

# Sygnia CPI + 4% Fund

## Minimum Disclosure Document (MDD)

### Class D

South African - Multi-Asset - Medium Equity

30 April 2026

Portfolio Managers	<b>Anton Swanepoel, Bashaarit Khan</b>
Regulation 28	<b>Compliant</b>
Fund Launch Date	<b>20 June 2012</b>
Class Launch Date	<b>28 January 2014</b>
Fund Size	<b>R 3 493 Million</b>
Unit Price	<b>245.44</b>
Units in Issue	<b>83,457,697</b>

#### Investment Objective

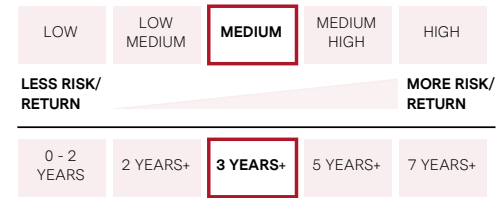
The objective of this strategy is to target an annual return of CPI plus 4% over a rolling 36-month period and not to lose capital over a rolling 24-month period

#### Income Distribution

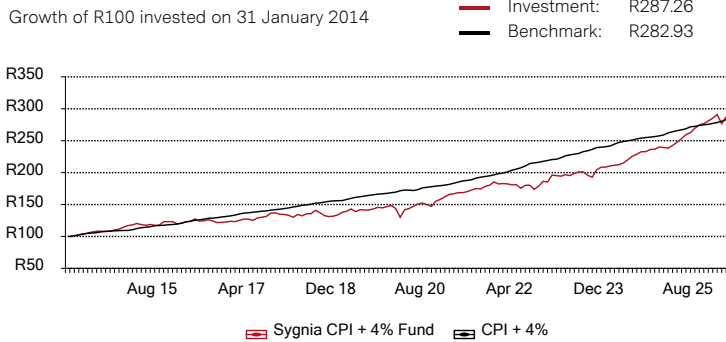
Bi-annually (September and March)  
Payment: 1 Apr 2026 - 4.03 cents per unit  
Payment: 1 Oct 2025 - 4.01 cents per unit

#### Trustees

Standard Bank Trustees (021 441 4100)



### Cumulative Investment Performance



### Asset Allocation as at 31 March 2026

Asset Class	Percentage	Allocation
Domestic Equities	26.8%	<div style="width: 26.8%;"></div>
Domestic Property	0.8%	<div style="width: 0.8%;"></div>
Domestic Bonds	19.9%	<div style="width: 19.9%;"></div>
Domestic Income	14.7%	<div style="width: 14.7%;"></div>
International Equities	28.9%	<div style="width: 28.9%;"></div>
International Fixed Interest	2.7%	<div style="width: 2.7%;"></div>
International Cash	6.2%	<div style="width: 6.2%;"></div>

### Performance Analysis

Periodic Performance	Fund	*BM	Difference
1 Month	3.8%	0.9%	2.9%
3 Months	0.7%	2.1%	-1.4%
6 Months	4.5%	3.3%	1.2%
Year to Date	2.2%	2.6%	-0.4%
1 Year	18.4%	7.2%	11.3%
**3 Years	13.5%	7.7%	5.7%
**5 Years	11.2%	8.8%	2.4%
**Since Inception	9.0%	8.9%	0.1%

Performance as calculated by Sygnia Asset Management as at reporting date  
\*Headline Consumer Price Index + 4%  
\*\*Annualised performance figures

### Manager Allocation as at 31 March 2026

Manager	Percentage
Domestic Index Trackers	21.4%
Ninety One	17.9%
Sygnia Asset Management	16.6%
BlackRock Investment Management	12.9%
Coronation Fund Managers	10.2%
36ONE Asset Management	4.2%
Global Index Trackers	3.2%
Matrix	3.0%
Visio Capital	2.8%
Other	7.8%

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	2.6%	2.3%	0.6%	1.1%	0.0%	1.0%	1.5%	1.4%	-0.4%	2.3%	1.0%	2.9%	17.3%
2022	-1.7%	0.3%	-0.3%	-0.8%	0.1%	-3.1%	2.6%	0.2%	-3.6%	2.8%	4.3%	-0.6%	-0.1%
2023	5.8%	-0.4%	-0.4%	1.2%	-0.7%	1.8%	1.2%	-0.1%	-2.6%	-1.7%	6.1%	2.0%	12.5%
2024	0.1%	0.8%	0.5%	0.4%	1.3%	2.4%	2.5%	1.3%	1.8%	0.0%	1.5%	0.1%	13.5%
2025	1.5%	-0.3%	-0.4%	1.8%	2.1%	2.3%	2.5%	1.2%	2.6%	2.0%	0.7%	1.5%	18.8%
2026	1.5%	2.0%	-4.9%	3.8%									2.2%

