its control. An influx of subsidised imports has hindered the competitiveness of South African-produced sugar. Sales have declined, and producers are feeling the resulting financial strain. Local producers now find themselves in the bitter position of having to compete against artificially low global prices.

The Core Issue

At the heart of this challenge is South Africa's tariff framework, specifically the lag in how it has responded to changing market conditions. The tariff that is meant to protect the local industry from unfairly priced imports is known as the Dollar-Based Reference Price (DBRP). It provides protection by setting a minimum price for imported sugar. Essentially, when sugar enters the country below this threshold, a tariff is applied to bring it up to the DBRP.

The importance of the DBRP cannot be overstated, especially considering that global sugar prices are distorted because many major producing countries benefit from heavy government subsidies. These subsidies allow them to export their surplus sugar at prices that may fall well below the cost of production. To compete in the global market, South African producers would have to heavily discount their prices. South African producers are better off selling locally. For every tonne of sugar sold on the global market, it is estimated that the local market loses approximately R7,300.

Theoretically, when global prices decline, tariffs should increase to prevent a flood of cheap imports. In practice, however, these adjustments have not been sufficiently responsive. The tariff was last revised in 2018. The delay in reassessing the DBRP has weakened its effectiveness for local sugar growers. As a result, sugar imports spiked in 2025, rising by more than 400% compared to the previous year.

Now, sure, lower sugar prices may seem beneficial for consumers, but the reality is more complex. Imported sugar is often sold at prices similar to locally produced sugar, meaning the primary beneficiaries are import agents, who earn higher margins, rather than households.

The Middle East Conflict war has added another layer to this already complex story. Through its impact on oil prices, it has driven up the cost of fertiliser, which accounts for roughly 20% of production expenses. The cost of diesel used for transport has also increased, making local sugar even more expensive to produce.

Case Study

There has been no delay in the real-life effects of this situation. RCL Foods, owner of the Selati brand, has cited mounting pressure within its sugar division as instability in the sector expands. In its 2025 annual results, the group noted that while performance was initially resilient, momentum slowed sharply in the second half of the financial year, largely due to the surge in low-cost sugar imports and weakening consumer demand.

This pressure is reflected in the numbers. The sugar division's revenue declined by more than 500 basis points year-on-year, while earnings before interest, tax, depreciation and amortisation (EBITDA) fell by nearly half.

Efforts to address this have not been straightforward. In October 2024, SA Canegrowers and the South African Sugar Association formally called for an increase in the DBRP. However, resistance from beverage and alcohol producers has complicated the process. For them, lower sugar prices help manage costs and protect margins. The DBRP is currently under review by the International Trade Administration Commission.

For an industry that underpins livelihoods across large parts of the country, this is about more than policy, it is about economic resilience and social stability. Until a

"At the heart of this challenge is South Africa's tariff framework."

Bahati Hassan
Equity Analyst

Local Portfolio

The graphs below provide an overview of Aeon's Active Equity portfolio's carbon footprint compared to the ALSI benchmark. The performance figures are based on companies that have disclosed their ESG metrics. This Bloomberg tool measures the carbon footprint of investments, enabling us to understand our portfolios' environmental impact better. For H1 2026, Aeon's Active Equity portfolio recorded a lower carbon footprint than its benchmark, reflecting our disciplined investment approach that integrates both strong fundamentals and environmental considerations.

The Average Method, on the other hand, calculates the actual carbon emissions of the companies in the portfolio. It reflects the portfolio's direct contribution to real-world carbon emissions.

Portfolio vs Benchmark Carbon Footprint

Portfolio vs Benchmark Carbon Data

	Portfolio	Benchmark	Difference
Owned Carbon Emissions (Tonnes CO2e)	0.6 bn		
Carbon Footprint (Tonnes/Invested (Million ZAR))	4.3	11.3	-7.0
Carbon Intensity (Tonnes/Million ZAR) - index method	9.4	19.8	-10.4
Carbon Intensity (Tonnes/Sales (Million ZAR)) - average method	8.3	14.1	-5.9

Portfolio vs Benchmark Carbon Footprint

Carbon Intensity | Average Method

Portfolio vs Benchmark Carbon Data (% by Weight)

