



MATRIX
FUND MANAGERS

Matrix SCI Stable Income Fund

Minimum Disclosure Document and Quarterly
Investor Report - 30 June 2025

administered by **Sanlam**

Fund Objective

The objective of the Fund is to maximise income and deliver stable absolute returns that exceed the benchmark over 12 month rolling periods.

Summary of Investment Policy

The Fund may invest in bonds, fixed deposits and other interest-bearing securities which have a fixed maturity date and either have a predetermined cash flow profile or are linked to benchmark yields, money market instruments and other assets in liquid form.

The Fund may invest in listed and unlisted financial instruments (derivates) for efficient portfolio management.

The weighted average modified duration of the underlying assets is limited to a maximum of two years.

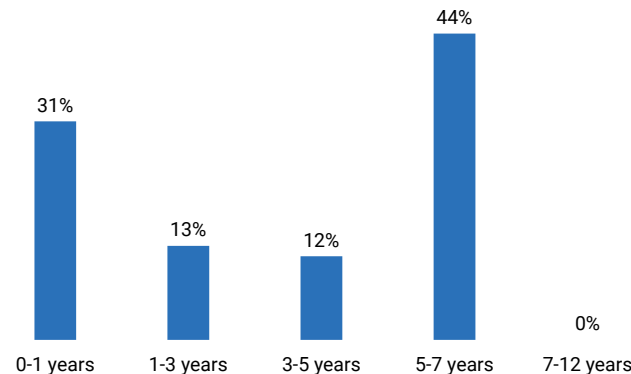
Risk Profile

This Fund has a cautious risk profile.

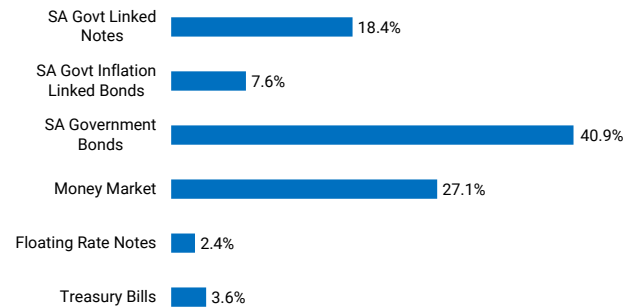


Returns ¹	Fund %	Benchmark %
3 Month	2.5	1.9
Year to Date	4.7	3.8
Latest 1 Year	10.3	8.1
Latest 3 Years	10.0	7.8
Latest 5 Years	8.5	6.3
Since Inception (1 Dec 2018)	8.5	6.4
Highest Annual Return	10.5	8.4
Lowest Annual Return	4.6	3.8

Maturity Profile



Asset Allocation



Risk Measure	30 June 2025
Weighted Average Modified Duration	0.97
Weighted Average Term to Maturity	3.43

Fund Information		Class B1	
ASISA Fund Classification	South African Interest Bearing - Short Term		
Benchmark ²	STeFI Composite Index		
Fund Size	R9 019.2 million		
Regulation 28 Compliant	No		
Fund Launch Date	1 December 2018		
Class Launch Date	1 December 2018		
ISIN Number	ZAE000264396		
Minimum Lump Sum Investment	R10 000 lumpsum		
Minimum Debit Order investment	R500 recurring		
Participatory Interests (units) in Issue	716 838 692		
Net Quarterly Unit Subscriptions / (Redemptions)	54 674 311		
NAV per Participatory Interest (cents)	1 102.34		
Income Declaration Dates (paid next business day)	Monthly (last day of the month)		
Distributions over the past 12 months (cents per unit)	Jun 2025	6.76	Dec 2024 7.24
	May 2025	6.47	Nov 2024 6.70
	Apr 2025	6.67	Oct 2024 7.01
	Mar 2025	6.94	Sept 2024 7.25
	Feb 2025	6.18	Aug 2024 7.16
	Jan 2025	6.89	Jul 2024 8.04
Daily Pricing Information	www.sanlaminvestments.com		
Annual Management Fee	0.35% per annum (excl. VAT)		
Total Investment Charge (incl. VAT)		As at 31 March 2025	
	1 YEAR PERIOD	3 YEAR PERIOD	
Management Fees	0.40%	0.40%	
Other Costs	0.02%	0.02%	
Total Expense Ratio (TER)	0.42%	0.42%	
Transaction Costs	0.00%	0.00%	
Total Investment Charge (TIC)	0.42%	0.42%	



