

Futuregrowth Community Property Fund

Quarterly report December 2025

Heidelberg Mall My Eco Garden initiative
Source: Capital Land

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



The Futuregrowth Community Property Fund



Thulamahashe Plaza Shoprite opening: Source: Capital Land

The Futuregrowth Community Property Fund has been investing in township and rural shopping centres for nearly three decades – returning 12.84% since inception. The portfolio's strong net income growth is expected to continue, with our centres in demand and tenants' trading density figures continuing to hit new highs. On pages 7 and 8 of this report, we include a breakdown of the contributions of each property to the Fund's overall performance.

Centre developments

The final quarter of 2025 saw several new store openings at Thulamahashe Plaza and Heidelberg Mall (see pages 15 and 16 of this report). These generated much excitement and drew large crowds of eager shoppers to the centres. Not only do these events enhance community interest and involvement on the day, they also provide long-term benefits in the form of job creation and enhanced retail offerings for those living in typically under-serviced areas.

Community impact

Following our food security project update in Q3, we feature the My Eco Garden initiative that was recently piloted at Heidelberg Mall. (Please see page 19 of this report.) Initiatives such as these are ongoing and form an integral part of the Fund's community upliftment.

Smital Rambhai

Portfolio Manager

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 R9.2 billion.



Heidelberg Mall My Eco Garden initiative
Project: Source: Capital Land

The objectives of the Fund are both commercial and social



Thulamahashe Plaza
Shoprite opening: 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.

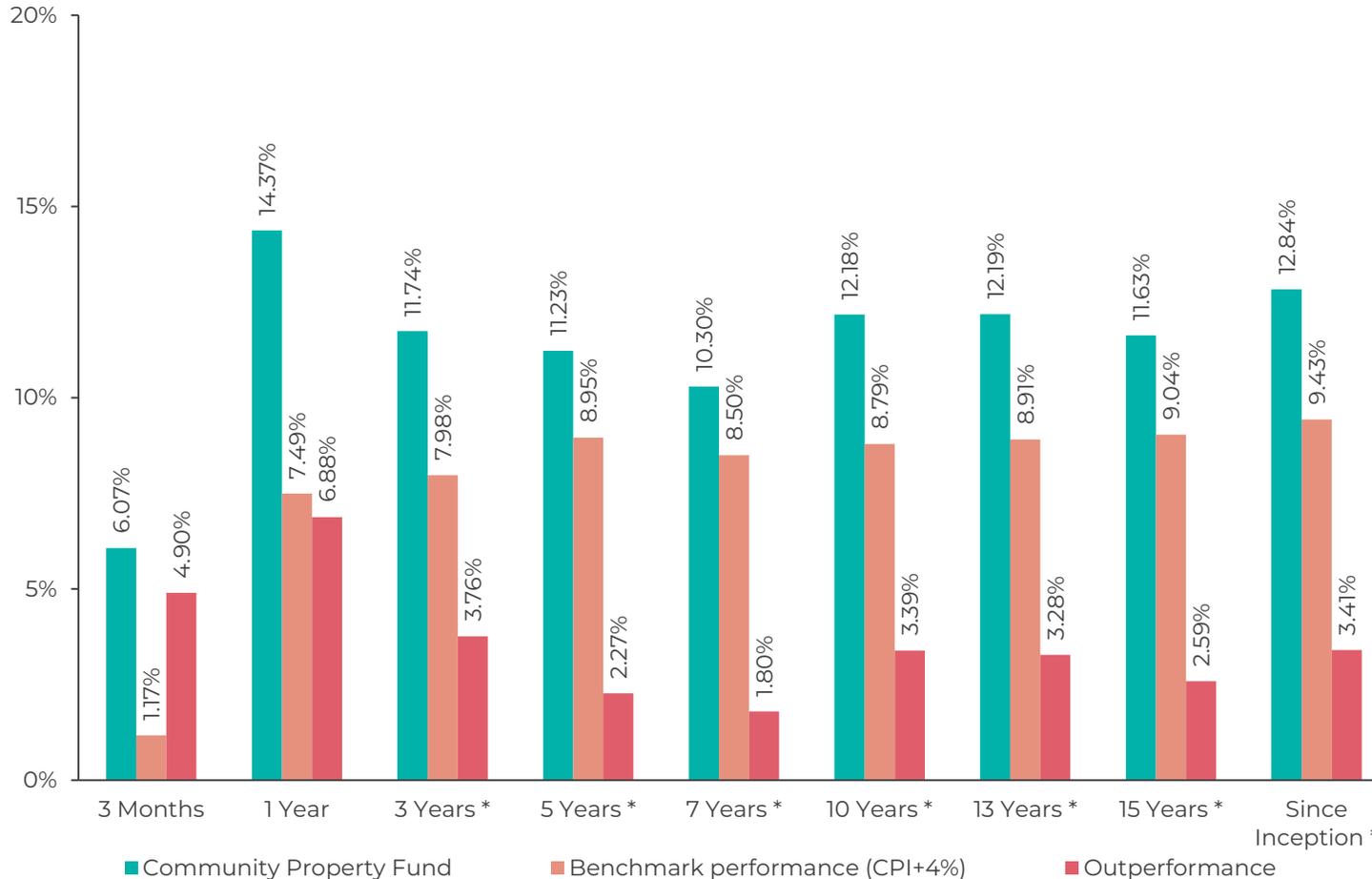
Each shopping centre is a catalyst for the development of municipal infrastructure in the area and the enhancement of transport infrastructure. Various community initiatives are also implemented by the centres, to enhance their social impact in the surrounding area.

