Sygnia Life Berkshire Hathaway Fund

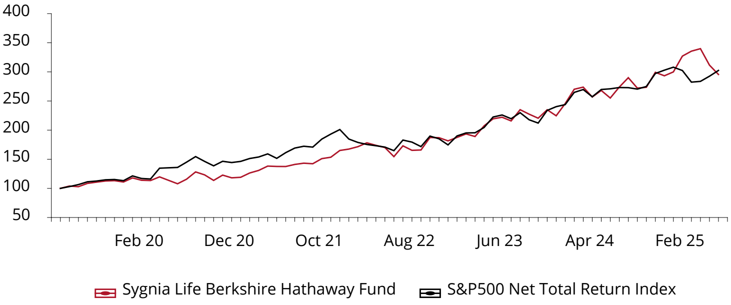
30 June 2025

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	**HIGH**

LESS RISK/ RETURN — MORE RISK/ RETURN

Portfolio Manager	**Sygnia Life Limited**
Regulation 28	**Non-compliant**
Fund Launch Date	**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

Asset	*Percent*	*Allocation*
Berkshire Hathaway Inc Common Stc	96.3%	
Berkshire Hathaway Ord Shs Class A	3.7%	

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	-5.2%	3.4%	-8.6%
3 Months	-11.9%	7.1%	-19.0%
6 Months	0.8%	-0.2%	1.0%
Year to Date	0.8%	-0.2%	1.0%
1 Year	15.8%	11.6%	4.2%
****3 Years**	24.1%	22.4%	1.7%
****5 Years**	22.3%	17.3%	5.0%
****Since Inception**	19.5%	20.0%	-0.5%

**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%							0.8%

Risk Statistics

	Fund	*BM
% Positive Months	61.7%	61.7%
% Negative Months	38.3%	38.3%
Best Month	12.9%	11.0%
Worst Month	-9.2%	-8.1%
Avg Negative Return	-3.8%	-3.3%
Maximum Drawdown	-13.3%	-18.0%
Standard Deviation	19.0%	16.2%
Downside Deviation	8.7%	7.3%

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

Sygnia Life Berkshire Hathaway Fund

Fund commentary

Minimum disclosure document (MDD)

2nd Quarter 2025

RISK PROFILE

LOW | LOW MEDIUM | MEDIUM | MEDIUM HIGH | **HIGH**

LESS RISK/ RETURN — MORE RISK/ RETURN

TIME HORIZON

0-2 YEARS | 2 YEARS+ | 3 YEARS+ | **5 YEARS+** | 7 YEARS+

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 Berkshire Hathaway Fund delivered -11.9% for the quarter in rand terms, underperforming its benchmark, the S&P 500 Net Total Return Index, which returned 7.1% and gave up some of the previous year's alpha. The strengthening of the rand by 3.4% against the US dollar also detracted from the fund's performance for the quarter.

The most significant news to break over the latest quarter was Warren Buffett's announcement that he will step down as CEO at the end of this year after leading the company for more than 60 years. He will pass the daily management of Berkshire Hathaway over to the current vice-chairman, Greg Abel.

Berkshire has continued to be a net seller of publicly listed investments in recent months, primarily of its investment in Bank of America, where it has decreased its stake by 39% over the last three quarters; over the last 10 quarters, Berkshire's selling has amounted to a net cash inflow of $174.4 billion, and their massive cash reserves now exceed $347 billion. This substantial cash position allows Berkshire to capitalise on market weaknesses and pursue strategic acquisitions or increase share buybacks, further bolstering investor confidence. The market is particularly excited by the position Buffett has built up in Sirius XM since last September, with Berkshire now owning 35% of the company.

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 five 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 member of the Association for Savings and Investment SA. Sygnia Life Limited is an authorised financial services provider (FSP 2935) and licensed linked insurer (I197). 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.

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