

SCI Diversified Income Fund of Funds

Enhanced Alpha: How the Inward Listing of the TBI Global Multi-Asset Income Fund Enhances its Returns

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For corporate treasurers, CFOs, and institutional advisors



A refined global income strategy for corporate portfolios

South African corporate investors have long understood the case for offshore diversification – from credit - to macroeconomic and geo-political risk diversification perspective. Yet one persistent challenge has been accessing offshore markets in a tax-efficient, administratively simple way.

With the **recent inward listing of the** (Irish domiciled UCITS ETF) **TBI Global Multi-Asset Income Fund** (ZAR Hedged Distributing C Class Share) (**TBI Global Income ETF**) on the JSE, a new opportunity has emerged – one that meaningfully enhances the returns of **SCI Diversified Income Fund of Funds (SCI Diversified Fund)** for corporate investors.

Inside the SCI Diversified Fund: A three-part foundation

SCI Diversified Fund is built around a balanced and strategically designed structure:

- **SCI Alternative Income Fund (SAIF):** The stable, dividend-yielding core.
- **TBI Global Income ETF** A global diversified income engine, now delivering dividends rather than capital growth.
- **Local Income Fund basket:** Actively managed to deliver domestic capital growth and interest yield.

This combination provides a robust blend of income, diversification, and liquidity.

The impact of inward listing: Shift from capital growth to dividend

Previously, the offshore allocation in SCI Diversified Fund (via the TBI Global Multi-Asset Income Fund non-distributing class) delivered **capital growth**. Following the **inward listing on the JSE**, the ZAR hedged Distributing Class investment in the TBI Global Income ETF produces **dividends**.

Why it matters:

Under current tax legislation, corporate investors are exempt from paying tax on dividends, while capital gains are taxed.

Numbers that speak volumes: The 1% edge

With the new fund structure, the overall return profile of SCI Diversified Fund is expected to shift as follows:

- **Higher dividend component**
- **Reduced capital gains proportion**
- **No change in total pre-tax return or risk exposure**

For corporate investors, this could mean **an uplift of approximately 1% in net returns** – without any additional complexity or change in underlying asset risk.

Practical benefits for corporate portfolios

- **Dividends:** Enhanced monthly dividend flows
- **Administrative simplicity:** No exchange control approvals required to invest in SCI Diversified Fund to obtain global exposure. TBI Global Income ETF is a JSE inward-listed ETF within regulated CIS and exchange control framework.
- **Liquidity:** Improved overall liquidity so no trade-off between access and offshore yield.

This enhancement is particularly relevant in today's environment, where yield compression, local economic uncertainty, and offshore policy volatility all demand smarter, more efficient portfolio construction.

Looking ahead

Because SCI Diversified Fund uses a 3–6 month rolling return methodology, the benefit from the inward-listed TBI Global Income ETF will **begin reflecting from May 2025**.

Next steps for corporate decision-makers:

- Request a tailored scenario showing your return impact
- Reassess your income fund allocation through the lens of this structural shift
- Connect with your advisor to position for yield efficiency

At TBI, we believe in building alpha – not just chasing performance but enhancing outcomes through well-considered design. The inward listing of our TBI Global Income ETF is a prime example of this philosophy in action, offering a smarter offshore income solution for South African corporates.

Note: From 1 April 2025, Sanlam Collective Investments has rebranded as SCI across its Unit Trust range. While names have changed, the underlying investment approach remains unchanged.

Disclaimers:

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Disclaimers:

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