Sygnia Life Income Maximiser Fund

31 October 2025

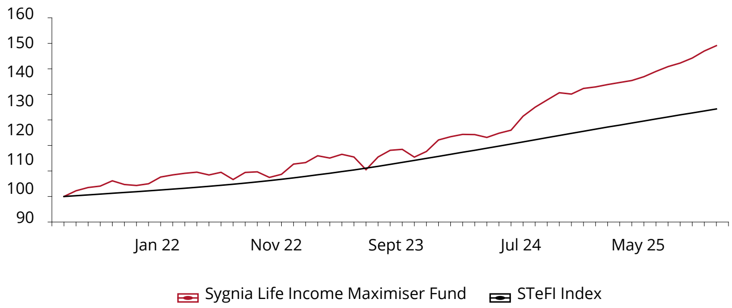
LOW	**LOW MEDIUM**	MEDIUM	MEDIUM HIGH	HIGH

LESS RISK/ RETURN — **MORE RISK/ RETURN**

0 - 2 YEARS	**2 YEARS+**	3 YEARS+	5 YEARS+	7 YEARS+

Portfolio Manager	**Sygnia Life Limited**
Regulation 28	**Compliant**
Fund Launch Date	**29 April 2021**
Investment Objective	**To provide maximum yield while avoiding the use of capital to fund drawdowns**
Legal Structure	**Life Fund**

Cumulative Investment Performance



Cumulative investment performance is for illustrative purposes only and is calculated using the NAV before any distributable income and management fee.

Asset Allocation as at 30 September 2025

Model	*Weight*	*Allocation*
Domestic Bonds	55.3%	
Domestic Income	44.6%	
Cash	0.1%	

Manager Allocation as at 30 September 2025

Manager	*Percentage*
Sygnia Asset Management	100.0%

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	1.3%	0.6%	0.7%
3 Months	4.5%	1.8%	2.7%
6 Months	8.3%	3.6%	4.6%
Year to Date	11.3%	6.3%	5.0%
1 Year	13.5%	7.7%	5.9%
****3 Years**	13.5%	8.0%	5.6%
****Since Inception**	10.9%	6.8%	4.1%
Gross Current Yield	9.7%		

**STeFI Index*
***Performance figures greater than 1 year are annualised*

Total Return

	1 year	*2 years*	*3 years*	*4 years*	*Since Inception*
Income Return	9.9%	10.3%	10.2%	10.0%	9.9%
Price Return	3.7%	6.0%	3.3%	1.1%	0.6%
Total Return	13.5%	16.3%	13.5%	11.1%	10.5%

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2021					2.2%	1.2%	0.5%	2.0%	-1.4%	-0.4%	0.6%	2.5%	7.6%
2022	0.8%	0.6%	0.4%	-1.0%	1.0%	-2.6%	2.6%	0.2%	-2.0%	1.1%	3.7%	0.5%	5.3%
2023	2.4%	-0.8%	1.3%	-0.9%	-4.3%	4.5%	2.3%	0.3%	-2.6%	1.9%	3.8%	1.0%	8.9%
2024	0.7%	-0.1%	-0.9%	1.3%	1.0%	4.4%	2.7%	2.1%	2.0%	-0.4%	1.6%	0.4%	15.8%
2025	0.6%	0.6%	0.5%	1.0%	1.4%	1.3%	0.9%	1.3%	1.8%	1.3%			11.3%

Risk Statistics

	Fund	BM
% Positive Months	77.8%	100.0%
% Negative Months	22.2%	0.0%
Best Month	4.5%	0.7%
Worst Month	-4.3%	0.3%
Avg Negative Return	-1.4%	0.0%
Maximum Drawdown	-5.2%	0.0%
Standard Deviation	5.8%	0.5%
Downside Deviation	4.2%	0.0%

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

Fees

Advisory Fee		N/A
Initial Fee		0.00% (Sep 2025)
Management Fee	per annum (inclusive of VAT)	0.50% (Sep 2025)
Performance Fee		N/A

FIND OUT MORE ABOUT OUR FUNDS:
WWW.SYGNIA.CO.ZA

Sygnia

Sygnia Life Income Maximiser Fund

Fund commentary

Minimum disclosure document (MDD)

