

Futuregrowth Community Property Fund

Quarterly report March 2026

Lawhill, Maritime Centre visit
Source: Futuregrowth

CAPITAL LAND
Property Asset Management
www.capland.co.za



The Futuregrowth Community Property Fund



The Futuregrowth Community Property Fund has invested in township and rural shopping centres for nearly three decades, delivering a return of 12.80% since inception. The portfolio continues to demonstrate resilient net income growth, supported by sustained demand for our centres and strong tenant trading density performance.

Job creation

As highlighted on page 15 of this report, more than 84% of employees across our shopping centre portfolio are drawn from the surrounding local communities, underscoring the Fund's contribution to inclusive economic participation and local job creation.

Community impact

Since 2017, we have supported high-potential students from township communities through bursaries to attend the Simon's Town School Lawhill Maritime Centre ("Lawhill Maritime Centre or Lawhill"), a specialist institution focused on maritime education and skills development. During a recent visit to Lawhill, we had the opportunity to engage with the four students currently supported through the programme. Further details can be found on page 14.

Smital Rambhai
Portfolio Manager

Pictured: Alexandra Plaza Centre Manager and Shoprite Store Manager
Source: Capital Land

Fund Facts

Servicing the needs of communities in rural areas and townships

Portfolio manager	Smital Rambhai
Asset class	Unlisted shopping centres in townships and rural areas (can include listed properties)
Return target	CPI + 4%
Asset exposure limits	Max 50% per province (market value) Max 25% per single asset (market value)
Liquidity	Min 90% of Fund in property or property-related instruments (market value) Max 10% in cash or units in a money market fund
Approval process	Board of Directors and Property Committee

Futuregrowth Asset Management (Pty) Ltd is the Fund Manager. The property management and property asset management component, such as the leasing, marketing, refurbishment and expansion of the properties, is managed by Capital Land Asset Management (Pty) Ltd.

The Fund forms part of Futuregrowth's suite of developmental investments. Current assets under management in the Fund total R9.4 billion.



Sam Ntuli Mall
Source: Capital Land

Fund facts

The objectives of the Fund are both commercial and social



Telkom, Boitekong Mall
Source: Capital Land

The Futuregrowth Community Property Fund specialises in the acquisition of new and existing shopping malls that cater to the needs of underserved communities in rural areas and townships throughout South Africa.

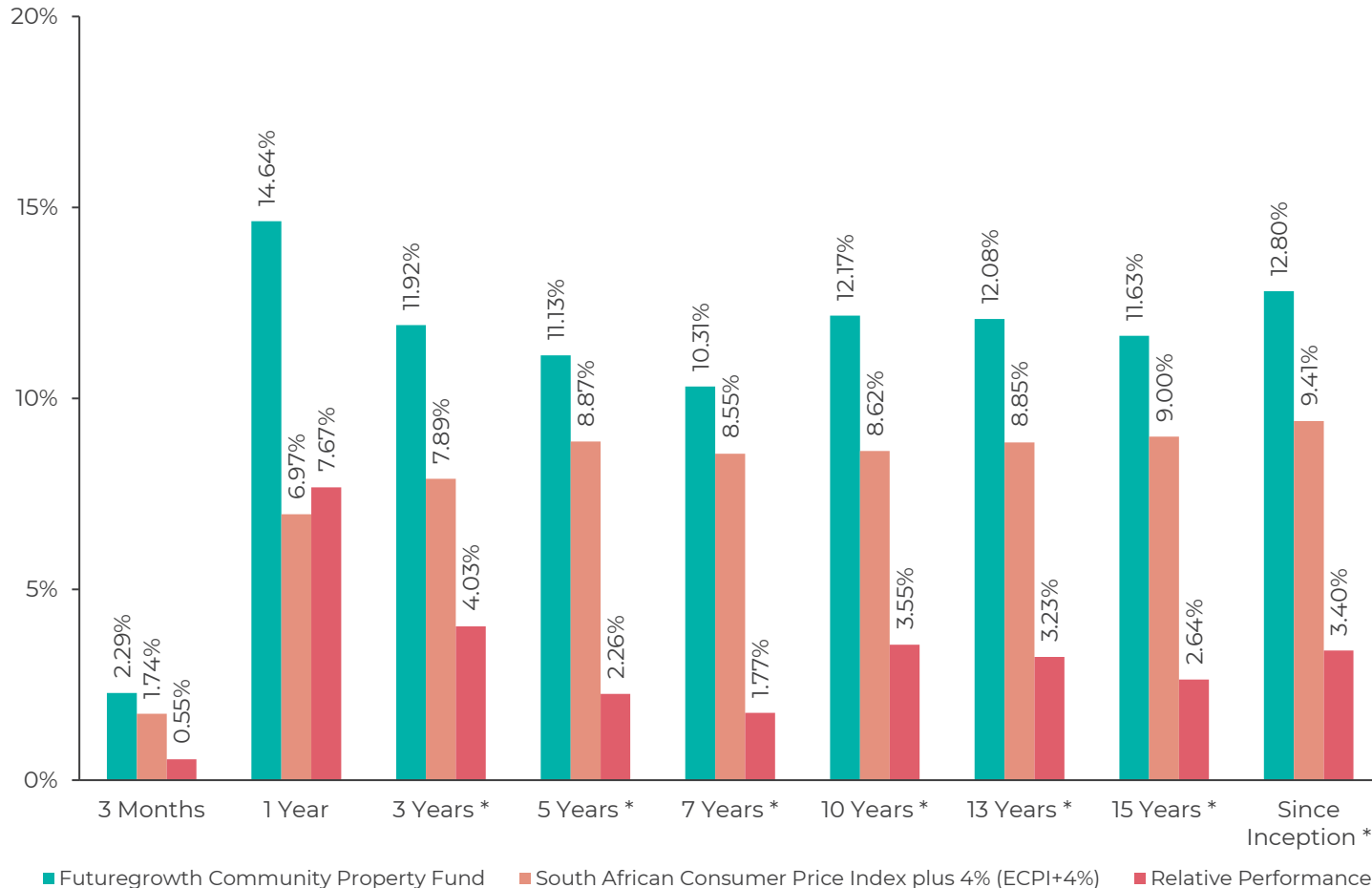
There are currently 25 shopping malls in the portfolio, located in eight of the nine provinces and varying in size between 1 700m² and 40 000m². These malls are typically tenanted by supermarkets, clothing, banking and furniture retailers.

