Sygnia Enhanced Income Fund

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

31 May 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+

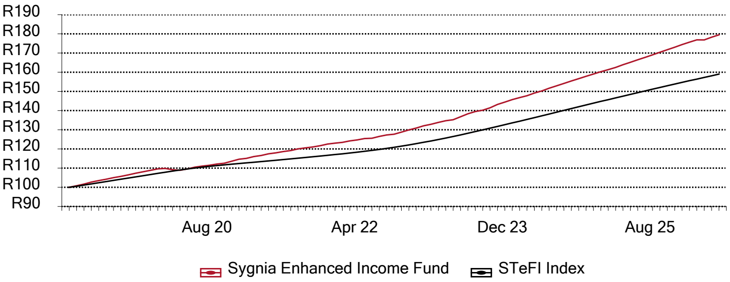
Portfolio Managers	**Nikita Hadskins, Anrich de Jager**
Regulation 28	**Compliant**
Fund Launch Date	**27 December 2018**
Class Launch Date	**10 January 2019**
Fund Size	**R 6 363.00 Million**
Unit Price	**101.09**
Units in Issue	**5 411 403 005**

Investment Objective	**The fund aims to maximise interest income, preserve capital and provide immediate liquidity**
Income Distribution	**Monthly** **Payment: 1 May 2026 - 1.14 cents per unit** **Payment: 1 Apr 2026 - 0.42 cents per unit**
Trustees	**Standard Bank Trustees (021 441 4100)**

Cumulative Investment Performance

Growth of R100 invested on 31 January 2019

Investment: R179.48
Benchmark: R159.02



Asset Allocation as at 31 March 2026

Asset	*Percent*	*Allocation*
Domestic Bonds	67.5%	
Domestic Money Market	26.3%	
International Fixed Interest	4.8%	
International Cash	1.3%	

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	0.7%	0.6%	0.1%
3 Months	1.5%	1.7%	-0.2%
6 Months	3.7%	3.4%	0.3%
Year to Date	2.9%	2.8%	0.1%
1 Year	8.7%	7.1%	1.5%
****3 Years**	9.9%	7.9%	2.0%
****5 Years**	8.8%	6.9%	1.9%
****Since Inception**	8.3%	6.5%	1.8%
*****Gross Current Yield**	8.8%		

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 March 2026

Manager	*Percentage*
Sygnia Asset Management	35.4%
Aluwani Capital Partners	20.1%
Matrix	19.8%
Ninety One	18.9%
Ashburton Investments	3.8%
Taquanta Asset Management	2.1%

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%								2.9%

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%	0.5%
Downside Deviation	0.0%	0.0%
Highest Annual Return: Jun 2023 - May 2024	11.1%	8.5%
Lowest Annual Return: Jul 2021 - Jun 2022	5.8%	4.2%

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% (Mar 2026)
Transaction Costs (TC)	0.00% (Mar 2026)
Total Investment Charge (TIC)	0.76% (Mar 2026)

***Fees are exclusive of VAT*

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Sygnia Enhanced Income Fund

Fund commentary

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1st 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

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 Enhanced Income Fund returned 1.4% for the quarter, underperforming its benchmark, the Short-Term Fixed Interest Index, which returned 1.7%.

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

The three-month Jibar floating reference rate ended the quarter unchanged at 6.75%. However, as worries around the inflation outlook filtered through, long-dated (twelve-month) treasury bills and negotiable certificates of deposit were higher, both yielding around 7.7% (on a twelve-month forward-looking basis).

South African bonds experienced a significant sell-off in March as the conflict in the Middle East led to surging oil prices, somewhat reversing a stellar run over the prior year. Domestic inflation fell to 3.0% in February. However, the South African Reserve Bank (SARB) held its repo rate unchanged at 6.75% at the March 2026 Monetary Policy Committee (MPC) meeting, with the governor flagging near-term upside risks to inflation from the conflict as warranting a cautious stance

Global bond markets were similarly dragged lower by geopolitical risk during the quarter, with the Iran conflict complicating the outlook for the US Federal Reserve. US headline CPI, which ran at 2.4% in January and February, surged to 3.3% in March, its highest reading since April 2024, driven almost entirely by a monthly jump in gasoline prices. Global bond yields subsequently ended the quarter higher as markets repriced future interest rate expectations.

SYGNIA COLLECTIVE INVESTMENTS RF (PTY) LTD
Registration No. 2009/003063/07

A member of the Association for Savings & Investment SA

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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).

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