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Credit Exposure (%)

SA Government	52
Absa Bank (Snr)	2
Absa Bank SA Government	4
Investec Bank (Snr)	7
Investec SA Government	9
Standard Bank (Snr)	6
Standard Bank SA Government	3
FirstRand Bank (Snr)	2
Nedbank (Snr)	13
Nedbank SA Government	2

Investment Manager Commentary

Disclosure: Any forecasts or market commentary, whether express or implied, are not guaranteed to occur and may change without notification at any time after publication.

The second quarter of 2025 kicked off with President Trump's "Liberation Day" announcement of sweeping global tariffs which sent risk markets sharply lower. Trump however soon demonstrated his willingness to reverse course in response to weaker stock prices or higher bond yields and markets rapidly started pricing out a trade war and shifted focus to the Big Beautiful Bill (BBB) making its way through the House and Senate. The Bill, now passed by both chambers, ensures that the expiry of Trump's 2017 tax cuts at the end of the year will no longer lead to fiscal tightening.

Uncertainty about which US tariffs will remain in place once the 90-day suspension of the Liberation Day tariffs ends on 9 July, has also kept market participants unsure of the global economic outlook. With respect to the US, even if the effective tariff on imports settles at around 15%, which is what markets are expecting, this constitutes the highest effective tariff since 1936. The risk for the US is lower growth alongside higher inflation, which is a particularly difficult environment for policy makers. Markets have been monitoring Trump's intensifying vocal attacks on Powell and bracing for the Federal Reserve Bank Chair's replacement in May 2026. It is expected that the US president will seek someone who will pursue more dovish monetary policy. Powell will still

have the option to remain on the Fed Board until January 2028.

The passing of the BBB has sustained the pressure on US yields and the dollar, while it has supported an ongoing equity rally which has taken markets to new highs. An escalation of tensions in the middle east with first Israel, and then the US bombing Iranian military and nuclear facilities, barely registered as markets took it in their stride.

Emerging market asset performance in 2Q25 was buoyed in part by dollar weakness as the trade weighted dollar fell 6.9%. The Rand appreciated 3.5% in 2Q25, leaving it 6.2% stronger for the first half. Local currency global equity performance was led in the quarter by Korea +21.3%, Nasdaq +17.7% and Japan +13.7% respectively. European markets were mixed (Germany +7.9% but Stoxx 50 +1.0%) and the strength of the Euro (+8.8%) drove very strong USD returns.

Domestically, markets have endured doubts about the sustainability of the Government of National Unity (GNU). After disagreement about the budget in 1Q25, the coalition came under strain yet again in 2Q25 with the dismissal by President Ramaphosa of the DA's deputy minister of trade, Andrew Whitfield. Despite this, SA equities rose in line with global markets, with the FTSE/JSE Capped SWIX up +9.7% for the quarter and +16.1% for the first half. Industrial stocks rose the most in the quarter thanks to Technology rising +20.8%, telcos +14.3% and tobacco +11.4%. Resources were also strong; thanks primarily to PGM shares which rose on the back of a +33.7% spike in the Platinum price.

EM bonds performed well, returning +4.6% in the second quarter and +7.3% YTD. South Africa's bond market returned +5.9% in quarter two, supported by foreign investors who bought R32bn worth of SAGBs in 2Q25, up from R28bn in 1Q25. The EM bond rally was despite headwinds from higher UST yields over the quarter. The 10-yr UST yield rose 20bp to 4.4% in May. It then retraced back to 4.2% in June as markets started to price for earlier and deeper rate cuts by the Fed and two FOMC members supported a rate cut as soon as July. Both the US and the UK have seen growing concerns over their fiscal outlooks, keeping term premiums relatively elevated.

Portfolio performance and positioning

The Matrix SCI Stable Income Fund delivered performance of +2.5% after fees over the second quarter. The Fund is up +10.3% over the past 12 months, well ahead of the SteFI Composite Index benchmark that returned +8.1%.