The objectives of the Fund are both commercial and social. Properties are selected for their potential for strong income growth. The communities surrounding the Fund's shopping centres benefit through increased employment opportunities and access to a wide range of quality shopping facilities, as well as other commercial and healthcare services.

Each shopping centre is a catalyst for the development of municipal infrastructure in the area and the enhancement of transport infrastructure. Various community initiatives are also implemented by the centres, to enhance their social impact in the surrounding area.

Fund performance

Resilient returns underpinned by operational strength



As at 31 March 2026.
 Since inception date (GIPS Performance): January 2000; Fund start date: September 1996
 Source: Futuregrowth/ *Annualised/ It is important to note that these are ungeared direct property returns.

The Fund delivered a total return of 2.29% for the quarter, which was primarily attributed to net rental income generated from the properties.

The total return for the 12 months ending 31 March 2026 was 14.64%, comprising:

- Capital gains of 5.37%;
- Net rental income of 7.79%; and
- A further 1.48% from the Section 23M tax asset due to fund restructuring completed in November 2025.

The primary drivers of returns were:

- Lease escalations at 6.3% per annum, which is above the inflation rate;
- Strong positive rent reversions of +3.6% year to date on renewals;
- Solar energy systems, generating returns ranging from 18% to 25% per annum;
- Improved utilities collections due to the rollout of smart meters; and
- Efficient cost management.

The above resulted in stronger net income growth. With our centres in demand and tenants' trading density figures remaining strong, we expect this trend to continue.

With the fund restructuring completed, Section 23M no longer hampered returns.

The Fund's **vacancy rate** increased marginally from 2.8% to 3.3% during the quarter. Accounting for leases that have been signed (including redevelopments) but where tenants have not yet taken occupation, the vacancy rate is expected to drop to 3%. A planned reconfiguration of the ex-Woolworths space at Bridge City is likely to result in a temporary increase in the vacancy rate, with prospective tenants already lined up.

On renewal of expired leases, we have seen a **positive reversion of 3.6%** year to date. This demonstrates that the demand for space at the centres has remained strong, with some shopping centres having a waiting list of prospective tenants.

Leases are escalating at an average rate of 6.3% per annum, which is well above the inflation rate. We expect that the current average escalation rate will stabilise between 6% and 6.5%, given the low current inflation rate.

Arrears improved to 1.2% of total billings over a rolling 12-month period as at 31 March 2026 vs. 1.6% for the previous quarter, marking a 25% improvement. Rent collections have improved significantly due to improved billing processes, hiring additional legal staff and continued focus on smart metering (thereby reducing tenant disputes).

Provision for bad debts accounted for 1% of billings over the rolling 12-month period as at 31 March 2026 vs 1.4% for the previous quarter, marking a 29% improvement. The reduction in arrears has had a positive knock-on effect on the provision for bad debts.

SA property market review

Market volatility clouds an otherwise positive sector outlook

The South African listed property sector delivered a sharply divided quarter, closing Q1 2026 down 4.9%. A positive start to the year was wiped out by an 11.4% pullback in March. The sell-off was broad-based, driven by geopolitical tensions due to the Iran war, which triggered a global risk-off environment across equities and bonds. Underlying property fundamentals remain robust with distributable income maintaining its growth trajectory, operational performance holding firm and balance sheets remaining healthy. As such, the March pullback should be viewed as a valuation reset driven by geopolitical risk rather than a deterioration of the sector's outlook.

Domestic property counters are largely insulated from the near-term inflationary pressures stemming from the Iran conflict, owing to the structural characteristics of their income streams. The bulk of rental income is governed by long-term lease agreements with contractually fixed escalation rates. Similarly, around 80% of borrowing costs across listed counters are fixed in nature for an average duration of two years, shielding finance costs from potential near-term inflation-driven interest rate adjustments. As a result, the income visibility within the property sector remains high, even as geopolitical disruptions push energy prices and broader inflation higher.

Despite the share price correction in March, company announcements in the quarter painted a broadly constructive picture with continued strength in property metrics such as organic NPI growth, vacancies and rental reversions underpinning a sustained improvement in distributable income. The reduction in cost of capital, driven by lower interest rates and the sector's re-rating, has fuelled a shift from a period of consolidation to one of increased transactional activity - although recent macroeconomic events may temporarily temper acquisition appetite. We highlight that disciplined capital allocation will remain key to sustaining income growth and balance sheet health.

While income predictability remains high, the key variable governing near-term total returns for the property sector remains the trajectory of the US-Israel-Iran conflict. A de-escalation or move toward resolution could drive a swift recovery in valuation, given that underlying fundamentals remain intact and prices have reset to more attractive levels. Conversely, a prolonged or widening conflict and sustained risk-off environment paints a more subdued medium-term picture as higher inflation and possible interest rate hikes fuel a challenging backdrop for the sector.



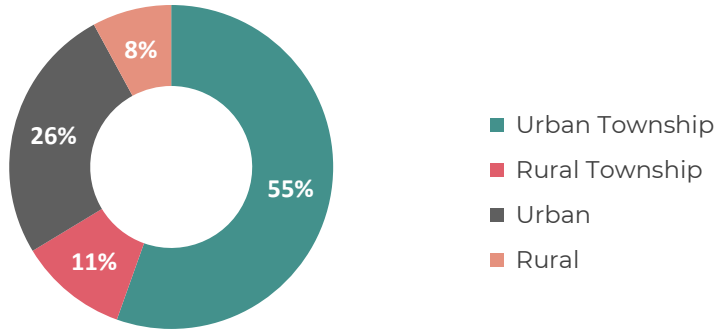
Dunns, Boitekong Mall
Source: Capital Land

Current properties

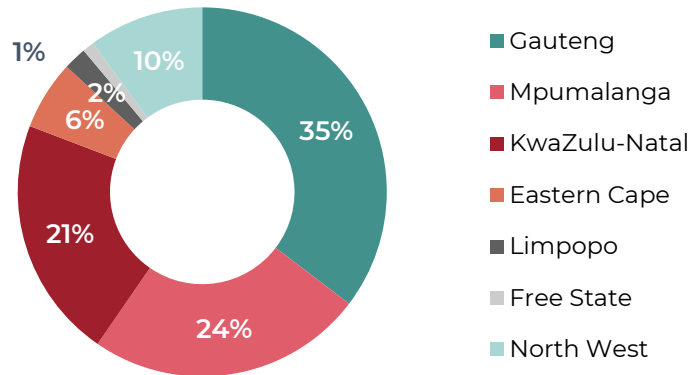
The Fund currently has 25 properties situated in 8 provinces.

