



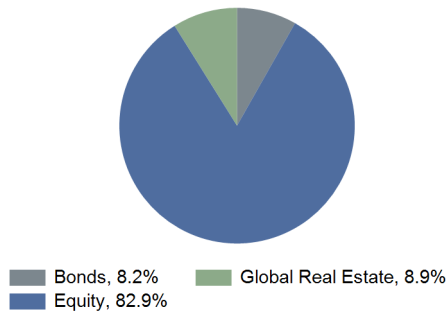
## Fund Details

Currency	USD(\$)
Risk profile	Aggressive
Investment period	7 years or longer
Launch date	01 October 2020

## Fund Objectives

The investment objective of the Fund is to provide high levels of capital growth through predominantly having exposure to global equity markets over a market cycle. This Fund is suitable for investors who require high levels of capital growth over a 7-year or longer timeframe. The Fund can have a maximum equity exposure of 100%, depending on the investment manager's investment strategy for an aggressive portfolio at the time.

## Global Asset Allocation



## Holdings as at Month End

	%
Amplify Global Equity	8.50
Baillie Gifford Worldwide Emerging Markets Leading Companies	2.00
Baillie Gifford WW Long Term Global Growth	4.00
Catalyst Global Real Estate	5.00
Dodge & Cox Worldwide - Global	4.25
Dodge & Cox Worldwide Global Stock	9.50
Fundsmith Equity	4.00
Goldman Sachs Global Core Equity Portfolio	8.50
iShares World Equity Index	10.00
Nedgroup Inv Global Property	4.50
Ninety One Global Franchise	8.50
Pacific North of South EM All Cap Equity	2.50
PIMCO GIS Global Bond	4.25
Sands Capital Global Growth	4.00
Schroder ISF Global Recovery	9.00
T Rowe Price Global Focused Growth Equity	5.00
T. Rowe Price Emerging Market Discovery Equity	2.50
TT Emerging Markets Equity	2.00
WCM Global Emerging Markets Equity	2.00

## Key Information

%

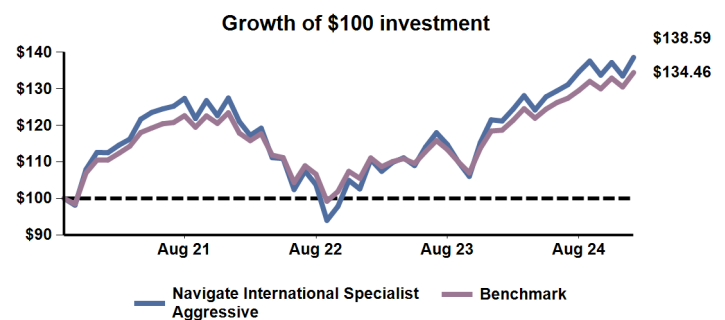
## Benchmark

EAA OE USD Aggressive Allocation	100.00
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## Fees (incl. VAT)

Annual Wrap fee	0.29
Underlying Manager TER's	0.76

## Cumulative performance since launch\*



## Performance (%)

	Fund*	Benchmark
1 Month	3.81	3.03
3 Months	3.63	3.44
6 Months	5.70	5.53
YTD	3.81	3.03
1 Year	14.37	13.30
2 Years (annualised)	11.91	10.03
3 Years (annualised)	4.62	4.49
Since Launch (annualised)	7.82	7.07

## Risk statistics (since launch)

	Fund*	Benchmark
Returns (annualised)	7.82%	7.07%
Standard deviation (annualised)	14.90%	11.86%
% Positive months	64.00%	65.33%
Maximum drawdown	-26.28%	-19.63%
Sharpe ratio	0.46	0.37

\*\* The simulated analysis before launch date was created using Morningstar and is for illustrative purposes only. It provides an indication of hypothetical past performance given historic asset and manager allocation, and cannot be construed as providing an indication of expected future performance. The investor is liable for CGT on any transactions in the unit trusts of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Dual-listed wraps will reflect combined fund sizes and will reflect primary platform performance information. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.



## Commentary

### Market Review

Equities rallied at the start of the year, even though uncertainty about US President Donald Trump's tariffs and economic policies dominated market sentiment. Better than expected fourth-quarter reported earnings offset fears of inflationary tariffs and supply chain disruptions from a potential trade war. While returns from technology AI heavyweights were negatively affected by Chinese AI start-up DeepSeek, stocks like Nvidia had recouped most of their losses. Despite the risk of a re-acceleration in inflation, global bonds yielded positive returns as yields eased slightly. Softer bond yields helped the global listed property sector to bounce back in January after a 6.9% sell-off the month before.