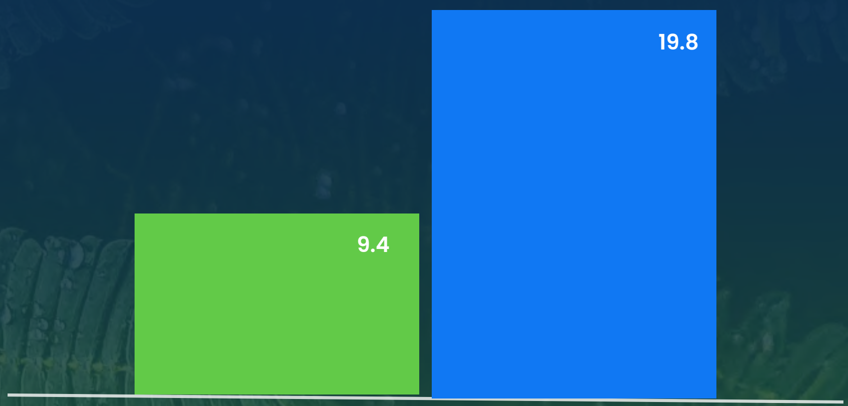
	Portfolio	Benchmark	Difference
Percent members with reported Carbon Emission Data (By Security Count)	92.6%	69.8%	22.8%
Percent members with estimated Carbon Emission Data (By Security Count)	7.4%	30.3%	-22.8%
Percent members with mixed Carbon Emission Data (By Security Count)	-	-	-
Percent members without Carbon Emission Data (By Security Count)	-	-	-
Overall percent of members where estimated Carbon Emission Data is available (By Security Count)	100.0%	100.0%	0.0%

Portfolio Carbon Analysis

The Index Method measures the carbon intensity of the portfolio by calculating the weighted average greenhouse gas emissions of its holdings relative to their revenue. This metric indicates the portfolio's exposure to carbon-intensive companies and is expressed as tonnes of CO_2e per milion of revenue.

Portfolio vs Benchmark Carbon Footprint

Carbon Intensity | Index Method



Portfolio vs Benchmark Carbon Data (% by Weight)

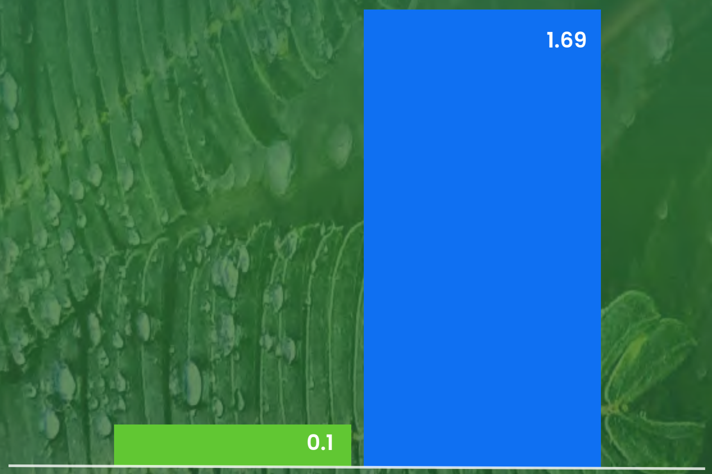
	Portfolio	Benchmark	Difference
Percent members with reported Carbon Emission Data (By Security Count)	92.6%	69.8%	22.8%
Percent members with estimated Carbon Emission Data (By Security Count)	7.4%	30.3%	-22.8%
Percent members with mixed Carbon Emission Data (By Security Count)	-	-	-
Percent members without Carbon Emission Data (By Security Count)	-	-	-
Overall percent of members where estimated Carbon Emission Data is available (By Security Count)	100.0%	100.0%	0.0%

Global Portfolio

The graphs below provide an overview of Aeon's Global Equity portfolio's carbon footprint compared to the MSCI benchmark. The performance figures are based on companies that have disclosed their ESG metrics. This Bloomberg tool measures the carbon footprint of investments, enabling us to understand our portfolios' environmental impact better. For H1 2026, Aeon's global portfolio recorded a lower carbon footprint than its benchmark, recognising that, despite our size within the broader investment universe, we remain committed to exercising our stewardship responsibilities effectively.

The Average Method, on the other hand, calculates the actual carbon emissions of the companies in the portfolio. It reflects the portfolio's direct contribution to real-world carbon emissions.

