Sygnia Life Dollar Cash Plus Fund UPF

31 October 2026

Portfolio Manager	**Steven Empedocles; Mish-Al Bassadien**
Regulation 28	**Non-Compliant**
Fund Launch Date	**01 July 2025**

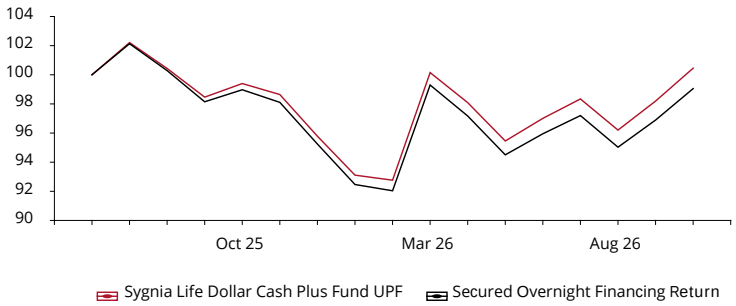
LOW	**LOW MEDIUM**	MEDIUM	MEDIUM HIGH	HIGH

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

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

Investment Objective	**The fund aims to provide stable returns in line with US dollar overnight cash rate, primary investing in short term, low risk assets that focus on capital preservation in dollars**
Legal Structure	**Linked Life Investment Fund available via Sygnia Life Policies**

Cumulative Investment Performance



Cumulative investment performance is for illustrative purposes only.
**Performance prior to 2025/07/01 is backtested*

Asset Allocation

Asset Class	*Percentage Allocation*
Global Cash*	100.0%

**calculated on effective exposure*

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	2.3%	2.2%	0.1%
3 Months	2.1%	1.9%	0.2%
Year to Date	4.9%	4.0%	0.9%
1 Year	1.1%	0.1%	1.0%
****3 Years**	0.9%	0.7%	0.2%
****5 Years**	6.7%	5.9%	0.8%
****Since Inception**	0.3%	-0.7%	1.1%

**Benchmarked to SOFR, the Secured Overnight Financing Rate*
***Performance figures are annualized*

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2021	2.8%	1.0%	-2.1%	-1.4%	-5.1%	4.4%	2.8%	-0.7%	4.4%	1.4%	5.8%	0.0%	13.5%
2022	-2.7%	0.3%	-5.1%	8.6%	-1.1%	5.5%	2.1%	2.7%	5.8%	2.6%	-7.1%	0.5%	11.4%
2023	2.8%	5.7%	-3.0%	3.4%	8.8%	-4.3%	-5.5%	6.8%	-0.1%	-0.1%	1.5%	-3.1%	12.3%
2024	2.1%	3.5%	-0.9%	-0.2%	0.3%	-2.6%	0.0%	-2.0%	-2.6%	3.0%	2.5%	4.8%	7.8%
2025	-0.7%	-0.2%	-0.5%	1.6%	-2.5%	-1.2%	2.2%	-1.7%	-2.0%	0.9%	-0.8%	-2.9%	-7.6%
2026	-2.8%	-0.4%	8.0%	-2.1%	-2.7%	1.6%	1.4%	-2.2%	2.1%	2.3%			4.9%

Since inception performance figures are available on request.

Risk Statistics

	Fund	^BM
% Positive Months	48.3%	48.3%
% Negative Months	51.7%	51.7%
Best Month	8.8%	8.9%
Worst Month	-7.1%	-7.2%
Avg Negative Return	-2.0%	-2.0%
Maximum Drawdown	-10.6%	-11.4%
Standard Deviation	12.0%	11.9%
Downside Deviation	6.0%	6.1%

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

Fees

Management Fee	0.50% (Sep 2026)

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Fund commentary

Minimum disclosure document (MDD)

3rd 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

Markets fell in September as energy prices surged 20%, forcing central banks around the world to raise interest rates, including the US Federal Reserve (the Fed), European Central Bank (ECB), Bank of Japan (BoJ) and South African Reserve Bank (SARB). Oil above $100 a barrel will weigh on global growth and push inflation higher, a damaging mix for markets. 2026 is also the third consecutive year in which central banks have projected an "immaculate disinflation" (inflation falling while growth is maintained) that has failed to materialise. Tariff-driven inflation has passed its peak, and energy inflation is expected to have peaked in Q3. A new concern is AI-capex-driven inflation, which is only expected to peak in Q4 or early 2027.

In the US, despite pressure from President Trump not to raise rates, new Fed chair Kevin Warsh raised the Fed rate by 25 basis points (bps), the first hike since July 2023. The committee's decision was unanimous, and it anticipates at least one more hike this year. The move was important for the credibility of both Warsh and the Fed, so attention can now return to the true drivers of bond yields. The US fiscal deficit is very large at 6% of GDP, and the conflict in the Middle East has renewed oil-driven inflation headlines. Even so, there is no evidence that markets are pricing in a loss of Fed credibility on inflation. Rising real yields reflect stronger growth expectations and a normalisation of the term premium to pre-quantitative-easing levels. There is also little global evidence that developed market government bonds carry a fiscal risk premium: the 30-year/10-year yield spread is below its historical median. Nor is the rise in yields a US-specific story. Yields have risen more in Germany, the UK and Japan than in the US in recent weeks, suggesting a broader global bear market in duration, driven by strong growth, oil prices, AI-related hyperscaler bond issuance and ongoing quantitative tightening by the BoJ and ECB. Given these limited credibility concerns, we have reduced our global bond underweight, funded from US cash, to diversify away from the dollar and lock in higher yields. We remain slightly underweight global bonds until the oil price falls and growth normalises, or fiscal rhetoric stabilises.

