

# Sygnia DIVI Fund - Class B

Minimum Disclosure Document (MDD)  
Class B  
South African - Equity - SA General

31 May 2026

Portfolio Manager **Steven Empedocles, Wynand Kok**  
Regulation 28 **Non-Compliant**  
Fund Launch Date **30 May 2013**  
Class Launch Date **23 September 2021**  
Fund Size **R 306.00 Million**  
Unit Price **144.84**  
Units in Issue **57 930 464**

Investment Objective

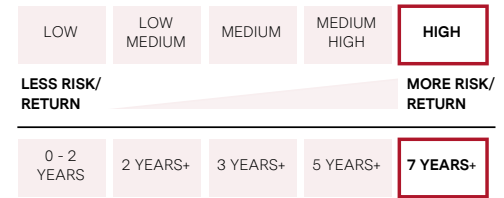
The fund aims to deliver long term yield and capital growth performance by investing into high dividend stocks

Income Distribution

Bi-annually (September and March)  
Payment: 1 Apr 2026 - 3.88 cents per unit  
Payment: 1 Oct 2025 - 4.6 cents per unit

Trustees

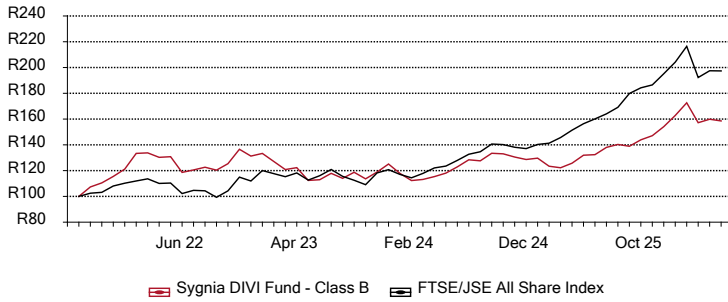
Standard Bank Trustees (021 441 4100)



## Cumulative Investment Performance

Growth of R100 invested on 30 September 2021

Investment: R158.55  
Benchmark: R197.37



## Performance Analysis

Periodic Performance	Fund	*BM	Difference
1 Month	-0.8%	-0.1%	-0.8%
3 Months	-8.1%	-8.8%	0.7%
6 Months	7.8%	5.8%	2.0%
Year to Date	2.9%	1.1%	1.8%
1 Year	20.2%	26.2%	-6.1%
**3 Years	12.2%	20.5%	-8.4%
**Since Inception	10.4%	15.7%	-5.3%

\*FTSE/JSE All Share Index

\*\*Annualised performance figures

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021										7.3%	3.0%	4.5%	15.5%
2022	4.9%	10.1%	0.3%	-2.6%	0.4%	-9.3%	1.6%	1.8%	-1.9%	4.2%	8.9%	-3.9%	13.7%
2023	1.6%	-4.7%	-4.9%	1.2%	-8.1%	0.5%	4.4%	-3.3%	4.1%	-4.3%	4.6%	5.2%	-4.7%
2024	-5.8%	-4.7%	0.8%	1.9%	2.3%	4.1%	4.5%	-0.6%	4.6%	-0.3%	-1.9%	-1.5%	2.8%
2025	0.8%	-4.8%	-1.0%	2.9%	4.9%	0.3%	4.3%	1.7%	-1.0%	3.6%	2.2%	4.8%	19.8%
2026	5.6%	6.0%	-8.9%	1.7%	-0.8%								2.9%

## Risk Statistics

	Fund	BM
% Negative Months	35.7%	32.1%
Avg Negative Return	-3.7%	-3.1%
Maximum Drawdown	-17.8%	-12.6%
Standard Deviation	14.8%	13.3%
Downside Deviation	9.6%	9.5%
Highest Annual Return: Mar 2025 - Feb 2026	39.9%	53.2%
Lowest Annual Return: Jun 2022 - May 2023	-14.1%	2.1%

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

## Sector Allocation

Sector	Percentage	Allocation
Resources	50.5%	
Industrials	34.9%	
Financials	14.5%	

## Top 10 Holdings

Asset	Percentage
Nedbank Group Ord Shs	4.7%
Exxaro Resources Ord Shs	4.6%
Truworths International Ord Shs	4.6%
Absa Group Ord Shs	4.5%
Kumba Iron Ore Ord Shs	4.4%
Investec PLC Ord Shs	4.3%
Investec Ltd Ord Shs	4.0%
Sibanye Stillwater Ord Shs	3.9%
Netcare Ord Shs	3.9%
Firststrand Ord Shs	3.7%

## Fees

Initial Fee	0.00% **
Management Fee	0.00% **
Performance Fee*	0.00% **
Other costs	0.04% **
VAT	0.01%
Total Expense Ratio (TER)	0.05% (Mar 2026)
Transaction Costs (TC)	0.22% (Mar 2026)
Total Investment Charge (TIC)	0.26% (Mar 2026)

\*\*Fees are exclusive of VAT

\*Please note that the performance fee is 20% of outperformance of the benchmark cap of 2.30%.

# Sygnia DIVI Fund

## Fund commentary

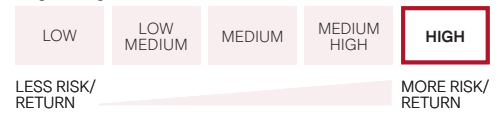
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1st Quarter 2026

### 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 Divi Index Fund delivered 2.0% for the quarter, marginally above its benchmark, the FTSE/JSE All Share Index. The fund benefited from exposure to Exxaro Resources Ltd, Glencore PLC and Pan African Resources PLC, while its exposure to Truworths International Ltd, Kumba Iron Ore Ltd and Sanlam Ltd detracted from performance.

There were several changes to the fund's constituents over the period, including the addition of Sibanye Stillwater Ltd and Santam Ltd and the removal of Ninety One Ltd and Glencore PLC.

The fund remains true to its investment objective of sustaining long-term capital growth by investing in high-dividend-paying stocks.

### 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 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 seven 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 All Share 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 basic fees paid to underlying managers and Sygnia's annual service fee. Performance-based fees are calculated in terms of the supplemental deed fee for certain of our asset managers when they outperform the fund's stated benchmark. This performance fee will be paid by the fund to the underlying investment manager only when the fund's performance exceeds that of the benchmark. The performance fee, if any, shall be calculated and accrued daily, and payable monthly. The performance fee is based on a sharing rate of 20% and capped at 2.30% per annum, where the portfolio has been in existence for more than 365 days.

A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, STT, auditors 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.

## 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.

## Tax-Free Unit Trust

This fund qualifies as a tax-free investment according to section 12T of the Income Tax Act, effective from 1 March 2015. South African individuals qualify for the associated tax benefits – namely no tax on dividends, income or capital gains – while still enjoying all the benefits of a unit trust. Contributions to tax-free investments are limited to R46 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

## 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).

## 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).