

# Sygnia FANG.AI Equity Fund

Minimum Disclosure Document (MDD)  
Class A  
Global - Equity - General

28 February 2026

Portfolio Manager **Wessel Brand, Kyle Hulett**  
Regulation 28 **Non-Compliant**  
Fund Launch Date **23 August 2018**  
Class Launch Date **31 August 2018**  
Fund Size **R 1 447 Million**  
Unit Price **390.00**  
Units in Issue **327,151,975**

Investment Objective

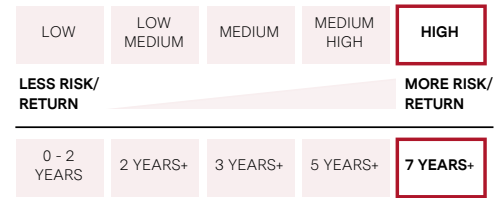
The fund offers investors exposure to companies harnessing advanced technologies like AI, large language models, cloud storage, big data, social media, and e-commerce.

Income Distribution

Bi-annually (September and March)  
Payment: None to date

Trustees

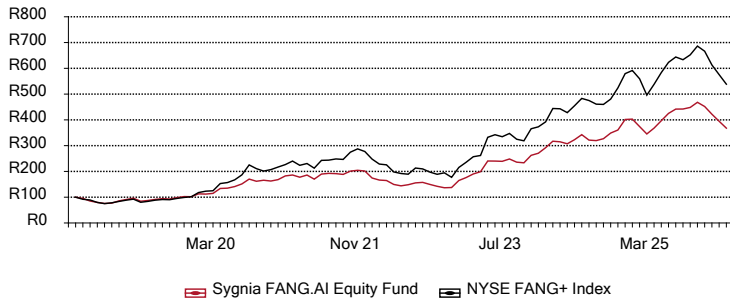
Standard Bank Trustees (021 441 4100)



## Cumulative Investment Performance

Growth of R100 invested on 31 August 2018

Investment: R367.90  
Benchmark: R538.48



## Asset Allocation

Asset Class Percentage Allocation

International Equities

100.0%

## Top 10 Holdings

Asset	Percentage
NVIDIA Ord Shs	10.7%
Alphabet Ord Shs Class A	10.3%
Meta Platforms Ord Shs Class A	10.0%
Apple Ord Shs	9.9%
Broadcom Ord Shs	9.7%
Amazon Com Ord Shs	9.4%
Netflix Ord Shs	8.9%
Microsoft Ord Shs	8.4%
CrowdStrike Holdings Ord Shs Class A	8.1%
Palantir Technologies Ord Shs Class A	7.7%

## Performance Analysis

Periodic Performance	Fund	*BM	Difference
1 Month	-6.8%	-6.4%	-0.3%
3 Months	-18.6%	-19.2%	0.6%
6 Months	-16.8%	-15.0%	-1.8%
Year to Date	-12.8%	-12.2%	-0.7%
1 Year	-1.6%	-3.7%	2.1%
**3 Years	27.8%	31.8%	-3.9%
**5 Years	14.6%	17.5%	-2.9%
**Since Inception	19.0%	25.2%	-6.2%

Performance as calculated by Sygnia Asset Management as at reporting date  
\*NYSE FANG+ Index (Rand)  
\*\*Annualised performance figures

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	19.8%	6.9%	8.0%	4.6%	20.9%	-0.1%	-0.4%	3.8%	-5.0%	-1.1%	12.4%	3.1%	96.7%
2024	7.9%	8.6%	-0.7%	-2.4%	5.1%	6.1%	-6.2%	-0.6%	2.3%	6.7%	3.4%	11.3%	48.4%
2025	0.3%	-7.2%	-7.7%	6.6%	7.8%	7.2%	3.9%	0.1%	1.4%	4.4%	-3.5%	-6.6%	5.1%
2026	-6.5%	-6.8%											-12.8%

## Risk Statistics

	Fund	BM
% Negative Months	45.0%	48.3%
Avg Negative Return	-4.3%	-4.7%
Maximum Drawdown	-33.1%	-38.4%
Standard Deviation	23.2%	27.4%
Downside Deviation	11.4%	11.9%
Highest Annual Return: Jan 2023 - Dec 2023	96.7%	110.6%
Lowest Annual Return: Dec 2021 - Nov 2022	-33.1%	-32.3%

The risk statistics reflected above are calculated on a 60 month or since inception basis, depending on which period is shorter.