Please visit: www.communitypropertyfund.co.za for further information on all the properties in the portfolio.

Township/rural/urban exposure

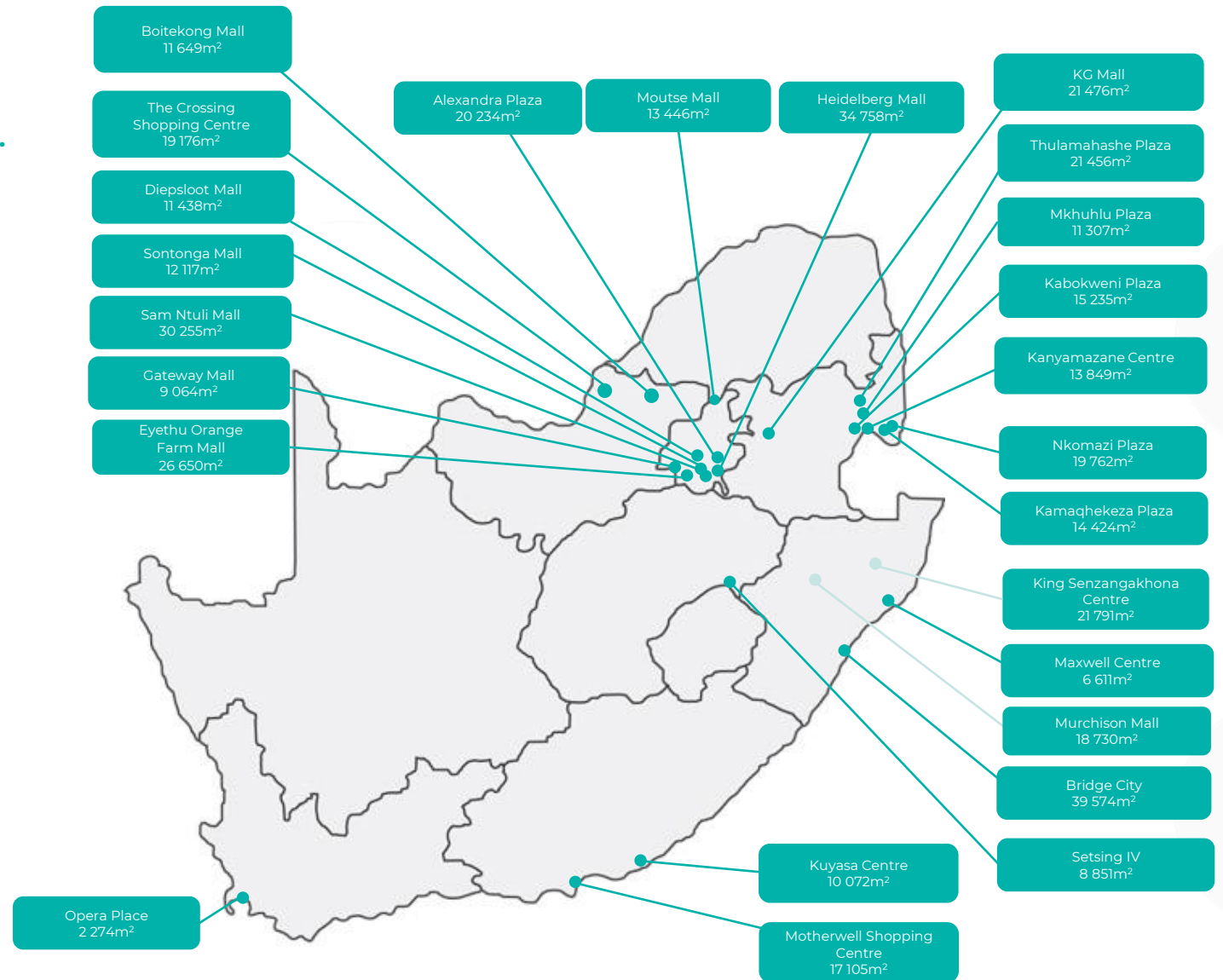


Geographic Exposure by GLA*(m²)

