

Sygnia DIVI Fund

Minimum Disclosure Document (MDD)

Class A

South African - Equity - SA General

31 August 2025

Portfolio Managers

Regulation 28

Fund Launch Date

Class Launch Date

Fund Size

Unit Price

Units in Issue

Anton Swanepoel, Wessel Brand

Non-Compliant

30 May 2013

6 November 2013

R 277.00 Million

136,01

142,090,818.00

Investment Objective

Income Distribution

Trustees

The fund aims to deliver performance in line with the returns of the FTSE/JSE SWIX Index

Bi-annually (September and March)

Payment: 1 April 2025 - 3.07 cents per unit

Payment: 1 Oct 2024 - 4.19 cents per unit

Standard Bank Trustees (021 441 4100)

Cumulative Investment Performance

Growth of R100 invested on 30 November 2013

Investment: R238,04

Benchmark: R293,71

R350

R300

R250

R200

R150

R100

R50

Jun 15

Feb 17

Oct 18

Jun 20

Feb 22

Oct 23

Jun 25

Sygnia DIVI Fund

FTSE/JSE SWIX Index

Performance Analysis

Periodic Performance

Fund

*BM

Difference

1 Month

1,6%

3,5%

-1,9%

3 Months

6,2%

8,4%

-2,1%

6 Months

13,5%

20,8%

-7,3%

Year to Date

8,8%

23,6%

-14,8%

1 Year

9,5%

25,8%

-16,3%

**3 Years

4,2%

17,8%

-13,6%

**5 Years

13,7%

15,5%

-1,8%

**Since Inception

7,7%

9,6%

-1,9%

Performance as calculated by Sygnia Asset Management as at reporting date

*Please note that the benchmark was changed to FTSE/JSE Shareholder Weighted Index "SWIX" J403T as at 04 April 2022

**Annualised performance figures

Historical Performance

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Year

2021

2.4%

5.9%

3.8%

-0.2%

5.2%

-2.9%

5.1%

2.8%

-5.2%

7.3%

2.9%

4.5%

35.6%

2022

4.9%

10.0%

0.3%

-2.6%

0.3%

-9.3%

1.6%

1.7%

-1.9%

4.1%

8.9%

-3.9%

13.3%

2023

1.5%

-4.7%

-5.0%

1.2%

-8.1%

0.5%

4.4%

-3.3%

4.1%

-4.3%

4.6%

5.2%

-5.1%

2024

-5.8%

-4.7%

0.7%

1.9%

2.3%

4.1%

4.4%

-0.7%

4.6%

-0.4%

-1.9%

-1.5%

2.4%

2025

0.8%

-4.9%

-1.0%

2.9%

4.9%

0.3%

4.2%

1.6%

8.8%

Risk Statistics

Fund

BM

% Negative Months

35,0%

36,7%

Avg Negative Return

-3,5%

-2,5%

Maximum Drawdown

-18,2%

-12,8%

Standard Deviation

14,8%

12,3%

Downside Deviation

8,6%

6,3%

Highest Annual Return: Nov 2020 - Oct 2021

48,3%

29,4%

Lowest Annual Return: Jun 2022 - May 2023

-14,4%

1,4%

The risk statistics reflected above are calculated on a 60-month or since-inception basis, depending on which period is shorter.

Fees

Initial Fee

0,00% **

Management Fee

0,35% **

Performance Fee

N/A

Other costs

0,04% **

VAT

0,06%

Total Expense Ratio (TER)

0,44% (Jun 2025)

Transaction Costs (TC)

0,27% (Jun 2025)

Total Investment Charge (TIC)

0,72% (Jun 2025)

