

Sygnia DIVI Fund

Minimum Disclosure Document (MDD)

Class A

South African - Equity - SA General

30 September 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 271.00 Million

134.58

141,091,317.00

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: R235.53

Benchmark: R313.12

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

-1.1%

6.6%

-7.7%

3 Months

4.8%

12.9%

-8.1%

6 Months

13.4%

24.3%

-10.9%

Year to Date

7.6%

31.7%

-24.1%

1 Year

3.7%

28.9%

-25.3%

**3 Years

4.5%

21.9%

-17.5%

**5 Years

13.3%

17.3%

-4.0%

**Since Inception

7.5%

10.1%

-2.6%

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

Top 10 Holdings

Asset

Percentage

Nedbank Group Ord Shs

5.4%

Absa Group Ord Shs

5.1%

Truworths International Ord Shs

5.0%

Kumba Iron Ore Ord Shs

4.4%

Exxaro Resources Ord Shs

4.1%

Standard Bank Group Ord Shs

3.9%

Old Mutual Limited Ord Shs

3.8%

Ninety One Ord Shs

3.7%

Ninety One Ord Shs

3.7%

Investec Ord Shs

3.7%

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%

-1.1%

Risk Statistics

Fund

BM

% Negative Months

36.7%

35.0%

Avg Negative Return

-3.4%

-2.6%

Maximum Drawdown

-18.2%

-12.8%

Standard Deviation

14.9%

12.5%

Downside Deviation

8.6%

6.5%

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)

0.45% (Sept 2025)

Transaction Costs (TC)

0.25% (Sept 2025)

Total Investment Charge (TIC)

0.70% (Sept 2025)

**Fees are exclusive of VAT

LOW

LOW MEDIUM

MEDIUM

MEDIUM HIGH

HIGH

LESS RISK/ RETURN

MORE RISK/ RETURN

Minimum Disclosure Document - Issue Date: 08 Oct 2025

Sygnia

Sygnia Divi Fund

Fund commentary

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3rd Quarter 2025

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.

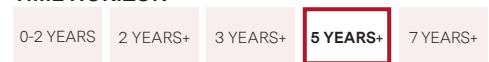
Geopolitical noise and risks remain high. The oil price spiked after Trump reversed his stance on Ukraine, writing on social media: "I think Ukraine, with the support of the European Union, is in a position to fight and WIN all of Ukraine back in its original form." Poland shot down 19 Russian drones 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.

RISK PROFILE



TIME HORIZON



Fund performance

The Sygnia Divi Fund delivered 4.8% for the quarter, below its benchmark, the FTSE/JSE SWIX Index. The fund benefitted from exposure to Sibanye Stillwater Ltd, Exxaro Resources Ltd and Valterra Platinum Ltd, while its exposure to Truworths International Ltd, Sappi Ltd and Nedbank Group Ltd detracted from performance.

There were several changes to the fund's constituents over the period, including the addition of Ninety One Ltd, Mondi PLC and Pan African Resources PLC and the removal of Sibanye Stillwater Ltd, Sappi Ltd and Sasol Ltd.

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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Minimum Disclosure Document - Issue Date: 08 Oct 2025

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