3rd Quarter 2025

LOW	**LOW MEDIUM**	MEDIUM	MEDIUM HIGH	HIGH

LESS RISK/ RETURN — MORE RISK/ RETURN

TIME HORIZON

0-2 YEARS	**2 YEARS+**	3 YEARS+	5 YEARS+	7 YEARS+

Market performance

The gold price surged more than 10% in September on the risk of a US government shutdown, pushing the real (inflation-adjusted) gold price to an all-time high. Gold's weighting has reached 15% of the JSE All Share Index, nearly three times its 2006 peak; including platinum group metals, total precious metals now account for 22% of the SA equity market, pushing the South African resources sector to more than double year to date. Gold previously performed well in the 2018/2019 US shutdown, and the short-term rise in gold has likely been driven by investors seeking safe haven. Beyond the shutdown, emerging market central banks are likely to continue to buy gold and President Trump will continue his attacks on the Fed, so gold's rally is likely to continue. However, the stretched price of gold has raised the risk of a short-term reversal.

The Fed lowered interest rates by 25 basis points, marking its first rate cut in 2025 amid emerging signs of a softening in the labour market. However, the Fed's Summary of Economic Projections (SEP) for 2026 showed an upgrade in growth expectations, raising GDP growth from 1.6% to 1.8%, increasing core personal consumption expenditure (PCE) inflation forecasts from 2.4% to 2.6% and lowering the unemployment rate from 4.5% to 4.4%. The combination of a rate cut alongside upgraded growth and inflation forecasts has raised investor concerns about Fed credibility and dollar debasement. Fed Chair Jerome Powell described September's rate cut as "risk management", but Bloomberg Economics suggests political pressure may have influenced the decision. The SEP and Fed rate cut forecasts suggest a Fed inflation target around 2.8%, higher than the Fed's official 2% target, raising the risk that this implicit inflation bias could shift even higher as the composition of the Federal Open Market Committee changes under Trump. Without political pressure, deep cuts are unlikely. Although the 5 September payroll report showed a significant drop in employment growth, the unemployment rate only ticked up slightly, to 4.3% – breakeven payroll gains (jobs needed to keep unemployment stable) have dropped as a result of a shrinking labour force caused by lower participation and the increased deportation of undocumented workers. The full impact of the increased deportation of undocumented workers may not yet reflect in the data, so the slowdown in labour supply may be greater than reported. This could push wages higher, which, alongside tariff-driven inflation, would likely reduce rate cuts.

While inflation rose less than expected, to 3%, the South African Reserve Bank (SARB) kept rates unchanged, with SARB governor Lesetja Kganyago blaming "the serious dysfunction in administered prices, which undermines purchasing power and weakens growth. The solution to this crisis is not a higher level of inflation, but rather sector-specific reforms to improve efficiency."

Infrastructure is a glaring weakness for South African competitiveness. Theo Boshoff, CEO of Agbiz, recently noted that it is still cheaper to import soya beans to Cape Town from Argentina than to transport them from South Africa's inland regions. According to the latest Ctrack data, South African freight volumes and overall activity have continued to deteriorate (from 2024 to end Q2 2025). Transnet is lining up public-private partnerships, but private sector "railing" operations are only expected to begin in 2026/27 at the earliest. According to Dr Sean Phillips, Director-General of the Department of Water and Sanitation, municipal debt owed to water boards tripled from 2018 to July 2025, reaching R24.58bn.

US reciprocal tariff rates for many neighbouring economies were reduced substantially in August from initial levels announced on Liberation Day, but South Africa's rate has remained unchanged from April. Standard Chartered believes this could reduce GDP by as much as 0.3 percentage points – significant when GDP is only expected to grow by 1%. Productivity remains key to improving SA growth. President Cyril Ramaphosa has acknowledged the significant challenges facing SA's public services, including a skills gap, outdated systems and processes, inconsistent service delivery and corruption. On the upside, reform momentum is at its highest level in over a year according to the Business Leadership SA tracker, and 26 of 240 reform deliverables have been marked as complete to date.

This year's upside growth surprise is due to tariff hikes occurring more gradually than expected, with the observed US tariff rate only reaching 9.7% in July. As front-loading spending in the US slows, a weakening of labour income will occur just as tariffs squeeze purchasing power, with the effective tariff rate expected to reach 19% by year end. US real labour income is thus projected to decline in the coming months. Despite slower employment, inflationary pressures from tariffs and immigration-driven wage increases pose significant risks that could prematurely end the Fed's rate cut cycle. Investment lead growth is supporting the economy for now and the Atlanta Fed's GDPNow model is spiking, suggesting GDP growth could reaccelerate to 3.3% in Q3. Cheaper energy, a weaker dollar, lower equity earnings yields and narrowing credit spreads are all stimulative for business activity.