Portfolio vs Benchmark Carbon Footprint

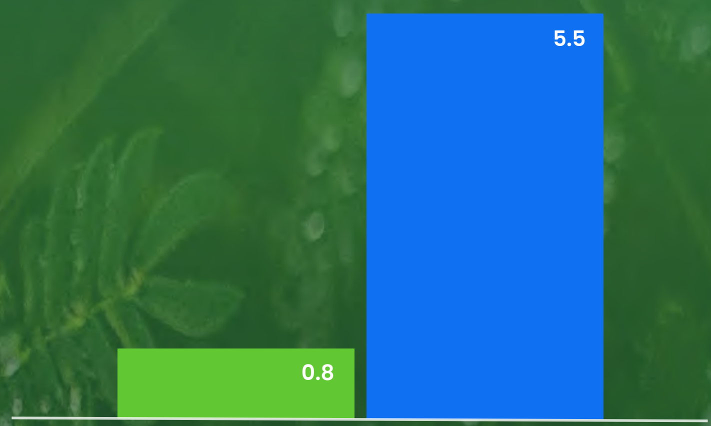


Portfolio vs Benchmark Carbon Data

	Portfolio	Benchmark	Difference
Owned Carbon Emissions (Tonnes CO2e)	0.2 bn		
Carbon Footprint (Tonnes/Invested (Million ZAR))	0.1	1.7	-1.6
Carbon Intensity (Tonnes/Million ZAR) - index method	0.7	5.7	-5.0
Carbon Intensity (Tonnes/Sales (Million ZAR)) - average method	0.9	5.5	-4.6

Portfolio vs Benchmark Carbon Footprint

Carbon Intensity | Average Method



Portfolio vs Benchmark Carbon Data (% by Weight)

	Portfolio	Benchmark	Difference
Percent members with reported Carbon Emission Data (By Security Count)	60.7%	64.4%	-3.7%
Percent members with estimated Carbon Emission Data (By Security Count)	39.3%	35.6%	3.7%
Percent members with mixed Carbon Emission Data (By Security Count)	-	-	-
Percent members without Carbon Emission Data (By Security Count)	-	-	-
Overall percent of members where estimated Carbon Emission Data is available (By Security Count)	100.0%	100.0%	0.0%

The Index Method measures the carbon intensity of the portfolio by calculating the weighted average greenhouse gas emissions of its holdings relative to their revenue. This metric indicates the portfolio's exposure to carbon-intensive companies and is expressed as tonnes of CO2e per milion of revenue.

