# Sygnia Life Berkshire Hathaway Fund

*31 October 2026*

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

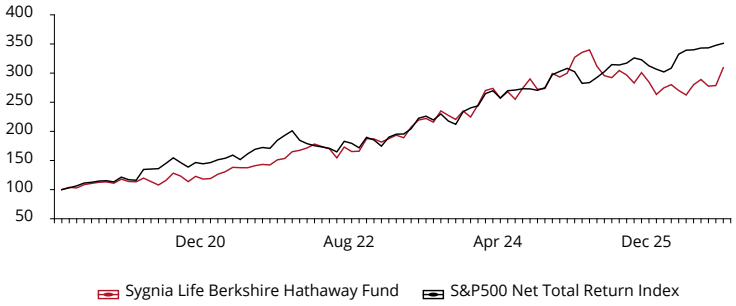
**LESS RISK/ RETURN** — **MORE RISK/ RETURN**

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

| | |
|---|---|
| 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 as at 30 September 2026

| *Asset* | *Percent* | *Allocation* |
|---|---|---|
| **Berkshire Hathaway Inc Common Sto** | 96.9% | |
| **Berkshire Hathaway Ord Shs Class A** | 3.1% | |

## Performance Analysis

| *Periodic Performance* | *Fund* | **BM* | *Difference* |
|---|---|---|---|
| **1 Month** | 11.0% | 1.0% | 10.0% |
| **3 Months** | 7.0% | 2.4% | 4.7% |
| **6 Months** | 14.5% | 5.6% | 8.9% |
| **Year to Date** | 8.7% | 12.4% | -3.7% |
| **1 Year** | 9.3% | 7.7% | 1.6% |
| ****3 Years** | 12.0% | 18.3% | -6.3% |
| ****5 Years** | 15.4% | 13.7% | 1.7% |
| ****Since Inception** | 16.4% | 18.5% | -2.0% |

**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* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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% |
| **2026** | -7.5% | 4.3% | 2.0% | -3.6% | -2.9% | 6.7% | 3.2% | -4.0% | 0.4% | 11.0% | | | 8.7% |

## Risk Statistics

| | Fund | *BM |
|---|---|---|
| **% Positive Months** | 58.3% | 61.7% |
| **% Negative Months** | 41.7% | 38.3% |
| **Best Month** | 12.9% | 11.0% |
| **Worst Month** | -9.2% | -8.1% |
| **Avg Negative Return** | -4.0% | -2.9% |
| **Maximum Drawdown** | -22.8% | -18.0% |
| **Standard Deviation** | 19.2% | 14.9% |
| **Downside Deviation** | 7.6% | 7.2% |

*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% (Sep 2026) |
| **Performance Fee** | N/A |
| **Advisory Fee** | N/A |
| **Total Expense Ratio (TER)** | 0.42% (Sep 2026) |
| **Transaction Costs (TC)** | 0.00% (Sep 2026) |
| **Total Investment Charge (TIC)** | 0.42% (Sep 2026) |

# Sygnia Life Berkshire Hathaway Fund

## Fund commentary

**Minimum disclosure document (MDD)**

*3rd Quarter 2026*

**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

Markets fell in September as energy prices surged 20%, forcing central banks around the world to raise interest rates, including the US Federal Reserve (the Fed), European Central Bank (ECB), Bank of Japan (BoJ) and South African Reserve Bank (SARB). Oil above $100 a barrel will weigh on global growth and push inflation higher, a damaging mix for markets. 2026 is also the third consecutive year in which central banks have projected an "immaculate disinflation" (inflation falling while growth is maintained) that has failed to materialise. Tariff-driven inflation has passed its peak, and energy inflation is expected to have peaked in Q3. A new concern is AI-capex-driven inflation, which is only expected to peak in Q4 or early 2027.

In the US, despite pressure from President Trump not to raise rates, new Fed chair Kevin Warsh raised the Fed rate by 25 basis points (bps), the first hike since July 2023. The committee's decision was unanimous, and it anticipates at least one more hike this year. The move was important for the credibility of both Warsh and the Fed, so attention can now return to the true drivers of bond yields. The US fiscal deficit is very large at 6% of GDP, and the conflict in the Middle East has renewed oil-driven inflation headlines. Even so, there is no evidence that markets are pricing in a loss of Fed credibility on inflation. Rising real yields reflect stronger growth expectations and a normalisation of the term premium to pre-quantitative-easing levels. There is also little global evidence that developed market government bonds carry a fiscal risk premium: the 30-year/10-year yield spread is below its historical median. Nor is the rise in yields a US-specific story. Yields have risen more in Germany, the UK and Japan than in the US in recent weeks, suggesting a broader global bear market in duration, driven by strong growth, oil prices, AI-related hyperscaler bond issuance and ongoing quantitative tightening by the BoJ and ECB. Given these limited credibility concerns, we have reduced our global bond underweight, funded from US cash, to diversify away from the dollar and lock in higher yields. We remain slightly underweight global bonds until the oil price falls and growth normalises, or fiscal rhetoric stabilises.