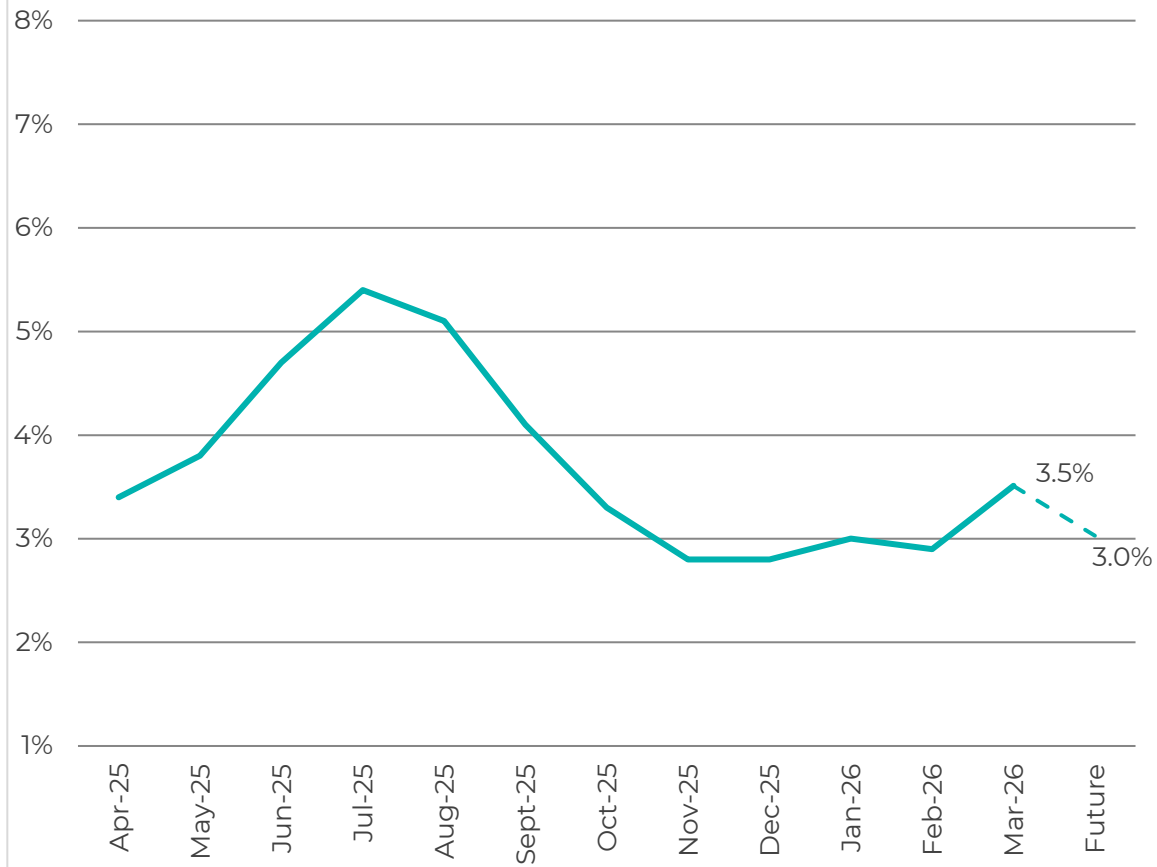


*Gross Lettable Area

Futuregrowth Community Property Fund as at 31 March 2026.



Total Vacancy Trend (As at 31 March 2026)

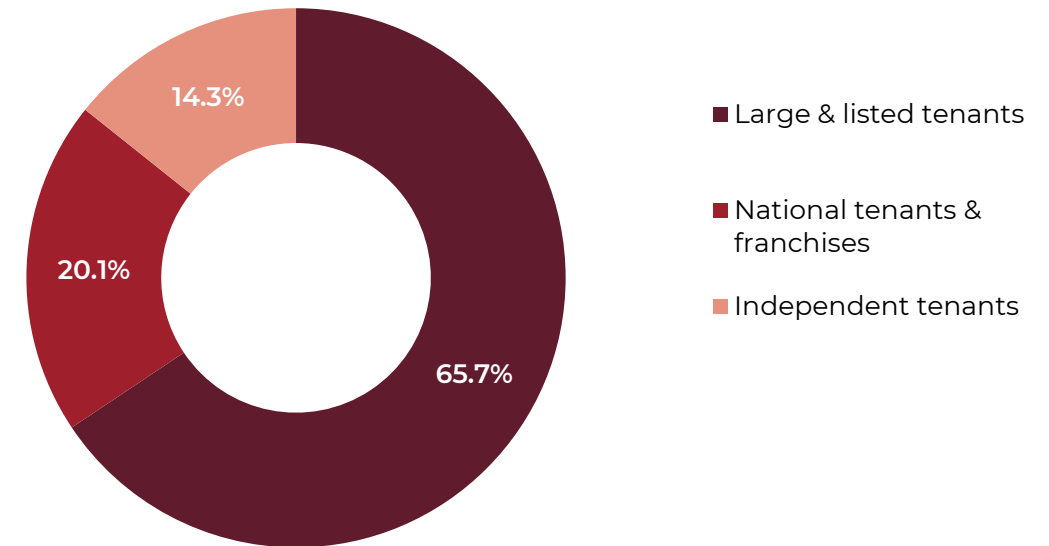


The total portfolio vacancy is currently 3.5% and decreases to 3.0% including future lets.

Large, listed, national and franchise tenants occupy 86% of the gross lettable area (GLA) in the Fund's centres. These are well known tenants such as Shoprite, Pep, Ackermans, Capitec Bank, SuperSpar, Boxer, Pick n Pay and Cashbuild, which have a large number of stores and a footprint across South Africa.

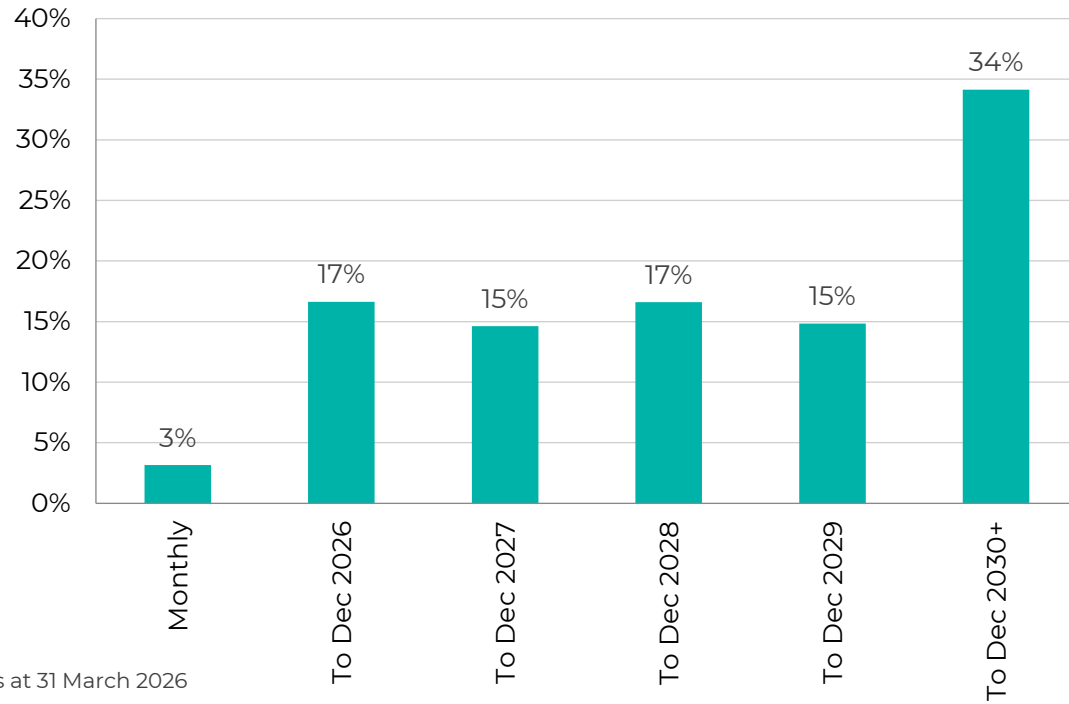
The current tenant profile of the Fund ensures that the income stream is of a high quality.

