

# Sygnia CPI + 2% Fund

## Minimum Disclosure Document (MDD)

### Class D

South African - Multi-Asset - Low Equity

31 July 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>27 January 2015</b>                 |
| Fund Size          | <b>R 2 623 Million</b>                 |
| Unit Price         | <b>184.23</b>                          |
| Units in Issue     | <b>57,447,930</b>                      |

#### Investment Objective

The objective of this strategy is to target an annual return of CPI plus 2% over a rolling 24-month period and not to lose capital over a rolling 12-month period.

#### Income Distribution

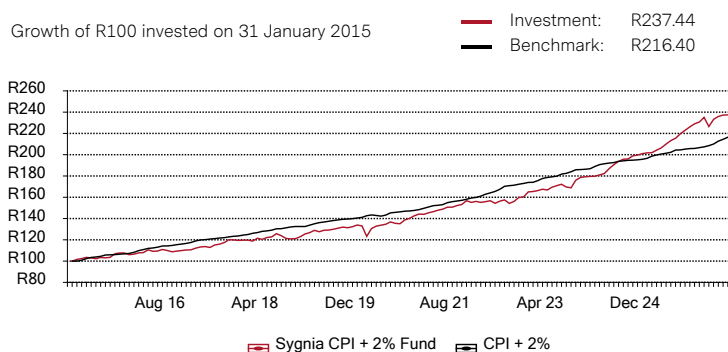
Bi-annually (September and March)  
Payment: 1 Apr 2026 - 3.98 cents per unit  
Payment: 1 Oct 2025 - 4.27 cents per unit

#### Trustees

Standard Bank Trustees (021 441 4100)

## Cumulative Investment Performance

Growth of R100 invested on 31 January 2015



## Performance Analysis

| Periodic Performance | Fund  | *BM  | Difference |
|----------------------|-------|------|------------|
| 1 Month              | 0.1%  | 0.9% | -0.8%      |
| 3 Months             | 1.8%  | 3.0% | -1.2%      |
| 6 Months             | 2.9%  | 4.7% | -1.8%      |
| Year to Date         | 3.7%  | 5.1% | -1.4%      |
| 1 Year               | 11.3% | 7.0% | 4.4%       |
| **3 Years            | 11.6% | 6.4% | 5.2%       |
| **5 Years            | 9.8%  | 7.2% | 2.6%       |
| **Since Inception    | 7.8%  | 6.9% | 0.9%       |

Performance as calculated by Sygnia Asset Management as at reporting date

\*Headline Consumer Price Index + 2%

\*\*Annualised performance figures

## Historical Performance

|      | Jan   | Feb  | Mar   | Apr  | May   | Jun   | Jul  | Aug  | Sep   | Oct   | Nov  | Dec  | Year  |
|------|-------|------|-------|------|-------|-------|------|------|-------|-------|------|------|-------|
| 2021 | 1.7%  | 1.1% | -0.2% | 1.0% | 0.8%  | 0.9%  | 0.7% | 1.2% | 0.0%  | 1.0%  | 0.7% | 2.3% | 11.9% |
| 2022 | -1.0% | 0.6% | -0.6% | 0.5% | 0.6%  | -1.5% | 1.3% | 0.8% | -2.1% | 1.2%  | 2.4% | 0.3% | 2.2%  |
| 2023 | 3.0%  | 0.2% | 0.5%  | 0.8% | -0.4% | 1.6%  | 0.9% | 0.7% | -1.5% | -0.4% | 4.2% | 1.5% | 11.5% |
| 2024 | 0.3%  | 0.2% | 0.1%  | 0.7% | 0.7%  | 2.5%  | 2.0% | 1.6% | 1.0%  | 0.2%  | 1.5% | 0.4% | 11.7% |
| 2025 | 0.7%  | 0.4% | 0.1%  | 1.2% | 1.1%  | 1.7%  | 1.5% | 1.1% | 1.9%  | 1.5%  | 1.4% | 1.3% | 14.7% |
| 2026 | 0.7%  | 1.9% | -3.6% | 2.9% | 1.2%  | 0.6%  | 0.1% |      |       |       |      |      | 3.7%  |

## Risk Statistics

|                                            | Fund  | *BM   |
|--------------------------------------------|-------|-------|
| % Negative Months                          | 15.0% | 21.7% |
| Avg Negative Return                        | -1.2% | -1.5% |
| Maximum Drawdown                           | -3.6% | -8.9% |
| Standard Deviation                         | 4.3%  | 5.9%  |
| Downside Deviation                         | 3.9%  | 6.5%  |
| Highest Annual Return: Mar 2025 - Feb 2026 | 16.5% | 18.0% |
| Lowest Annual Return: Jan 2022 - Dec 2022  | 2.2%  | -4.0% |