South Africa faces an approaching gas supply crisis as Mozambique's maturing gas fields decline and liquefied natural gas import terminals, meant to bridge the gap, remain delayed by policy paralysis. In the interim, cheaper piped gas will have to be replaced by costlier sources, and industrial gas prices are expected to double. This risks feeding into domestic inflation and could threaten hundreds of thousands of jobs. Local municipal elections in November are expected to bring a still-lower ANC vote share, more fragmentation and continued coalition volatility, none of which will support faster reform or growth.

South Africa's economy contracted by 0.2% quarter-on-quarter in Q2 2026. GDP growth for the year should still be around 1%, though the oil shock leaves downside risks. The October Medium-Term Budget Policy Statement should be positive thanks to the precious metals windfall, but weaker growth is now the major risk to the debt ratio and could push the debt peak further out. At its September meeting, the SARB lowered its growth forecast, raised its inflation forecast and hiked rates from 7% to 7.25%, which will further constrain growth. The SARB anticipates no additional hikes, but the market is pricing in two more.

The current account also suggests the rand is too strong. It fell to -2.6% of GDP in Q2, its worst position since 2019, reflecting a narrower trade surplus and a material widening in the invisible deficit. Higher oil prices raised import costs, narrowing the trade surplus, while the primary income deficit widened as South African companies repatriated commodity windfall profits to foreign shareholders as higher dividend payments. We remain neutral on SA bonds, balancing the global emerging market (EM) carry trade against negative fundamentals while noting the significant impact of oil prices on SA bonds.

On commodities, we prefer a broad basket over gold specifically. Central bank reserve diversification remains a genuine structural tailwind for gold, but valuations are stretched near 1980 peaks in real terms. A broader basket also captures commodities that benefit from the AI capex theme. Our preference for commodities supports our overweight position in South African equities, despite the risks that rising energy prices pose to EM energy importers. South Africa illustrates those risks: contracting growth, a wide current account deficit and a fragmenting political landscape.

The Middle East outlook continues to swing between a deal and escalation, most likely until at least the US midterms. The status quo since the end of February has continued, with high, volatile oil prices and record-high refining margins. The global backdrop remains one of resilient growth colliding with an energy and inflation shock. In global equities, we remain overweight. Growth remains strong, partly due to AI capex and partly due to heavy government support, which helps offset higher interest rates. Volatility is likely to stay high into the US midterm elections, but an AI-led productivity boom should support earnings growth and, in time, push inflation down.

Fund performance

The Sygnia Life Dollar Cash Plus Fund returned 1.2% for the third quarter of 2026, outperforming its benchmark, the Secured Overnight Financing Rate. The US dollar was virtually unchanged against the rand, appreciating by just 0.04% over the period.

The rand weakened in July after the South African Reserve Bank (SARB) unexpectedly kept interest rates unchanged, while renewed Middle East tensions pushed oil prices above $100 per barrel, pressuring imports and worsening South Africa's inflation outlook. These losses were reversed in August as a weaker dollar and rising gold and platinum prices lifted the rand to its strongest level in six months. In September, the US Fed's first rate hike in three years strengthened the dollar, while a further rise in oil prices pressured the rand, only partly offset by a 25 basis point hike from the SARB.

The fund remains true to its investment objective of delivering stable returns in line with the US dollar overnight cash rate, primarily investing in short-term, low-risk assets that focus on capital preservation in US dollars.

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Important information to consider before investing

Investment Objective & Strategy

The Sygnia Life Dollar Cash Plus Fund UPF is a low-cost, rand-denominated money market fund that provides stable returns in line with the US dollar overnight cash rate.The fund invests primarily in short-term, low-risk assets focused on capital preservation in dollars.

The fund ensures that investors can access US money market returns while maintaining a conservative approach to risk in dollars. The fund uses derivatives to boost its returns by adding extra income from South African money market investments rather than holding overnight cash. This helps increase the overall return beyond the underlying market's return.

The Sygnia Life Dollar Cash Plus Fund UPF offers a cost-effective way for investors to preserve capital and benefit from exposure to US money market-type returns. The fund is a linked life investment and is available via Sygnia Life policies.

Balancing Risk and Reward

The Sygnia Life Dollar Cash Plus Fund UPF is a low-to-medium risk fund that invests in instruments to match short-term, US-dollar-based money market returns. Risks associated with the fund include money market investment under performance and the possibility that the companies issuing derivatives may default. The former is mitigated by diversification and highly rated money market investments, while the latter is mitigated by regular mark to market of the positions. The fund's use of derivatives may reclassify a portion of the returns from capital gains to interest, which may result in a higher tax liability. The fund aims to provide stable returns inline with the US dollar overnight cash rate.

Fees

Sygnia charges an annual management fee, which includes fees paid to underlying fund managers and Sygnia's service fee. These fees are deducted from the fund and reflected in the Total Expense Ratio (TER).

Sygnia does not provide financial advice. If you appoint a financial advisor, any advice fees agreed with them will be facilitated through the Linked Investment Service Provider (LISP), not Sygnia.

Disclaimer

This is a linked life investment fund made available via Sygnia Life Limited policies. Sygnia Life Limited is the product provider. 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.

This fund invests in underlying collective investment schemes. Collective investment schemes in securities are generally medium- to long-term investments. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Cumulative investment performance is for illustrative purposes only.

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