**Fees are exclusive of VAT

LOW

LOW MEDIUM

MEDIUM

MEDIUM HIGH

HIGH

LESS RISK/ RETURN

MORE RISK/ RETURN

Sector Allocation

Sector

Percent

Allocation

Financials

41,2%

Industrials

29,9%

Resources

27,0%

Liquidity

0,3%

Top 10 Holdings

Asset

Percentage

Exxaro Resources Ord Shs

6,7%

Old Mutual Limited Ord Shs

5,0%

African Rainbow Mineral Ord Shs

4,8%

British American Tobacco Ord Shs

4,7%

Ninety One Ord Shs

4,6%

Absa Group Ord Shs

4,1%

Sibanye Stillwater Ord Shs

3,9%

Investec Ord Shs

3,8%

AVI Ord Shs

3,7%

Sasol Ord Shs

3,6%

Minimum Disclosure Document - Issue Date: 03 Sept 2025

Sygnia

Sygnia DIVI Fund

Fund commentary

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2nd Quarter 2025

Market performance

Global markets rose strongly in June despite a cocktail of geopolitical tensions and policy risk and the potential for simultaneous supply shocks from tariffs, migration constraints and rising oil prices. Iran and Israel agreed to a ceasefire after 12 days of intense missile and drone strikes between Iran and Israel, and just one day after US operation “Midnight Hammer”, which “obliterated” Iran’s three uranium nuclear sites, including Fordow, a uranium-enrichment facility buried deep in a mountain. The ceasefire brought relief to the oil markets. While the conflict in the Middle East increases geopolitical risk, the ceasefire renders the impact of tariffs on US growth and inflation the greater uncertainty, with the 90-day tariff pause granted by the US expiring on 9 July. Trump has warned that countries will receive a “take-it-or-leave-it” letter detailing tariff terms, though the 15 countries already engaged in negotiations with the US may see this an extension to the deadline. Tariff pass-through inflation in the US was minimal in May, but corporates are likely to begin passing costs on to consumers, with inflationary consequences over the coming quarters reinforcing expectations of “higher for longer” interest rates and reduced growth. The World Bank concurred in its June outlook, downgrading its 2025 global growth forecast by 0.5 percentage points to 2.3%, projecting the weakest non-recessionary growth since 2008. Looking further ahead, average global growth in the 2020s is expected to settle around 2.5% – its slowest pace since the 1960s. Developed markets will bear the brunt of the growth downgrade and inflation increase, while emerging markets (EMs) will continue to offer a relatively resilient inflation–growth trade-off.

US inflation data for May offered a reprieve, rising by less than expected for the fourth consecutive month. While US firms have passed on some of the recent tariff costs – particularly on goods heavily exposed to China, such as appliances, electronics and household equipment – the full effect will take two to three months to unfold. In addition, CPI surprised to the downside due to price declines in recreational services and durable goods which signal growing consumer caution. Subdued inflation offers breathing room, but it is ultimately a function of softer economic activity. Weak May retail sales, falling consumer confidence and continued softness in manufacturing data indicate slowing demand. The Yale Budget Lab estimates that the current 15%+ effective tariff rate could reduce year-end employment by 375 000 jobs. Jobless claims have risen to a three-and-a-half-year high, while non-farm payroll growth outside two core categories has stalled.

The European Central Bank expects GDP growth of just 0.9% in 2025, but even that may be optimistic. Exports are weakening sharply, particularly as frontloading of US trade to avoid tariffs normalises, and the Russia-Ukraine war is continuing, sustaining geopolitical and energy-related pressures. Trump-era tariff risks are also escalating, with the US indicating that trade negotiations with the EU may not be resolved by the 9 July deadline. The EU’s slow pace of trade negotiation – seen clearly during Brexit – exacerbates the risk that the bloc may bear a disproportionate burden of any new US tariffs.

China’s economy is gaining traction, with early signs that policy stimulus is finally filtering through to the real economy: money growth is accelerating and May retail sales rose to a 17-month high. Beyond China, EMs are capitalising on trans-shipment opportunities, firm commodity prices, a weakening US dollar, low inflation and resilient earnings growth.

The gazettement in South Africa of new information technology (IT) procurement rules in June means that government departments can finally access IT services without having to use the State Information Technology Agency (SITA). In other good news, the Financial Action Task Force (FATF) has made an initial determination that SA’s 22-point action plan is complete, granting SA an on-site assessment and paving the way for SA to be removed from the so-called grey list at the FATF’s October plenary. However, the Organisation for Economic Co-operation and Development note that Transnet and a general lack of reforms are causing SA to miss out on the commodity rally (“Q1.25 growth stalled at 0.1% qqsa as the ongoing incapacity at Transnet severely limits growth”). This was confirmed as mining production declined by a marked -7.7% y/y in April, following March’s -2.5% y/y contraction. Production faces a myriad of challenges, including heightened input costs, labour challenges, the effects of illegal mining and logistical bottlenecks. The pace of reforms will affect SA’s ability to break out of the 1% growth range.

The dollar is usually the beneficiary in times of fear, but it has not rallied with current geopolitical tensions. Rate cuts in Europe may end soon even as the Fed starts to cut, so the euro may find further short-term cyclical support relative to the dollar. Despite dollar weakness and global appetite for currency diversification, however, the euro is unlikely to deliver on its “reserve currency moment” for some time.

Overall, the global consumer remains in good shape, financial conditions have eased and US long-term inflation expectations are stable, so we still expect the US to avoid a recession. In addition, we expect the near-term fiscal thrust in Germany and China to be around 2% of GDP. However, markets are entering a precarious period in which geopolitical risk, trade fragmentation and supply shocks intersect.