Tenant profile by GLA



As at 31 March 2026

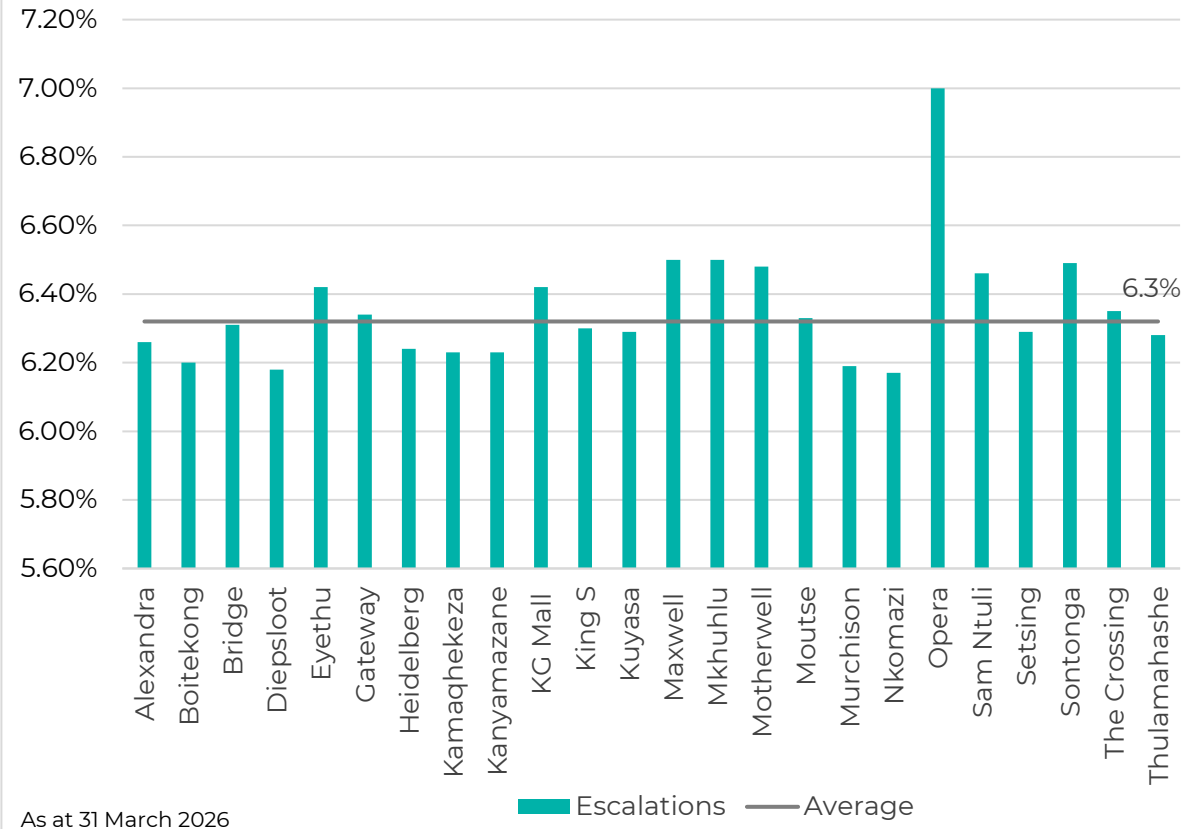
Lease expiry profile by rental revenue

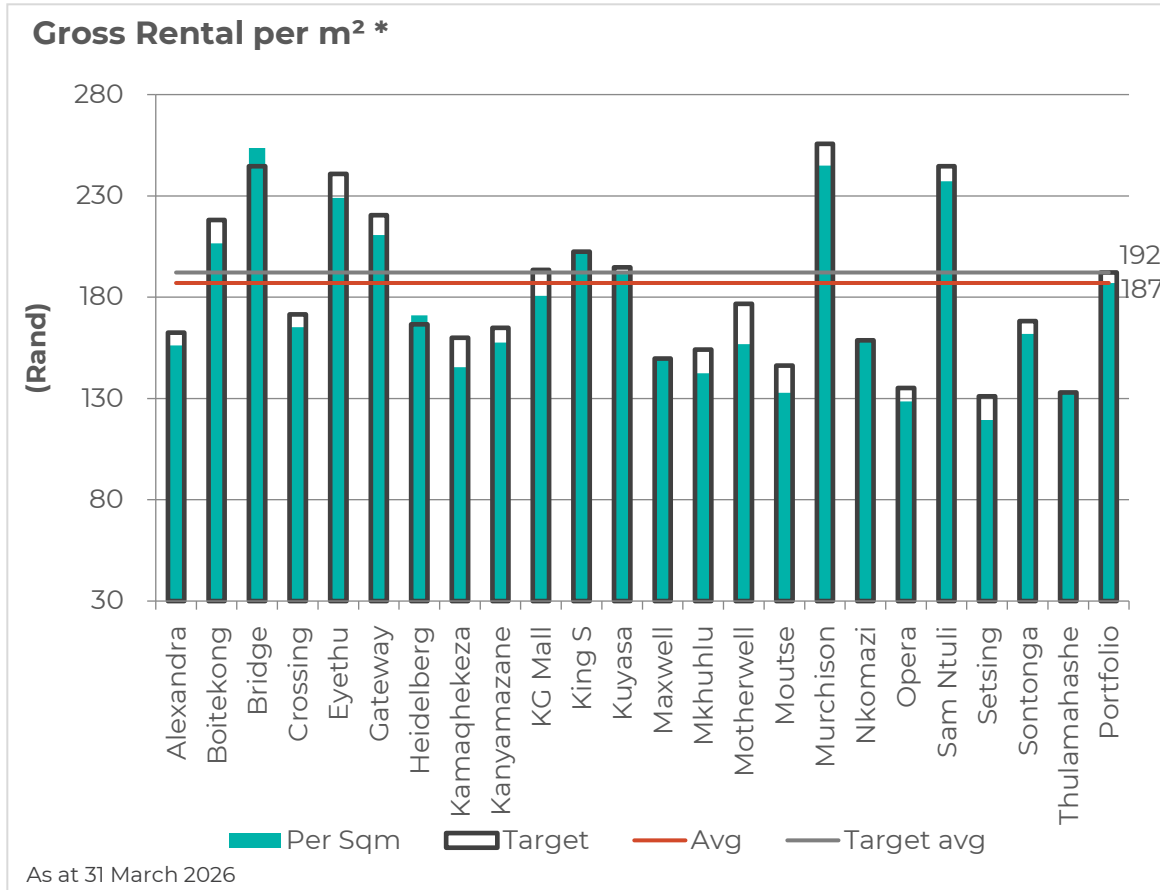


The lease expiry profile is evenly distributed, indicating a relatively low risk to the income stream, with no more than 17% expiring in a given year. We believe that we should retain most of the tenants due to our exposure toward the high quality, large, listed, national and franchise tenants that comprise 86% of our total tenant ratio, as indicated on the previous page.

The weighted average annual escalation rate on rentals across the portfolio is 6.3%, which is well above the inflation rate.

Escalations





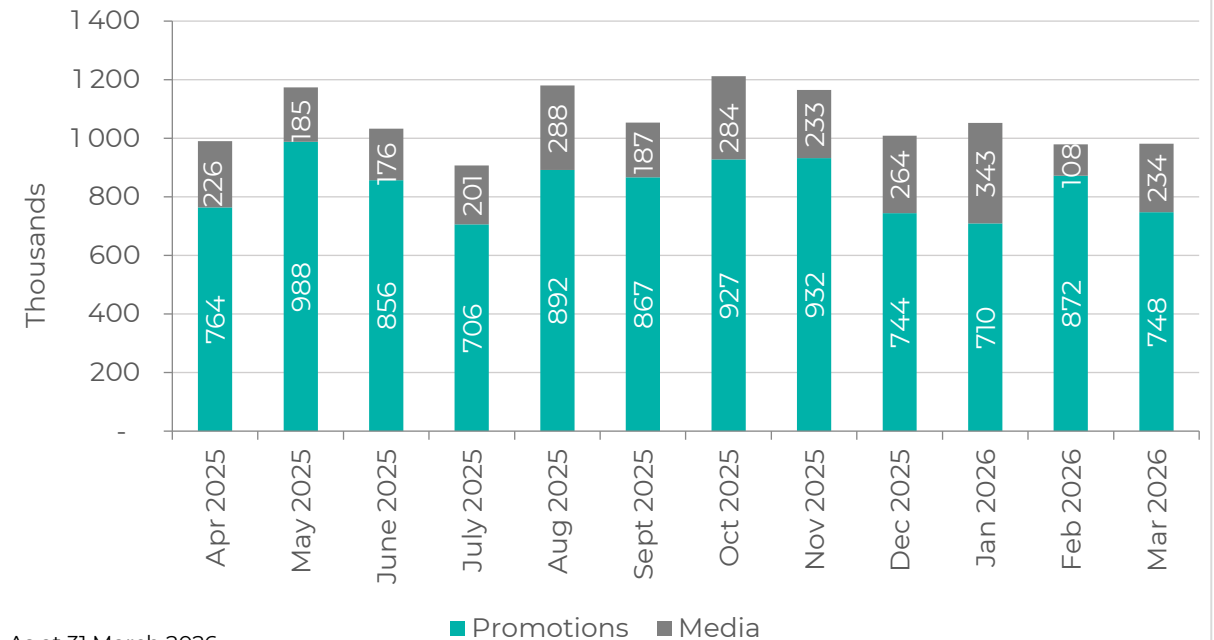
The estimated market rental takes into account comparable market rentals as well as the demand for, and availability of, space in the centre concerned.

*Based on rental of m² of occupied GLA

Media and promotions income is generated through advertising and promotions at the shopping centres. Media income refers to advertising formats such as hanging banners, escalator branding, billboards and glass door branding. Promotions income refers to income generated through the rental of non-GLA space by local entrepreneurs and businesses.

The combined promotions and media income for the quarter was R3 013 253. This income is typically seasonal, with peak revenue generated during holiday periods.

Monthly Media and Promotions Income



Our developmental investment philosophy

Developmental product suite

Futuregrowth has a track record of nearly 30 years of investing in developmental assets. Our funds provide finance to institutions that may not typically receive support from the traditional banking or lending process. In addition to providing finance (credit), we also invest in equity and retail property with a developmental nature.

