

Cinnabar SCI Income Fund of Funds

Minimum Disclosure Document

As of 30/06/2025



CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: 14/07/2025

Fund Objective

The objective of the fund is to provide investors with a high level of income combined with capital preservation.

Fund Strategy

The fund will consist of a mix of collective investment scheme portfolios investing in equity, fixed interest instruments (including, but not limited to, bonds, corporate bonds, inflation linked bonds, convertible bonds, cash deposits and money market instruments), debentures, preference shares and property securities as well as any other income enhancing securities. The fund's equity exposure will be limited to a maximum of 10% of the portfolio's net asset value. The fund will be managed in accordance with regulations governing pension funds and may hold up to 45% in foreign assets. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) for the sole purpose of hedging exchange rate risk.

Fund Information

Ticker	GCIFA
Portfolio Manager	Cinnabar Investment Management Team
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Cautious
Benchmark	110% of STeFI Call Rate
Fund Size	R 104,203,124
Portfolio Launch Date*	29/07/2014
Fee Class Launch Date*	29/07/2014
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	March, June, September & December
Income Payment Date	1st business day of April, July, October & January
Portfolio Valuation Time	17:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.63
Total Expense Ratio	1.26
Transaction Cost	—
Total Investment Charges	1.26
Performance Fee	—
TER Measurement Period	01 April 2022 - 31 March 2025

Total Expense Ratio (TER) is the percentage value of the Financial Product that was incurred as expenses relating to the administration of the Financial Product. 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 Cost (TC) is the percentage value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. 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.

Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

The historic total TER above is calculated based on 3 years of historic data, and includes Performance Fees until 31 July 2019. No performance fees have been charged since 1 August 2019 so the historic total TER will fall into line with the current effective TER as the historic data is removed from the calculation over time.

Effective 1 December 2024, SCI will charge a monthly administration fee of R23 (VAT Inclusive) on retail investors whose total investment value is less than R50 000. Clients with an active recurring monthly debit order will not be levied this fee.

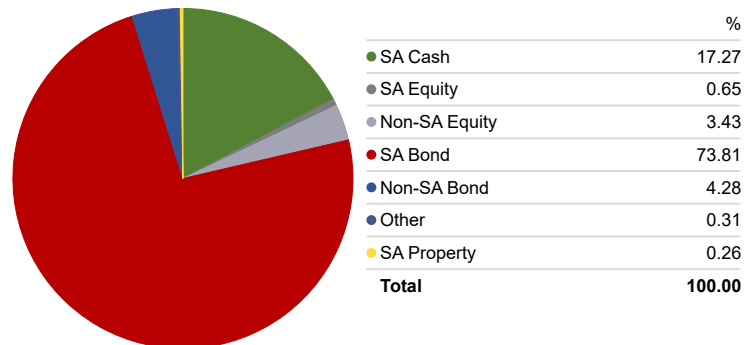
When Cinnabar funds are included in a portfolio, we always use zero-fee share classes to avoid double-charging and ensure cost transparency.

Top Ten Holdings

	(%)
PortfolioMetrix BCI Dynamic Income Fund	50.41
Saffron BCI Opportunity Income Fund	18.74
Miplan IP Enhanced Income Fund	16.17
Visio BCI Unconstrained Fixed Interest Fund C	4.83
Granate SCI Multi Income Fund	4.35
Amplify SCI Strategic Income Fund A1	3.65

Asset Allocation

Portfolio Date: 30/06/2025



Annualised Performance (%)

	Fund	Benchmark
1 Year	11.51	8.60
3 Years	10.29	8.30
5 Years	8.41	6.58
Since Inception	7.37	6.88

Cumulative Performance (%)

	Fund	Benchmark
1 Year	11.51	8.60
3 Years	34.16	27.02
5 Years	49.73	37.54
Since Inception	117.31	106.83

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2024

Highest Annual %	12.83
Lowest Annual %	5.45

Risk Statistics (3 Year Rolling)

Standard Deviation (Volatility)	3.81
Maximum Drawdown	-1.57
Sharpe Ratio	0.63
Information Ratio	0.49

Distribution History (Cents Per Unit)

30/06/2025	2.19 cpu	30/06/2024	2.33 cpu	30/06/2023	2.23 cpu
31/03/2025	2.25 cpu	31/03/2024	2.50 cpu	31/03/2023	2.05 cpu
31/12/2024	2.50 cpu	31/12/2023	2.49 cpu	31/12/2022	2.02 cpu
30/09/2024	2.42 cpu	30/09/2023	2.36 cpu	30/09/2022	1.50 cpu

Administered by



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Risk Profile

Cautious

You prefer a low-risk profile with limited equity exposure for capital preservation and consistent income growth. You want your capital to be safe and prefer fairly stable income and/or income growth. Even knowing that equities are a riskier asset class, you are comfortable to have some exposure, albeit limited, to them because you know they will add that little extra to your portfolio.

Glossary Terms

Annualised Returns

Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Capital Volatility

Volatility is a measure of 'risk' and refers to the extent to which the price of an investment or capital value fluctuates over a certain period of time. Funds with high volatility usually offer the potential for higher returns over the longer term than low volatility funds.

Cumulative Returns

Cumulative return is the total growth experienced over the period measured.

Derivatives

Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, biannual or annual distribution pay-outs.

Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Financial Instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective

The fund objective is the portfolio's core goal.

Fund Strategy

The fund strategy is the way that the fund is managed to achieve the fund objective.

Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

Collective Investment Schemes

Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

LISP (Linked Investment Service Provider)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust investments.

Market Capitalization

Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Sharpe Ratio

The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation

The standard deviation is a widely used risk measure of the return dispersion relative to the mean. It is also referred to as volatility.

