

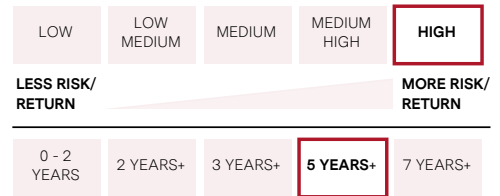
# Sygnia Life Transnational Equity Fund

31 August 2025

Portfolio Manager  
Regulation 28  
Fund Launch Date

**Sygnia Life Limited**  
**Non-compliant**  
**11 September 2023**

Investment Objective

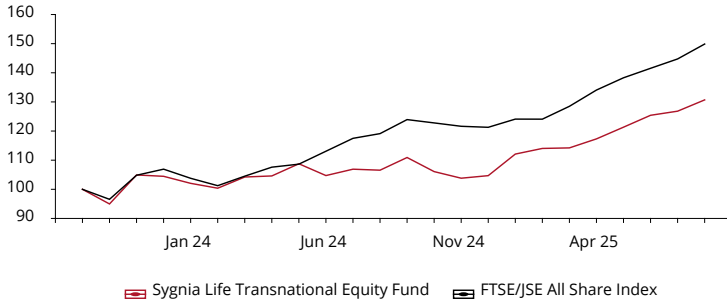


The fund aims to provide investors with exposure to South African equity instruments that earn the majority of their revenue internationally.

Legal Structure

Linked Life Investment Fund available via Sygnia Life Policies

## Cumulative Investment Performance



Cumulative investment performance is for illustrative purposes only and is calculated using the NAV before any distributable income and management fee.

## Performance Analysis

Periodic Performance	Fund	*BM	Difference
1 Month	3.1%	3.5%	-0.5%
3 Months	7.7%	8.4%	-0.7%
6 Months	14.6%	20.8%	-6.2%
Year to Date	24.8%	23.6%	1.3%
1 Year	22.6%	25.8%	-3.2%
Since Inception	15.0%	17.2%	-2.2%

\*FTSE/JSE All Share Index

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023										-5.0%	10.5%	-0.4%	4.5%
2024	-2.3%	-1.6%	3.8%	0.4%	4.0%	-3.7%	2.1%	-0.3%	4.1%	-4.4%	-2.1%	0.8%	0.2%
2025	7.1%	1.7%	0.2%	2.7%	3.4%	3.4%	1.1%	3.1%					24.8%

Since inception performance figures are available on request.

## Risk Statistics

	Fund	*BM
% Positive Months	65.2%	69.6%
% Negative Months	34.8%	30.4%
Best Month	10.5%	8.6%
Worst Month	-5.0%	-3.4%
Avg Negative Return	-2.5%	-1.6%
Maximum Drawdown	-6.4%	-5.3%
Standard Deviation	12.6%	9.6%
Downside Deviation	6.0%	4.7%

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

## Sector Allocation

Sector	Percent	Allocation
Industrials	55.1%	
Resources	25.6%	
Financials	17.7%	

## Top 10 Equity Holdings

Asset	Percentage
Compagnie Financière Richemont	10.6%
BHP Group Ltd	10.1%
Anheuser-Busch InBev SA/NV	10.0%
Prosus Ord Shs	9.9%
British American Tobacco Plc	9.9%
MTN Group Ltd	8.6%
Glencore Ord Shs	4.9%
BID Corporation Ltd	4.7%
Anglo American Plc	3.4%
Reinet Investments S.C.A. Ord Shs	3.2%

## Fees

Initial Fee	0.00% (June 2025)
Management Fee	0.43% (June 2025)

# Sygnia Life Transnational Equity Fund

## Fund commentary

Minimum disclosure document (MDD)

