

# Sygnia Life Berkshire Hathaway Fund

31 May 2025

Portfolio Manager  
Regulation 28  
Fund Launch Date

**Sygnia Life Limited**  
**Non-compliant**  
**24 May 2019**

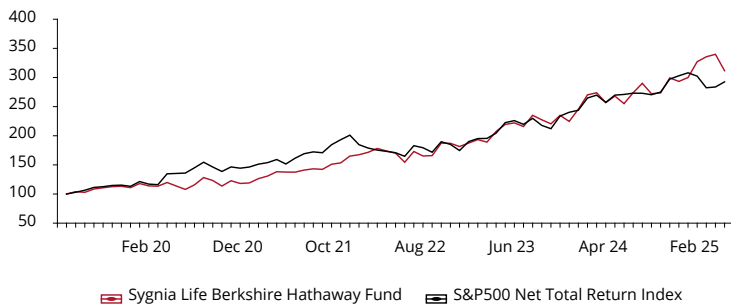
Objective

Legal Structure

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

**Linked Life Investment Fund available via Sygnia Life Policies**

## Cumulative Investment Performance



## Performance Analysis

Periodic Performance	Fund	*BM	Difference
<b>1 Month</b>	-8.3%	3.1%	-11.4%
<b>3 Months</b>	-4.7%	-3.2%	-1.5%
<b>6 Months</b>	4.1%	-1.6%	5.7%
<b>Year to Date</b>	6.3%	-3.4%	9.7%
<b>1 Year</b>	16.3%	8.4%	7.8%
<b>**3 Years</b>	22.4%	19.6%	2.7%
<b>**5 Years</b>	22.3%	16.7%	5.7%
<b>**Since Inception</b>	20.9%	19.6%	1.3%

\*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
<b>2020</b>	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%
<b>2021</b>	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%
<b>2022</b>	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%
<b>2023</b>	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%
<b>2024</b>	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%
<b>2025</b>	2.3%	9.1%	2.6%	1.3%	-8.3%								6.3%

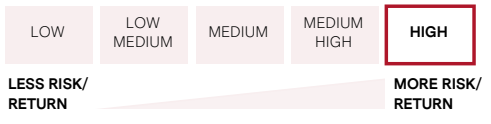
## Risk Statistics

	Fund	*BM
<b>% Positive Months</b>	61.7%	61.7%
<b>% Negative Months</b>	38.3%	38.3%
<b>Best Month</b>	12.9%	11.0%
<b>Worst Month</b>	-9.2%	-8.1%
<b>Avg Negative Return</b>	-3.7%	-3.3%
<b>Maximum Drawdown</b>	-13.3%	-18.0%
<b>Standard Deviation</b>	19.0%	16.2%
<b>Downside Deviation</b>	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.

## Asset Allocation

Asset	Percent	Allocation
<b>Berkshire Hathaway Inc Common Sto</b>	96.3%	
<b>Berkshire Hathaway Ord Shs Class A</b>	3.7%	



# Sygnia Life Berkshire Hathaway Fund

## Fund commentary

Minimum disclosure document (MDD)

1st Quarter 2025

### Market performance

US markets experienced a sharp sell-off in March, driven by slowing US growth, the uncertainty of President Trump's trade war plans and US technology concerns. The S&P 500 was down 10% from its February highs at one point, but European, Japanese and emerging markets (EMs) posted gains during the same period. In Europe, a historic shift in fiscal policy emerged as Germany announced significant infrastructure and defence spending – a surprising move for a traditionally conservative economy. In China, the government introduced an expanded budget and the Enhanced Consumption Plan. While the US remains exceptional in terms of growth potential, its relative advantage has diminished. That said, the European Union (EU) has only outlined EUR150bn of defence spend so far, and in its best-case scenario Alpine Macro estimate that the EU will spend USD1tn over the next decade on German infrastructure and EU-wide defence. This against the nearly USD1.8tn in onshoring capex commitments that US companies have announced they will spend over the next four years – on top of the USD329bn capex for Amazon, Microsoft, Google and Meta in 2025 – alone a 45% increase. All told, that is more than double the EU spend in less than half the time.

In its March outlook, the Organisation for Economic Co-operation and Development (OECD) downgraded EU and US growth marginally by similar amounts over the next two years and upgraded China's growth. The OECD downgraded global growth by only 20 bp for 2025 on the back of tariff uncertainty and did not forecast a recession for 2025 or 2026. Markets concurred with the OECD outlook as commodities rallied – copper is up 30% this year, reaching an all-time high – credit spreads are stable and the dollar weakened, all indicators inconsistent with recessionary conditions. We do not expect a recession looking forward, assuming manageable tariff announcements on Liberation Day, but non-US markets are unlikely to be able to rally in absolute terms if US markets fall further, and the risk that trade wars could push the world into recession is certainly rising.