### Risk Statistics

	Fund	*BM
% Negative Months	30.0%	30.0%
Avg Negative Return	-1.2%	-1.5%
Maximum Drawdown	-6.3%	-10.6%
Standard Deviation	6.8%	7.1%
Downside Deviation	4.9%	6.1%
Highest Annual Return: Mar 2025 - Feb 2026	21.6%	21.4%
Lowest Annual Return: Oct 2021 - Sep 2022	-0.4%	-4.8%

The risk statistics reflected above are calculated on a 60-month or since-inception basis, depending on which period is shorter. \*SA Multi-Asset Medium Equity Avg

### Fees

Initial Fee	0.00% **
Management Fee	1.00% **
Performance Fee	0.00% **
Other costs	0.03% **
VAT	0.15%
Total Expense Ratio (TER)	1.18% (Mar 2026)
Transaction Costs (TC)	0.05% (Mar 2026)
Total Investment Charge (TIC)	1.23% (Mar 2026)

\*\* Fees are exclusive of VAT

# Sygnia CPI + 4% Fund

## Fund commentary

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Class D

South African - Multi-Asset - Medium Equity

1st Quarter 2026

### RISK PROFILE



### TIME HORIZON



### Market performance

Escalation between the US/Israel and Iran has driven crude oil to \$120 per barrel (/bbl). Equity, currency and bond markets across Europe and emerging economies have sold off sharply as carry trades unwind. The dollar has strengthened and gold has softened, reaffirming the dollar's safe-haven status in a high-geopolitical-risk environment.

US forces have struck Iran's Kharg Island, the country's principal crude export hub. Iran has struck its Gulf neighbours hard, removing 12 million barrels per day (mb/d) of supply and effectively closing the Strait of Hormuz and impeding the 20 mb/d that ordinarily transits it. In response, the International Energy Agency released 400 million barrels – larger than any prior drawdown. The US has also permitted purchases of sanctioned Russian oil, estimated at 124 million barrels. However, these measures combined amount to only 26 days of Hormuz-replacement supply. Yemen's Houthi militia have officially entered the war, which threatens to close the key Bab al-Mandab Strait, the alternative transit route via the Red Sea; this could affect a further 5mb/d of seaborne crude oil. On 18 March, Israel struck the Iranian portion of the South Pars/North Dome gas field, the largest gas field in the world (shared with Qatar). Iran retaliated with widespread attacks on oil and gas infrastructure, impairing 17% of Qatar's liquid natural gas capacity for three to five years. Natural gas prices have almost doubled year-to-date.

Even a unilateral US declaration of "victory" would not produce a clean exit. Several structural obstacles remain:

- Iran has rejected the US's 15-point proposal, wishing to maintain its nuclear facilities and gain recognition of its "authority" over the Strait of Hormuz.
- Iran "wins" by controlling the Strait. It is charging transit fees on some commercial vessels through the strait at \$2m per voyage; the US has limited means to prevent Iranian drone attacks on Persian Gulf shipping, and Iranian mines make naval escorts operationally difficult.
- Russia benefits from a prolonged conflict, as higher prices are delivering a financial windfall to Moscow. Russia may also be supplying Iran with weapons.
- Israel has extended evacuation orders in southern Lebanon to cover 14% of the total area, and domestic Israeli polling shows overwhelming support for the operation Prime Minister Netanyahu has advocated for decades. Israeli skirmishes may thus independently continue to keep Iran engaged.
- Ports and infrastructure damaged during the conflict will take time to repair.
- Once drawn down, strategic reserves must be replenished, creating a persistent demand overhang.

JPM research shows energy prices close to \$100/bbl through midyear (moderating towards \$80/bbl thereafter), which would raise consumer prices by 1.0% and reduce growth by 0.8%. But the disruption extends well beyond crude oil. The Strait of Hormuz also carries critical flows of chemical and petrochemical products whose supply impairment has global implications for food, agriculture and semiconductor manufacturing. To place this in historical context, the Strait of Hormuz remained open during both the Gulf War (1990) and the Iraq War (2003).

The closest historical analogue is Russia's invasion of Ukraine in 2022, which disrupted the Black Sea, a critical corridor for grain and fertiliser. Around 50% of the world's seaborne sulphur trade passes through the Strait of Hormuz; sulphuric acid is a key input in wafer cleaning and microchip fabrication. The price of urea – the world's most widely used nitrogen fertiliser – has risen 70% since the conflict began, and ammonia is up 80%. The Middle East also supplies approximately one-third of the world's commercial helium, which is essential for semiconductor manufacturing equipment.

