

VUNANI

IP ENHANCED INCOME FUND

March 2025

VUNANI

FUND MANAGERS

FUND INFORMATION

Inception date	26 March 2012
Sector	South African - Multi Asset - Income
Risk profile	Conservative
Minimum investment	Lump sum: R10 000; Monthly: R1 000
Asset composition	Fixed Interest, Cash, Equity and Listed Property
Regulation 28	Compliant with Regulation 28
Benchmark	Short-term Fixed Interest Composite Index (STeFI)
Fund Size	R 3,256,554,885
Income declaration	Quarterly (Mar / Jun / Sep / Dec)

Distributions (Class A1):	CPU
Jun 2024	25.96
Sep 2024	25.27
Dec 2024	26.21
Mar 2025	20.44

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.

PLEASE NOTE THAT THE NAME OF THE FUND HAS CHANGED TO: VUNANI IP ENHANCED INCOME FUND. THIS FOLLOWS THE ACQUISITION BY APEX GROUP OF BOTH IPMC AND BCI AND THE INTENDED MERGER OF THOSE TWO ENTITIES. VUNANI FUND MANAGERS REMAINS THE APPOINTED FUND MANAGER AND ROWAN WILLIAMS-SHORT, WHO HAS MANAGED THE FUND SINCE INCEPTION IN FEBRUARY 2012, REMAINS THE PORTFOLIO MANAGER. CONTACT DETAILS WHICH YOU HAVE USED IN THE PAST REMAIN THE SAME (PHONE NUMBERS, E-MAILS).

In March 2025, financial markets dealt with more news-flow, mostly negative, than usual. The delay and ongoing impasse regarding the Budget has not been helpful to the bond market and nor have the raft of tariff announcements from the Rose Garden. Mainstream economists have widely condemned those tariffs. A renowned professor even described them as "economically illiterate". The headline rate of 30% applied to South Africa is misleading, as the effective rate, after adjusting for exempt items, is about 17%.

Give the negative news-flow, the bond market limped to a return for the month of just 0.18%. Your fund did much better and was also the third best performing fund in its peer group.

Some current fund stats: Modified Duration = 0.85, Spread Duration = 0.84, Yield to Maturity = 9.35% and Running Yield = 9.60%. Largest single issuer exposure is to government bonds, at 29%.

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 021-673 1340 or 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.

	JSE Code	Annual management fee (excl. VAT)	Total expense ratio (%)*	NAV	Units in Issue
Class A1: LISP/Clean	MIPEI	0.75%	0.88	1,052	144,807,387
Class B1: Institutional	MPEB1	0.50%	0.60	1,051	16,909,757
Class B2: Admin Only	MEIB2	0.15%	0.19	1,053	1,103,423

From 01 Jan 2022 to 31 Dec 2024 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.

* 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

INVESTOR PROFILE

The fund should suit investors:

- Aiming for higher returns than are available through cash or bank deposits over a 12-36 month period.
- Seeking actively managed exposure to the full spectrum of the fixed interest and high yielding universe of assets.
- Not wanting to personally choose between money market, bond, income, or preference dividend funds but rather believing in the ability of a good asset manager to do this job.

The fund does not suit investors whose time horizon is less than 12 months and who are uncomfortable with price fluctuations over this shorter term.

Date of issue: 22/04/2025

VUNANI

IP ENHANCED INCOME FUND

March 2025

VUNANI
FUND MANAGERS

RISK AND RETURN STATISTICS to 31 March 2025

PERFORMANCE

	A1 Class	BMK	Retention Class A1**	Investor A1 Combined†	GIPS\$ A1 Composite‡	GIPS\$ Fund Composite‡‡
1 Month	1.0%	0.6%	0.4%	1.0%	0.9%	0.9%
YTD**	1.6%	1.9%	0.6%	1.6%	1.5%	1.5%
1 Year	10.6%	8.4%		8.3%	6.6%	5.2%
3 Years *	9.2%	7.5%		7.4%	6.7%	6.2%
5 Years *	9.2%	6.2%		8.1%	7.6%	7.4%
10 Years *	9.1%	6.7%		8.6%	8.4%	8.2%
Since inception	8.7%	6.5%		8.1%	7.9%	7.8%

	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	29.2%	1.70
TRANSNET	8.4%	2.40
ABSA	5.7%	0.13
TRUESOUTH	5.2%	0.00
BAYA	4.8%	0.12
AFRICAN BANK	4.8%	0.12
NED	4.5%	0.12
AGRARIUS	4.1%	0.13
FNB	3.9%	0.13
ALUMO	3.1%	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 March 2025

EFFECTIVE ASSET ALLOCATION

	FUND	STEFI
Cash	1.3%	15.0%
0 to 3m	5.8%	30.0%
3m to 6m	1.2%	35.0%
6m to 12m	10.9%	20.0%
12m to 3y	54.4%	
3y to 10y	18.8%	
>10y	0.3%	
Domestic Equity	3.4%	
Foreign Equity	4.1%	
Foreign Cash	0.0%	

YIELD*

Description	FUND
Yield to maturity	9.88%
Modified duration	0.78

* 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
Client Service (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.