

Southern Rock Capital

SA Allegro Strategy update
September 2026

Market update

The South African equity market had a difficult September, falling 5.8% and moving 3.1% lower for the year to date. Gold and platinum mining shares were the main drag as precious-metal prices weakened. Naspers and Prosus also fell sharply, reflecting continued investor caution towards Chinese companies, including their major investment, Tencent.

Companies that rely on the local economy also struggled. Insurers Discovery and Old Mutual were among the few financial shares to gain. Retailers provided another bright spot: Shoprite and Boxer extended their strong performances for the year, while Clicks and Spar recovered some of their earlier losses.

Inflation was slightly better than expected at 4.4%, but this was measured before September's sharp rise in oil prices. The South African Reserve Bank increased interest rates by 0.25%, taking the prime lending rate to 10.75%. Central banks in the US and Europe also raised rates as they continued to tackle inflation. The rand weakened by 1.9% against the US dollar to R16.42, while the government's 10-year borrowing rate rose to 9.0%.

The SA Allegro strategy concluded the month with a positive return of **+3.6%**, outperforming the benchmark's return of **-5.3%**.

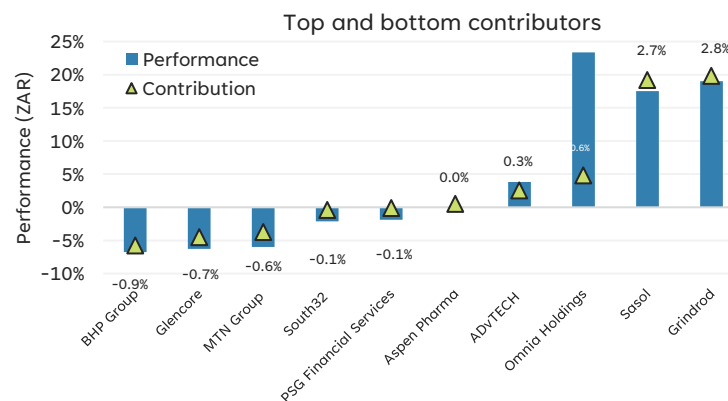
FTSE/JSE All Share price to earnings multiple at attractive levels



Source: FactSet Research

The strategy

September was a difficult month for the JSE, but our holdings told a more balanced story. While falling gold and platinum prices weighed heavily on the wider market, several of our companies benefited from their exposure to different commodities and sectors.



The strongest contributions came from **Omnia**, **Grindrod** and **Sasol**, which gained 23.4%, 17.9% and 17.5% respectively. **Omnia** rose after receiving an attractive cash takeover offer, while **Grindrod** was supported by record port volumes and improved profits. **Sasol** benefited from the sharp rise in oil prices, as well as continued improvements in its operations.

BHP and **South32** provided exposure to industrial metals rather than precious metals and remained among the JSE's leading shares for the year. **South32** has benefited from stronger results and its growing focus on copper, while **BHP** has been supported by higher copper prices and healthy cash generation. **ADvTECH** also remained a strong performer, reflecting steady demand for private education, while **Aspen's** progress in strengthening its finances and expanding into weight-loss treatments supported its longer-term investment case.

The remaining holdings, including **Glencore**, **Anglo American**, **MTN**, **PSG Financial Services** and **Netcare**, provided diversification across mining, telecommunications, financial services and healthcare. This broad mix helped cushion the portfolio during a month in which the overall JSE fell sharply and market performance varied widely from one company to another.

