Navigate International Optimised Aggressive Growth USD

April 2025

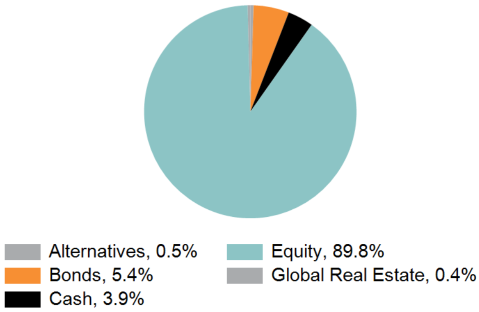
Fund Details

Currency	USD($)
Risk profile	Aggressive
Investment period	10 years or longer
Launch date	01 March 2016

Fund Objectives

This portfolio aims to provide high exposure to global equities, and will aim to produce a relatively high level of capital growth over the long term. Investors in this portfolio should be prepared to tolerate high fluctuations in the value of their investment over the short term. The portfolio will typically hold global equity funds that are actively managed, with the managers having a large degree of flexibility in terms of which stocks to hold. The portfolio is constructed using a multi factor model that takes into account clients' risk vs. return objectives and time horizons. Here we consider the risk tolerance of each portfolio, incorporating factors such as value at risk, acceptable drawdowns and correlations (to mention a few) to ensure there is an optimal blend of investment philosophies, styles, geographical and regional exposures as well as economic sectors. We also look at the synergies within the portfolio and how the underlying funds contribute to performance and risk over various time horizons. The optimised portfolios are monitored and rebalanced as market conditions or managers change with the aim to meet clients' financial needs and expectations.

Global Asset Allocation



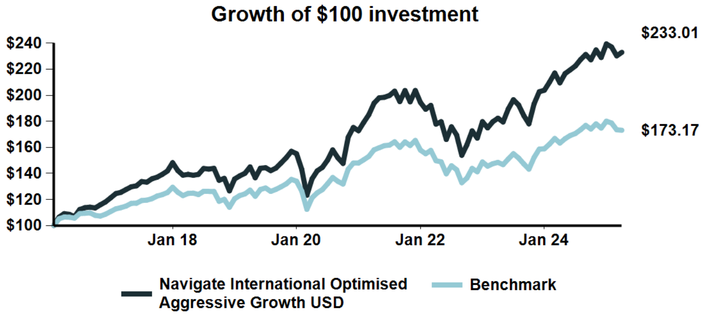
Holdings as at Month End

Holdings as at Month End	%
Baillie Gifford WW Long Term Global Growth	7.50
Dodge & Cox Worldwide Global Stock	15.00
Jupiter Merian World Equity	10.00
Nedgroup Investments - Global Cautious	5.00
Nedgroup Investments - Global Equity	15.00
Ninety One GSF Global Franchise	15.00
Orbis SICAV Global Balanced	7.50
Schroder ISF Global Equity Alpha	12.50
Schroder ISF QEP Global Core	12.50

Key Information

Key Information	%
Benchmark	
EAA OE USD Aggressive Allocation	100.00
Fees (incl. VAT)	
Annual Wrap fee	0.29
Underlying Manager TER's	1.27

Cumulative performance since launch*



Performance (%)	Fund*	Benchmark
1 Month	1.18	-0.20
3 Months	-2.69	-3.87
6 Months	2.53	-0.56
YTD	1.74	-0.95
1 Year	11.17	6.00
2 Years (annualised)	13.01	7.98
3 Years (annualised)	9.42	4.95
5 Years (annualised)	11.39	7.37
Since Launch (annualised)	9.67	6.17

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	9.67%	6.17%
Standard deviation (annualised)	14.29%	10.52%
% Positive months	66.36%	64.55%
Maximum drawdown	-24.42%	-19.63%
Sharpe ratio	0.34	0.13

* 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.

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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

The Navigate Optimised Aggressive Growth portfolio delivered a return of 1.17% in April 2025, outperforming the USD Aggressive Allocation category average, which delivered a negative return of 0.23%. Given the portfolio's larger exposure to core and growth equity funds, relative to value equity funds, it delivered outperformance. At a fund level, the best performer was the Orbis Global Balanced Fund, which delivered a return of 3.4%. This is despite the fund's value bias given that value stocks detracted for the month. The fund's performance was largely driven by stock selection in Communication Services and Industrials. On the flip side, the worst performing fund was the Nedgroup Investments Global Equity Fund (-1.12%), largely due to unfavourable stock selection in Healthcare, Consumer Cyclicals and Technology.

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.