Our developmental funds are part of our broader responsible investment strategy and reflect the intention of our clients to do good by investing consciously to make a positive impact on society and the broader environment, and thereby to safeguard our collective future.

Our suite of developmental funds consists of:

- **Fixed income:** (Infrastructure & Development Bond Fund, Power Debt Fund, Inflation-Linked Debt Fund);
- **Unlisted equity:** (Development Equity Fund, Agri Funds);
- **Unlisted retail property:** (Community Property Fund); and
- **Fund of funds:** incorporating our suite of development funds as building blocks (Developmental Balanced Fund).

Futuregrowth is dedicated to the development and empowerment of South Africa and its people. We are constantly looking for opportunities that will yield optimal financial returns for investors while making a meaningful difference. As such, we have become a reliable channel for investor savings and promoting national development.

We define developmental investing as financing that: a) provides investors with commercial returns; and b) produces a social and developmental impact. Our primary focus is on the provision of basic services and improvement of infrastructure development.

In order to achieve sustainable, long-term, benchmark-beating performance, we apply a responsible investment filter when screening and analysing new deals for our developmental funds. This is supported by a robust credit process that considers both financial and non-financial risks.

Global contribution

We are aligned with the United Nation's Sustainable Development Goals (SDGs), thus contributing to this global "blueprint to achieve a better and more sustainable future for all". The SDGs are covered in some detail later in this report, where we link the activities of our deal case study to these global targets.

