



Navigate International Cautious Tracker

April 2025

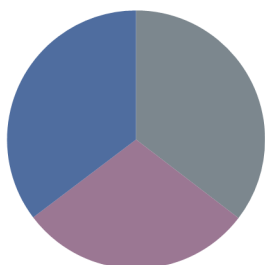
Fund Details

Currency	USD(\$)
Risk profile	Cautious
Investment period	3 years or longer
Launch date	01 July 2022

Fund Objectives

The investment objective of the Fund is to provide consistent levels of capital growth through a lower levels of exposure to global equity markets over a market cycle. This Fund is suitable for investors who require low capital growth over a 3-year or longer timeframe. The Fund may have an equity exposure of less than 50%, depending on the investment manager's investment strategy for a Cautious portfolio at the time.

Global Asset Allocation



■ Bonds, 35.4% ■ Cash, 29.3% ■ Equity, 35.3%

Holdings as at Month End

	%
iShares Core Global Aggregate Bond UCITS ETF	35.00
iShares Core MSCI World UCITS ETF	36.00
Schroder ISF US Dollar Liquidity	29.00

Key Information

%

Benchmark

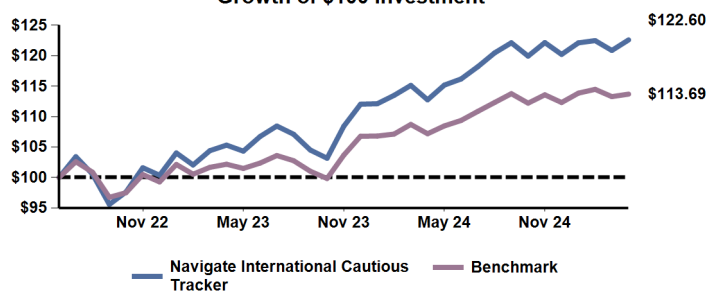
EAA OE USD Cautious Allocation	100.00
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Fees (incl. VAT)

Annual Wrap fee	0.17
Underlying Manager TER's	0.19

Cumulative performance since launch*

Growth of \$100 investment



Performance (%)	Fund*	Benchmark
1 Month	1.43	0.36
3 Months	0.40	-0.14
6 Months	2.22	1.32
YTD	1.98	1.23
1 Year	8.73	6.07
2 Years (annualised)	7.90	5.49
Since Launch (annualised)	7.46	4.63

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	7.46%	4.63%
Standard deviation (annualised)	7.83%	5.90%
% Positive months	64.71%	64.71%
Maximum drawdown	-7.59%	-5.70%
Sharpe ratio	0.56	0.27

* The investor is liable for CGT on any transactions in the units 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

Risk assets recovered some of their March losses in April as a pause on reciprocal tariffs and progress made on bilateral trade deals revived market optimism. Although earnings were revised lower in developed market (DM) economies, in line with downward revisions to global growth, emerging market (EM) earnings were revised higher on expectations of additional Chinese monetary and fiscal stimulus, and an expansion of trade with Asia and Europe. There were positive returns from both DM and EM equities. DM bonds outperformed equities as recession risks increased, while EM bonds underperformed on rising spreads, yielding negative US dollar returns.

DM equities recorded a mild recovery in April, with the MSCI World Index ending the month at 0.89% in US dollars, stemming the negative momentum experienced in the first quarter of 2025. US megacap tech stocks were among the stronger performers, resulting in a significant recovery in the Bloomberg Magnificent 7 Index. Tariffs continued to weigh on investor sentiment, as April started with 'Liberation Day'. EM equities performed better in the month than DM equities, ending positive at 1.31% month-on-month (m/m) in US dollars. Global property was in positive territory at 1% m/m, as well as global bonds at 2.94% m/m, both in US dollars. The Euro Stoxx 50 Index ended strongly in positive territory for the month, up 4% m/m, and the S&P 500 was still a detractor for the month, down a further 0.68% m/m. The Nikkei gained 6.10% in US dollars.

Tactical Asset Allocation and Fund Selection

Relative to the strategic asset allocation of the portfolio, the Navigate International Cautious Tracker portfolio was positioned slightly overweight to DM equities and underweight to bonds and cash.

Our DM equity tracker (MSCI World Index) underperformed the global equity benchmark by 0.04%.

Our bond tracker slightly underperformed the Bloomberg Global Aggregate Bond Index by 0.01%, while our cash allocation outperformed by 0.30%.

Overall, relative to the Fund's strategic asset allocation, tactical asset allocation contributed negatively to returns, while equity tracker returns were slightly behind benchmark performance. The net result was outperformance relative to our strategic asset allocation benchmark of 0.07%, and outperformance of 1.10% versus the portfolio's benchmark, the EAA Fund USD Cautious Allocation peer group.

Positioning and Outlook

Consensus on MSCI World earnings growth is about 8% for the next 12 months and 12% the following year, while EM earnings are expected to grow by 15% this year and 13% 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 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 inflation-linked bonds, 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, inflation-linkers are underweighted as real yields are expected to normalise back to their mean.

Chinese consumption and growth remain a key concern for global growth. 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.