South Africa faces an approaching gas supply crisis as Mozambique's maturing gas fields decline and liquefied natural gas import terminals, meant to bridge the gap, remain delayed by policy paralysis. In the interim, cheaper piped gas will have to be replaced by costlier sources, and industrial gas prices are expected to double. This risks feeding into domestic inflation and could threaten hundreds of thousands of jobs. Local municipal elections in November are expected to bring a still-lower ANC vote share, more fragmentation and continued coalition volatility, none of which will support faster reform or growth.

South Africa's economy contracted by 0.2% quarter-on-quarter in Q2 2026. GDP growth for the year should still be around 1%, though the oil shock leaves downside risks. The October Medium-Term Budget Policy Statement should be positive thanks to the precious metals windfall, but weaker growth is now the major risk to the debt ratio and could push the debt peak further out. At its September meeting, the SARB lowered its growth forecast, raised its inflation forecast and hiked rates from 7% to 7.25%, which will further constrain growth. The SARB anticipates no additional hikes, but the market is pricing in two more.

The current account also suggests the rand is too strong. It fell to -2.6% of GDP in Q2, its worst position since 2019, reflecting a narrower trade surplus and a material widening in the invisible deficit. Higher oil prices raised import costs, narrowing the trade surplus, while the primary income deficit widened as South African companies repatriated commodity windfall profits to foreign shareholders as higher dividend payments. We remain neutral on SA bonds, balancing the global emerging market (EM) carry trade against negative fundamentals while noting the significant impact of oil prices on SA bonds.

On commodities, we prefer a broad basket over gold specifically. Central bank reserve diversification remains a genuine structural tailwind for gold, but valuations are stretched near 1980 peaks in real terms. A broader basket also captures commodities that benefit from the AI capex theme. Our preference for commodities supports our overweight position in South African equities, despite the risks that rising energy prices pose to EM energy importers. South Africa illustrates those risks: contracting growth, a wide current account deficit and a fragmenting political landscape.

The Middle East outlook continues to swing between a deal and escalation, most likely until at least the US midterms. The status quo since the end of February has continued, with high, volatile oil prices and record-high refining margins. The global backdrop remains one of resilient growth colliding with an energy and inflation shock. In global equities, we remain overweight. Growth remains strong, partly due to AI capex and partly due to heavy government support, which helps offset higher interest rates. Volatility is likely to stay high into the US midterm elections, but an AI-led productivity boom should support earnings growth and, in time, push inflation down.

### Fund performance

The Sygnia Life Berkshire Hathaway Fund delivered a return of -0.5% for the quarter in rand terms, underperforming its benchmark, the S&P 500 Net Total Return Index, which returned 2.3%, but in line with the Berkshire share price. The marginal weakening of the rand against the US dollar had a positive effect on the fund's performance.

Berkshire Hathaway has officially completed its generational leadership transition. After Warren Buffett stepped down as CEO earlier in the year in favour of Greg Abel, the 96-year-old investor officially stepped down as Chairman of the Board, assuming the advisory title of Chairman Emeritus. In line with Berkshire's long-established succession framework, his son, Howard G. Buffett, a director since 1993, has taken over as non-executive Chairman. While Abel retains absolute authority over capital allocation and corporate strategy across Berkshire's operating subsidiaries and public equity portfolio, Howard's defined mandate as chair is to serve as the institutional guardian of Berkshire's decentralised culture, integrity and operational ethos.

Operationally, the conglomerate continues to demonstrate remarkable balance sheet strength, underpinned by a massive cash and Treasury bill fortress of roughly $360 billion. Under Abel's direct stewardship, operating earnings have expanded steadily, advancing 16% year-over-year in the second quarter to $12.98 billion. The company is leaning into homebuilder exposure through additional Lennar purchases, as well as its own share repurchases, while patiently waiting for large-scale, value-oriented acquisition opportunities that meet Berkshire's stringent return hurdle rates.

The fund remains true to its investment objective of delivering returns that mirror those of Berkshire Hathaway Inc. While the leadership transition is the most significant change in the company's 60-year history, the operational results and strategic discipline observed this quarter suggest that the "culture of compounding" is well-protected.

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# 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

This is a linked life investment fund made available via Sygnia Life Limited policies. Sygnia Life Limited is the product provider. The value of the investment is determined with reference to the underlying investment portfolio and may fluctuate over time due to market movements, changes in asset values and, where applicable, exposure to foreign markets and currency fluctuations. No guarantee is provided in respect of the capital invested or the return achieved.

Past performance cannot be extrapolated into the future and is not an indication of future performance.

Sygnia Life Limited is a licensed insurer (I197) and authorised financial services provider (FSP 2935). Sygnia Asset Management (Pty) Limited is an authorised financial services provider (FSP 873) and is the appointed investment manager of the fund.

This fund invests in underlying collective investment schemes. Collective investment schemes in securities are generally medium- to long-term investments. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Cumulative investment performance is for illustrative purposes only.

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