Sygnia Life Enhanced Income Fund

31 July 2026

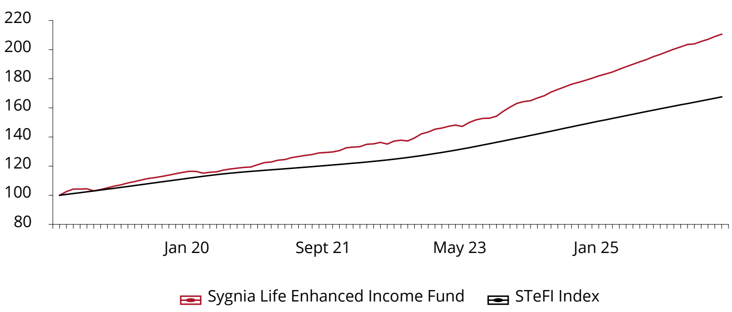
LOW	**LOW MEDIUM**	MEDIUM	MEDIUM HIGH	HIGH

LESS RISK/ RETURN — MORE RISK/ RETURN

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

Portfolio Manager	**Sygnia Life Limited**
Regulation 28	**Non-compliant**
Fund Launch Date	**27 December 2018**
Investment Objective	**To maximize interest income, preserve capital and provide immediate liquidity**
Legal Structure	**Linked life investment fund available via Sygnia life policies**

Cumulative Investment Performance



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

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	0.8%	0.6%	0.2%
3 Months	2.4%	1.7%	0.7%
6 Months	4.3%	3.4%	1.0%
Year to Date	5.1%	3.9%	1.2%
1 Year	9.9%	7.0%	2.9%
3 Years	11.5%	7.9%	3.7%
5 Years	10.5%	7.0%	3.5%
Since Inception	9.7%	6.6%	3.1%

Performance as calculated by Sygnia Asset Management as at reporting date
**STeFI Index*
Performance figures greater than 1 year have been annualised

Asset Allocation as at 30 June 2026

Model	*Weight*	*Allocation*
Domestic Bonds	17.8%	
Domestic Income	79.1%	
Domestic Money Market	3.1%	

Manager Allocation as at 30 June 2026

Manager	*Percentage*
Ninety One	23.1%
Aluwani Capital Partners	21.4%
Matrix Fund Managers	21.2%
Sygnia Asset Management	17.5%
Ashburton Investments	15.6%
Taquanta	1.3%

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2021	0.4%	1.0%	0.4%	1.1%	0.6%	0.6%	0.5%	0.9%	0.2%	0.3%	0.7%	1.5%	8.3%
2022	0.4%	0.2%	1.2%	0.2%	0.7%	-0.9%	1.5%	0.4%	-0.4%	1.5%	2.0%	0.9%	8.2%
2023	1.4%	0.5%	0.8%	0.5%	-0.6%	1.8%	1.2%	0.7%	0.1%	0.9%	2.2%	1.8%	11.9%
2024	1.6%	0.8%	0.4%	1.1%	0.9%	1.5%	1.1%	1.0%	1.0%	0.7%	0.8%	0.8%	12.3%
2025	0.9%	0.7%	0.7%	1.0%	0.9%	0.9%	0.9%	0.8%	1.0%	0.8%	0.9%	0.9%	11.1%
2026	0.8%	0.8%	0.2%	0.8%	0.7%	0.9%	0.8%						5.1%

Since inception performance figures are available on request.

Risk Statistics

	Fund	^BM
% Positive Months	95.0%	100.0%
% Negative Months	5.0%	0.0%
Best Month	2.2%	0.7%
Worst Month	-0.9%	0.3%
Avg Negative Return	-0.6%	0.0%
Maximum Drawdown	-0.9%	0.0%
Standard Deviation	1.9%	0.4%
Downside Deviation	0.8%	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% (Jun 2026)
Management Fee	per annum	0.50% (Jun 2026)
Performance Fee		N/A

Sygnia Life Enhanced Income Fund

Fund commentary

Minimum disclosure document (MDD)

2nd Quarter 2026

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 Life Enhanced Income Fund returned 2.5% 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 higher 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 20 5bps 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.

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

Sygnia

Important information to consider before investing

Investment Objective & Strategy

The Sygnia Life Enhanced Income Fund is designed to outperform the returns on cash at a low level of volatility. This is a multi-asset portfolio with the primary objective of producing a stable income stream and will invest 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 a term premium without having to take on interest rate risk. The fund is multi-managed and 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.

Balancing Risk and Reward

The Sygnia Life Enhanced Income Fund is a low to medium risk investment. The fund targets high income 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.

Disclosures and risks

This is a linked life investment fund made available through Sygnia Life Limited policies. The value of the investment is determined with reference to the underlying investment portfolio and may fluctuate over time due to market movements, changes in asset values and, where applicable, exposure to foreign markets and currency fluctuations. No guarantee is provided in respect of the capital invested or the return achieved.

Past performance cannot be extrapolated into the future and is not an indication of future performance.

Sygnia Life Limited is a licensed insurer (I197) and authorised financial services provider (FSP 2935). Sygnia Asset Management (Pty) Limited is an authorised financial services provider (FSP 873) and is the appointed investment manager of the fund.

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