Key highlights as at December 2025

Total Return Dec 2025 14.37% Dec 2024: 11.20%	Income Return Dec 2025 9.37% Dec 2024: 7.20%	Capital Growth Dec 2025 5.00% Dec 2024: 4%	Portfolio Value Dec 2025 R9.2bn Dec 2024: R8.4bn
Total GLA Dec 2025 422,228 m² Dec 2024: 422,085 m²	WALE By Revenue Dec 2025 2.83 Dec 2024: 2.72	Vacancy Dec 2025 2.8% Dec 2024: 3.5%	Average Escalation Rate Dec 2025 6.3% Dec 2024: 6.4%
National Tenants Dec 2025 85.5% Dec 2024: 86.1%	Rental Renewal Reversions Dec 2025 2.0% Dec 2024: 1.7%	Solar Plants Online Dec 2025 15 Dec 2024: 14	Solar Generating Capacity Dec 2025 18,630 kWp Dec 2024: 17,001 kWp

Fund performance

Income growth continues to drives returns



The Fund delivered a total return of 6.07% for the quarter, comprising:

- Capital appreciation of 2.62%;
- Net rental income of 1.97%; and
- A Section 23M tax asset due to fund restructuring completed in November 2025, adding a further 1.48%.

The total return for the 12 months ending 31 December 2025 was 14.37%, comprising:

- Capital appreciation of 5%;
- Net rental income of 7.89%; and
- The Section 23M tax asset due to fund restructuring completed in November 2025 adding a further 1.48%.

The primary drivers of returns have been:

- Leases escalating at 6.3% per annum, which is above the inflation rate;
- Strong positive rent reversions of + 2% on renewals;
- Solar energy systems generating returns between 18% to 25% per annum;
- Rollout of smart meters improving utilities collections; and
- Efficient cost management.

The above resulted in stronger net income growth. This was the primary driver of capital appreciation as cap rates remained unchanged in the December 2025 valuations by the independent valuer despite a number of rate cuts during the year.

From 2026, Section 23M will no longer negatively impact returns due to the now completed fund restructure.

As at 31 December 2025

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.

