

VUNANI

IP ENHANCED INCOME FUND

August 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	1,040	108,135,296
Asset composition	Fixed Interest, Cash, Equity and Listed Property		Class B1: Institutional	MPEB1	0.50%	0.60	1,040	10,011,258
Regulation 28	Compliant with Regulation 28		Class B2: Admin Only	MEIB2	0.15%	0.19	1,041	532,970
Benchmark	Short-term Fixed Interest Composite Index (STeFI)		From 01 Apr 2022 to 30 Jun2025 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 2,812,073,218							
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.

The case for South Africa's Reserve Bank to have its official inflation target lowered from the generously wide band of 3% - 5%, which has now been in place for a quarter of a century, to a new single number, possibly 3%, (the Governor's stated preference) gathered both steam and some controversy. Disappointingly, some commentators have incorrectly written that if or when the new target is implemented, lower interest rates must follow.

Meanwhile, actual year-on-year headline inflation crept up, from 3% to 3.5%. Whereas it would be a fine thing if inflation forecasts were accurate, they are provably not. One consequence is that the returns of inflation-linked bonds versus nominal bonds follow, rather than lead, published inflation. In August ILBs comfortably outperformed bonds.

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

Some current fund stats: Modified Duration = 0.88, Spread Duration = 0.81, Yield to Maturity = 8.98% and Running Yield = 9.58%. In contrast, cash on call yields an average of 6.75% and 3-month bank NCDs yield 7.12%. By far the largest single issuer exposure is to government bonds, at 32%. 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: 15/09/2025

VUNANI
IP ENHANCED INCOME FUND
August 2025



RISK AND RETURN STATISTICS to 31 August 2025

PERFORMANCE						
	A1 Class	BMK	Retention Class A1**	Investor A1 Combined†	GIPS\$ A1 Composite‡	GIPS\$ Fund Composite‡‡
1 Month	0.2%	0.6%	0.0%	0.2%	0.1%	0.1%
YTD**	4.8%	5.0%	-58.0%	2.1%	-1.1%	-3.4%
1 Year	7.9%	7.9%	-69.4%	3.4%	-1.2%	-4.6%
3 Years *	9.4%	7.9%		6.7%	4.9%	3.5%
5 Years *	8.8%	6.4%		7.2%	6.1%	5.3%
10 Years *	9.1%	6.8%		8.4%	7.8%	7.4%
Since inception	8.4%	6.5%		7.9%	7.4%	7.1%

	Period	Performance
Highest return	2019	11.6%
Lowest return	2014	3.3%

*Returns are annualised if period is longer than 12 months. Based on A1 class.
**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.
† 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 [HERE](#).
‡ 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.
‡‡ 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.
§GIPS: Global International Performance Standards; Returns calculated by IP.

TOP 10 EXPOSURES		
Issuer	% OF FUND	DURATION
RSA	31.2%	1.96
TRANSNET	7.9%	2.08
NED	5.3%	0.13
BAYA	5.0%	0.12
AFRICAN BANK	4.8%	0.13
FNB	4.6%	0.12
TRUESOUTH	3.9%	0.00
ABSA	3.6%	0.13
SCMB	3.5%	0.12
ALUMO	3.5%	0.12

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 August 2025

EFFECTIVE ASSET ALLOCATION		
	FUND	STEFI
Cash	2.0%	15.0%
0 to 3m	6.9%	30.0%
3m to 6m	5.7%	35.0%
6m to 12m	1.8%	20.0%
12m to 3y	57.6%	
3y to 10y	17.3%	
>10y	2.0%	
Domestic Equity	3.6%	
Foreign Equity	2.9%	
Foreign Cash	0.2%	

YIELD*	
Description	FUND
Yield to maturity	9.20%
Modified duration	0.85
* Current 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	

CONTACT DETAILS

IP Management Company (RF) (Pty) Ltd (Reg. No 2007/017601/07)
4th Floor, Catnia Building, Bella Rosa Village, Bella Rosa Street, Bellville, Cape Town, 7530, South Africa
ClientServices (IP): T+27 21 879 9937/9 email: ipmc_clientservices@fundrock.com
Kindly direct any complaints to ipmc_complaints@fundrock.com

Vunani Fund Managers (Pty)Ltd (Reg. No 1999/015894/07), Financial Services Provider No. 608

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.