Rebalance into October

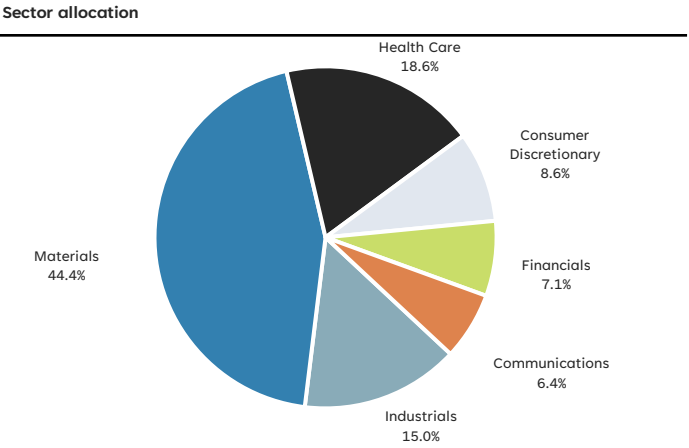
No new allocations this month

SA Allegro Strategy

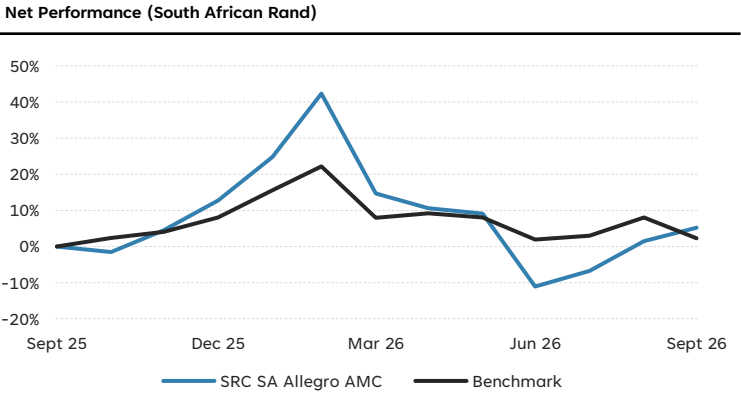
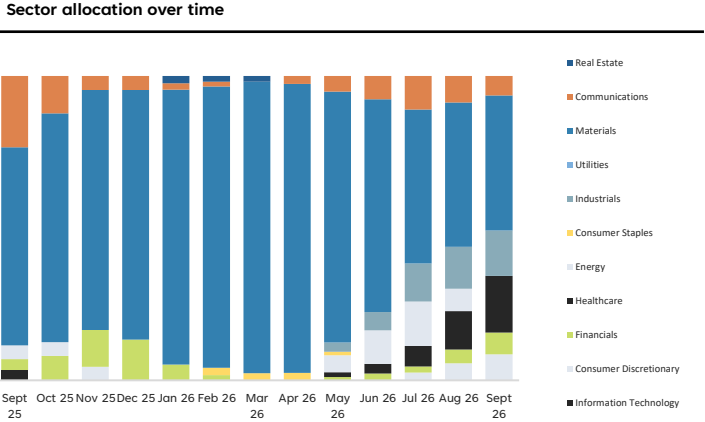
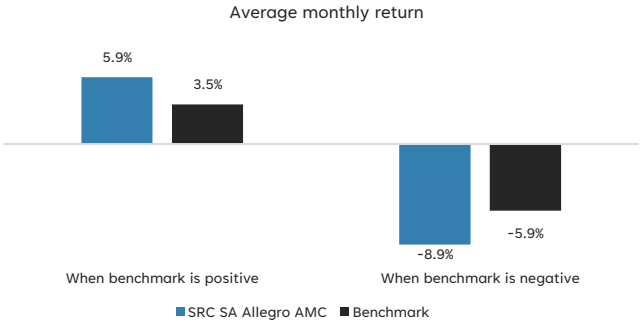
September 2026



Key facts	
Structure	Actively Managed Certificate
Issuer	UBS AG, Zurich
Issuer rating	S&P A+ Moody's Aa2 Fitch A+
Exchanges	JSE (South Africa)
SIX JSE Symbol	ALEGSA
ISIN	ZAE000353231
Number of holdings	11
Strategy objective	An actively managed SA equity strategy that seeks to achieve long-term capital growth.
Portfolio Advisor	Southern Rock Capital Limited
Investment strategy	The strategy seeks to buy JSE listed companies with the highest quality price momentum.
Strategy assets	R51m
Benchmark	Satrix Momentum ETF



Top 10 holdings	
1 Grindrod Limited	6 Glencore plc
2 Sasol Limited	7 PSG Financial Services Limited
3 Aspen Pharmacare Holdings Limited	8 MTN Group Limited
4 BHP Group Ltd	9 Omnia Holdings Limited
5 ADvTECH Limited	10 Netcare Limited



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025										-1.5	6.1	7.8	12.7
2026	10.7	14.0	-19.4	-3.6	-1.3	-18.5	4.9	8.8	3.6				-6.7

Inception : 30/09/2025
Source: UBS

Risk statistics (since inception)	Allegro	Benchmark
Alpha	2.9%	-
Beta	1.7	1
Annualised Return	5.2%	2.3%
Annualised volatility	35.4%	18.1%
Sharpe Ratio	-0.2	-0.5
Sortino ratio	-0.2	-0.7
Tracking error	22.0%	-
Information ratio	0.1	-



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Returns are net of fees, custody and brokerage and reference the UBS published reference portfolio level. Returns are calculated by UBS underlying securities of the model portfolio via the NEO engine. For periods greater than one year the returns have been annualised. Any illustrations prior to 30 August 2024 are back tested information.

Source: UBS

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