Geopolitical noise and risks remain high. The oil price spiked after Trump reversed his stance on Ukraine, writing on social media: "I think Ukraine, with the support of the European Union, is in a position to fight and WIN all of Ukraine back in its original form." Poland shot down 19 Russian drones that entered its airspace during a massive Kremlin airstrike on Ukraine, calling the trespass an "act of aggression". Polish Prime Minister Donald Tusk subsequently invoked NATO's Article 4 to consult allies on collective defence measures. Lithuanian President Gitanas Nausėda warned Russia over the recent entry of three armed Russian fighter jets into Estonian airspace and a series of incursions along the Eastern part of the NATO alliance countries.

Markets are very stretched and pullbacks are likely due to geopolitical risks or inflation. The Fed continues to provide liquidity, and fiscal stimulus is much stronger than it should be at this point in the economic cycle, which suggests that any pullbacks will be shallow.

Fund performance

Sygnia Life Income Maximiser Fund returned 4.1% for the quarter, outperforming its benchmark, the Short-Term Fixed Interest Index, which returned 1.8%. Over 12 months, the fund delivered 11.6% against the benchmark's return of 7.8%.

The fund continues to maximise income by dynamically managing allocations based on the shape of the yield curve.

Nominal bond exposure was unchanged over the quarter, constituting approximately 30% of the fund. The All Bond Index was up 6.8% over three months, with a 12-month return of 14.5%.

The three-month Jibar floating reference rate ended the quarter at 7.0%, following the repo rate lower. Long-dated (twelve-month) Treasury bills and negotiable certificates of deposit were also lower, both yielding approximately 7.5% (on a twelve-month forward-looking basis).

On the domestic front, the South African Reserve Bank (SARB) reduced the repo rate by 25 basis points to 7% in July (the lowest policy rate since late 2022) after the last cut in May this year. The central bank signalled a new inflation-targeting approach, now aiming for the bottom end of the official 3–6% target range, though final ratification by National Treasury is pending. Annual consumer price inflation hovered between 3.0% and 3.5%: headline CPI was 3.0% in June, rising to a ten-month high of 3.5% in July before easing to 3.3% in August, supported by moderate food and falling fuel prices.

The US Federal Reserve initiated its first interest rate cut in nine months, cutting by 25 basis points to a target range of 4–4.25% in July amid growing signs of labour market cooling and persistent but mostly contained inflation. Fed members projected two additional cuts for the remainder of the year, reflecting consensus to move away from restrictive policy. The US 10-year yield traded largely rangebound, ending at 4.15% in September.

CAPE TOWN: 7th Floor, The Foundry, Cardiff Street, Green Point, 8001 T +27 21 446 4940

JOHANNESBURG: Unit 40, 6th Floor, Katherine & West Building, West Street, Sandton T +27 10 595 0550

www.sygnia.co.za | info@sygnia.co.za

Important information to consider before investing

Investment Objective & Strategy

The Sygnia Life Income Maximiser is designed for Living Annuity clients seeking maximum yield while avoiding the use of capital to fund drawdowns. The fund dynamically switches between SA Enhanced Income and SA Bonds, depending on the shape of the yield curve: when the yield curve is flat, the fund invests in SA Income, and when the yield curve is steep, the fund switches into SA Bonds. Thus, the fund maximises yield and minimises risk dependent on the economic environment. A small allocation to property diversifies the overall fund.

Balancing Risk and Reward

The Sygnia Life Income Maximiser is a low to medium risk investment. The fund targets high income to fund living annuity drawdowns and is designed for investors seeking high yield, who can tolerate moderate capital fluctuations.

Fees

Sygnia charges an annual management fee comprised of applicable basic fees paid to underlying managers and Sygnia's annual service fee.

Fees charged by underlying managers are treated as an expense of the account.

Sygnia does not provide advice and therefore does not charge advice fees. If a financial planner is appointed, initial and ongoing advice fees may be payable as agreed upon between you and your financial advisor. The payments of these fees are facilitated by the Linked Investment Service Provider (LISP) where the fund is made available and not directly by Sygnia.

Disclaimer

SYGNIA LIFE LIMITED
Registration no. 2000/022679/06

CAPE TOWN: 7th Floor, The Foundry, Cardiff Street, Green Point, 8001 T +27 21 446 4940

JOHANNESBURG: Unit 40, 6th Floor Katherine & West Building, West Street, Sandton, 2196 T +27 10 595 0550

DURBAN: Office 2, 2nd Floor Ridgeview, 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4319 T +27 31 001 0650

www.sygnia.co.za | info@sygnia.co.za

Sygnia