(See: www.un.org/sustainabledevelopment/sustainable-development-goals/)



Fund impact across SDGs

The Fund investments contribute to six SDGs



End to poverty in all its manifestations by 2030. It also aims to ensure social protection for the poor and vulnerable, increase access to basic services and support people harmed by climate-related extreme events and other economic, social and environmental shocks and disasters.



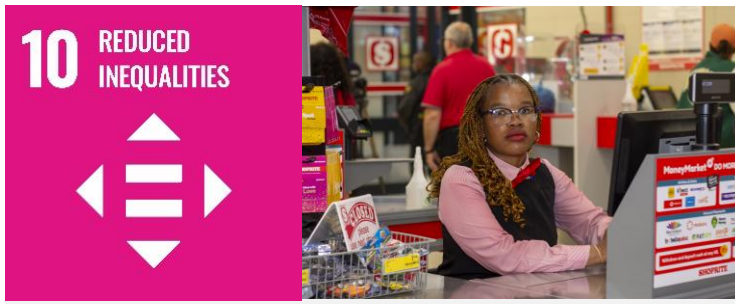
Ensure healthy lives and promote well-being for all at all ages by investing in businesses that improve the availability of healthcare and medical services as well as special medical units.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by investing in underserved markets that unlock and support job creation, growth and improved labour standards and practices for improved livelihoods.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation by partnering and supporting government in financing infrastructure projects and providing access to finance for businesses that create more inclusive and sustainable communities.



Reduce inequality within and among countries by investing in businesses that promote financial, social and economic inclusion for all in order to promote inclusive growth and reduce inequalities.



Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

Source of photos: Capital Land

Futuregrowth Community Property Fund as at 31 March 2026.

Since 2017, The Futuregrowth Community Property Fund has partnered with Lawhill Maritime Centre to fund the Grade 10–12 education of high-potential students from township communities - covering full school fees, board, and lodging. To date, 12 students have been supported through the programme.

During the quarter, we visited Lawhill and spent time with the four students currently sponsored through the programme. Hearing their stories, particularly the journeys from township communities, where access to this type of environment would otherwise have been unimaginable, reinforced the broader impact of this initiative. Beyond academic support, the programme plays a critical role in building life skills and supporting personal development, with a number of meaningful success stories emerging over the years. To learn more about the programme and its impact, watch the video from our recent visit to Lawhill Maritime Centre [here](#).

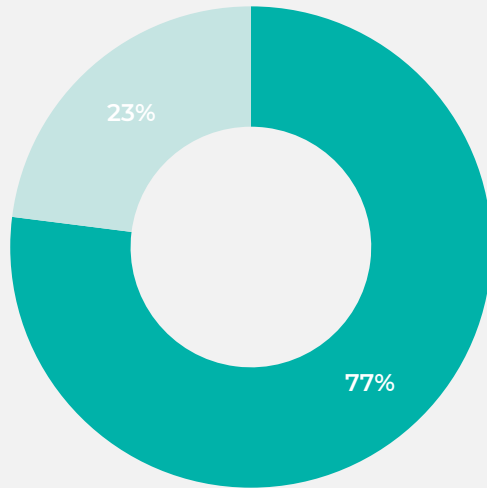
“The students are incredibly passionate. Programmes like this bursary make it possible for them to attend Lawhill — without funders like Community Property Fund, we would not have these success stories.”

— **Zuko Saule, Head of Operations & Lawhill alumnus**



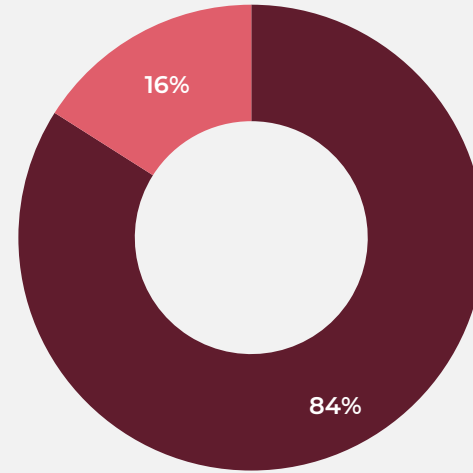
Pictured: Lwandle Sibeko, Amkhitha Stuurman, Konke Ngcameva and Liyoyiso Bell - Lawhill Maritime Centre students supported through Futuregrowth Community Property fund-provided bursaries
Source: Futuregrowth

Employment Type



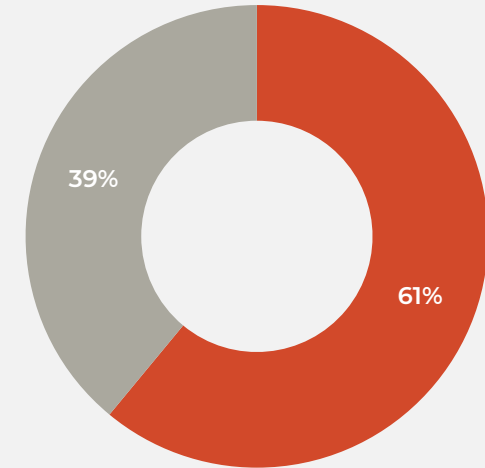
■ Permanent Employees ■ Temporary Employees

Local Employment



■ Employees Living in Local Community
■ Employees Living Outside the Local Community

Employment by Gender



■ Female Employees ■ Male Employees

- A key emphasis is placed on the use of local service providers and local employment.
- Employment surveys are conducted annually across the portfolio.
- Over 15 600 people are employed at the shopping centres in the portfolio, of which 84% live in the local communities surrounding the shopping centres.

Key features

Futuregrowth Community Property Fund

R9.4bn

Total net asset value (as at 31 March 2026)

Commercial
risk-adjusted
returns

Investments in **25**
shopping malls

Active in
8 provinces

Infrastructure and services

- Focused on providing quality retail facilities to previously-disadvantaged communities.
- Catalyst for the development of local municipal and transport infrastructure.

