

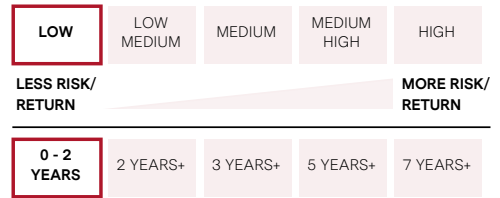
Sygnia Money Market Fund Unit Trust

Minimum Disclosure Document (MDD)

Class A

South African - Interest Bearing - Money Market

31 March 2023

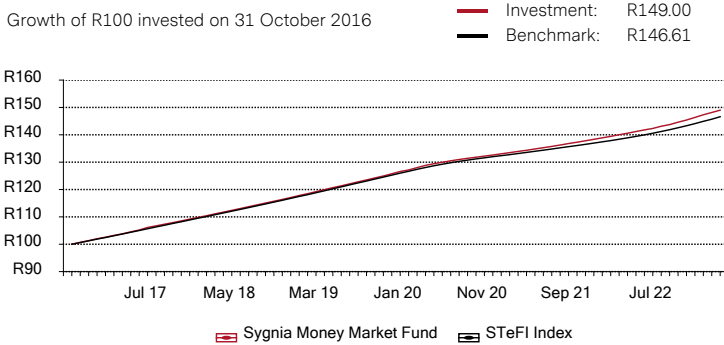


| | |
|--------------------|--|
| Portfolio Managers | Iain Anderson, Anrich de Jager*, Chanté Burger |
| Regulation 28 | Compliant |
| Fund Launch Date | 29 July 2016 |
| Class Launch Date | 13 October 2016 |
| Fund Size | R 1 484 Million |
| Unit Price | 100.08 |
| Units in Issue | 978,958,779 |
| *Under supervision | |

Investment Objective
Income Distribution
Trustees

The fund aims to maximise interest income, preserve capital and provide immediate liquidity
Monthly
Payment: 1 Feb 2023 - 0.64 cents per unit
Payment: 1 Mar 2023 - 0.56 cents per unit
Standard Bank Trustees (021 441 4100)

Cumulative Investment Performance



Performance Analysis

| Periodic Performance | Fund | *BM | Difference |
|----------------------|------|------|------------|
| 1 Month | 0.6% | 0.6% | 0.0% |
| 3 Months | 1.8% | 1.7% | 0.1% |
| 6 Months | 3.7% | 3.3% | 0.3% |
| Year to Date | 1.8% | 1.7% | 0.1% |
| 1 Year | 6.4% | 5.9% | 0.5% |
| **3 Years | 5.2% | 4.8% | 0.4% |
| **5 Years | 6.0% | 5.8% | 0.3% |
| **Since Inception | 6.4% | 6.1% | 0.3% |
| 12-Month Yield | 5.6% | | |

Performance as calculated by Sygnia Asset Management as at reporting date

*STeFI Index

**Annualised performance figures

Historical Performance

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2018 | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 7.2% |
| 2019 | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.5% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.7% | 7.4% |
| 2020 | 0.7% | 0.5% | 0.7% | 0.6% | 0.5% | 0.4% | 0.4% | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | 5.5% |
| 2021 | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 4.3% |
| 2022 | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.6% | 0.4% | 0.6% | 0.5% | 0.7% | 5.8% |
| 2023 | 0.7% | 0.6% | 0.6% | | | | | | | | | | 1.8% |

Risk Statistics

| | Fund | Benchmark |
|--|------|-----------|
| % Negative Months | 0.0% | 0.0% |
| Avg Negative Return | 0.0% | 0.0% |
| Maximum Drawdown | 0.0% | 0.0% |
| Standard Deviation | 0.4% | 0.4% |
| Downside Deviation | 0.0% | 0.0% |
| Highest Annual Return: Feb 2019 - Jan 2020 | 7.4% | 7.2% |
| Lowest Annual Return: Aug 2020 - Jul 2021 | 4.0% | 3.9% |

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

ISSUER EXPOSURE

| Issuer | Percentage | Allocation |
|------------------------------------|------------|------------|
| Nedbank Ltd | 21.5% | |
| Absa Bank Ltd | 16.5% | |
| Standard Bank | 15.2% | |
| Investec Bank Ltd | 12.9% | |
| RSA National Treasury | 10.9% | |
| Shoprite Holdings Ltd | 2.2% | |
| Discovery Holdings Ltd | 2.0% | |
| Thekwini Warehousing Conduit Pty L | 1.9% | |
| MTN Group Ltd | 1.8% | |
| Other | 15.1% | |

Duration Exposure

| Duration | Percentage |
|----------------|------------|
| 0 to 1 month | 26.8% |
| 1 to 3 months | 26.1% |
| 3 to 6 months | 16.9% |
| 6 to 12 months | 30.3% |

Fees

| | |
|-------------------------------|------------------|
| Initial Fee | 0.00% ** |
| Management Fee | 0.25% ** |
| Performance Fee | N/A |
| Other costs | 0.01% ** |
| VAT | 0.04% |
| Total Expense Ratio (TER) | 0.30% (Mar 2023) |
| Transaction Costs (TC) | 0.00% (Mar 2023) |
| Total Investment Charge (TIC) | 0.30% (Mar 2023) |

**Fees are exclusive of VAT

Sygnia Money Market Fund Unit Trust

Fund Commentary

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1st Quarter 2023

Market Performance

March got off to a difficult start as a higher-than-expected US Core Personal Consumption Expenditures Index sent markets lower. Things were significantly complicated by the back-to-back failures of Silicon Valley Bank (SVB) and Signature Bank. US two-year Treasury yields incurred their steepest drop since the early 1980s, from above 5% to below 4%, causing the dollar to plummet. Only days later Credit Suisse, Switzerland's second-largest bank and a 167-year-old institution, became a takeover target after two years of scandals, leadership changes and legal issues drove its shares from above CHF12 to below CHF1. Swiss National Bank (SNB) offered a CHF54bn support package to Credit Suisse, and UBS agreed to acquire the troubled Swiss lender for USD3.2bn soon after. These events can be compared to other isolated pockets of tension over the last six months, including the plunge in crypto assets after the failure of cryptocurrency exchange FTX.com and the UK's Liability Driven Investment (LDI) pension fund turmoil, which sent the pound into a tailspin. These are all symptoms of the Covid zero-interest-rate regime, and more pockets of fragility and imbalance exist. However, we do not believe that they will lead to another global financial crisis, particularly as central banks have learned many lessons from the Great Financial Crisis (GFC) of 2008. The Federal Reserve rolled out emergency measures in the aftermath of SVB's closure, including a backstop to all depositors. First Citizens BancShares eventually agreed to acquire SVB in the US, while in the UK, HSBC stepped in to rescue SVBUK.

First Republic Bank was looking like it might join the failed regional banks, but the US' biggest banks deposited USD30bn to tide it over. "This show of support by a group of large banks is most welcome and demonstrates the resilience of the banking system," said US Treasury Secretary Janet Yellen. Implicit in the US leadership's set of responses to the banking upheaval is the notion that the large legacy banks are the stronghold of public guarantees, with Yellen clarifying that Treasury's goal is not to provide "blanket insurance" to all bank deposits. The safety harnesses that regulators put around the systemically important financial institution (SIFI) banks after the GFC will go a long way toward preventing systemic threat, with capital levels for the SIFI banks far stronger than during the 2008 crisis. While every bank has been squeezed by the swiftness and magnitude of the Fed's rate hikes over the last 12 months, the new Bank Term Funding Program has eased liquidity pressures and allowed the Fed to raise rates for the ninth consecutive time, by 25 bps in March. This has brought the federal funds rate to its highest range (4.75% to 5%) since September 2007, when rates were at their peak on the eve of the GFC. The US consumer was traditionally something of a last resort to keep the world afloat during slowdowns, with US consumption the largest in the world in dollar terms, but prior to Covid China had overtaken the US as the world's largest consumer (as measured by dollar retail sales). Stringent Chinese lockdowns caused Chinese consumption to slow, contrasting with the US, where huge monetary support pushed consumption above trend. As US interest rates rise and Chinese consumption recovers, China may become home to the largest consumer base in the world again.