2nd Quarter 2025

### RISK PROFILE



### TIME HORIZON



### Market performance

Global markets rose strongly in June despite a cocktail of geopolitical tensions and policy risk and the potential for simultaneous supply shocks from tariffs, migration constraints and rising oil prices. Iran and Israel agreed to a ceasefire after 12 days of intense missile and drone strikes between Iran and Israel, and just one day after US operation “Midnight Hammer”, which “obliterated” Iran’s three uranium nuclear sites, including Fordow, a uranium-enrichment facility buried deep in a mountain. The ceasefire brought relief to the oil markets. While the conflict in the Middle East increases geopolitical risk, the ceasefire renders the impact of tariffs on US growth and inflation the greater uncertainty, with the 90-day tariff pause granted by the US expiring on 9 July. Trump has warned that countries will receive a “take-it-or-leave-it” letter detailing tariff terms, though the 15 countries already engaged in negotiations with the US may see this an extension to the deadline. Tariff pass-through inflation in the US was minimal in May, but corporates are likely to begin passing costs on to consumers, with inflationary consequences over the coming quarters reinforcing expectations of “higher for longer” interest rates and reduced growth. The World Bank concurred in its June outlook, downgrading its 2025 global growth forecast by 0.5 percentage points to 2.3%, projecting the weakest non-recessionary growth since 2008. Looking further ahead, average global growth in the 2020s is expected to settle around 2.5% – its slowest pace since the 1960s. Developed markets will bear the brunt of the growth downgrade and inflation increase, while emerging markets (EMs) will continue to offer a relatively resilient inflation–growth trade-off.

US inflation data for May offered a reprieve, rising by less than expected for the fourth consecutive month. While US firms have passed on some of the recent tariff costs – particularly on goods heavily exposed to China, such as appliances, electronics and household equipment – the full effect will take two to three months to unfold. In addition, CPI surprised to the downside due to price declines in recreational services and durable goods which signal growing consumer caution. Subdued inflation offers breathing room, but it is ultimately a function of softer economic activity. Weak May retail sales, falling consumer confidence and continued softness in manufacturing data indicate slowing demand. The Yale Budget Lab estimates that the current 15%+ effective tariff rate could reduce year-end employment by 375 000 jobs. Jobless claims have risen to a three-and-a-half-year high, while non-farm payroll growth outside two core categories has stalled.

The European Central Bank expects GDP growth of just 0.9% in 2025, but even that may be optimistic. Exports are weakening sharply, particularly as frontloading of US trade to avoid tariffs normalises, and the Russia-Ukraine war is continuing, sustaining geopolitical and energy-related pressures. Trump-era tariff risks are also escalating, with the US indicating that trade negotiations with the EU may not be resolved by the 9 July deadline. The EU’s slow pace of trade negotiation – seen clearly during Brexit – exacerbates the risk that the bloc may bear a disproportionate burden of any new US tariffs.

China’s economy is gaining traction, with early signs that policy stimulus is finally filtering through to the real economy: money growth is accelerating and May retail sales rose to a 17-month high. Beyond China, EMs are capitalising on trans-shipment opportunities, firm commodity prices, a weakening US dollar, low inflation and resilient earnings growth.

The gazetting in South Africa of new information technology (IT) procurement rules in June means that government departments can finally access IT services without having to use the State Information Technology Agency (SITA). In other good news, the Financial Action Task Force (FATF) has made an initial determination that SA’s 22-point action plan is complete, granting SA an on-site assessment and paving the way for SA to be removed from the so-called grey list at the FATF’s October plenary. However, the Organisation for Economic Co-operation and Development note that Transnet and a general lack of reforms are causing SA to miss out on the commodity rally (“Q1.25 growth stalled at 0.1% qqsa as the ongoing incapacity at Transnet severely limits growth”). This was confirmed as mining production declined by a marked -7.7% y/y in April, following March’s -2.5% y/y contraction. Production faces a myriad of challenges, including heightened input costs, labour challenges, the effects of illegal mining and logistical bottlenecks. The pace of reforms will affect SA’s ability to break out of the 1% growth range.

The dollar is usually the beneficiary in times of fear, but it has not rallied with current geopolitical tensions. Rate cuts in Europe may end soon even as the Fed starts to cut, so the euro may find further short-term cyclical support relative to the dollar. Despite dollar weakness and global appetite for currency diversification, however, the euro is unlikely to deliver on its “reserve currency moment” for some time.