Portfolio vs Benchmark Carbon Footprint

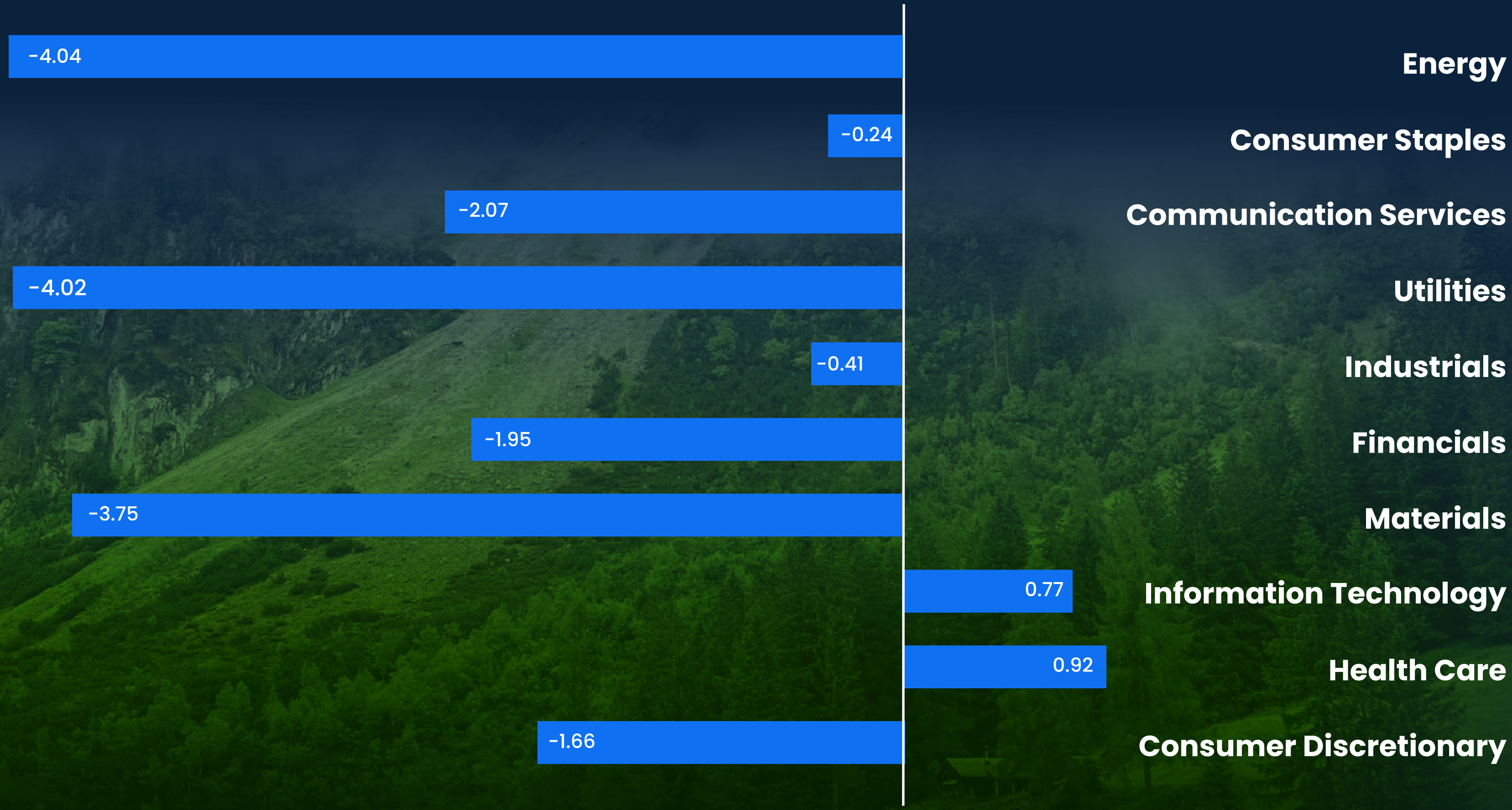
Carbon Intensity | Index Method

	Portfolio	Benchmark	Difference
Percent members with reported Carbon Emission Data (By Security Count)	60.7%	64.4%	-3.7%
Percent members with estimated Carbon Emission Data (By Security Count)	39.3%	35.6%	3.7%
Percent members with mixed Carbon Emission Data (By Security Count)	-	-	-
Percent members without Carbon Emission Data (By Security Count)	-	-	-
Overall percent of members where estimated Carbon Emission Data is available (By Security Count)	100.0%	100.0%	0.0%

Local Portfolio

Carbon Attribution Effect: The asset allocation impact was negative due to an overweight position in the materials sector. However, this was more than offset by positive security selection effect, as the chosen securities within the sector exhibited lower carbon intensity compared to the benchmark.

Global Portfolio



Carbon Attribution Effect: Both asset allocation and security selection contributed positively relative to the benchmark, primarily due to the portfolio's lack of exposure to the energy and materials sectors, which are typically more carbon intensive.

OUR JOURNEY
21 YEARS OF GROWTH

aeon INVESTMENT MANAGEMENT
long term wealth creation

2005
Inception as hedge fund
AUM: R100m

2008
Launch of Aeon Active Equity Fund, started managing
AUM: R100m

2011
Launch of Aeon Smart Multi-Factor Equity Prescient Fund
AUM: R948m

2012
Launch of Aeon Balanced Prescient Fund (Global)
AUM: R996m

2014
Became a UNPRI signatory
AUM: R2bn

2017
Won two Raging Bull Awards for our Aeon Balanced Prescient Fund
AUM: R6bn

2018
Launch of Aeon Balanced Fund (Domestic)
AUM: R10bn

2019
Launch of CIS fund for Aeon Active Equity Prescient Fund
AUM: R12bn

2021
Won a Citywire Award for our Aeon Balanced Prescient Fund.
Won an ABSIP Award - Best ESG Manager
AUM: R20bn

2022
Won a 27four ESG Award - Sustainable Asset Manager
AUM: R20bn

2026
AUM: R30bn
(as at 30 June 2026)

Signatory of:
PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT

Website LinkedIn

aeon INVESTMENT MANAGEMENT
long term wealth creation

THANK YOU

Signatory of:

PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT