

SYGNIA INTERNATIONAL BALANCED FUND

31 MARCH 2025

FUND DOMICILE **SOUTH AFRICA, ZAR**
FUND LAUNCH DATE **1 MARCH 2009**
LEGAL STRUCTURE **LINKED LIFE INVESTMENT FUND AVAILABLE VIA SYGNIA LIFE POLICIES**
FEE STRUCTURE **SYGNIA CHARGES 0.8% P.A. (EXCL. VAT) PLUS 10% OF OUTPERFORMANCE OF THE BENCHMARK OVER A ROLLING 24 MONTHS.**

BENCHMARK

CUSTODIANS
ADMINISTRATORS

RISK PROFILE



TIME HORIZON



25% BARCLAYS CAPITAL GLOBAL AGGREGATE BOND INDEX 75% MSCI ALL COUNTRY WORLD INDEX *DUE TO THE DEEP VALUE BIAS OF THE FUND, PERFORMANCE BENCHMARK APPLIES ON A ROLLING 3 YEAR BASIS.

**NEDBANK
SYGNIA LIFE**

MONTHLY PERFORMANCE FIGURES (ZAR)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2020	6.1%	-1.2%	0.4%	11.3%	-0.5%	2.5%	3.5%	4.2%	-3.4%	-3.7%	4.3%	-1.4%	23.3%
2021	2.4%	2.5%	-1.0%	1.6%	-4.0%	5.0%	1.9%	-0.4%	1.5%	5.2%	2.4%	1.4%	19.7%
2022	-7.4%	-2.6%	-5.0%	0.8%	-1.2%	-1.6%	3.9%	-0.5%	-3.8%	4.1%	1.9%	-0.6%	-12.0%
2023	8.1%	2.1%	-1.3%	3.8%	7.3%	-1.0%	-3.0%	3.1%	-3.1%	-3.5%	7.5%	2.8%	24.0%
2024	2.9%	5.6%	0.9%	-3.0%	1.2%	-0.5%	0.0%	-0.3%	-0.8%	1.6%	4.0%	1.9%	14.1%
2025	2.4%	-2.1%	-3.7%	-	-	-	-	-	-	-	-	-	-3.4%

PERFORMANCE

PERIOD	INTERNATIONAL FUND (RANDS)	INTERNATIONAL FUND (US\$)
1 Month	-3.7%	-2.8%
3 Months	-3.4%	-0.9%
6 Months	4.0%	-2.6%
1 Year	0.4%	3.4%
2 Years	12.0%	10.0%
3 Years	12.0%	3.7%
5 Years	11.0%	10.3%
Since inception**	14.2%	10.0%

MANAGER ALLOCATION - TOP 10 HOLDINGS

FUND	PERCENTAGE
Egerton Capital Equity Fund PLC Class I	18.6%
Baillie Gifford Worldwide Global Alpha Fund	15.6%
Sygnia Itrix S&P 500 ETF	9.4%
Sygnia Money Market Fund Class C	9.4%
Walter Scott BNYM Global Leaders U E A	8.8%
iShares Core MSCI EM IMI UCITS ETF USD Acc	6.7%
iShares US Treasury Bond ETF	6.0%
iShares Core S&P 500 UCITS ETF USD (Acc)	5.8%
Nedgroup Invts Crp MMkt C2	5.0%
Hosking Global Sub-Fund No.1 A1 Shares	4.6%

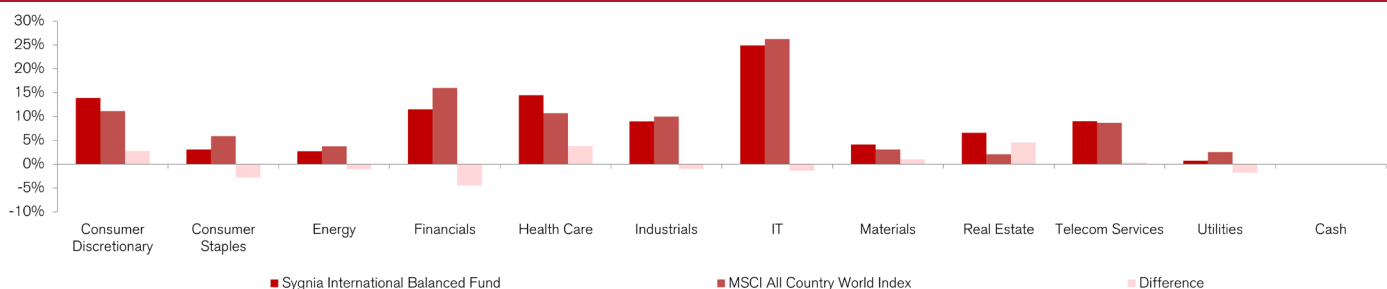
INDEX COMPARISONS (US\$)

PERIOD	MSCI ALL COUNTRY WORLD INDEX	MSCI WORLD INDEX	S&P 500 INDEX	MSCI EMERGING MARKETS INDEX	BARCLAYS CAPITAL GLOBAL AGGREGATE BOND INDEX
1 Month	-4.0%	-4.5%	-5.8%	0.6%	0.3%
3 Months	-1.3%	-1.8%	-4.6%	2.9%	2.0%
6 Months	-2.3%	-1.9%	-2.6%	-5.3%	-4.7%
1 Year	7.2%	7.0%	6.8%	8.1%	-0.5%
2 Years	15.0%	15.9%	16.9%	8.1%	-2.4%
3 Years	7.0%	7.7%	7.4%	1.4%	-4.4%
5 Years	15.2%	16.2%	16.8%	7.9%	-3.2%

EQUITY GEOGRAPHIC ALLOCATION

REGION	ALLOCATION (31/12/2024)
North America	69.9%
EMEA	17.9%
Developed Asia Pacific	8.4%
Emerging Markets	3.9%

EQUITY SECTOR ALLOCATION AS AT 31 DECEMBER 2024



* All performance is gross of fees
** Since inception period 191 months from Mar 2009

Minimum Disclosure document

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

Sygnia

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.

INVESTMENT APPROACH

The Sygnia International Balanced Fund invests in a range of global equity and bond managers. The Sygnia team selects the best available managers, differentiated by style and approach, and blends their products in a single diversified international solution for investors. The Fund has a strong bias towards a deep value stock selection and, consequently, the performance is uncorrelated with global market indices over the short term, but aims to outperform over the long term.

MANAGER SELECTION

The Sygnia Itrix MSCI World Index ETF, MSCI USA Index ETF and Euro Stoxx 50 Index ETF are registered as Collective Investments Schemes, and are listed on the Johannesburg Stock Exchange as Exchange Traded Funds. Their objectives are to replicate the price and yield performance of the MSCI World Index, MSCI USA Index and Euro Stoxx 50® Index respectively. Index performance data can be sourced from Bloomberg, Reuters, other data providers and at www.sygnia.co.za.

In selecting managers, Sygnia focuses on companies with the following characteristics:

Owner-managed businesses, where the founders are involved in all decision making processes.

Companies focused on asset management and independent in their approach. We do not like asset managers who form part of investment banks or life insurance companies.

Companies which manage the impact of growth in assets on their performance. Consequently, a number of managers included in the Sygnia International Balanced Fund are closed to new investors.

Companies which we can regard as long-term partners. By investing in the Sygnia International Balanced Fund an investor is choosing to invest with the underlying asset managers, as much as choosing Sygnia to manage the Fund.

SYGNIA LIFE LIMITED

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SYGNIA 4TH INDUSTRIAL REVOLUTION GLOBAL EQUITY FUND

The Sygnia 4th Industrial Revolution Global Equity Fund is a dynamically-managed passive fund. The Fund gives investors exposure to US-listed global companies optimally positioned to benefit from new technologies and innovations that have the potential to transform the global economy across a broad range of sectors. These technologies include autonomous vehicles, clean tech, drones, 3D printing, robotics, nanotech, smart buildings, virtual reality, cyber-security, space and wearables, among others.

The stock selection underpinning the Fund is based on tracking the Kensho New Economy Indices: 21st Century SectorsSM, a series of market indices designed by Kensho, a US-based data analytics company, to capture exposure to companies involved in industries propelling the 4th Industrial Revolution.

SYGNIA FANG.AI EQUITY FUND

The Sygnia FANG.AI Equity Fund is a high-risk dynamically-managed fund. FAANG is an acronym for five popular tech stocks, namely Facebook, Amazon, Apple, Netflix and Google (Alphabet). The fund provides exclusive access to the world's leading companies in the technology and Internet services sectors, where the business focus is on industry disrupting technologies such as cloud storage, big data, social media and e-commerce tools.

SYGNIA HEALTH INNOVATION GLOBAL EQUITY FUND

The Sygnia Health Innovation Global Equity Fund is a Global-Equity General portfolio which seeks to deliver long term capital growth by investing at least 80% of its assets outside South Africa and at all times invest in a minimum of 80% of equities. The portfolio will invest in financially sound equity securities, preference shares which generate capital growth, property shares and property related assets, fixed income securities and asset in liquid form, whether such securities, instrument or asset are listed or unlisted. The portfolio may invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective.

EGERTON CAPITAL

Egerton Capital was founded in 1994 and is based in London. They invest predominantly in liquid, large-cap, publicly-traded equities. Their focus is to deliver superior long-term and risk-adjusted performance. They employ a fundamental, research-intensive stock-picking approach to investing.

HOSKING & CO.

Hosking & Co. was formed in 2013 by Jeremy Hosking after his departure from Marathon Asset Management. Jeremy was one of the three founding partners and lead portfolio manager at Marathon where he built up an exceptional track record over 26 years. Hosking & Co has one investment offering, The Hosking Global Fund, which is an unconstrained global equity fund. In addition to Jeremy the fund has four advisors, who are all global generalists.

BAILLIE GIFFORD

Baillie Gifford is a private partnership, wholly owned by staff. The company is based in Edinburgh, Scotland where it was founded in 1908. Baillie Gifford is a growth manager. Their sole focus is generating superior, long-term returns by finding under-appreciated growth. Portfolios are constructed on best investment ideas from collaborative research.

DISCLAIMER - SYGNIA LIFE LIMITED

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 exdiv-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 macroeconomic 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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