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available on request from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained on request from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments 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 deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. *A fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.* Income funds derive their income primarily from interestbearing instruments. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Cinnabar Investment Management (Pty) Ltd, (FSP) Licence No. 45402, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12- month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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Portfolio Manager Comment

Cinnabar Market Update: June 2025

South African Drivers

SARB Governor Kganyago used the SARB's annual report as an opportunity to double down on his support for a lower inflation target. Kganyago has, for a long time, advocated for a lower inflation target, and investors are increasingly positioning themselves for the realistic probability that this will happen. There is a high probability that the SARB will reduce its inflation target before the end of the year to synchronise SA with other emerging market peers.

President Ramaphosa's dismissal of DA Deputy Minister Whitfield raised concerns about the stability of the GNU. Many feared the DA would withdraw from the GNU, triggering panic in the markets. The DA ultimately chose not to leave the coalition but seized the moment to highlight the hypocrisy of the president's decision: taking no action against ministers implicated in corruption and wrongdoing yet firing an opposition minister over what was widely regarded as a minor offence. The DA confirmed that it would withdraw from the president's National Dialogue and not support the budget votes of any ministers implicated in misconduct.

South Africa is close to exiting the FATF grey list, having completed all 22 action items in its Action Plan, including tougher investigations and prosecutions. An on-site assessment is expected before October 2025 to confirm the reforms are effective. National Treasury noted these improvements will help combat crime and corruption and should support the rand and bond markets in the coming months.

South African investors benefitted from robust performance of domestic asset classes, which outperformed their global counterparts. Specifically, SA Equities and SA Property generated returns exceeding 9.0% for the quarter, while SA bonds strengthened following the SARB's latest interest rate cut, indications of a lower inflation target, as well as subsiding concerns regarding the GNU and related issues.

Global Drivers

The conflict between Israel and Iran escalated significantly in June, culminating in Operation Midnight Hammer, during which the United States launched major airstrikes on Iran's nuclear infrastructure. In response, Iran threatened to close the Strait of Hormuz, a critical global oil transit route, raising fears of supply disruptions and triggering a spike in oil prices. The heightened tensions in the Middle East prompted investors to shift towards safe-haven assets such as gold and the US dollar, reflecting broader concerns over regional stability and energy security.

The US reignited trade tensions by doubling tariffs on steel and aluminium to 50%. The US also announced reciprocal tariffs ranging from 10% to 70% on countries without a trade agreement, which has heightened global uncertainty. Although a trade agreement with China was announced on the 27th, its vague terms have done little to reassure investors. This policy uncertainty has increased market volatility, disrupted global supply chains, and placed pressure on corporate earnings.

Despite heightened geopolitical tensions and abrupt shifts in trade policy, particularly the implementation and subsequent pause of "Liberation Day" tariffs, global markets demonstrated surprising resilience. US Equities experienced notable volatility, briefly entering bear market territory before rebounding sharply, evidencing the risks of trying to time the market. International equities outperformed, supported by a weaker US dollar, while diversified portfolios continued to prove their worth as fixed income provided stability in portfolios. Meanwhile, recession fears eased as trade negotiations progressed, though the outlook remains clouded by unresolved global trade dynamics and lingering uncertainty around Federal Reserve policy.

The second quarter of 2025 delivered strong returns across all developed market regions, with markets rebounding swiftly from post-Liberation Day lows. Pacific ex-Japan equities led the way, driven by strong performance from Australia and Hong Kong amid optimism around monetary easing. European equities continued to benefit from investor rotation away from U.S. markets, supported by both fiscal and monetary policy, and remain the best-performing equity region this year. U.S. equities rose strongly in local currency terms, although a weaker US dollar dampened returns for international investors.

Emerging market equities outperformed their developed market counterparts in the second quarter. Asian equities delivered strong absolute returns, but the outperformance was led by another robust quarter from emerging Europe and Latin America. These two regions now stand as the top performers across both developed and emerging market equities for the first half of 2025.

Developed market central banks continued to diverge in their policy responses. The European Central Bank cut rates by 0.25% to 2.00%, marking its eighth rate cut since June 2024, in response to slowing inflation. In contrast, the Fed held its base rate at 4.5% for the fourth consecutive meeting, with the FOMC stating that although "the unemployment rate remains low, and the labor market conditions remain solid," uncertainty about the economic outlook was still elevated. The BOE also held rates steady due to ongoing economic uncertainty. This divergence in monetary policy has direct implications for both the FX and equity markets fueling volatility.

Despite interest rate volatility, global fixed income delivered another solid quarter of returns, supported by attractive income levels across the asset class. Global high yield once again outperformed, benefiting from elevated carry (with interest income exceeding 7%), lower interest rate sensitivity, and a risk-on tone that gathered momentum over the rest of the quarter. Emerging market debt (hard currency) also performed well, supported by both the improving risk environment and a weaker U.S. dollar, which eased the repayment burden for issuers of dollar-denominated debt.

Global sovereign bonds remain a focal point for investors, as major developed economies continue to grapple with elevated debt levels and stubbornly high interest rates. However,

higher yields are offering a meaningful source of income, which is anchoring total returns.

Following a strong first quarter, real assets saw more mixed performance in Q2. Oil prices fell sharply, dragging down the Bloomberg Commodity Index, in a perfect storm of increased supply from OPEC+ and softening global demand, particularly from China. Gold reached new record highs, briefly surpassing \$3,500/oz in April amid rising geopolitical uncertainty. However, a weaker U.S. dollar reduced the benefit for international investors when translated back into local currency terms.

Sources: *Portfoliometrix*

Portfolio Manager

Cinnabar Investment Management Team