

Sygnia Life Berkshire Hathaway Fund

31 December 2025

Portfolio Manager
Regulation 28
Fund Launch Date

Sygnia Life Limited
Non-compliant
24 May 2019

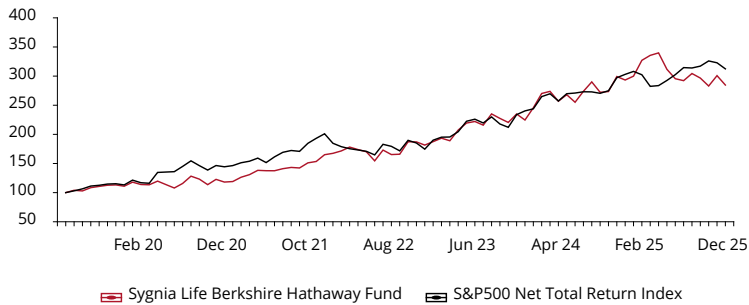
Objective

Providing a low-cost fund that gives South Africans access to a global investment powerhouse

Legal Structure

Linked Life Investment Fund available via Sygnia Life Policies

Cumulative Investment Performance



Asset Allocation as at 31 December 2025

Asset	Percent	Allocation
Berkshire Hathaway Inc Common Stock	97.3%	
Berkshire Hathaway Ord Shs Class A	2.6%	

Performance Analysis

Periodic Performance	Fund	*BM	Difference
1 Month	-5.4%	-3.2%	-2.1%
3 Months	-4.0%	-1.5%	-2.6%
6 Months	-3.7%	3.3%	-7.0%
Year to Date	-2.9%	3.1%	-6.1%
1 Year	-2.9%	3.1%	-6.1%
**3 Years	16.2%	21.4%	-5.2%
**5 Years	19.2%	16.7%	2.5%
**Since Inception	17.2%	18.9%	-1.7%

*S&P500 Net Total Return Index (R)

**Annualised performance figures

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	6.3%	-3.4%	-0.4%	5.6%	-5.0%	-5.2%	7.2%	10.8%	-4.0%	-7.7%	8.0%	-3.8%	6.4%
2021	0.7%	6.2%	3.5%	5.7%	-0.4%	-0.1%	2.6%	1.5%	-0.6%	6.2%	1.6%	7.6%	39.7%
2022	1.4%	2.5%	3.9%	-2.4%	-2.2%	-9.2%	12.0%	-4.4%	0.4%	12.9%	-0.2%	-2.9%	10.0%
2023	3.3%	3.2%	-2.3%	9.7%	5.8%	1.2%	-2.8%	8.9%	-3.3%	-3.1%	6.6%	-4.4%	23.7%
2024	9.3%	10.0%	1.4%	-6.2%	4.3%	-4.8%	7.3%	5.9%	-6.2%	0.5%	9.4%	-2.0%	30.6%
2025	2.3%	9.1%	2.6%	1.3%	-8.3%	-5.2%	-1.1%	4.2%	-2.6%	-4.6%	6.3%	-5.4%	-2.9%

Risk Statistics

	Fund	*BM
% Positive Months	60.0%	61.7%
% Negative Months	40.0%	38.3%
Best Month	12.9%	11.0%
Worst Month	-9.2%	-8.1%
Avg Negative Return	-3.5%	-3.0%
Maximum Drawdown	-16.7%	-18.0%
Standard Deviation	18.1%	15.4%
Downside Deviation	8.4%	7.3%

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

Fees

Management Fee	0.40% (Sept 2025)
Performance Fee	N/A
Advisory Fee	N/A
Total Expense Ratio (TER)	0.41% (Sept 2025)
Transaction Costs (TC)	0.00% (Sept 2025)
Total Investment Charge (TIC)	0.41% (Sept 2025)

FIND OUT MORE ABOUT OUR FUNDS:
WWW.SYGNIA.CO.ZA

Sygnia

Sygnia Life Berkshire Hathaway Fund

Fund commentary

Minimum disclosure document (MDD)

4th Quarter 2025

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.

