Sygnia Enhanced Income Fund

Minimum Disclosure Document (MDD)
Class A
South Africa - Multi-Asset - Income

31 July 2026

LOW	**LOW MEDIUM**	MEDIUM	MEDIUM HIGH	HIGH

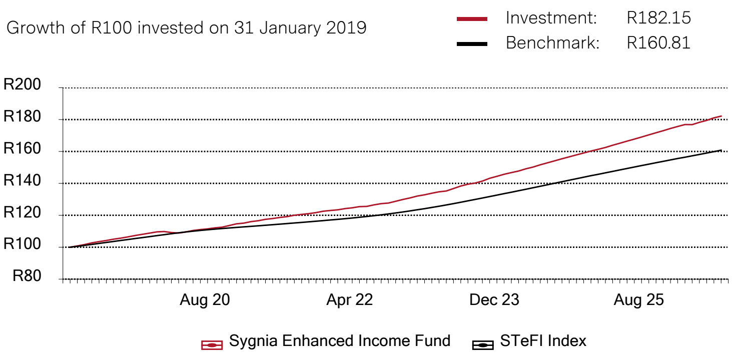
LESS RISK/ RETURN — **MORE RISK/ RETURN**

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

Portfolio Managers	**Nikita Hadskins, Anrich de Jager**
Regulation 28	**Compliant**
Fund Launch Date	**27 December 2018**
Class Launch Date	**10 January 2019**
Fund Size	**R 6 362.00 Million**
Unit Price	**101.87**
Units in Issue	**5 507 147 158**

Investment Objective	**The fund aims to maximise interest income, preserve capital and provide immediate liquidity**
Income Distribution	**Monthly** **Payment: 1 Jul 2026 - 0.38 cents per unit** **Payment: 1 Jun 2026 - 0.34 cents per unit**
Trustees	**Standard Bank Trustees (021 441 4100)**

Cumulative Investment Performance



Asset Allocation as at 30 June 2026

Asset	*Percent*	*Allocation*
Domestic Bonds	60.8%	
Domestic Money Market	32.3%	
International Fixed Interest	5.7%	
International Cash	1.1%	

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	0.6%	0.6%	0.0%
3 Months	2.2%	1.7%	0.5%
6 Months	3.7%	3.4%	0.3%
Year to Date	4.4%	3.9%	0.5%
1 Year	8.6%	7.0%	1.6%
****3 Years**	9.6%	7.9%	1.8%
****5 Years**	8.9%	7.0%	1.9%
****Since Inception**	8.3%	6.5%	1.8%
*****Gross Current Yield**	9.0%		

Performance as calculated by Sygnia Asset Management as at reporting date
**STeFI Index*
***Annualised performance figures*
****These are approximate yields which may differ from actual monthly distributions*

Manager Allocation as at 30 June 2026

Manager	*Percentage*
Sygnia Asset Management	33.8%
Aluwani Capital Partners	20.1%
Matrix	20.1%
Ninety One	20.1%
Ashburton Investments	4.1%
Taquanta Asset Management	1.9%

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2021	0.4%	0.8%	0.5%	0.8%	0.4%	0.6%	0.4%	0.7%	0.4%	0.4%	0.5%	0.7%	6.9%
2022	0.4%	0.3%	0.6%	0.4%	0.6%	0.1%	0.8%	0.6%	0.3%	0.9%	0.9%	0.8%	6.8%
2023	0.9%	0.6%	0.7%	0.7%	0.4%	1.1%	1.1%	0.8%	0.5%	0.9%	1.2%	0.9%	10.3%
2024	0.9%	0.7%	0.7%	0.9%	0.7%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	10.1%
2025	0.8%	0.7%	0.7%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	9.7%
2026	0.7%	0.7%	0.0%	0.8%	0.7%	0.9%	0.6%						4.4%

Risk Statistics

	Fund	Benchmark
% Negative Months	1.7%	0.0%
Avg Negative Return	0.0%	0.0%
Maximum Drawdown	0.0%	0.0%
Standard Deviation	0.8%	0.4%
Downside Deviation	0.0%	0.0%
Highest Annual Return: Jun 2023 - May 2024	11.1%	8.5%
Lowest Annual Return: Oct 2021 - Sep 2022	5.9%	4.6%

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

Fees

Initial Fee	**
Management Fee	0.65% **
Performance Fee	N/A
Other costs	0.01% **
VAT	0.10%
Total Expense Ratio (TER)	0.76% (Jun 2026)
Transaction Costs (TC)	0.00% (Jun 2026)
Total Investment Charge (TIC)	0.76% (Jun 2026)

***Fees are exclusive of VAT*

Sygnia Enhanced Income Fund

Fund commentary

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2nd Quarter 2026

RISK PROFILE

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 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.

Fund performance

The Sygnia Enhanced Income Fund returned 2.4% for the quarter, outperforming its benchmark, the Short-Term Fixed Interest Index, which returned 1.7%.

In line with its investment objective, the fund continues to position itself to maximise interest income, preserve capital and provide immediate liquidity to investors.

The three-month Jibar floating reference rate ended the quarter at 6.992%. Continued concerns around the inflation outlook resulted in long-dated (twelve-month) Treasury bills and negotiable certificates of deposit remaining elevated, yielding around 7.8% and 7.7% respectively (on a twelve-month forward-looking basis).

South African bonds partially recovered this quarter, retracing some of the losses sustained in the first quarter as the initial shock from the Middle East conflict subsided and oil prices moderated from their earlier peaks. Improved risk sentiment was supported by signs of easing global supply disruptions and a sovereign credit rating upgrade. Domestic inflation increased from 3.1% in March to 4.5% in May. In anticipation of elevated inflationary risk alongside softer growth prospects, the South African Reserve Bank raised the repo rate by 25 bps to 7.00% at its May Monetary Policy Committee meeting.

Global bond markets remained under pressure, with volatility driven by fluctuating headlines around escalation and potential ceasefires in the US-Iran conflict. US inflation persisted, rising from 3.8% in April to a further 4.2% in May, its highest level since April 2023. Inflationary pressures combined with the hawkish tone reiterated under newly appointed Federal Reserve Chair, Kevin Warsh, resulted in unchanged rates at the 3.50%–3.75% range. Warsh emphasised the need to anchor inflation expectations firmly at the 2% target without delay. The US 10-year Treasury yield rose from around 4.3% at the beginning of April to approximately 4.5% by the end of June. Markets largely abandoned expectations for near-term rate cuts, instead pricing in the prospect of tighter monetary policy for longer.

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Sygnia

Important information to consider before investing

Investment Objective & Strategy

The objective of this Sygnia Enhanced Income Fund is to outperform the returns on cash at a low level of volatility. This will be a multi-asset portfolio with the primary objective of producing a stable income stream and will invests in a wide spread of income-bearing investments in the equity, bond, money market and real estate markets. By bridging the gap between money market and bond funds, investors will gain access to term premium without having to take on interest rate risk. The fund will be multi-management, which is a new development in the income space. The fund will appoint external managers who will be mandated to assist in achieving the objectives of the portfolio. At the same time there will be an internal management of overall risk to ensure diversification limits are always in place. The combination will provide enhanced yield with reduced risk, at lower cost. The fund will be managed with prudential guidelines and maintain a max 10% equity exposure. Derivatives are allowed for efficient portfolio management.

Balancing Risk and Reward

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. The fund may be exposed to certain risks such as credit risk, where an issuer of a non-equity security may not be able to make interest payments or repay the capital, impacting the value of the fund, as well as 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 in the fund. 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.

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.

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 or 0860 794 642 (0860 SYGNIA).