

VUNANI

IP ENHANCED INCOME FUND

July 2025

VUNANI
FUND MANAGERS

FUND INFORMATION

Inception date	26 March 2012						
Sector	South African - Multi Asset - Income	JSE Code	Annual management fee (excl. VAT)	Total expense ratio (%)*	NAV	Units in Issue	
Risk profile	Conservative						
Minimum investment	Lump sum: R10 000; Monthly: R1 000	Class A1: LISP/Clean	MIPEI	0.75%	0.88	1,039	112,922,051
Asset composition	Fixed Interest, Cash, Equity and Listed Property	Class B1: Institutional	MPEB1	0.50%	0.60	1,038	10,548,646
Regulation 28	Compliant with Regulation 28	Class B2: Admin Only	MEIB2	0.15%	0.19	1,039	1,072,570
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 2,869,970,388						
Income declaration	Quarterly (Mar / Jun / Sep / Dec)	* A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It 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					
Distributions (Class A1):		CPU					
	Sep 2024	25.27					
	Dec 2024	26.21					
	Mar 2025	20.44					
	Jun 2025	22.53					

INVESTOR PROFILE

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.

Despite various headwinds (weaker US Treasury bonds, weaker rand, US tariffs) July was another good month for bonds. The FTSE JSE All Bond Index returned 2.7%. Cash returned 0.6% and ILBs (measured by the CILI) returned 0.6%. So long as inflation and expectations thereof remain tame or fall, nominal bonds do better than ILBs.

This millennium, the ALBI has provided real returns (over headline inflation) of an astonishing 5% per annum at a volatility below 8%. Moreover, South African bonds continued their very long streak of thrashing the returns of developed market bonds.

In a completely unsurprising announcement, the SARB cut the repo rate by a rather negligible 0.25%, to 7%. This was entirely justifiable. The Governor's speech on behalf of the MPC contained some bold statements about contemplating a new, single inflation target of 3% rather than the quarter of a century old, broad, generous, outdated target of 3% - 6%. This was widely and incorrectly reported as him declaring a new target. He knows perfectly well setting the target that is not within his remit, but must be given by the Minister of Finance, on the recommendation of National Treasury. That little, arguably loosely worded statement, pales into insignificance compared to the president of the USA publicly insulting the chairman of the Fed.

Some current fund stats: Modified Duration = 0.88, Spread Duration = 0.81, Yield to Maturity = 9.08% and Running Yield = 9.61%. By far the largest single issuer exposure is to government bonds, at 30%. Asset class exposure: 40% in bonds, 8% in money market instruments, 6% in equities and 46% in low duration floating rate notes.

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

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. 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. 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: 15/08/2025

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RISK AND RETURN STATISTICS to 31 July 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	0.2%	0.6%	0.0%	0.2%	0.2%	0.2%	RSA	26.3%	1.79
YTD**	4.6%	4.4%	-58.0%	2.0%	-1.2%	-3.5%	TRANSNET	9.3%	2.11
1 Year	8.8%	8.0%	-69.4%	4.2%	-0.5%	-4.0%	BAYA	5.5%	0.12
3 Years *	9.6%	7.9%		6.8%	5.0%	3.7%	NED	5.2%	0.13
5 Years *	9.0%	6.3%		7.3%	6.2%	5.5%	AFRICAN BANK	4.9%	0.12
10 Years *	9.1%	6.8%		8.4%	7.8%	7.4%	TRUESOUTH	4.7%	0.00
Since inception	8.5%	6.5%		7.9%	7.5%	7.1%	FNB	4.5%	0.12
							ALUMO	3.5%	0.12
							ABSA	3.5%	0.13
							SCMB	3.4%	0.13
							Annualised returns is the weighted average compound growth rate over the performance period measured. Fund returns shown are based on NAV-NAV unit pricings calculated for a lump-sum investment with income distribution reinvested (after fees and cost). Benchmark, Highest, and Lowest fund returns are sourced from IRESS. Combined returns provided by Profile Data. GIPS returns calculated using the GIPS composite standard - These figures are NOT GIPS verified.		

PORTFOLIO STRUCTURE as at 31 July 2025

EFFECTIVE ASSET ALLOCATION			YIELD*	
	FUND	STEFI	Description	FUND
Cash	4.7%	15.0%	Yield to maturity	9.47%
0 to 3m	4.8%	30.0%	Modified duration	0.75
3m to 6m	4.6%	35.0%	* Current	
6m to 12m	5.4%	20.0%	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	
12m to 3y	57.7%			
3y to 10y	15.5%			
>10y	0.8%			
Domestic Equity	3.4%			
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.