If we skip the banking contagion this time round (compared to the GFC) and the Fed still slows down rate hikes because of the banking risk, dollar depreciation is likely and rest-of-world equities should outperform those of the US. This is strengthened in light of China's reopening (still under way) and Europe's resilience in the face of their energy crisis. We are not out of the woods yet, but the "Fed Put" is back, even though the Fed hiked rates by 25 bps. Assets held on the Fed's balance sheet by all Fed banks increased by USD392bn between 8 and

22 March, unwinding 69% of the quantitative tightening since last April. US banks borrowed a combined USD164.8bn from two Fed backstop facilities over the course of a week, breaking a record set in the 2008 GFC. Central bankers have decided to use interest rates (which will increase, albeit slowly) to fight inflation and balance sheets, i.e. quantitative easing (QE), to provide financial stability. Looking forward, the Fed now sees rates lower by the end of 2024, at 4.25%, even with inflation above its 2% target. Higher inflation, higher rates and higher volatility match our forecasts and will lead to a weaker dollar, which is good for the rest of the world's liquidity, cost of capital and, hence, growth. At the same time, lower bank earnings in the US will press on US earnings, while tighter lending standards will constrain growth, meaning a US recession later in the year is still on the cards.

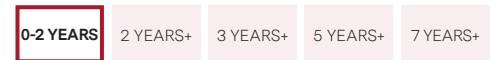
Outgoing Premier Li Keqiang presented a GDP growth target for China of 5% for this year, below consensus estimates of 5.3%, and the lowest target in over three decades as focus shifted to "prioritising economic stability". In addition to strong spending, the People's Bank of China cut the reserve rate requirement by a further 25 bps. Another key priority appears to be strengthening the Chinese military, with defence expenditure set to benefit from a 7.2% increase. Comments from both Chinese and US politicians underscore simmering tensions, especially over access to advanced technology. The Biden administration continues to restrict Chinese access to American technology, while China has attempted to shore up the private sector's role in technological innovation. The Chinese also came up with a 12-point plan for ending the Russia-Ukraine war, and Xi Jinping met with Vladimir Putin in Moscow. Kyiv had little opposition to such an idea, having sought leader-level talks with China since the invasion began. In addition, China brokered a peace deal between Saudi Arabia and Iran, noticeably leaving the US on the sidelines. The Saudis have expressed interest in joining the Shanghai Cooperation Organization, which would herald the end of the 1945 deal to sell oil exclusively in dollars.

President Cyril Ramaphosa finally announced anticipated changes to his cabinet, appointing Paul Mashatile as the new deputy president and Kgosientsho Ramokgopa as electricity minister. The latter's role "will be to significantly reduce the severity and frequency of load shedding as a matter of urgency". Headline GDP fell by 1.3% on a quarter-on-quarter seasonally adjusted basis in Q4 2022. ABSA estimates that load shedding shaved a full 1.7 pp from Q4 GDP. S&P Global's unexpected downgrading of SA's credit rating from positive to stable added to domestic woes, sounding a warning that SA's economic growth is under increased pressure from crippling power cuts. The IMF similarly downgraded 2023 growth to 0.1% on the back of power outages and weaker commodity prices. The SARB estimates that load shedding will shave 2% from GDP through 2023, and as the privately owned Kelvin coal power station continues to boast an 80% electricity availability factor, the private sector solution beckons. SARB governor Lesetja Kganyago warned against fiscal reliance on cyclic mining windfalls just as data pertaining to 2022 showed SA's first current account deficit in three years. The additional risk in South Africa and lower commodity prices are reflected in the rand, which has weakened significantly more than emerging market peers and developed market currencies. Not only has load shedding slowed growth, but the consequent additional costs pushed inflation higher than expected after rising to 7% YoY in February, forcing the SARB to raise rates another 0.5%. The rand recovered some of its relative losses on the news.

RISK PROFILE



TIME HORIZON



Fund Performance

The Sygnia Money Market Fund returned 1.8% for the quarter, outperforming its benchmark, the Short-Term Fixed Interest Index.

