Merchant West SCI Money Market Fund

Quarterly Report
Quarter ending 31 March 2026

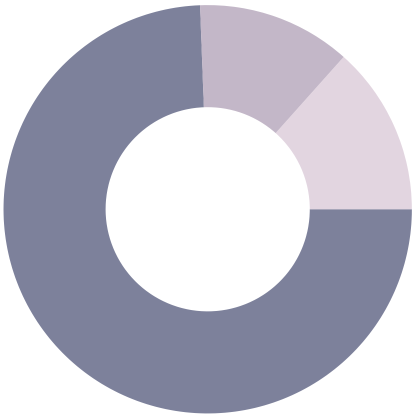
FUND DETAILS

Benchmark	ASISA Category	Portfolio Managers	Suitable Investor
STeFI Call Rate	SA Interest Bearing Money Market	Daniel King	The Merchant West SCI Money Market Fund is suitable for investors seeking a short-term investment that offers a higher income than the average earned on a bank deposit, and require monthly income distributions. Investors have a conservative, risk-averse profile and require capital preservation with immediate liquidity. Investors should be prepared to invest for a period of one year.

Issuant Exposure

Issuant Exposure	%
RSA Govt Treasury Bills	88.6
Standard Bank	11.4

Asset Allocation: Portfolio Date: 31/03/2026



	%
0 - 1 Month	74.4
2 - 3 Month	0.0
4 - 6 Month	12.2
7 - 12 Month	13.4

Performance

Performance	Fund %	Benchmark %
3 months	1.6	1.6
1 year	7.3	7.0
3 years	8.0	7.7
5 years	6.8	6.5
10 years	7.0	6.3
Since Inception (October 2010)	6.6	6.0

Annualised after one year

Highest and Lowest Annual Returns

Highest and Lowest Annual Returns	%
Highest annual return	8.6
Lowest annual return	4.1

By calendar year

PERFORMANCE REVIEW

The Merchant West SCI Money Market Fund returned 1.65% for the quarter, compared its benchmark, the Short-Term Fixed Interest (STeFI) Daily Call Rate, which returned 1.60%. The Fund's total return for the last year, net of fees, was 7.32% versus the STeFI call rate return of 7.03%.

MARKET REVIEW

US inflation, which had been grinding steadily towards the Fed's 2% target, saw renewed upside risk. CPI ran at 2.4% year-on-year in both January and February, with core CPI holding at 2.5%. However, the oil shock threatened to push these readings higher in the coming months. Against this backdrop, the Federal Reserve held rates steady at 3.50–3.75% at both its January and March meetings, adopting a "wait and see" posture after delivering three consecutive 25 basis point cuts in late 2025. Market expectations for further rate cuts were significantly scaled back, with 10-year US Treasury yields climbing towards 4.4% as the quarter progressed.

The SARB held the repo rate at 6.75% at both its January and March meetings. The January hold was not unanimous (four members voted to hold, two preferred a cut), reflecting the benign inflation backdrop and scope for further easing. However, the Iran conflict fundamentally altered the monetary policy calculus. At the March meeting, the decision was unanimous to hold, with the SARB raising its 2026 inflation forecast to 3.7% (from 3.3%) and projecting fuel inflation exceeding 18% in Q2. The central bank now projects only one rate cut in 2026, down from two previously, and presented adverse scenarios where inflation rises above 5% under a prolonged conflict. Governor Kganyago noted that before the war, conditions had been favourable for inflation to settle around the 3% target quickly, but the negative shock would delay that process. The Eskom tariff hike of 8.76% for direct customers, effective 1 April, added a further domestic inflation headwind.

administered by Sanlam

FUND POSITIONING

The Fund is very well positioned to outperform risk assets in the event of global growth slowdown. We continue to emphasise liquidity and credit quality as a core part of the Merchant West Investments fixed income philosophy.

Daniel King
Portfolio Manager

Disclaimer

Sanlam Collective Investments (RF) (Pty) Ltd is a registered Manager in terms of the Collective Investment Schemes in Securities and the Manager retains full legal responsibility for the co-brand portfolio. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and that the value of investments/units/unit trusts may go down and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Performance is based on NAV-to-NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors to manage it more efficiently in accordance with its mandate. Charges of the most expensive fee class, maximum Fund charges include (incl. VAT): Manager annual fee (max.): 0.29%; Total Expense Ratio (TER): 0.32%. A money market portfolio is not a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases, the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The seven-day rolling yield is calculated by taking into account the interest earned by the fund during a 7-day period minus any management fees incurred during those seven days. Annualised return is the weighted average compound growth rate over the period measured. The registered name of the fund is "Merchant West Sanlam Collective Investments Money Market Fund." The performance of the portfolio depends on the underlying assets and variable market factors. The Management of this portfolio is outsourced to Merchant West Investments (Pty) Ltd, (FSP) License No. 44508, an Authorised Financial Service Provider under the Financial Advisory and Intermediary Services Act, 2002. The manager has the right to close the portfolio to new investors in orders to manage it more efficiently in accordance with its mandate. Annualised return is the weighted average compound growth rate over the period measured.