## Fees

Initial Fee	0.00% **
Management Fee	0.70% **
Performance Fee*	0.05% **
Other costs	0.02% **
VAT	0.12%
Total Expense Ratio (TER)	0.90% (Dec 2025)
Transaction Costs (TC)	0.02% (Dec 2025)
Total Investment Charge (TIC)	0.91% (Dec 2025)

\*\* Fees are exclusive of VAT

\*Please note, the performance fee is 20% of outperformance of the NYSE FANG+ Index (Rand) with a cap of 2.30%

# Sygnia FANG.AI Equity Fund

## Fund commentary

Minimum disclosure document (MDD)

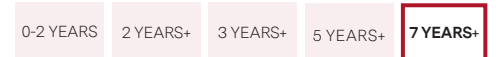
Class A  
Global - Equity - General

4th Quarter 2025

### RISK PROFILE



### TIME HORIZON



### Market performance

Global markets delivered impressive returns in 2025, with the dramatic 10% decline in the US dollar emerging as the defining force across asset classes. The greenback's weakest annual performance since 2017, driven largely by President Trump's punitive tariff regime, reshaped investment outcomes and created significant divergence between dollar-based and local currency returns.

The S&P 500 posted a 16% gain in dollar terms, supported by three additional Federal Reserve rate cuts totalling 75 basis points and by ongoing enthusiasm around artificial intelligence (AI) investments. While market leadership broadened modestly beyond mega-cap technology stocks, companies at the forefront of the AI revolution remained the primary drivers of performance.

Currency movements told a different story for domestic investors, however. The rand's 14% appreciation against the dollar significantly reduced US equity returns to just 2.2% in South African currency terms, highlighting the material impact of foreign exchange fluctuations on investment outcomes.

The real winners in 2025 were commodity-linked and emerging market (EM) assets. Gold and silver recorded their strongest annual gains since 1979, while copper surged by the most in a decade. This commodity rally propelled the FTSE/JSE Capped All Share Index to an exceptional 43% return, marking a standout year of domestic asset outperformance. The JSE All Bond Index gained 24.2%, the second consecutive year of strong double-digit returns for South African bonds.

EMs broadly benefitted from dollar weakness, with the MSCI Emerging Markets Index returning 17.3% in rand terms, outperforming the MSCI World Index by 11 percentage points.

The Federal Reserve cut rates by 25 basis points in December 2025, bringing the federal funds rate to 3.5–3.75%. While equity markets responded positively, reaching new all-time highs, Chair Jerome Powell's accompanying statement suggested limited additional easing ahead. The Fed's language describing policy as "appropriately positioned" mirrors the phrasing that preceded a nine-month pause in 2024. With inflation still running near 3% and Powell's term extending through May 2026, the central bank appears set to hold rates steady until at least mid-year. Markets are currently pricing in a potential cut in April or June, followed by another in September, while the Fed's own projections suggest just one cut for the entire year.

However, a significant wildcard is Powell's anticipated replacement by Kevin Hassett, who is viewed as more aligned with the Trump administration. Hassett has indicated he sees no tariff-related threat to the Fed's 2% inflation target, potentially opening the door to more aggressive rate cuts than currently anticipated.

This environment is expected to support a stronger dollar in the first half of 2026 before it weakens again and equity volatility increases as expectations adjust. Fixed income yields are likely to remain attractive at the front end of the curve, while longer-dated bonds may face pressure as tariff-driven inflation concerns filter through the market.

A further wildcard is Trump's proposed signature "Freedom Cheque" initiative, which represents approximately \$300 billion in annual direct payments to working-class households, equivalent to 1% of GDP.

Pending Congressional approval for a first-quarter 2026 rollout, this stimulus could push economic growth to 3.0–3.5%, well above the consensus estimate of 2.4%. With consumer spending being 70% of GDP, the program represents substantial demand stimulus. The fiscal implications are considerable. The US budget deficit could expand to 7.5% of GDP, and inflation may accelerate by 0.5–1 percentage point. With debt-to-GDP approaching 100%, concerns about fiscal sustainability are intensifying. Powell has already signalled that the Fed will not accommodate excessive fiscal stimulus, setting up potential policy tension later in the year.

US growth equities have reached extraordinary valuation levels by historical standards. The Shiller CAPE ratio, which adjusts for economic cycles, is at record highs and now exceeds levels seen in the dot-com bubble. Historical data suggest that after such valuation peaks, 10-year returns typically average just 0–3%. These elevated valuations increase the likelihood of heightened volatility and suggest the need for diversification and tempered return expectations.

While US markets trade at stretched valuations, EMs offer compelling alternatives. Trading at a CAPE ratio of just 13, EMs present the most attractive global valuations. Several factors support the case for EM exposure: many countries serve as critical links in the semiconductor supply chain benefitting from AI deployment; Chinese companies continue capturing global market share, particularly from European competitors; and commodity producers stand to benefit from AI data centre infrastructure buildouts and increased global defence spending.

European equities, trading at a CAPE ratio of 18, appear attractive on a relative basis but face structural challenges. Europe's productivity growth lags the US, Germany has continued to lose market share to China as infrastructure stimulus remains delayed, and France faces political gridlock. We generally prefer European bonds over equities given these headwinds.

We remain overweight equities through EM and South African equity exposure. We are underweight developed market bonds, particularly US Treasuries, offset by overweight positions in local currency EM bonds, which are expected to benefit from falling EM inflation and a weaker dollar environment.