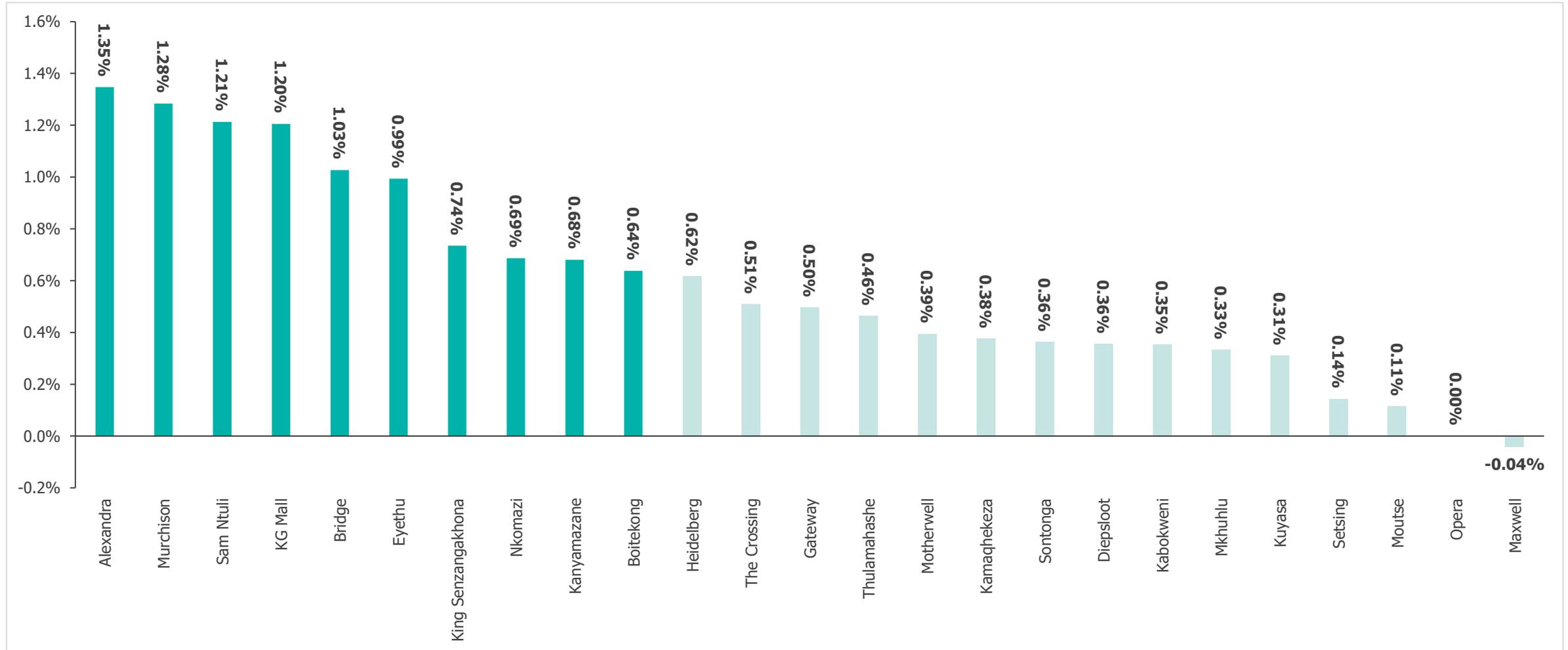
Fund performance

Total return per property



Fund performance

Weighted return per property



The Fund's **vacancy rate** decreased from 4.1% to 2.8% during the quarter, with a total of 5 727m² let during the quarter.

The primary driver of the improvement in vacancies was the redevelopment of Heidelberg Mall, which improved the letting indicators and enhanced the tenant mix. The Game and Edgars stores were reconfigured, and Shoprite, Hungry Lion, Power Fashion, Jump Street and Cash Crusaders took up 5 324m². Heidelberg Mall's vacancy rate dropped from 23.5% to 8.2% over the quarter, contributing to 93% of the improvement in the Fund's overall vacancy rate. Foot traffic since the redevelopment has also improved and interest in space from new prospective tenants has increased. We expect further improvement in letting over the 2026 period at Heidelberg Mall.

Another positive contributor was The Crossing Shopping Centre, where the vacancy rate dropped from 6.1% to 3.5% after Panarottis and Jam Clothing took occupation during the quarter.

On renewal of **expired leases**, we have seen a positive reversion of 2% for the year. This demonstrates that the demand for space at the centres has been strong, with some shopping centres having a waiting list of tenants seeking space. The 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 current low inflation rate.

Arrears are currently 1.6% of total billings over a rolling 12-month period as at 31 December 2025 which is an 11% improvement over the prior year. A significant improvement in collections has resulted from sending billing a week earlier, hiring additional staff and rolling out more smart meters (thereby reducing tenant disputes).

Provision for **bad debts** accounts for 1.4% of billings over a rolling 12-month period as at 31 December 2025, which is a 17.6% improvement over the prior year. The reduction in arrears has had a positive knock-on effect on the provision for bad debts.

SA property market review

The sector delivers the strongest performance since 2019

The South African listed property sector delivered exceptional performance during the final quarter of 2025, the sector's strongest year since 2019. The SA Listed Property Index achieved a 16.3% total return over the quarter and was up 30.6% for the 12 months ending 31 December 2025.

Multiple structural and cyclical factors converged to drive strong returns over the quarter. Lower interest rates and declining long bond yields formed the primary catalyst, as the South African Reserve Bank's rate-cutting cycle improved property valuations and reduced borrowing costs. The repo rate fell to 6.75% by November, with prime lending at 10.25%, providing meaningful relief to highly leveraged property companies.

An improvement in distribution growth represented a sharp turnaround from three years of relatively flat dividends, signaling that management teams had successfully navigated the high-interest-rate environment while positioning for growth.

The substantial discounts to net asset value that emerged during the COVID-19 pandemic narrowed significantly as operational improvements became evident and market confidence returned. REITs traded closer to their underlying portfolio values, driving capital appreciation alongside income returns.

Improving property fundamentals across all major sectors underpinned the rally. Lower vacancy rates, positive market rental growth, and strengthening tenant demand emerged across industrial, retail, and selective office markets.

Broader economic developments amplified sector performance over the past two years. South Africa's removal from the Financial Action Task Force's grey list, the country's first S&P foreign-currency sovereign rating upgrade in two decades, and the formation of the Government of National Unity, collectively improved investor sentiment and capital flow prospects.

We expect the strong performance to continue in 2026, driven by improving fundamentals rather than speculation. Our biggest concern remains that with this positive momentum, the market will allocate more money to this sector and that it will increase capital allocation risk where property companies could end up buying mediocre assets or overpaying for properties in order to grow their property portfolios in terms of size. Size is important if grown responsibly as it can improve borrowing rates for these companies and also has the ability to create more liquidity, which improves trading and price discovery on the JSE.



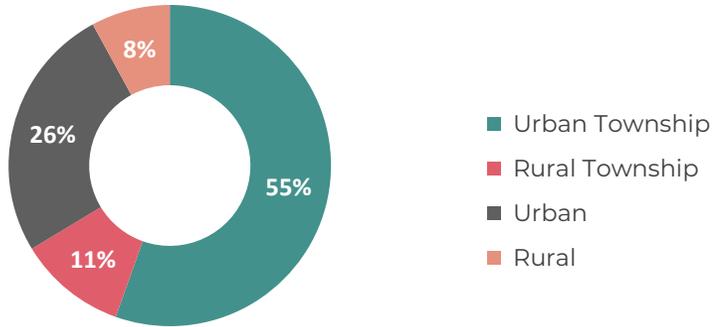
Heidelberg Mall Shoprite opening:
Source: Capital Land

