

# VUNANI

## IP ENHANCED INCOME FUND

June 2025

VUNANI

FUND MANAGERS

### FUND INFORMATION

Inception date	26 March 2012		JSE Code	Annual management fee (excl. VAT)	Total expense ratio (%)*	NAV	Units in Issue	
Sector	South African - Multi Asset - Income							
Risk profile	Conservative							
Minimum investment	Lump sum: R10 000; Monthly: R1 000		Class A1: LISP/Clean	MIPEI	0.75%	0.88	1,060	114,190,552
Asset composition	Fixed Interest, Cash, Equity and Listed Property		Class B1: Institutional	MPEB1	0.50%	0.60	1,059	10,454,561
Regulation 28	Compliant with Regulation 28		Class B2: Admin Only	MEIB2	0.15%	0.19	1,061	1,052,203
Benchmark	Short-term Fixed Interest Composite Index (STeFI)		From 01 Apr 2022 to 31 Mar 2025 0.88% of the value of the SBSA ITF VUNANI IP ENHANCED INCOME FUND Class A1 was incurred as expenses relating to the administration of the financial product. 0% of the value of the financial product was incurred as costs relating to the buying and selling of the assets underlying the financial product. Therefore 0.88% (Total Investment Charge) of the value of the financial product was incurred as costs relating to the investment of the financial product.					
Fund Size	R 2,914,084,506							
Income declaration	Quarterly (Mar / Jun / Sep / Dec)							

Distributions (Class A1):	CPU
Sep 2024	25.27
Dec 2024	26.21
Mar 2025	20.44
Jun 2025	22.53

The fund's benchmark changed from STeFI Composite x 1.10 to STeFI Composite with effect from 1 February 2021, in keeping with international best practice. STeFI Composite x 1.10 remains the fund's target. The effects on the fund's performance of the ABIL Retention Fund held between 2014 and 2016 are included in the reported performance, as those effects have now dissipated to the point of being negligible.

### OBJECTIVE

The objective of the portfolio is to provide a return in excess of Money Market portfolios, for investors seeking to earn a reasonable level of income with low risk of capital loss.

### APPLICATION

This fund enjoys a flexible mandate, and the manager will scour opportunities within money market instruments, vanilla bonds, inflation-linked bonds and equities, including listed property. Where good value exists in suitable foreign assets, moderate use may be made of these. The basic premise is that higher returns than money market funds are available, but because the assets that generate these also incur higher risks, they will be used judiciously and cautiously.

### FUND MANAGEMENT



Rowan Williams-Short

MSc. FIFM, CFA, CIPM

Portfolio Manager

Vunani Fund Managers

THIS COMMENTARY PERTAINS TO THE MAIN FUND. YOUR ATTENTION IS DRAWN TO SEPARATE COMMENTARY FOR THE RETENTION FUND.

June was another good month for bonds. The FTSE JSE All Bond Index returned 2.3%. Cash returned just 0.6%. The top contributor came from the largest holding in the fund which is the R186 returning 0.9% for the month and 10.3% over the last year relative to a cash return of 8.1% over the same period.

The ongoing tension between Israel and Iran despite significant coverage had no impact on the performance of the fund. In fact, we have seen nearly all domestic asset classes post positive returns. As well as the currencies continued appreciation against the US dollar at 1.42% for the month. In addition, the quarter was dominated by US tariffs but there has been a notable shift from monetary policy to fiscal debt sustainability in the US. From a monetary policy standpoint, major central banks kept rates unchanged such as the US Federal Reserve and the Bank of Japan, or they eased modestly like the Bank of England lowering its base rate to 4.25% and the European Central Bank (ECB) to 2%. Furthermore, bond yields across all major government bond markets steepened over the quarter.

Your fund's recent good run relative to its benchmark and its peers continued. It also remains in the top quartile of its cohort over all periods spanning 4 to 12 years to June.

Some current fund stats: Modified Duration = 0.77, Spread Duration = 0.88, Yield to Maturity = 9.07% and Running Yield = 9.63%. Largest single issuer exposure is to government bonds, at 22%.

An analysis of factors affecting the adherence to the policy objective is contained in the fund manager commentary together with performance as reported. A detailed listing of changes from the previous quarter is available on request from [ipmc\\_clientservices@fundrock.com](mailto:ipmc_clientservices@fundrock.com)

Collective Investment Schemes are generally medium to long term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the manager. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. Transaction cutoff time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 15:00 (17h00 at quarter end). Prices are published daily and available in newspapers countrywide, as well as on request from the Manager. IP Management Company (RF) Pty Ltd is the authorised Manager of the Scheme – contact [ipmc\\_clientservices@fundrock.com](mailto:ipmc_clientservices@fundrock.com). Standard Bank is the trustee / custodian – contact compliance-IP@standardbank.co.za. Additional information including application forms, the annual report of the Manager and detailed holdings of the portfolio as at the last quarter end are available, free of charge, from [ipmc\\_clientservices@fundrock.com](mailto:ipmc_clientservices@fundrock.com). A statement of changes in the composition of the portfolio during the reporting period is available on request. The performance is calculated for the portfolio. The individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The fund is invested in portfolios of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund.