100% township and rural exposure

Impact Outcomes

- **15 605** local jobs created as at March 2026
- Local economy value-add (SMME support)
- Economic empowerment of PDIs, especially women
- Community involvement initiatives

Supports **six Sustainable Development Goals**

Fund facts

Fund description	The Futuregrowth Community Property Fund specialises in the acquisition of new and existing shopping malls which cater to the needs of underserved communities throughout South Africa and forms part of Futuregrowth's suite of developmental investments.	Investment objective	The Fund aims to outperform the CPI by 4% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period. It seeks to provide investors with a low cost, high value property investment that focuses on emerging market retail property growth in underserved rural communities and high-density urban centres.
Composition	The Composite currently owns 25 shopping centres located in rural and township areas in eight of the nine provinces. These centres provide retail services and products to a primary target market of approximately 10 million people. Overall, the Fund has purchased, developed or disposed of 37 shopping centres countrywide since inception. The centres deliver retail services to low- to middle-income groups. They vary in size between 1 700m ² and 40 000m ² and are typically tenanted by supermarkets, clothing, banking and furniture retailers.	Key benefits	<ul style="list-style-type: none"> • Specifically focused on providing retail facilities to previously disadvantaged communities, especially in areas characterised by a lack of infrastructure and services. • Targets a niche market of low to middle income groups. • Creates jobs during the construction phase, employing artisans and labourers from the local area. • Creates permanent/long-term jobs during the life cycle of the mall. • Provides access to retail stores and services for local communities which has major health, time and social implications. • Offers a wider range of choice to consumers with higher quality and lower prices than previously available.
Fund manager	Futuregrowth Asset Management	Asset & property manager	Capital Land Asset Management
Return target	CPI + 4%	Risk profile	Moderate (long term returns, predictable cash flows, illiquid)
Number of properties owned currently	25	Number of properties funded to date	37
Current geographic spread	8 provinces	Property type	Retail
Structure	Pooled and Segregated	Market segment	Low to middle income bracket (township & rural)
Inception date	1 December 1996	Total net asset value	R9.4 billion
Minimum investment	Pooled - R25 million (at manager's discretion)	Termination period	1 calendar month up to a maximum of 3 years (size dependent)

Glossary

Annualised return	This is a return over a period of greater than one year that has been converted into an average annual return. This facilitates an easier comparison between returns over different periods.	Liquid holding	Cash in the Fund held in bank accounts, call accounts and money market investments.
Cap rate	Capitalisation rate: is a measure of value and risk of a building and is calculated by dividing the net returns on rental for one year by the purchase price or market value of a building.	LSM	Living Standards Measure: a means of grouping the population according to their living standards from 10 (highest) to 1 (lowest).
CPI	Consumer Price Index - used as a measure of inflation - measures the average change over time in the price of a basket of consumer goods and services purchased by households.	Market rental	Is calculated by taking into account comparable market rentals as well as the demand for and availability of space in the mall concerned.
DCF valuation methodology	Discounted Cash Flow valuation methodology is carried out by estimating the total value of all future cash flows (both inflowing and outflowing) and then discounting them by the cost of capital to find a present value of that cash.	Trading densities	This is a measure of performance in retailing. It is the revenue generated for a given area of sales space and is presented as a monetary value per square metre. The higher the figure, the more efficiently the floor space is being used.
GLA	Gross Leasable Area	Ungearred return	This refers to a return that has been generated without the use of debt funding on the properties.
Headline inflation	This is a measure of the total inflation within an economy, including commodities such as food and energy prices, which tend to be more volatile and prone to inflationary spikes.	Weighted escalations	When tenants enter into a lease, the rate at which their rental increases annually is the escalation rate. The weighted escalation rate is an average of all lease escalation rates across the portfolio weighted by the rental amount.

Contact details

Futuregrowth Asset Management

Smital Rambhai

3rd Floor, Great Westerford, 240 Main Road, Rondebosch, 7700

Tel + 27 21 659 5300

srambhai@futuregrowth.co.za

www.futuregrowth.co.za

Capital Land Asset Management

Anton Raubenheimer

Block F, The Terraces, Steenberg Office Park, Tokai, Cape Town, 7945

Tel +27 21 673 3300

araubenheimer@capland.co.za

www.capland.co.za

Disclaimers

FAIS disclaimer: Futuregrowth Asset Management (Pty) Ltd ("Futuregrowth") is a licensed discretionary financial services provider, FSP 520, approved by the Registrar of the Financial Sector Conduct Authority to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. The fund values may be market linked or policy based. Market fluctuations and changes in exchange rates may have an impact on fund values, prices and income and these are therefore not guaranteed. Past performance is not necessarily a guide to future performance. Futuregrowth has comprehensive crime and professional indemnity in place. Performance figures are sourced from Futuregrowth and IRESS.

GIPS disclaimer: Futuregrowth a subsidiary of Old Mutual Investment Group Holdings (Pty) Limited is a specialist investment company which manages the full range of interest bearing and developmental investments in an ethical and sustainable way. Futuregrowth claims compliance with the Global Investment Performance Standards (GIPS®). Contact Futuregrowth at +27 21 659 5300 to obtain a list of composite descriptions and/or a presentation that complies with the GIPS® standards. The investment returns reflected are supplemental information as they are not calendar year returns and are gross-of-fees. Currency: ZAR

This document is for information purposes only and is not intended as an offer or recommendation to buy or sell or a solicitation of an offer to buy or sell a financial product or security. The recipient is advised to assess the information with the assistance of an advisor if necessary, with regard to its compatibility with his/her own circumstances in view of any legal, regulatory, tax and other implications.

Personal trading by staff is restricted to ensure that there is no conflict of interest. All employees of Futuregrowth are remunerated with salaries and standard short and long-term incentives. No commission or incentives are paid by Futuregrowth to any persons. All inter-group transactions are done on an arm's length basis. Futuregrowth has comprehensive crime and professional indemnity insurance.

Futuregrowth prepared this document in good faith. Although the information in this document is based on sources considered to be reliable, Futuregrowth makes no representation or warranty, express or implied, as to the accuracy or completeness of this document, nor does it accept any liability which might arise from making use of this information.

Please see

www.communitypropertyfund.co.za

for further information.

Futuregrowth Community Property Fund as at 31 March 2026.



FUTUREGROWTH

/ ASSET MANAGEMENT

3rd Floor, Great Westerford
240 Main Road, Rondebosch
7700, South Africa
Private Bag X6, Newlands, 7725, South Africa
Tel: +27 21 659 5300 Fax: +27 21 659 5400
www.futuregrowth.co.za