Current properties

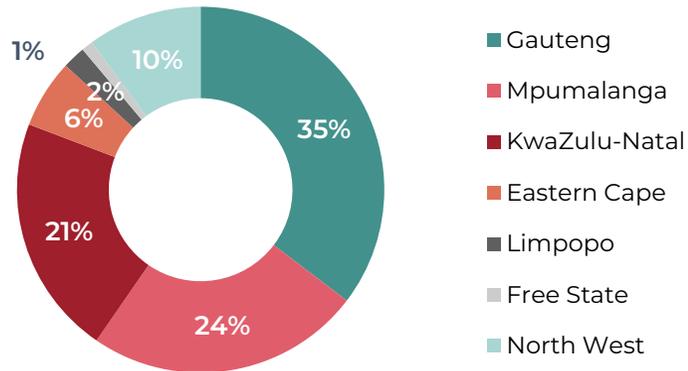
The Fund currently has 25 properties situated in 8 provinces.

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

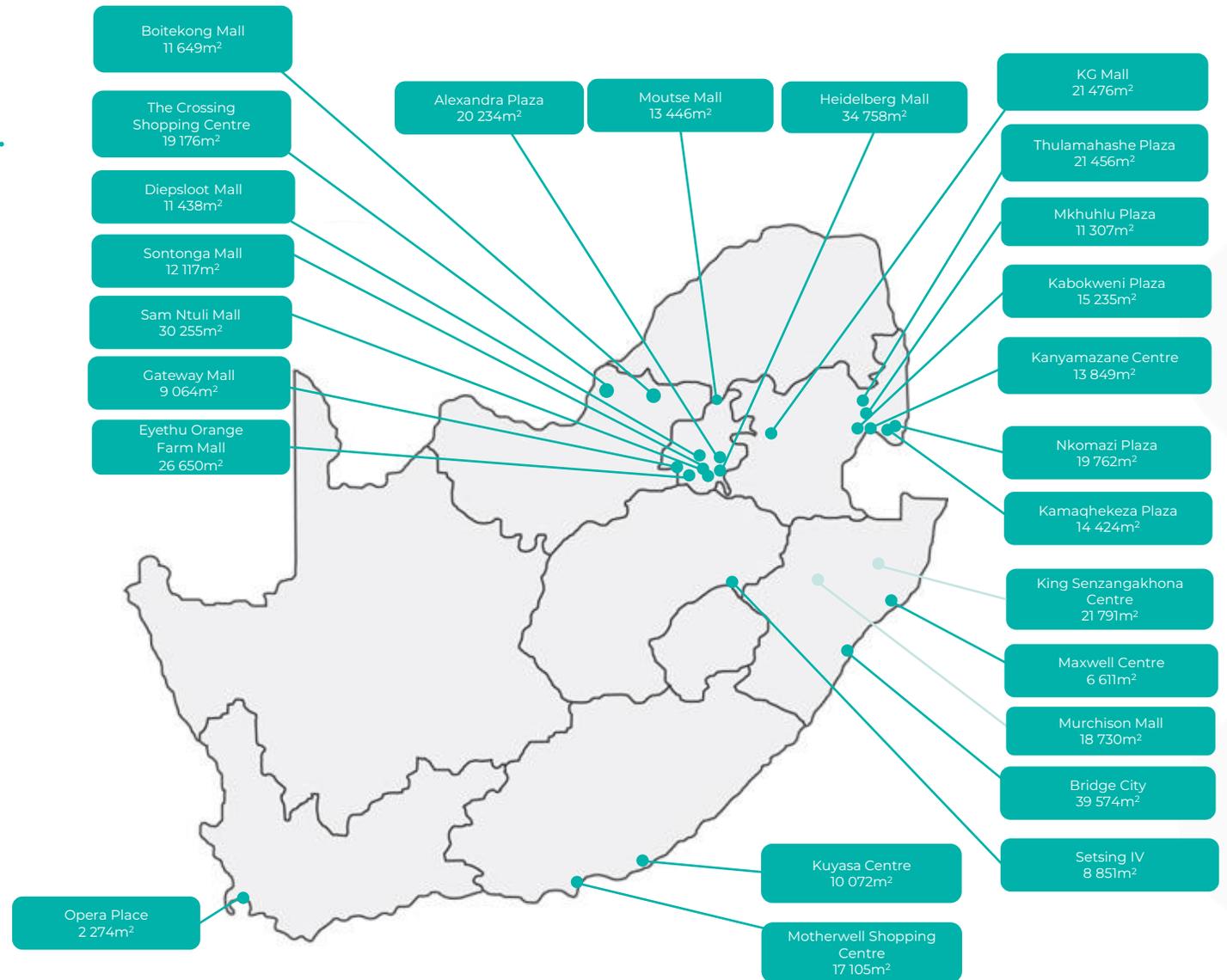
Township/rural/urban exposure