A combination of domestic tailwinds, global supply chain realignment and policy flexibility is positioning EMs for stronger near-term performance. China’s cyclical rebound, coupled with opportunities in EM debt and equity, present a compelling case for diversified exposure in multi-asset portfolios. Global industrial metal prices are also benefiting from the rise in global defence spending, a further tailwind for commodities and emerging markets. We have switched some of our South African exposure to EMs given the better valuations, higher growth and greater diversification.

RISK PROFILE



TIME HORIZON



Fund performance

The Sygnia Divi Fund delivered 8.2% for the quarter, below its benchmark, the FTSE/JSE SWIX Index. The fund benefitted from exposure to Sibanye Stillwater Ltd, Ninety One PLC and African Rainbow Minerals Ltd, while its exposure to Sappi Ltd, Kumba Iron Ore Ltd and Nedbank Group Ltd detracted from performance.

There were no changes to the fund’s constituents over the period.

The fund remains true to its investment objective of sustaining long-term capital growth by investing in high-dividend-paying stocks.

Disclaimer

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Important information to consider before investing

Investment Objective & Strategy

The Sygnia DIVI Fund is a general equity portfolio that seeks to sustain a high long-term capital growth. The portfolio is a low-cost value styled fund and will aim a return profile consistent with those of value managers and will not follow traditional market cycle. The fund invests in large Mid Cap shares that are expected to pay the highest dividends over the forthcoming year. The weightings of the shares in the index are based on their relative dividend forecasts, rather than on the relative market capitalization, or size of the relevant companies. The composition of the index is reviewed bi-annually.

Balancing Risk and Reward

The Sygnia DIVI Fund targets an overall 100% allocation to a concentrated selection of South African equities and has a medium to high risk profile. It is a suitable investment for investors seeking higher returns who are willing to tolerate higher volatility and aim to maximise capital accumulation over a longer-term time horizon. The investment is also suitable for investors who wish to maximise their returns in the most cost-effective manner without the need to select asset managers or take on the risk of active and subjective investment decision-making processes. Given the specialist nature of the Fund, it should be used as part of a broadly-diversified investment strategy rather than as a sole equity investment.

The recommended investment term for investors in the Sygnia DIVI Fund is a minimum of five years. The Fund has a 100% strategic allocation to South African equities. The risk is managed by spreading investments across sectors and individual shares. However, the structure of the Fund is dictated by the composition of the FTSE/JSE SWIX Index. Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies. The fund may also be exposed to liquidity risk. This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value. The focus on a high dividend stream and mid-to-large cap companies provides an added benefit in terms of risk management.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indicator of future performance. Performance data for the index is available from the JSE and is also available through many daily financial publications and websites. Unit trusts are traded at the ruling price and are allowed to engage in borrowing and scrip lending.

Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage. Performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

Fees

Sygnia charges an annual management fee comprised of applicable basis fees paid to underlying managers and Sygnia's annual service fee. The fund may invest in other unit trusts (underlying funds) that levy their own charges and which may charge performance fees in the event that the underlying fund's performance exceeds its benchmark. A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, levies, stamps, auditor's fees, bank charges and trustee fees. Sygnia does not provide advice and therefore does not charge advice fees.

What is the Total Expense Ratio (TER) and Transaction Costs (TC)?

The total expense ratio (TER) is the annualised percentage of the fund's average assets under management that has been used to pay the fund's actual expenses over the past three years. Transaction costs are a necessary cost in administering the fund and impact fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Since fund returns are quoted after the deduction of these expenses, the TER and Transaction Costs should not be deducted again from the published returns. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return.

Cumulative Investment Performance

Cumulative investment performance is for illustrative purposes only. The investment performance is calculated by taking all ongoing fees into account for the amount shown, with income reinvested on the reinvestment date.

How are unit prices calculated?

Unit prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio, including any income accruals and less any deductions from the portfolio, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 15:00 each business day. Purchases and redemption requests must be received by Sygnia by 14:00 each business day to receive that day's price. The price shown is specific to this class. The fund size represents the portfolio size as a whole. Unit prices are updated by 10:00 every business day and are available on our website, www.sygnia.co.za.

Disclaimer

The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the laws of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Proprietary) Limited (FSP Registration No. 873), an authorised financial services provider, is the appointed investment manager of the fund. Sygnia Collective Investments RF (Pty) Ltd does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this minimum disclosure document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

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Additional information such as fund prices, brochures, application forms and a schedule of fees and charges can be requested via admin@sfs.sygnia.co.za or 0860 794 642 (0860 SYGNIA).

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