Overall, the global consumer remains in good shape, financial conditions have eased and US long-term inflation expectations are stable, so we still expect the US to avoid a recession. In addition, we expect the near-term fiscal thrust in Germany and China to be around 2% of GDP. However, markets are entering a precarious period in which geopolitical risk, trade fragmentation and supply shocks intersect.

A combination of domestic tailwinds, global supply chain realignment and policy flexibility is positioning EMs for stronger near-term performance. China’s cyclical rebound, coupled with opportunities in EM debt and equity, present a compelling case for diversified exposure in multi-asset portfolios. Global industrial metal prices are also benefiting from the rise in global defence spending, a further tailwind for commodities and emerging markets. We have switched some of our South African exposure to EMs given the better valuations, higher growth and greater diversification.

### Fund performance

The Sygnia Life Transnational Equity Fund delivered 9.8% for the quarter, marginally below its benchmark, the FTSE/JSE All Share. The fund benefitted from exposure to Prosus NV, British American Tobacco PLC and MTN Group Ltd, while its exposure to Aspen Pharmacare Holdings Ltd, BHP Group Ltd and South32 Ltd detracted from performance.

There were several changes to the tracked index’s constituents over the period, including the addition of Valterra Platinum Ltd, Lighthouse Properties PLC and Datatec Ltd.

Remaining committed to its core investment objective, the fund continues to pursue sustained long-term capital growth by strategically investing in stocks with substantial international revenue streams.

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## Important information to consider before investing

### Investment Objective & Strategy

The Sygnia Life Transnational Equity Fund is a unique investment vehicle designed for South African investors who are limited by regulation from investing more than a specific amount offshore. The fund is actively managed and primarily invests in JSE-listed equities that have a predominantly offshore revenue exposure, providing investors with exposure to diversified global growth opportunities. This can be a valuable asset for investors who are concerned about the potential for South African growth to stagnate.

### Balancing Risk and Reward

The Sygnia Life Transnational Equity Fund targets an overall 100% allocation to a concentrated selection of South African equities and has a high risk profile. It is a suitable investment for investors seeking higher returns who are willing to tolerate higher volatility and aim to maximise capital accumulation over a longer-term time horizon. Given the specialist nature of the fund, it should be used as part of a broadly diversified investment strategy rather than as a sole equity investment.

### Fees

Sygnia charges an annual management fee comprised of applicable basic fees paid to underlying managers and Sygnia's annual service fee.

Sygnia Life has agreed performance fees with certain of the underlying managers. These performance fees are designed to encourage and reward performance by the investment manager in excess of agreed performance benchmarks with the objective of enhancing the overall portfolio returns and increasing the likelihood of the portfolio achieving its return objectives.

Fees are quoted exclusive of performance fees. To the extent that the fund is invested in underlying hedge funds or international fund of funds it may result in a higher fee structure. Fees charged by underlying managers are treated as an expense of the account.

Sygnia does not provide advice and therefore does not charge advice fees. If a financial planner is appointed, initial and ongoing advice fees may be payable as agreed upon between you and your financial advisor. The payments of these fees are facilitated by the Linked Investment Service Provider (LISP) and not directly by Sygnia.

### Disclaimer

Product provider and manager:

The Sygnia Group is a member of the Association for Savings and Investment SA. Sygnia Life Limited is an authorised financial services provider (FSP 2935) and licensed linked insurer (1197). Sygnia Asset Management (Pty) Limited is an authorised financial services provider (FSP 873) and is the appointed investment manager of the Fund.

Linked policies:

The policy benefits of the linked policies are determined solely on the value of the assets or categories of assets to which the policies are linked. The value of investments may go down as well as up.

Performance:

Past performance is not necessarily a guide to future performance. Performance is based on NAV-to-NAV calculations, with income reinvestments done on the ex-div date. Performance is calculated for the portfolio, and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax.

Guarantee:

The Manager does not provide any guarantee with respect to either the capital or the return of the portfolio.

Other risks:

The fund may from time to time invest in foreign countries and may therefore have risks regarding liquidity, the repatriation of funds, political and macro-economic situations, foreign exchange, tax, settlement and the availability of information.

General:

The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates.

#### SYGNIA LIFE LIMITED

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