

# Sygnia Transnational Equities Fund

## Minimum Disclosure Document (MDD)

### Class A

South African - Equity - SA General

31 March 2025

|                       |                              |
|-----------------------|------------------------------|
| Portfolio Managers    | Kyle Hulett, Anton Swanepoel |
| Regulation 28         | Non-Compliant                |
| Fund Launch Date      | 28 September 2013            |
| Class Launch Date     | 4 October 2013               |
| Class Re-launch Date* | 6 November 2023              |
| Fund Size             | R 580.00 Million             |
| Unit Price            | 163.17                       |
| Units in Issue        | 273 572 052                  |

#### Investment Objective

The fund aims to provide investors with exposure to South African equity instruments that earn the majority of their revenue internationally.

#### Income Distribution

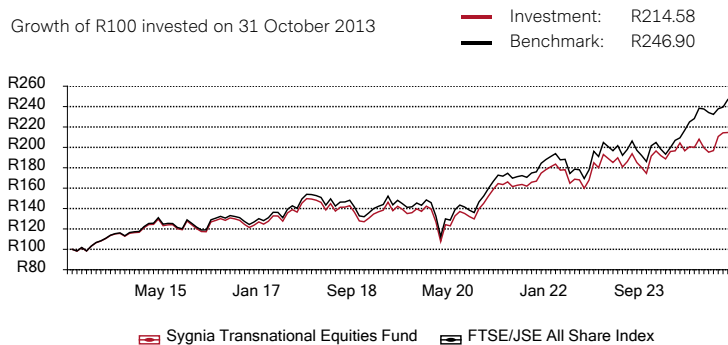
Bi-annually (September and March)  
Payment: 1 Apr 2024 - 1.82 cents per unit  
Payment: 1 Oct 2024 - 2.40 cents per unit

#### Trustees

Standard Bank Trustees (021 441 4100)

### Cumulative Investment Performance

Growth of R100 invested on 31 October 2013



### Performance Analysis

| Periodic Performance | Fund  | *BM   | Difference |
|----------------------|-------|-------|------------|
| 1 Month              | 0.1%  | 3.1%  | -2.9%      |
| 3 Months             | 9.0%  | 6.3%  | 2.8%       |
| 6 Months             | 3.1%  | 3.6%  | -0.4%      |
| Year to Date         | 9.0%  | 6.3%  | 2.8%       |
| 1 Year               | 9.5%  | 23.6% | -14.1%     |
| **3 Years            | 5.3%  | 8.4%  | -3.1%      |
| **5 Years            | 14.8% | 17.0% | -2.2%      |
| **Since Inception    | 6.9%  | 8.2%  | -1.3%      |

Performance as calculated by Sygnia Asset Management as at reporting date

\*FTSE / JSE All-Share Index

\*\*Annualised performance figures

### Historical Performance

|      | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul  | Aug   | Sep   | Oct   | Nov   | Dec   | Year  |
|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|
| 2021 | 4.9%  | 4.3%  | 3.6%  | -0.6% | 1.6%  | -2.8% | 0.8% | 0.5%  | -1.0% | 2.4%  | 0.6%  | 4.7%  | 20.4% |
| 2022 | 2.0%  | 1.6%  | 1.4%  | -3.2% | 0.2%  | -7.5% | 2.4% | -0.4% | -4.9% | 5.0%  | 10.2% | -2.6% | 3.1%  |
| 2023 | 7.2%  | -2.0% | -2.1% | 2.5%  | -4.7% | 2.9%  | 4.1% | -4.5% | -2.7% | -3.1% | 9.7%  | 2.6%  | 9.1%  |
| 2024 | -2.3% | -1.7% | 3.9%  | 0.3%  | 3.9%  | -3.8% | 2.0% | -0.4% | 4.1%  | -4.1% | -2.2% | 0.8%  | 0.2%  |
| 2025 | 7.0%  | 1.7%  | 0.1%  |       |       |       |      |       |       |       |       |       | 9.0%  |

### Risk Statistics

|                                            | Fund   | BM     |
|--------------------------------------------|--------|--------|
| % Negative Months                          | 40.0%  | 38.3%  |
| Avg Negative Return                        | -2.6%  | -2.4%  |
| Maximum Drawdown                           | -12.9% | -12.6% |
| Standard Deviation                         | 14.5%  | 13.9%  |
| Downside Deviation                         | 5.8%   | 5.9%   |
| Highest Annual Return: Apr 2020 - Mar 2021 | 52.8%  | 53.6%  |
| Lowest Annual Return: Oct 2021 - Sep 2022  | -1.3%  | -0.7%  |