Despite a constructive outlook, significant risks warrant monitoring. Geopolitical tensions are escalating between the US and Venezuela and between China and Japan, while prospects for a Russia-Ukraine peace deal remain uncertain. Tariff-driven inflation could force markets to reprice Federal Reserve rate cut expectations. Combined with elevated valuations and geopolitical uncertainty, we are bracing for heightened volatility throughout 2026.

The year ahead promises both opportunity and challenge as diverging growth dynamics, shifting monetary policy and stretched valuations create a complex environment for portfolio management. Geopolitics, fiscal stimulus and inflation expectations are likely to remain key themes as markets navigate this evolving landscape.

### Fund performance

The Sygnia FANG.AI Equity Fund delivered a return of -5.9% in rand terms for the quarter, marginally outperforming the fund's benchmark. This performance was driven by some rotation out of the US technology sector towards the broader market, while the appreciation of the South African rand relative to the US dollar detracted from performance.

The fund's allocation to Alphabet (Google's parent company), Apple and Amazon were the largest contributors to performance during the quarter. Netflix and ServiceNow were the largest detractors during the quarter, with both companies' share prices down more than 15%. The fund bought into Palantir Technologies in the quarter for the first time, while it sold out of its position in ServiceNow.

The major technology companies continue to make significant investments in cloud computing and related services, which represent a growing source of long-term revenue. These companies are at the forefront of innovation and are supported by large pools of capital, consistently demonstrating strong financial performance. They are increasingly leveraging artificial intelligence (AI) and machine learning to develop powerful tools and services that enhance their customer offerings.

The fund has stayed true to its objective of providing investors with exposure to some of the most advanced US technology companies, focusing on areas like AI, cloud computing and online services.

### Disclaimer

Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the law of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

## Important information to consider before investing

### Investment Objective and Strategy

The objective of the Sygnia FANG.AI Equity Fund is to provide a simple vehicle to investors who wish to gain investment exposure to companies which use advanced technologies to acquire and retain users, including industry disrupting technologies such as artificial intelligence, large language models, cloud storage, big data, social media, and e-commerce tools. The portfolio is actively managed and its holdings will depend on a number of factors including the underlying benchmark which is the NYSE® FANG+™ Index (although the portfolio is not obliged to hold all the benchmark constituents).

### Balancing Risk and Reward

The fund has a high risk profile as it has a high strategic allocation to global equities, which combines both equity market and currency risk. Furthermore, the fund invests specifically in companies involved in new and emerging technologies. The payoff profile and the time horizon to profitability of these technologies are not certain. Risk is managed by spreading investments across a large number of companies operating in different industries. Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies. The fund may also be exposed to liquidity risk. This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indicator of future performance. Unit trusts are traded at the ruling price and are allowed to engage in borrowing and scrip lending.

Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage. Performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

### Fees\*

Sygnia charges an annual management fee comprised of applicable basic fees paid to underlying managers and Sygnia's annual service fee. Performance-based fees are calculated in terms of the supplemental deed fee for certain of our asset managers when they outperform the fund's stated benchmark. This performance fee will be paid by the fund to the underlying investment manager only when the fund's performance exceeds that of the benchmark. The performance fee, if any, shall be calculated and accrued daily, and payable monthly. The performance fee is based on a sharing rate of 20% and capped at 2.30% per annum, where the portfolio has been in existence for more than 365 days.

A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, STT, auditors fees, bank charges and trustee fees. Sygnia does not provide advice and therefore does not charge advice fees.

### What is the Total Expense Ratio (TER) and Transaction Costs (TC)?

The total expense ratio (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 three years. 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. Since fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The TER and transaction costs cannot be determined accurately because of the short lifespan of the specific class of the financial product. Calculations are based on actual data where possible and best estimates where actual data is not available.

### Foreign Securities

The fund may also invest in foreign securities, which may be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down.

### Cumulative Investment Performance

Cumulative investment performance is for illustrative purposes only. The investment performance is calculated by taking all ongoing fees into account for the amount shown, with income reinvested on the reinvestment date.

### How are unit prices calculated?

Unit prices 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 permissible deductions from the portfolio, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 15:00 each business day. Purchases and redemption requests must be received by the manager by 14:00 each business day to receive that day's price. The price shown is specific to this class. The fund size represents the portfolio size as a whole. Unit prices are updated by 10:00 every business day and are available on our website, [www.sygnia.co.za](http://www.sygnia.co.za).

### Disclaimer

The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the laws of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Proprietary) Limited (FSP Registration No. 873), an authorised financial services provider, is the appointed investment manager of the fund. Sygnia Collective Investments RF (Pty) Ltd does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this minimum disclosure document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

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Additional information such as fund prices, brochures, application forms and a schedule of fees and charges can be requested via [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za) or 0860 794 642 (0860 SYGNIA).