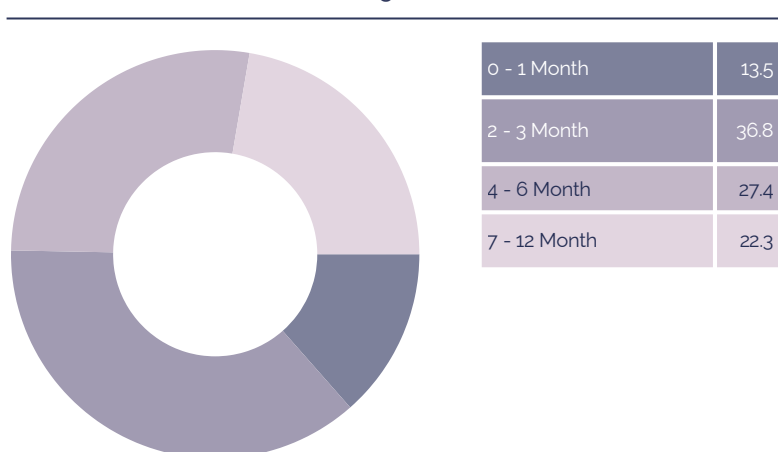


FUND DETAILS

Benchmark	ASISA Category	Portfolio Manager	Suitable Investor
STeFI Call Rate	SA Interest Bearing Money Market	Ian Anderson	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

	%
RSA Govt Treasury Bills	49.4
Standard Bank	31.1
Nedbank	12.9
ABSA	6.6

Asset Allocation: Portfolio Date: 30/06/2026

Performance

	Fund %	Benchmark %
3 months	16	16
1 year	7.1	6.9
3 years	7.9	7.6
5 years	7.0	6.6
10 years	7.0	6.3
Since Inception (October 2010)	6.6	6.0

Annualised after one year
Highest and Lowest Annual Returns

	%
Highest annual return	8.6
Lowest annual return	4.1
<i>By calendar year</i>	

PERFORMANCE REVIEW

The Merchant West SCI Money Market Fund returned 1.6% for the quarter, on par with its benchmark, the Short-Term Fixed Interest (STeFI) Daily Call Rate, which also returned 1.6%. The Fund's total return for the last year, net of fees, was 7.1% versus the STeFI call rate return of 6.9%.

MARKET REVIEW

The inflationary consequences of the first quarter's oil shock arrived on schedule. US CPI accelerated to 4.2% year-on-year in May, its highest level in several years, although core CPI at 2.9% suggested that second-round effects remained contained for now. The Federal Reserve held the federal funds target range unchanged at 3.50–3.75% at both its April and June meetings. The June meeting was the first chaired by Kevin Warsh, who succeeded Jerome Powell in May, and marked a distinct shift in tone: the Committee voted unanimously to hold, released a dramatically shortened statement that dispensed with forward guidance and removed the prior easing bias, and declared simply that it "will deliver price stability". The accompanying projections showed the median expectation for the federal funds rate at the end of 2026 rising to 3.8% from 3.4% in March, with nine of eighteen participants projecting at least one hike this year. Markets moved to price a possible hike as early as October.

The SARB raised the repo rate by 25 basis points to 7.00% at its May meeting, its first hike since May 2023, on a four-to-two vote. The decision was explicitly pre-emptive: April CPI had jumped to 4.0% from 3.1% as fuel prices rose 11.4% in a single month, one of the largest increases in fuel inflation on record, while services inflation accelerated to 4.6%. The SARB raised its 2026 inflation forecast to an average of 4.4% (from 3.7% in March), with inflation only returning to the 3% target in 2028, and its Quarterly Projection Model indicated one hike this quarter before rates ease back towards neutral as inflation falls later in the forecast period. Governor Kganyago stressed that with the world possibly at the start of a second inflation surge this decade, central banks must protect their credibility and prevent higher inflation from becoming entrenched.

The quarter's most important development, however, came in mid-June, when the United States and Iran signed an interim peace agreement providing for a 60-day truce, the reopening of the Strait of Hormuz and immediate sanctions relief. Brent crude, which had traded above US\$100 per barrel through May, fell below US\$80 for the first time since March and ended the quarter around US\$72, materially improving the inflation outlook for the second half of the year.

FUND POSITIONING

The May rate hike has lifted money market yields, and the Fund is well positioned to capture the higher reinvestment rates now on offer at the front end of the curve. The Fund remains very well positioned to outperform risk assets in the event of a global growth slowdown. We continue to emphasise liquidity and credit quality as a core part of the Merchant West Investments fixed income philosophy.

Ian Anderson
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.