Sanlam Investments

exponential financial options (pty) ltd

31 December 2025 — EFS Global Growth Wrap [USD]

Fund Details

Currency	USD($)
Benchmark	35% MSCI World; 35% MSCI EM; 30% FTSE WGBI
Risk profile	High Risk
Investment period	7 years or longer
Launch date	01 September 2016

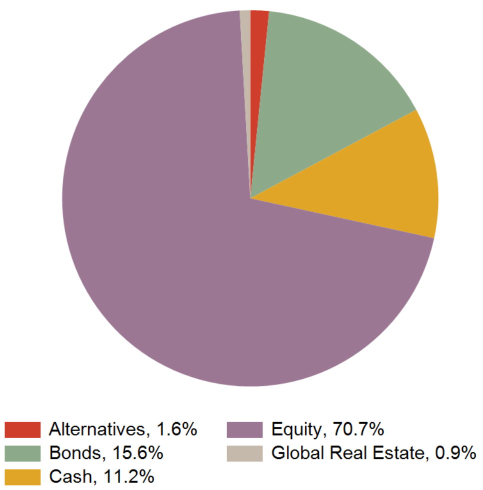
Fund Objectives

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.

Holdings as at Month End

Holdings as at Month End	%
Baillie Gifford Worldwide Emerging Markets Leading Companies	15.00
Coronation Global Emerging Markets	15.00
Foord International	15.00
Fundsmith Equity	10.00
Nedgroup Investments Global Cautious	15.00
Nedgroup Investments Global Flexible	15.00
Orbis SICAV Global Balanced	15.00

Global Asset Allocation



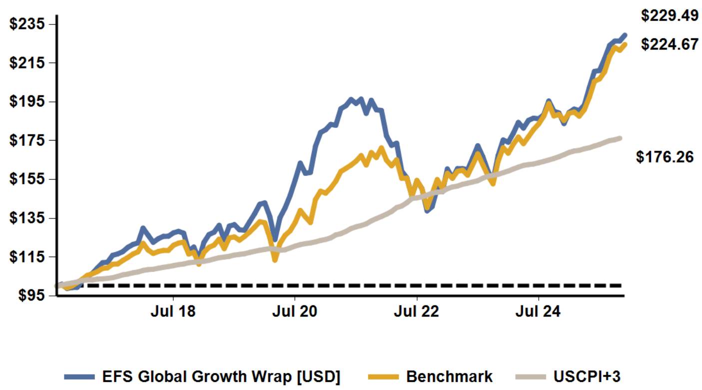
Investor Profile

This fund is suitable for investors looking for:

- Predominant exposure to global equity markets
- High levels of capital growth over a 7-year or longer timeframe
- A minimum Investment horizon of 7 years or longer

Cumulative performance since launch*

Growth of $100 investment



Performance (%)	Fund*	Fund Benchmark	Peer Benchmark
1 Month	1.35	1.37	N/A
3 Months	2.35	2.79	N/A
6 Months	8.88	9.25	N/A
YTD	24.84	21.15	N/A
1 Year	24.84	21.15	N/A
2 Years (annualised)	14.39	14.48	N/A
3 Years (annualised)	15.59	14.28	N/A
5 Years (annualised)	5.07	8.57	N/A
Since Launch (annualised)	9.31	9.06	N/A

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	9.31%	9.06%
Standard deviation (annualised)	12.47%	10.65%
% Positive months	66.07%	70.54%
Maximum drawdown	-29.36%	-18.01%
Sharpe ratio	0.31	0.34

Fees (incl. VAT)	
Annual Wrap fee	0.29
Underlying Manager TER's	1.92

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Commentary

Market Review

In December, the US Federal Reserve (Fed) cut rates by 25 bps to 3.50-3.75%, marking its third reduction for the year on the back of a weakening labour market and slowing inflation. The Bank of England (BoE) followed suit, also cutting rates by 25 bps, while the European Central Bank kept rates unchanged. The Bank of Japan hiked rates by 25 bps to 0.75%, the highest level in 30 years. In emerging markets (EM), while the People's Bank of China did not announce any rate changes, it emphasised continuing appropriate easing and using policy tools to support growth. Despite the easing by the Fed and BoE, developed market (DM) equities delivered quite muted returns as investors rotated to cheaper areas of the market. The MSCI World Index ended up 0.81%, driven by financials, materials, and industrials, while interest rate-sensitive sectors such as staples, real estate, and utilities declined amid rising long-term bond yields.

From a regional perspective, the S&P 500 was flat, delivering a gain of 0.06% as investors rotated out of mega-cap tech names into value/cyclical names. The UK's FTSE 100 was among the top-performing DM regions, gaining 3.81% on the back of strong performance from energy and mining stocks, followed by financials. On the other hand, the Eurostoxx 50 was up 3.46%, supported by financials, industrials and consumer discretionary names. On the DM Asia front, Japan's Nikkei was up a meagre 0.39% amid a rate hike. In EM, equities continued their upward trend as the MSCI EM Index was up 2.99%, driven by strong gains from Korean and Taiwanese equities, while Chinese equities declined. In other asset classes, global bonds ended the month 0.26% higher, despite rising yields, while global property was down 1.02% on the back of profit-taking.

Comments on Fund Selection and Performance

Relative to the strategic asset allocation of the portfolio, the Global Specialist Aggressive BIV portfolio was positioned, going into July, neutral to DM equities, underweight to EM equities, and underweight to property. The portfolio was slightly overweight to bonds and cash.

Our selection of DM equity managers underperformed the global equity benchmark by 0.62% over the month, while our portfolio of EM equity managers underperformed the MSCI EM Index by 2.13%. Our tactical positioning allocations to these asset classes had a slight positive effect on the portfolio's overall performance.

Our portfolio of property managers underperformed its benchmark by 0.65%, while our tactical underweight to this asset class contributed negatively to performance relative to our strategic asset allocation.

The asset allocation decision to maintain an overweight position in global bonds was an overall detractor from performance this month, with our portfolio of bond managers underperforming by 0.20% relative to the Bloomberg Global Aggregate Bond Index.

Overall, versus the Fund's strategic asset allocation, tactical asset allocation contributed marginally negative to performance, whereas manager selection detracted materially for the month. The net result was underperformance relative to our strategic asset allocation benchmark of 0.74%, but outperformance of 0.36% versus the portfolio's benchmark, the EAA Fund USD Aggressive Allocation peer group.

Outlook

Current consensus on MSCI World earnings growth has been revised from 8% to 12% for the next 12 months and from 12% to 13.5% for the following year, while EM corporate earnings growth has been revised from 11% to 12.5% one year out and from 17% to 16% the following year. The market consensus on the DM earnings growth profile remains constructive, particularly in the US. The lofty valuations in areas such as US tech may imply that the earnings growth trajectory may already be priced in. Nevertheless, the risk-on trade of being overweight DM and EM equities continues to be rewarding. EM equities continue to have a positive outlook given the softening US dollar and the supportive environment cyclicality. The current market cycle continues to be marked by elevated uncertainty, largely stemming from geopolitical risks. A neutral weighting is retained in global bonds as a hedge against unexpected economic or market outcomes, notwithstanding the robustness of the US economy. In the case of inflation-linked bonds, an underweight position is held as inflation risks appear to be subsiding.