At quarter end, the Fund held money market exposure (less than 12 months) of 31%, fixed rate exposure of 9%, floating rate exposure of 52% and inflation linked exposure of 8%. This diversified exposure across various fixed income asset classes resulted in a combined weighted average modified duration of 1.0 years, an average term to maturity of 3.4 years and an annualised yield of 8.5%.

Volatility certainly escalated during quarter two, resulting in some risk reduction with the Fund's modified duration being reduced from 1.2 to 1.0 years over the quarter. The SARB's ambition to re anchor inflation at 3.0% gained traction through the quarter with the May MPC specifically allowing for an alternative scenario of the QPM under assumptions of 3% inflation being attained reasonably soon (by 4Q26). This scenario should allow for a further 5 to 6 interest rate cuts to 5.75%. We are somewhat sceptical on the rapid achievement of this target given some stickiness in wages and administrative prices. Albeit that we subscribe to SARB credibility, we think the process of re-anchoring may take longer, resulting in initial increased volatility in implied future monetary policy.

In short, we expect that further interest rate cuts will be very gradual as the new inflation target first needs to be adopted broadly by Treasury and price setters in the economy. FRNs continue to provide superior value in such an environment, even with spreads that have closed almost 20 bps over the recent past.

Credit exposure remains limited to SA government and senior big bank paper (including structured notes).



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Important information

Management Company

Sanlam Collective Investments (RF) Proprietary Limited (the 'management company' or 'manager') Contact details: 55 Willie van Schoor Avenue, Bellville, 7530. Postal Address: P.O Box 30, Sanlamhof, Bellville, 7532. Telephone 021 916 1800. Email: service@sanlaminvestments.com and website: www.sanlamunitrusts.co.za

Investment Manager

Matrix Fund Managers Proprietary Limited (the 'investment manager') (Registration No: 2007/028504/07) is an authorised financial services provider under the Financial Advisory and Intermediary Services Act - FSP No: 44663. Contact details: The Terraces, 25 Protea Road, Claremont, 7708. Postal Address: Postnet Suite 80, Private Bag X1005, Claremont, 7735, Telephone: 021 673 7800, Email: info@matrixfm.co.za and Website: www.matrixfundmanagers.co.za. The investment manager is supervised by the FSCA and is a member of the Association for Savings and Investment South Africa (ASISA).

Complaints and Conflicts of Interest

The complaints policy and procedure, as well as the conflicts of interest management policy, are available on the management company's website. Associates of the management company may be invested within certain portfolios, and the details thereof are available from the management company.

Trustee/Custodian/Depository

Standard Bank of South Africa Limited. Telephone 021 442 4200, Email: compliance-sanlam@standardbank.co.za

Fund Administrator

Apex Fund Services South Africa Limited.

Fund Auditor

PwC Incorporated.

Co-Naming Agreement

The management company and the investment manager have entered into a co-naming agreement regarding the administration of the co-named Fund.

Footnotes

1. All returns for periods greater than 12 months are annualised.
2. Alexander Forbes Short Term Fixed Income (STeFI) Composite Index

Unit Prices

Forward pricing is used and fund valuations take place at approximately 15:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.sanlaminvestments.com/markets/Pages/daily-prices.aspx

Total Expense Ratio (TER) and Total Investment Charge (TIC)

The 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 3 years (or shorter periods, where applicable). The TER includes the annual management fees that have been charged (both the base fee and any performance related fee), VAT and other expenses. The TER does not include transaction costs. As expenses vary, the current TER cannot be used as an indication of future TER's. A high TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be consistent with the investor's objective and compared against the performance of the Fund. The TER should then be used to compare whether the Fund's performance offers value for money. Transaction Costs (including brokerage, STT, STRATE and FSCA Investor Protection Levies and VAT thereon) are shown separately. 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. The sum of the TER and Transaction Costs is shown as the Total Investment Charge.

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 on request obtained 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 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 the Investment Manager. 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.sanlamunitrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Effective 1 December 2024, the Manager 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.

Glossary of Terms

A Glossary of Terms is available on <https://www.sanlaminvestments.com/Documents/Glossary%20of%20Terms.pdf>