No significant changes were made during the quarter, with the fund still positioned to maximise interest income, preserve capital and provide immediate liquidity.

The three-month Jibar floating reference rate ended the quarter higher at 7.96%. On a forward-looking basis, 12-month Treasury Bills and Negotiable Certificates of Deposit were yielding 8.6% and 9.1% respectively at the end of March.

Locally, the SARB hiked the repo rate by another 50 bps to 7.75% at the March Monetary Policy Committee (MPC) meeting, surprising markets, which had expected a smaller increase of 25 bps. The MPC has now hiked the repo rate nine times since November 2021, from a low of 3.5%. SA CPI also surprised to the upside in February, with headline inflation printing at 7%.

In the US, the Federal Open Market Committee (the Fed) hiked the policy rate by 25 bps to 5% in March, with headline inflation cooling to 6% y/y.

Disclaimer

Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the law of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

Important information to consider before investing

Investment Objective & Strategy

The Sygnia Money Market Fund is a money market portfolio that seeks to maximise interest income, preserve the portfolio's capital and provide immediate liquidity. This is low risk money market fund aims to offer investors access to a well-diversified money market portfolio, which shall consist of short-term, highly liquid money market instruments with a maturity of less than thirteen months. It may also invest in interest rate swaps. The fund will be managed with prudential guidelines.

Balancing Risk and Reward

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indicator of future performance. Unit trusts are traded at the ruling price and are allowed to engage in borrowing and scrip lending.

Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage. Performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

Please note that the Sygnia Money Market Fund is a variable priced fund and therefore does not have a fixed unit price of R1.00 per unit. The price of a unit is a marked-to-market value. The yield is calculated monthly on a historic basis, based on the actual distributions declared over the relevant calculation period, divided by the average daily NAV price for the fund, expressed as a nominal annual rate. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio.

The Fund may be exposed to credit risk where an Issuer of a non-equity security may not be able to make interest payments or repay the capital. This will impact the value of the Fund. There are regulations in place which limit the amount a unit trust may be exposed to each Issuer, thereby spreading the risk across various Issuers.

The Sygnia Money Market Fund is not a Bank Deposit Account. Excessive withdrawals from the Fund may place the Fund under liquidity pressure. Should this occur, a process of ring-fencing the withdrawal instruction and managing the pay-out over time may be allowed.

Fees

Sygnia charges an annual management fee comprised of applicable basis fees paid to underlying managers and Sygnia's annual service fee. The fund may invest in other unit trusts (underlying funds) that levy their own charges and which may charge performance fees in the event that the underlying fund's performance exceeds its benchmark. A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, levies, stamps, auditor's fees, bank charges and trustee fees. Sygnia does not provide advice and therefore does not charge advice fees.

What is the Total Expense Ratio (TER) and Transaction Costs (TC)?

The total expense ratio (TER) is the annualised percentage of the fund's average assets under management that has been used to pay the fund's actual expenses over the past three years. Transaction costs are a necessary cost in administering the fund and impact fund returns. They 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. Since fund returns are quoted after the deduction of these expenses, the TER and Transaction Costs should not be deducted again from the published returns. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return.

How are unit prices calculated?

Unit prices 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 permissible deductions from the portfolio, divided by the number of units in issue. Forward pricing is used and Fund valuations take place at approximately 15:00 each business day. Purchases and redemption requests must be received by the manager by 14:00 each business day to receive that day's price. The price shown is specific to this class. The fund size represents the portfolio size as a whole. Unit prices are updated by 10:00 every business day and are available on our website, www.sygnia.co.za.

Cumulative Investment Performance

Cumulative investment performance is for illustrative purposes only. The investment performance is calculated by taking all ongoing fees into account for the amount shown, with income reinvested on the reinvestment date.

Disclaimer

The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the laws of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Proprietary) Limited (FSP Registration No. 873), an authorised financial services provider, is the appointed investment manager of the fund. Sygnia Collective Investments RF (Pty) Ltd does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this minimum disclosure document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

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Additional information such as fund prices, brochures, application forms and a schedule of fees and charges can be requested via admin@sfs.sygnia.co.za or 0860 794 642 (0860 SYGNIA).

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