Date of issue: 16/07/2025

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RISK AND RETURN STATISTICS to 30 June 2025

PERFORMANCE							TOP 10 EXPOSURES		
	A1 Class	BMK	Retention Class A1**	Investor A1 Combined†	GIPS\$ A1 Composite‡	GIPS\$ Fund Composite‡‡	Issuer	% OF FUND	DURATION
1 Month	1.0%	0.6%	0.4%	1.0%	1.0%	1.0%	RSA	27.6%	1.82
YTD**	4.4%	3.8%	-58.0%	1.8%	-1.4%	-3.7%	TRANSNET	9.0%	2.16
1 Year	10.5%	8.1%	-69.4%	5.7%	0.8%	-2.8%	TRUESOUTH	5.6%	0.00
3 Years *	9.8%	7.8%		7.1%	5.3%	3.9%	BAYA	5.4%	0.13
5 Years *	9.1%	6.3%		7.5%	6.4%	5.6%	NED	5.1%	0.13
10 Years *	9.2%	6.8%		8.4%	7.9%	7.4%	AFRICAN BANK	4.8%	0.12
Since inception	8.5%	6.5%		7.9%	7.5%	7.2%	FNB	4.3%	0.12
				Period	Performance				
Highest return				2019	11.6%		AGRARIUS		
Lowest return				2014	3.3%		ALUMO		
*Returns are annualised if period is longer than 12 months. Based on A1 class.							ABSA		
**The Retention Fund was created on 16 February 2024 to house certain debt securities linked to Bridge Taxi Finance, where valuations and liquidity were uncertain.							Annualised returns is the weighted average compound growth rate over the performance period measured.		
† The combined performance of the main fund and the retention fund; Replicating an A1 class investors' experience, based on an 8.85% asset carve out to the Retention fund on the 16th February 2024. Combined returns are provided by Profile Data; to access this information click on the Profile Data link <a href="#">HERE</a> .							Fund returns shown are based on NAV-NAV unit pricings calculated for a lump-sum investment with income distribution reinvested (after fees and cost).		
‡ The GIPS\$ A1 class composite return; Calculated by asset-weighting the individual A1 class returns (Main fund A1 class and Retention fund A1 class) using beginning-of-day values.							Benchmark, Highest, and Lowest fund returns are sourced from IRESS.		
‡‡ The GIPS\$ fund composite return; Calculated by asset-weighting the individual fund returns (Main fund and Retention fund) using beginning-of-day values. Provided as per FSCA Guidance Note 6A.							Combined returns provided by Profile Data.		
§GIPS: Global International Performance Standards; Returns calculated by IP.							GIPS returns calculated using the GIPS composite standard - These figures are NOT GIPS verified.		

PORTFOLIO STRUCTURE as at 30 June 2025

EFFECTIVE ASSET ALLOCATION			YIELD*	
	FUND	STEFI	Description	FUND
Cash	4.2%	15.0%	Yield to maturity	9.66%
0 to 3m	1.3%	30.0%	Modified duration	0.78
3m to 6m	5.6%	35.0%	<p>* Current</p> <p>Historically, the fund fact sheet (MDD) estimated the overall yield via a weighted average that combined nominal and real yields, as well as dividend yields on equities. A preferred methodology is to adjust real yields (on inflation-linked bonds) to estimated nominal yields by adding expected inflation. This preferred methodology is reflected in this month's MDD and a historical comparison is available on request</p>	
6m to 12m	8.7%	20.0%		
12m to 3y	58.3%			
3y to 10y	15.2%			
>10y	0.8%			
Domestic Equity	2.9%			
Foreign Equity	2.9%			
Foreign Cash	0.2%			

CONTACT DETAILS

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The portfolio may include foreign investments and the following additional risks may apply: liquidity constraints when selling foreign investments and risk of non-settlement of trades; macroeconomic and political risks associated with the country in which the investment is made; risk of loss on foreign exchange transactions and investment valuation due to fluctuating exchange rates; risk of foreign tax being applicable; potential limitations on availability of market information which could affect the valuation and liquidity of an investment. All of these risks could affect the valuation of an investment in the fund.

Disclosure: IP Management is a registered Collective Investment Manager in terms of CISCA and performs administrative functions on co-branded Vunani IP unit trusts for which it receives contracted fees. In terms of its licence, IP Management Company may not conduct any other business other than the business of running a Collective Investment scheme.