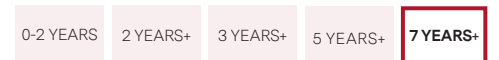
Despite a constructive outlook, significant risks warrant monitoring. Geopolitical tensions are escalating between the US and Venezuela and between China and Japan, while prospects for a Russia-Ukraine peace deal remain uncertain. Tariff-driven inflation could force markets to reprice Federal Reserve 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.

RISK PROFILE



TIME HORIZON



Fund performance

The Sygnia Life Berkshire Hathaway Fund delivered -4.0% for the quarter in rand terms, underperforming its benchmark, the S&P 500 Net Total Return Index, which returned -1.5%, but in line with the Berkshire share price. The strengthening of the rand by 4.0% against the US dollar resulted in the fund's negative performance for the quarter.

The most significant news regarding Berkshire Hathaway for this quarter – and possibly ever – is the stepping down of Warren Buffett after 60 years at the helm. Greg Abel is the new CEO, but Buffett remains chairman of the board. He has stated he will "go quiet" regarding daily operations and will continue to write his famous annual letters.

Other notable executive changes in the latest quarter included CFO Marc Hamburg announcing his retirement date and Todd Combs departing to join JPMorgan Chase, leaving Ted Weschler as the primary remaining investment deputy under Abel.

Berkshire Hathaway's investment into Alphabet was perhaps its most significant "pivot" in the final months of Buffett's tenure as CEO and is widely seen as "atonement" for what Buffett and the late Charlie Munger frequently called one of their biggest mistakes: missing Google's IPO in 2004. Berkshire purchased approximately 17.85 million shares of Alphabet, valued at roughly \$4.3 billion, immediately making Alphabet Berkshire's 10th-largest equity holding.

The fund remains true to its investment objective of delivering returns that mirror those of Berkshire Hathaway Inc.

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Sygnia 

Important information to consider before investing

Investment Objective & Strategy

The Sygnia Life Berkshire Hathaway Fund is an innovative and low-cost fund that gives South Africans access to a global Investment powerhouse. Berkshire Hathaway Inc. is ranked as the world's largest financial services company on the Forbes Global 2000 list. It is headed up by two legendary executives: Chairman and CEO Warren Buffett.

With Berkshire "A" shares valued at over R4 million per share, the opportunity to invest in the company and take advantage of its high average annual growth rate was previously restricted to only a few. Through the Sygnia Life Berkshire Hathaway Fund, however, investors can now access the fund from as little as R5 000 on a monthly or once-off basis.

Berkshire Hathaway Inc. has holdings in a diverse collection of business activities, ranging from insurance – through companies like GEICO, Berkshire Hathaway Primary Group, General Re Corporation and Berkshire Hathaway Reinsurance Group – to railways (Burlington Northern Santa Fe, LLC), to regulated electric and gas utilities through Berkshire Hathaway Energy. Other holdings are in service and retail; the manufacture of industrial, consumer and construction goods; finance and financial products; and the wholesale distribution of groceries and other products.

Balancing Risk and Reward

The Sygnia Life Berkshire Hathaway Fund is a high-risk fund that invests in "A" and "B" class Berkshire Hathaway shares. As Berkshire Hathaway invests predominantly in US companies, the fund is benchmarked against the S&P500 Net Total Return Index. This fund is predominantly for long term investors seeking exposure to US equities with a value tilt.

The Sygnia Life Berkshire Hathaway Fund is suitable for investors seeking higher returns who are willing to tolerate a higher volatility of monthly returns. The investment term for investors in the fund is a minimum of seven years.

Fees

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

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) where the fund is made available and not directly by Sygnia.

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 the published returns. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return.

Disclaimer

Product provider and manager:

The Sygnia Group is a full 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.

Tax:

Tax will be levied within the fund according to the relevant tax legislation. For tax implications, please consult with a qualified tax advisor

SYGNIA LIFE LIMITED

Registration no. 2000/022679/06

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