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

## Asset Allocation as at 30 June 2026

| Asset Class                     | Percentage | Allocation |
|---------------------------------|------------|------------|
| Domestic Equities               | 9.9%       |            |
| Domestic Property               | 0.8%       |            |
| Domestic Bonds                  | 28.0%      |            |
| Domestic Inflation-Linked Bonds | 9.1%       |            |
| Domestic Income                 | 27.3%      |            |
| International Equities          | 15.8%      |            |
| International Fixed Interest    | 6.0%       |            |
| International Cash              | 3.1%       |            |

## Manager Allocation as at 30 June 2026

| Manager                         | Percentage |
|---------------------------------|------------|
| Sygnia Asset Management         | 33.4%      |
| Domestic Index Trackers         | 19.2%      |
| Ninety One                      | 17.9%      |
| Coronation Fund Managers        | 8.5%       |
| BlackRock Investment Management | 6.0%       |
| Matrix                          | 5.0%       |
| Ashburton Investments           | 4.1%       |
| Rand Merchant Bank              | 1.6%       |
| Standard Bank Ltd               | 1.6%       |
| Other                           | 2.7%       |

## Fees

|                               |                  |
|-------------------------------|------------------|
| Initial Fee                   | 0.00% **         |
| Management Fee                | 1.00% **         |
| Performance Fee               | N/A              |
| Other costs                   | 0.02% **         |
| VAT                           | 0.15%            |
| Total Expense Ratio (TER)     | 1.18% (Jun 2026) |
| Transaction Costs (TC)        | 0.03% (Jun 2026) |
| Total Investment Charge (TIC) | 1.20% (Jun 2026) |

\*\* Fees are exclusive of VAT

# Sygnia CPI + 2% Fund

## Fund commentary

Minimum disclosure document (MDD)

Class D  
South African - Multi-Asset - Low Equity

2nd Quarter 2026

### Market performance

The World Bank has trimmed its 2026 global growth forecast to 2.5%, down from 2.6% in January, citing the economic drag from the Middle East conflict. Emerging market and developing economies are now anticipated to grow at 3.6%, a 0.4% downgrade. The US is the notable exception, holding steady at 2.2% – unchanged from January and marginally ahead of its 2.1% outturn in 2025.

The announcement of a memorandum of understanding between Iran and the US caused the oil price to fall dramatically but has not altered our baseline forecasts. The oil price has retracted considerably but will remain elevated throughout 2026 relative to 2025 as geopolitical risks persist:

- A nuclear deal with Iran will be difficult to achieve without Trump agreeing to weaker terms than those secured under Obama's 2015 Joint Comprehensive Plan of Action (which Trump scrapped).
- Reports of strikes in Lebanon continue, and it remains far from certain whether Israel and Hezbollah can sustain their temporary ceasefire.
- Red Sea traffic remains well below pre-conflict levels and is likely to remain so, as insurance costs remain high; Damaged facilities are still offline, and the UAE, for example, has declared its intention to reduce its Hormuz exposure to zero.

Gold has fallen more than 25% from its peak and bitcoin more than 50% as strong US jobs data and the Fed's reaffirmation of its inflation target pile pressure on assets that had rallied on fears of currency debasement. May US payroll growth came in well above the highest forecast, with substantial upward revisions to prior months. To put the number in context, St Louis Fed economists estimate that monthly job creation of 30 000–85 000 is sufficient to avoid pushing unemployment higher. At 172 000, May's print was double the top of that range. For the Fed, the figures settle the question of labour market softening, allowing it to turn its full attention to the inflation side of its dual mandate. Half of the Fed's 18 members now anticipate at least one rate increase this year, and a third project two or more – a clear shift from the prior easing bias, notwithstanding the Middle East deal and lower oil prices. Markets were debating whether the Fed was quietly acquiescing to an implicit 3% inflation target after five years above the 2% threshold, but incoming chair Kevin Warsh vowed to restore price stability and confirmed the 2% inflation target remains key to the Fed's mandate. Markets reacted sharply to the strong payrolls and later to the hawkish Fed. Yields surged, the dollar strengthened and traders moved to fully price in an additional 25 basis points of tightening. The combination of a hawkish Fed, a stronger dollar and rising bond yields has weighed heavily on the debasement trade, which reflects a cluster of demand drivers: higher geopolitical uncertainty, long-term inflation uncertainty and concerns about debt debasement driven by large fiscal deficits across major economies. One measure of this trade is non-bank investors' allocation to gold and bitcoin relative to their holdings of equities, bonds and cash. After a steady build-up from mid-2023, that allocation has been pulling back since the start of the Iran conflict and has now retreated to levels last seen in March 2025. For emerging markets, a hawkish Fed will cap the emerging market rally. Lower oil prices will partially remove one headwind for emerging markets, but a more restrictive Fed introduces a new one through a stronger dollar and tighter global liquidity, reducing the profitability of the carry trade.