The US is most protected from this shock, as dollar strength dampened imported inflation for the US, growth coming into the shock was stronger than peers, the US is a net energy exporter and American WTI oil is trading \$20/bbl cheaper than Brent crude. Energy goods and services as a share of US personal consumer expenditure have more than halved over the past 50 years. Europe is materially more exposed, as currency weakness provides less of a cushion against dollar-denominated commodities, and the region is bearing the primary burden of the sharp rise in natural gas prices. Energy costs account for about 11% of household income in Europe, compared with 3.4% in the US. We have reduced our eurozone bond allocation to neutral.

Major emerging market (EM) economies are oil importers, and households spend a higher share of consumption on transport and food than in developed markets. Immediate currency weakness has already raised inflation expectations, and EM central banks are being forced into rate hikes even as growth deteriorates. The combination of a stronger dollar, higher inflation, rising rates and deteriorating risk sentiment creates a deeply adverse environment for EM assets. We have reduced our EM bond and equity overweight to neutral.

The key question is whether the oil shock will trigger a major global downturn. The answer depends on the magnitude and duration of the energy shock. Historically, a sustained doubling of oil prices to around \$130 for two months has been the threshold for a recession. The US has strong incentives to seek a relatively swift resolution to the conflict in the Middle East. However, even if a ceasefire happens immediately, it will take time for supply to return to the Strait. Given the uncertainty of the outlook, we have reduced our overweight in EMs back to neutral, including South African equities.

South Africa is heavily dependent on energy and fertiliser imports, and the rand has weakened materially. Rate expectations have shifted from pricing in nearly three cuts over the next twelve months to pricing in three hikes. If oil is sustained at \$90/bbl and the USD/ZAR at 17.00 for three months, JPMorgan models headline CPI above 4.1% by June. Gold's failure to make new highs during this conflict represents an additional downside risk to South African equities, as precious metals make up one third of the Top 40 Index.

### Fund performance

The Sygnia CPI + 4% Fund returned -1.4% for the quarter, underperforming its long-term target of CPI + 4% per annum, which returned 1.7%.

Global financial markets navigated a turbulent first quarter of 2026, opening with buoyant momentum from late-2025 resilience – bolstered by robust economic indicators, optimistic growth forecasts and emerging market strength – before pivoting sharply into risk aversion. A dramatic escalation in Middle East conflicts, marked by Israel-Iran proxy clashes, drone assaults on Strait of Hormuz oil facilities and Red Sea trade disruptions, ignited fears of \$100+ oil prices, supply shocks and resurgent inflation.

Currency markets reflected a shift to defensive positioning. The US dollar strengthened by 3% over the quarter, supported by its safe-haven status and relatively resilient economic outlook.

The MSCI World Index returned -0.4% in rand terms, while emerging markets benefitted despite global volatility, with the MSCI Emerging Markets Index rising 3.1% over the quarter. These developments resulted in the MSCI All Country World Index remaining flat over the quarter. As measured by the Bloomberg Barclays Global Aggregate Bond Index, global bonds increased by 1.2% in rand terms as the strength in the dollar offset the impact of higher yields on the back of rising inflation.

### Disclaimer

Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the law of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

## Important information to consider before investing

### Investment Objective & Strategy

The Sygnia CPI + 4% Fund is a portfolio that targets an annual return of CPI plus 4% over a rolling 36-month period and not to lose capital over a rolling 24-month period. The multi-asset-class fund is managed with a medium exposure to equities in order to seek long-term returns of at least 4% per annum above inflation while still seeking to moderate the short-term volatility of returns. The fund will have exposure to both domestic and foreign assets, which will include equities, fixed interest and money market assets and will be comprised of a number of underlying portfolios managed by different managers selected by Sygnia. The fund will be managed with prudential guidelines and will maintain equity exposure between 40% and 60% of the portfolio. Derivatives are allowed for efficient portfolio management.

### Balancing Risk and Reward

The fund 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 strategy complies with Regulation 28 of the Pension Funds Act, so is suitable for investors in retirement annuities, preservation, pension and provident funds.

The recommended investment term for investors in the fund is a minimum of three to five years. The risk is managed by spreading investments across asset classes, as well as among a number of asset management houses. The former ensures diversification of sources of returns over market cycles, while the latter ensures diversification of investment styles and philosophies. Tactical asset allocation is used to take advantage of short-term mispricing opportunities in the market in an efficient and cost-effective manner and as a risk management tool in times of market downturns. 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. This may impact on liquidity and in the case of foreign securities, the repatriation of funds. The fund may also be exposed to credit risk where an issuer of a non-equity security may not be able to make interest payments or repay the capital. This will impact the value of the fund. There are regulations in place which limit the amount a unit trust may be exposed to each issuer, thereby spreading the risk across various issuers.

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. 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, STT, 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.

### Foreign Securities

The fund may also invest in foreign securities, which may be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down.

### 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 permissible 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 the manager 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](http://www.sygnia.co.za).

### 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.

### 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](mailto:admin@sfs.sygnia.co.za) or 0860 794 642 (0860 SYGNIA).

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