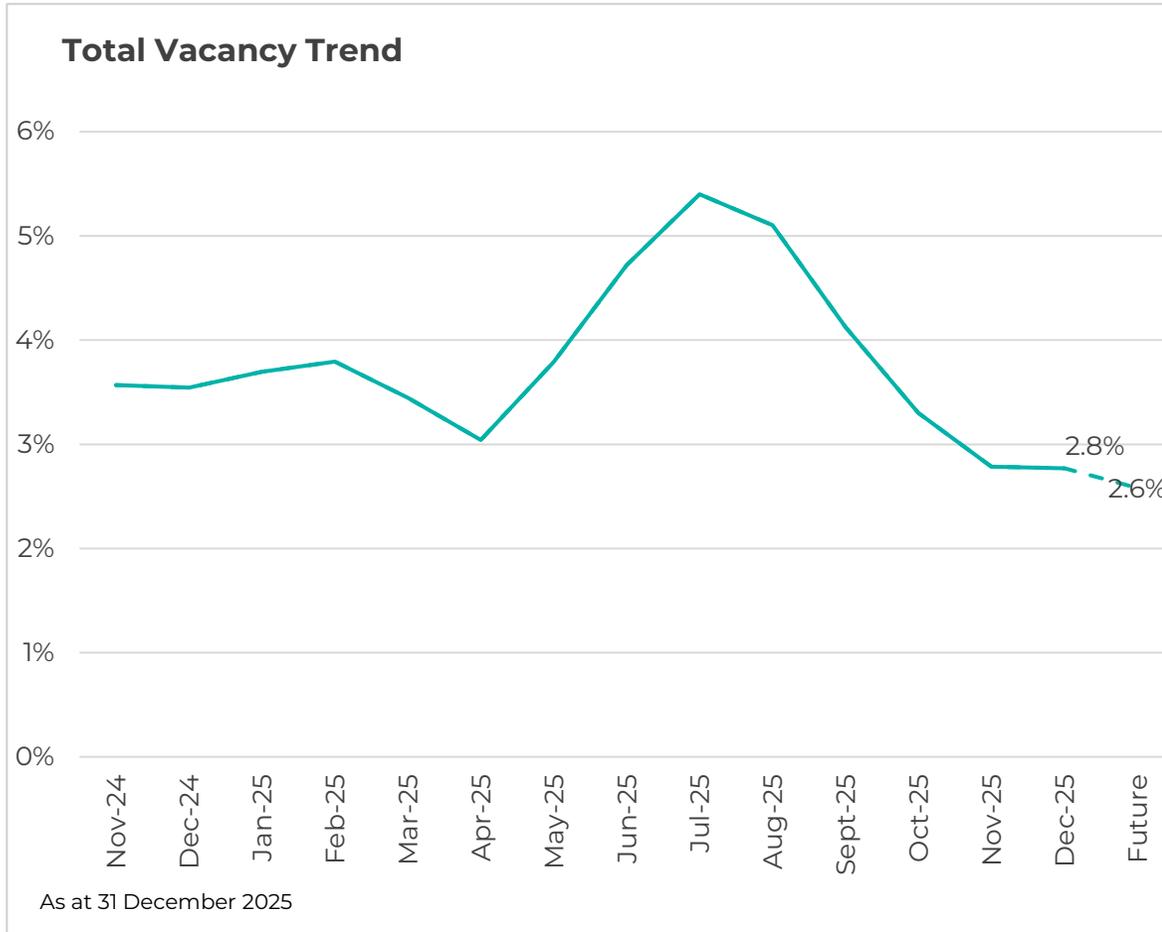


Geographic Exposure by GLA*(m²)



*Gross Lettable Area



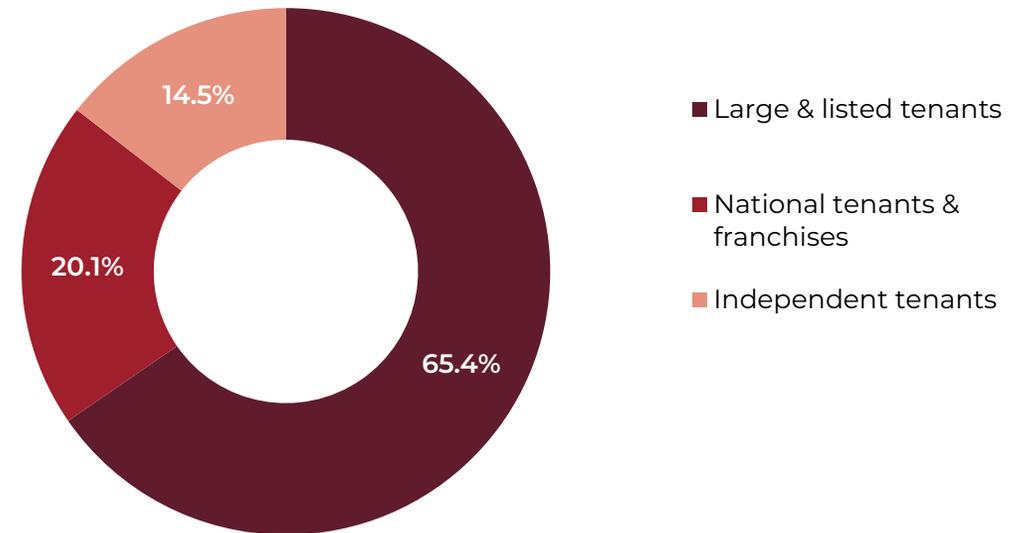


The total portfolio vacancy is currently 2.8% and decreases to 2.6% including future lets.