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

Minimum Disclosure Document - Issue Date: 09 Apr 2025



### Sector Allocation

| Sector      | Percent | Allocation |
|-------------|---------|------------|
| Industrials | 56.2%   |            |
| Resources   | 23.1%   |            |
| Financials  | 19.8%   |            |
| Liquidity   | 1.0%    |            |

### Top 10 Holdings

| Asset                                  | Percentage |
|----------------------------------------|------------|
| British American Tobacco Ord Shs       | 10.2%      |
| Anheuser-Busch Inbev Ord Shs           | 10.0%      |
| BHP Group Ord Shs                      | 9.8%       |
| Prosus Ord Shs Class N                 | 9.5%       |
| Compagnie Financiere Richemont Ord Shs | 9.5%       |
| MTN Group Ord Shs                      | 9.2%       |
| Bid Corporation Ord Shs                | 5.8%       |
| Glencore Ord Shs                       | 4.4%       |
| Nepi Rockcastle Ord Shs                | 3.7%       |
| Reinet Investments S.C.A. Ord Shs      | 3.5%       |

### Fees

|                               |                  |
|-------------------------------|------------------|
| Initial Fee                   | 0.00% **         |
| Management Fee                | 0.37% **         |
| Performance Fee               | N/A              |
| Other costs                   | 0.04% **         |
| VAT                           | 0.06%            |
| Total Expense Ratio (TER)     | 0.48% (Mar 2025) |
| Transaction Costs (TC)        | 0.27% (Mar 2025) |
| Total Investment Charge (TIC) | 0.74% (Mar 2025) |

\*\*Fees are exclusive of VAT

Sygnia

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## Fund commentary

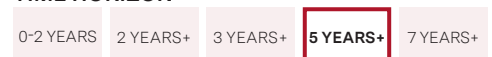
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1st Quarter 2025

### RISK PROFILE



### TIME HORIZON



### 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.

### Fund performance

The Sygnia Transnational Equities Fund delivered 9.0% for the quarter, well ahead of its benchmark, the FTSE/JSE All Share Index. The fund benefitted from its exposure to MTN Group Ltd, Anheuser-Busch Inbev SA and Prosus NV, while its exposure to Glencore PLC, BHP Group Ltd and Montauk Renewables Inc detracted from performance.

There were no changes to the tracked index's constituents over the period.

Remaining committed to its core investment objective, the fund continues to pursue sustained long-term capital growth by investing strategically in stocks with substantial international revenue streams.

### Disclaimer

Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the law of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

## Important information to consider before investing

### Investment Objective & Strategy

The Sygnia Transnational Equities Fund is a unique investment vehicle designed for South African investors who are limited by regulation from investing more than a specific amount offshore. The fund is actively managed and invests in JSE-listed equities that have a predominant offshore revenue exposure, providing investors with exposure to diversified global growth opportunities. This can be a valuable asset for investors who are concerned about the potential for South African growth to stagnate.

### Balancing Risk and Reward

This fund has a 100% strategic allocation to South African equities but may include some allocation to offshore equities. The risk of financial loss over the short term is therefore high. The risk is managed by spreading investments across sectors and individual shares. The high offshore revenue exposure diversifies the source of growth impacting the securities but also introduces currency risk.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indicator of future performance. Performance data for the index is available from the JSE and is also available through many daily financial publications and websites. Unit trusts are traded at the ruling price and are allowed to engage in borrowing and scrip lending.

Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage. Performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

### Fees

Sygnia charges an annual management fee comprised of applicable basis fees paid to underlying managers and Sygnia's annual service fee. The fund may invest in other unit trusts (underlying funds) that levy their own charges and which may charge performance fees in the event that the underlying fund's performance exceeds its benchmark. A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, levies, stamps, auditor's fees, bank charges and trustee fees. Sygnia does not provide advice and therefore does not charge advice fees.

### 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.

### Cumulative Investment Performance

Cumulative investment performance is for illustrative purposes only. The investment performance is calculated by taking all ongoing fees into account for the amount shown, with income reinvested on the reinvestment date.

### How are unit prices calculated?

Unit prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio, including any income accruals and less any deductions from the portfolio, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 17:00 each business day. Purchases and redemption requests must be received by Sygnia by 14:00 each business day to receive that day's price. The price shown is specific to this class. The fund size represents the portfolio size as a whole. Unit prices are updated by 10:00 every business day and are available on our website, [www.sygnia.co.za](http://www.sygnia.co.za).

### Disclaimer

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Additional information such as fund prices, brochures, application forms and a schedule of fees and charges can be requested via [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za) or 0860 794 642 (0860 SYGNIA).

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