After his inauguration Trump wasted no time in signing executive orders and fulfilling his promises to raise tariffs. Substantial uncertainty remains around the timing and implementation of future tariffs, as Trump's decision to postpone 25% tariffs on Mexico and Canada for 30 days (to 4 March) illustrates. The countries agreed to reinforce their country's borders with the US to clamp down on migration and the flow of the deadly drug fentanyl, potentially staying the introduction of universal tariffs on all imports. Instead, Trump announced a 25% tariff on aluminium and steel imports to the US, effective from 4 March. Reciprocal tariffs (which will also include VAT on products) and tariffs on cars (EU), semi-conductors (EU) and pharmaceuticals (EU) will probably be next. China's 10% tariffs came into effect on 5 February 2025. China retaliated by announcing it would impose levies of 15% on US coal and liquefied natural gas and 10% on crude oil, farm equipment and some cars. If recently-announced tariffs are ultimately carried out, this will raise the effective US tariff rate from 2.5% to nearly 10%, its highest level since 1946.

The MSCI World Index gained 3.5% in US dollars (2.4% in rands), while emerging markets gained 1.8% in US dollars (0.7% in rands). Slightly softer bond yields helped the global listed property sector to bounce back in January, after a 6.9% sell-off the month before. The FTSE/EPRA Nareit Developed Market Property Index returned 1.8% in US dollars (0.7% in rands) as the sector rerated on a price-to-book basis. The price-to-book ratio increased from 1.39x to 1.42x, slightly below the historical mean of 1.46x. The yield on the Bloomberg Capital Aggregate Global Bond Index ticked lower to 3.66% from 3.68% the month before. The index returned 0.6% in US dollars. Inflation-linked bonds (ILBs) outperformed their nominal counterparts, yielding 1% in US dollars as yields on the Bloomberg Capital Global Government ILB Index eased to 1.66% from 1.77%. Emerging market bonds fared slightly better, gaining 1.1% in US dollars as spreads came in from 220 basis points to 208 basis points. Global corporate bonds were pedestrian, with the Bloomberg Capital Global Corporate Bond Index yielding 0.6% in US dollars as yields eased from 4.76% to 4.71%.

### Comments on Fund Selection and Performance

Going into the month and relative to the strategic asset allocation of the portfolio, the Navigate International Specialist Aggressive portfolio was positioned overweight to Developed Market (DM) equities and Emerging Market (EM) equities, and slightly underweight to property. The portfolio was underweight relative to bonds and held no cash.

Our selection of DM equity managers outperformed the global equity benchmark by 1.17% over the month, while our portfolio of EM equity managers outperformed the MSCI EM Index by 1.65%.

Our portfolio of property managers underperformed its benchmark by 0.64%, while our tactical underweight to this asset class detracted negligibly to performance relative to our strategic asset allocation.

Our portfolio of bond managers outperformed the Bloomberg Global Aggregate Bond Index, delivering 0.48% of underperformance.

Overall, versus the Fund's strategic asset allocation, tactical asset allocation contributed slightly to performance, while manager selection detracted during the month. The net result was outperformance relative to our strategic asset allocation benchmark of 1.05%, and outperformance of 0.78% versus the portfolio's benchmark, the EAA Fund USD Aggressive Allocation peer group.

### Outlook

Consensus on MSCI World earnings growth is about 7.8% this year and 11.2% the following year, while emerging market earnings are expected to grow by 13.4% this year and 13.2% the following year. In view of the expected strong earnings growth, an overweight position is retained in global equities. The current business cycle can hardly be described as normal, but a rise in bond yields could be the catalyst that triggers an equity market derating, given already stretched valuations. Due to the uncertainty about Trump's policies, a neutral weighting is retained in global bonds as a hedge against a bad economic outcome/recession later in the year. In the case of ILBs, a neutral weighting is retained as a hedge against a negative inflation outcome and a higher neutral rate of interest. If inflation re-accelerates, the inflation carry is expected to underpin returns from this asset class. In the second half of the year, however, ILBs are underweighted as real yields are expected to normalise back to their mean.

Chinese consumption and growth remain a key concern for global growth and open emerging markets such as ours. The quantum of stimulus packages in the near term, along with the extent to which China can weather the impact of a trade war with the US, will be key. In the euro area, activity has improved in the short term, but generally soft economic data remains a concern. Emerging economies continue to show resilience, and with the potential for easier monetary policy, growth could accelerate pending global trade speedbumps.

We therefore remain constructive to growth assets (such as equities). Similarly, while we retain a constructive approach to fixed income, we recognise that the risks and rewards for duration assets are finely balanced, and a measured outlook is warranted.