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.

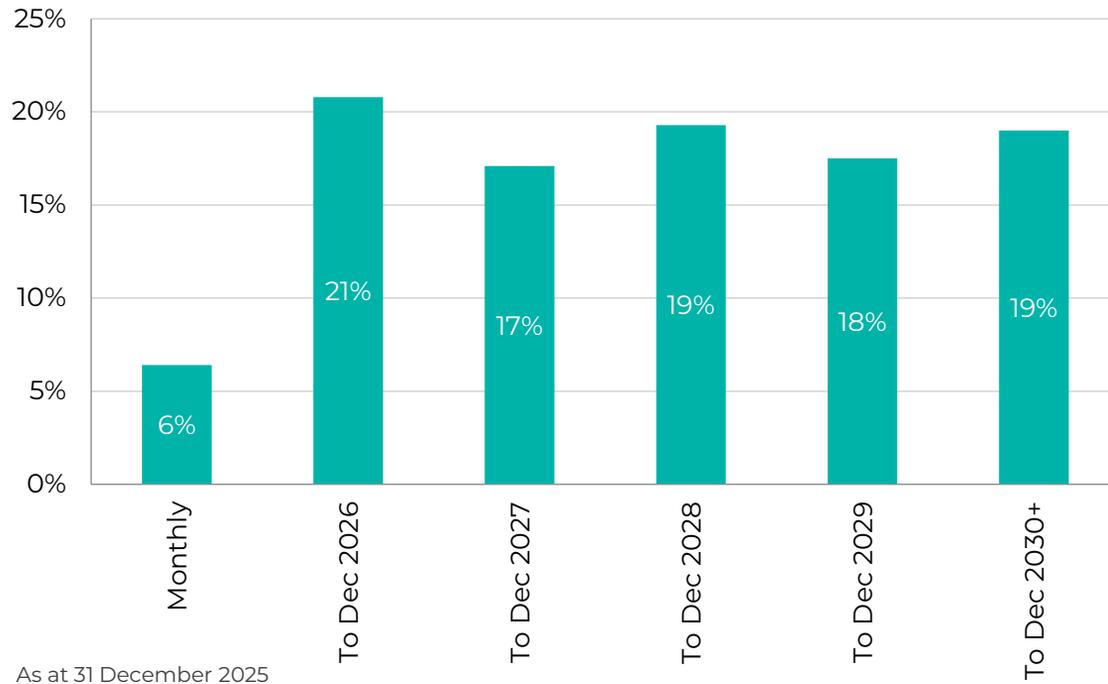
The current tenant profile of the Fund ensures that the income stream is of a high quality.