While risks are rising, the US economy remains strong. Household balance sheets remain robust and strong real final sales (above 3%) provide a cushion against policy shocks. The labour market is robust – January's job openings exceeded expectations and reflected broad hiring across sectors. While the Fed lowered growth from 2.1% to 1.7% for 2025, Federal Reserve Chair Jerome Powell stated that the chances of a recession are low. US financial conditions remain easy.

European shares surged after Germany announced a historic fiscal expansion under incoming Chancellor Friedrich Merz, who said the country will do "whatever it takes" to bolster defence spending. Standard Chartered estimate it could boost German GDP by 1.3% per annum over the next decade, which would boost eurozone GDP by 0.35%. While Germany has room to increase spending, other countries in the EU do not have that luxury – France's budget deficit is close to 6%, double the EU limit. Despite the positive market sentiment after the announcement, risks remain from escalating trade tensions between the US and EU. Chartered estimate that trade tensions could reduce EU GDP growth by 0.75%. In addition, German growth will require not only increased spending but structural supply side reforms and deregulation to ensure improved productivity, as lower productivity has caused Germany's GDP to slip by 1% per year over the last 25 years relative to the US.

Investors are now talking about the Xi Put instead of the Fed Put. The National People's Congress set its highest fiscal deficit level in over three decades, a broad deficit of 9% of GDP, and doubled the consumer subsidy scheme to RMB300bn to stimulate domestic spending. The government also unveiled its Special Action Plan to Enhance Consumption, focused on increasing household incomes. Liquidity injections at local government levels have unblocked frozen payments, reducing loss-making enterprises and improving business confidence. Earnings momentum for Chinese companies is solidly positive, outperforming emerging market peers. Chinese tech continues to rally on advancements in AI, with Baidu launching its new AI model, "Ernie X1", and Alibaba also unveiling its latest AI model. Reciprocal tariffs remain a major threat to EMs.

Oil fell on the surprise decision by OPEC+ to restart production despite faltering Chinese demand and plentiful American supplies. This will help keep inflation stable.

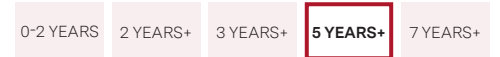
The South African budget saw expenditure increase R233bn from the MTBPS, pushing up the budget deficit and debt-to-GDP ratios, and debt-servicing costs are now estimated at 22c on every rand of tax. After the strong SA equity rally, Goldman Sachs cut SA equities from overweight to equal weight. We remain underweight SA bonds and have subsequently gone underweight SA equities after the recent rally, preferring broader EMs. EM inflation is falling and earnings are accelerating, while China may be best placed to respond to tariffs. The Budget deadline is 2 April.

Prolonged policy uncertainty could undermine consumer confidence and corporate sentiment and push the world into recession. 2 April is "Liberation Day", when new tariffs will be announced by the US, and impacted countries will doubtless announce retaliatory measures thereafter. JPMorgan estimates the average tariff rate on imports could rise to 11% if reciprocal tariffs are introduced – and this before the latest 25% automotive import tariffs. Trump's trade policies are spurring fiscal expansion in the rest of the world, but it remains to be seen whether fiscal spend can outweigh the tariffs. We remain cautious overall but do not expect a recession this year. US S&P global composite PMIs for March rose above expectations to 53.5. We remain neutral equities and underweight bonds, noting the heightened risk of the US slipping into a recession purely on the back of a loss of consumer and corporate confidence. The dollar should strengthen if US growth recovers and as tariffs come into effect. We will be watching the April tariffs closely.

### RISK PROFILE



### TIME HORIZON



### Fund performance

The Sygnia Life Berkshire Hathaway Fund delivered 14.4% for the quarter in rand terms, significantly outperforming its benchmark, the S&P 500 Net Total Return Index, which returned -6.8%. The strengthening of the rand by 2.5% against the US dollar detracted from the fund's performance for the quarter.

This substantial outperformance highlights the resilience and strategic positioning of Warren Buffett's conglomerate in a turbulent market environment. Several factors contributed to this divergence, including the strong performance of Berkshire Hathaway's diverse operating businesses, which generated substantial operating earnings in the previous year, and the company's massive cash reserves of over \$334 billion. This substantial cash position allows Berkshire to capitalise on market weaknesses and pursue strategic acquisitions or increase share buybacks, further bolstering investor confidence.

While putting almost \$78 billion to work via buybacks during the last five years has proved very beneficial to shareholders, it is worth noting that Buffett has broken his 24-quarter streak and has not purchased a single share of his company's stock since Q2 2024; this also highlights his concerns about more recent market valuations.

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 (197). 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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