Fitch has upgraded South Africa's sovereign credit rating one notch, from BB- to BB, with a stable outlook. The move brings all three major ratings agencies into alignment at the second-highest non-investment grade rating. That said, the upgrade should not be read as a signal of near-term progress – first-quarter GDP rose 0.5%, beating expectations, but its composition was weak. Growth was driven entirely by net exports, and even that reflected a sharp fall in imports rather than export-led strength. Household spending dropped sharply and investment fell. With the oil shock now feeding through, demand is likely to weaken further from the second quarter, and we expect full-year growth of around 1%. We agree with Fitch that the short-term fiscal outlook is positive. Elevated platinum and gold prices will help insulate government revenues from the oil shock and underpin ongoing budget consolidation and debt stabilisation. We have concerns about the longer term, where risks remain on the spending side, including potential support for state-owned enterprises, large contingent liabilities linked to the Road Accident Fund and the possibility that the Social Relief of Distress grant will become more generous or more widely covered than currently budgeted. Growth is also likely to remain subdued. Interest rate futures are pricing in one hike – a far cry from the three cuts anticipated before the Iran War and the Fed's shift in tone. Softness in gold adds a further headwind for South African growth.

Despite the conflict, growth has proven more resilient than feared. Global fiscal policy remains accommodative, effective US tariff rates have fallen and wealth effects remain positive, with markets at highs and the ongoing AI investment boom providing further support. But central banks are navigating an increasingly difficult environment: core inflation remains elevated and El Niño is expected to add further upward pressure through higher food prices, while future tariffs may lead to import inflation. With the US labour market now demonstrating renewed resilience, the Fed is likely to begin hiking sooner than anticipated to manage core inflation – a meaningful headwind for global equity markets. Emerging economies will continue to face a drag from higher energy and food prices as well as a hawkish Fed.

### RISK PROFILE



### TIME HORIZON



### Fund performance

The Sygnia CPI + 2% Fund returned 4.8% for the quarter, outperforming its long-term target of CPI + 2% per annum, which returned 2.9%.

Global financial markets navigated a strong but geopolitically charged second quarter of 2026, starting with lingering risk aversion from the Middle East conflict and shifting decisively toward risk appetite as war fears eased and technology-led optimism returned. The escalation in the US-Iran conflict initially drove concern around oil supply, the Strait of Hormuz and a renewed inflation impulse, but a memorandum of understanding between the US and Iran helped de-escalate tensions, reopen the strait and restore confidence that energy disruptions would be limited.

Currency markets were more favourable for rand-based investors, with the US dollar weakening 4.3% against the rand over the quarter.

Global equities rallied strongly, with the MSCI World Index returning 8.9% in rand terms, while emerging markets skyrocketed, with the MSCI Emerging Markets Index rising 18.8% over the quarter. These developments resulted in the MSCI All Country World Index returning 10.0% for the quarter. Global bonds – measured by the Bloomberg Barclays Global Aggregate Bond Index – decreased by 4.4% in rand terms.

South African equities were weighed down by weaker precious metal prices as gold fell on reduced geopolitical uncertainty around the Middle East, resulting in the FTSE/JSE Capped All Share Index returning -2.4% for the quarter.

The fund's positioning is in line with its investment objective of providing an annual return of inflation + 2% over a rolling 24-month period and protecting capital over a rolling 12-month period.

### 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 + 2% Fund is a portfolio that targets an annual return of CPI plus 2% over a rolling 24-month period and not to lose capital over a rolling 12-month period. The multi-asset-class fund is managed with a low exposure to equities in order to seek a low volatility of returns while still seeking to achieve long-term returns of at least 2% per annum above inflation. 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 maintain a max 40% equity exposure. Derivatives are allowed for efficient portfolio management.

### Balancing Risk and Reward

The fund is a suitable investment for investors seeking to outperform inflation with low volatility of monthly returns and investors who aim to preserve accumulated capital while still enjoying the benefits of real positive returns over the short term. 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 two to four 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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