Tenant profile by GLA



As at 31 December 2025

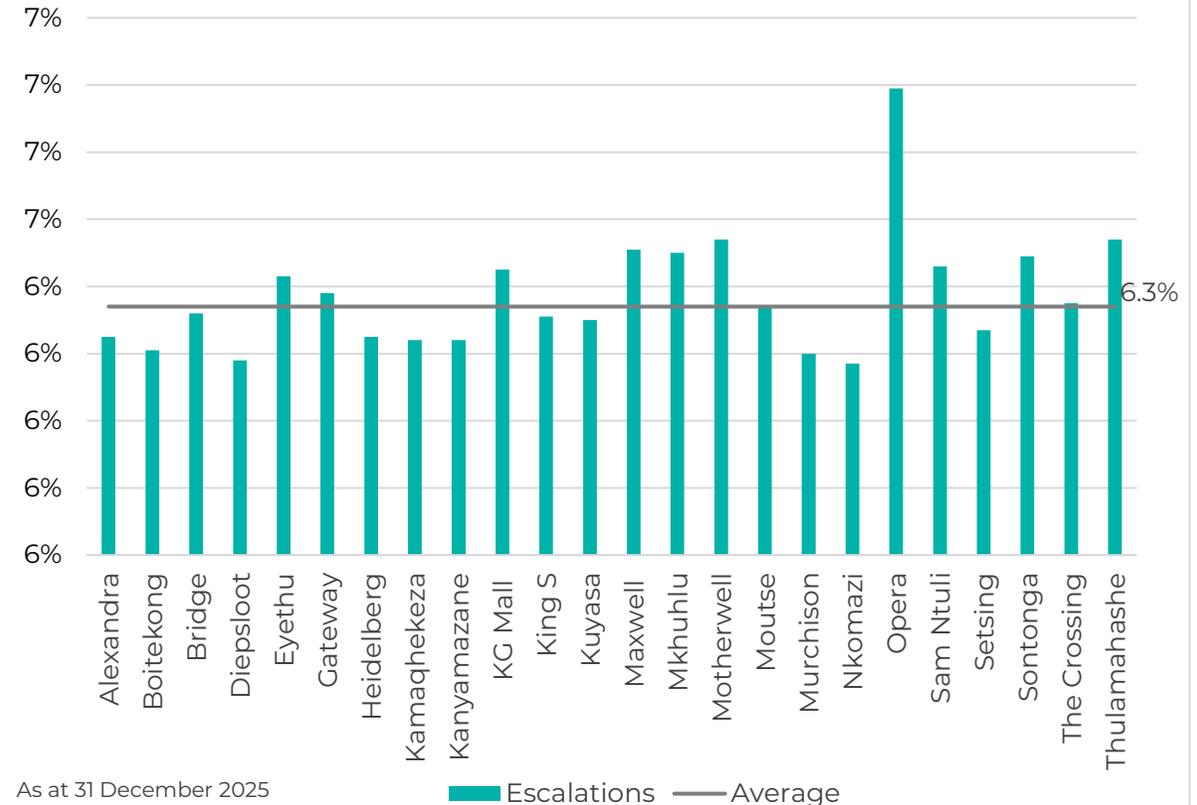
Lease expiry profile by rental revenue

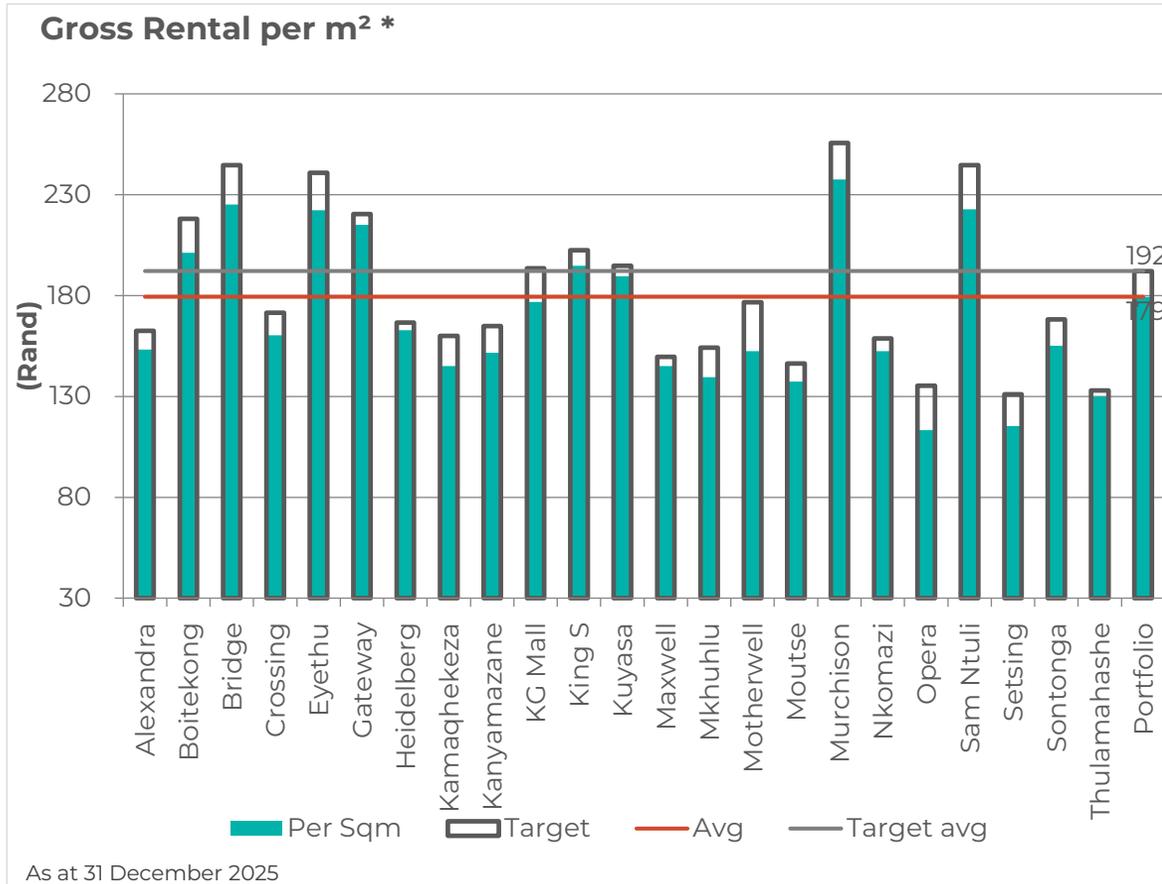


The lease expiry profile is evenly distributed, indicating a relatively low risk to the income stream, with no more than 21% expiring in a given year. We believe that we should retain most of the tenants due to our exposure toward the high quality, large, listed, national and franchise tenants that make up 85% 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



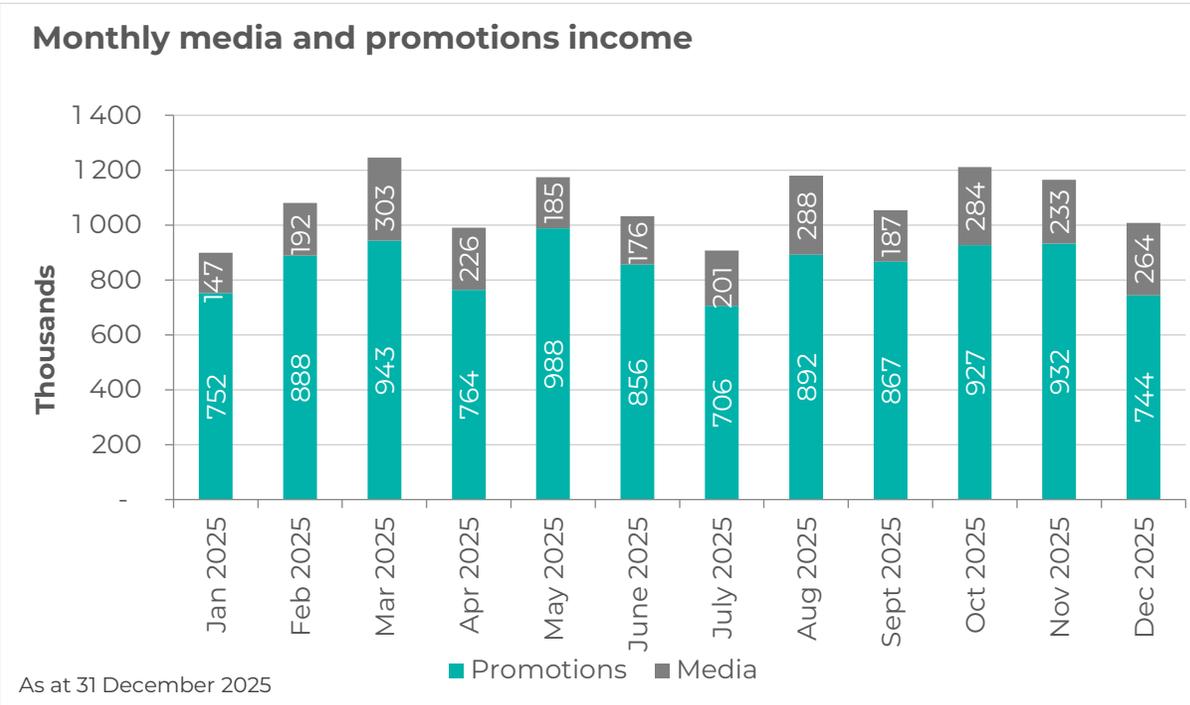


The estimated market rental takes into account comparable market rentals as well as the demand for and availability of space in the centre concerned.

*Based on rental of m² of occupied GLA

Media and promotions income is generated through advertising and promotions at the shopping centres. Media income relates to advertising in the form of hanging banners, escalator branding, billboards and glass door branding. Promotions income relates 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 385 149. This income tends to be seasonal and peaks during holiday periods.



Thulamahashe Plaza

Thulamahashe Plaza welcomes two new offerings

Thulamahashe Plaza welcomed two new retailers in November 2025 with the opening of Shoprite and Hungry Lion. **Hungry Lion** officially opened its doors on Friday 21 November 2025, celebrating the occasion with opening specials that ran until mid-December. In the lead up to the opening, a competition was held in which ten lucky winners received meal vouchers.

The **Shoprite** grand opening followed on Thursday 27 November 2025. Shoppers from the Thulamahashe community enjoyed a festive atmosphere featuring opening specials, prizes and giveaways, as well as live entertainment by a marimba band. The new stores have created employment opportunities for over 80 people from the local communities.



Source of photos: Capital Land

Heidelberg Mall

Heidelberg Mall celebrates major new store openings

Heidelberg Mall marked an exciting milestone on Thursday 27 November 2025, with the opening of several long-awaited retailers, including **Shoprite, Cash Crusaders, Power Fashion and Hungry Lion**. The centre also welcomed the newly relocated bank branches of **Nedbank** and **FNB**.

The Shoprite grand opening was a standout event, featuring free giveaways, opening specials, DJ-led entertainment and Shoprite goodie bags and vouchers for the first 100 shoppers. A dedicated VIP area hosted Heidelberg local media as well as influencer and well-known actress Nobuhle Mimi Mahlasela, best recognised for her role as Aggie on the popular TV show 7de Laan.

Enhancing Heidelberg Mall's family offering, 26 Jump Street – a kids' trampoline and entertainment park – officially opened on 12 December 2025.

The store openings generated positive local media coverage, reinforcing Heidelberg Mall as a key retail destination in the area. The new stores have created employment opportunities for over 120 people from the local community.



Source of photos: Capital Land

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

Community impact

Heidelberg Mall My Eco Garden initiative

The Food Security Project, launched within the fund portfolio in 2023, has been successfully implemented and expanded to additional communities following the success of the pilot initiatives.

During the quarter, the **My Eco Garden** pilot event at Heidelberg Mall welcomed 240 learners from Sithomokele Primary School in Ratanda. The children attended interactive educational sessions where they learnt about growing their own food and practicing sustainable recycling. The initiative was also open to mall shoppers and walk-ins, encouraging broader community participation.



Source of photos: Capital Land

Key features

Futuregrowth Community Property Fund

R9.2bn

Total net asset value (as at 31 December 2025)

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

- **15 223** local jobs created as at March 2025
- 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	R9.2 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

/ 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