

Sygnia Itrix MSCI Emerging Markets 50 ETF

Minimum Disclosure Document (MDD)
Global - Equity - General

31 May 2024

Portfolio Managers **Sygnia Asset Management**
Inception **30 April 2021**
Fund Size **R 299 Million**
NAV Price **1 749 cents**
Units in Issue **17 116 824**

Investment Objective

To replicate the price and yield performance of MSCI Emerging Markets 50 Index

Income Distribution

Bi-Annually (June and December)

Payment: 12 Jan 2024 - 21.34448 cents per share

Payment: 13 Jul 2023 - 8.20774 cents per share

Trustees

Standard Bank Trustees (021 441 4100)

Fund Information

Classification	Global - Equity - General
Asset Allocation	100% Offshore
NAV/Index Ratio	ca. 1/1000
Financial Year End	31 December
Index Tracking	MSCI EM 50 Index
Dividend Distribution	Semi-annual distribution
NAV Publication	Daily on sygnia.co.za
Portfolio Valuation	Close of relevant market
Foreign exchange source	World Market fix rate 16:00pm EST

Cumulative Investment Performance

Growth of R100 invested on 31 May 2021

Investment: R93,30
Benchmark: R93,23



Cumulative investment performance is for illustrative purposes only and is calculated using the NAV before any distributable income and management fee.

Top 10 Holdings

Instrument	Percent
Taiwan Semiconductor Manufacturing Ord Shs	21.4%
Tencent Holdings Ord Shs	10.4%
Samsung Electronics Ord Shs	8.7%
Alibaba Group Holding Ord Shs	5.1%
HDFC Bank ADR Representing Three Ord Shs	3.7%
PDD Holdings ADS	3.1%
SK Hynix Ord Shs	2.5%
ICICI Bank ADR Rep 2 Ord Shs	2.4%
Meituan Ord Shs	2.3%
China Construction Bank Ord Shs H	2.3%

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021						4.8%	-7.9%	-1.3%	-2.1%	4.1%	-0.1%	0.8%	-2.4%
2022	-4.2%	-8.5%	-9.2%	1.2%	0.0%	-2.3%	-0.5%	2.1%	-10.3%	-6.6%	12.7%	-0.5%	-24.9%
2023	16.1%	-3.9%	1.6%	-2.7%	8.0%	-1.3%	-0.2%	-0.6%	-4.5%	-3.7%	9.6%	-1.2%	16.0%
2024	-4.6%	8.7%	3.7%	0.4%	1.5%								9.7%

Risk Statistics

	Fund	^BM
% Negative Months	61.1%	58.3%
Average Negative Month	-3.5%	-3.6%
Largest Drawdown	-37.6%	-37.6%
Standard Deviation	20.3%	20.3%
Downside Deviation	11.1%	11.1%
Highest Annual Return: Nov 2022 - Oct 2023	20.0%	20.0%
Lowest Annual Return: Nov 2021 - Oct 2022	-32.6%	-32.6%
Annualised Tracking Error (Active Return) (12 Mths)	0.0%	-
Annualised Tracking Error (Std Dev of Active Return) (12 Mths)	0.1%	-

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

Listing Information

Exchange	JSE Limited
Exchange Code	SYGEMF
Trading Currency	ZAR
Portfolio Currency	USD
ISIN	ZAE000297792
RIC	SYGEMFJJ
Bloomberg Ticker	SYGEMF SJ EQUITY
Trading Hours	9:00 am - 16:50 pm
Transaction cut-off	JSE trading hours

Asset Allocation

Asset	Percent	Allocation
International Equity	97.2%	
Domestic Equity	1.8%	

Sector Allocation

Sector	Percent	Allocation
Information Technology	42.6%	
Financials	17.8%	
Consumer Discretionary	16.8%	
Communication Services	14.2%	
Energy	3.2%	
Materials	3.1%	
Other	2.3%	

Portfolio Performance Analysis

Period	Sygnia Itrix MSCI Emerging Markets 50**	MSCI Emerging Markets 50 Index (ZAR)**	MSCI Emerging Markets USD Return Index	Sygnia Itrix MSCI EM 50 ETF (TR)
1 Month	1.5%	1.5%	1.6%	1.5%
3 Months	5.8%	5.8%	7.8%	5.8%
6 Months	8.5%	8.4%	9.2%	10.1%
Year to Date	9.7%	9.7%	6.6%	11.3%
1 Year	7.0%	6.9%	12.6%	9.1%
3 Years	-2.3%	-2.3%	-12.1%	-0.6%
Since Inception	-2.3%	-2.3%	-12.1%	-0.6%

Performance of the fund is calculated by Sygnia Asset Management as at reporting date.

*A positive performance in currency reflects a depreciation of ZAR against base currency and vice versa.

**Price return.

Fees

Management Fee	0.35%**
Other costs	0.01%**
VAT	0.05%
Total Expense Ratio (TER)	0.41% (Mar 2024)
Transaction Costs (TC)	0.00% (Mar 2024)
Total Investment Charge (TIC)	0.42% (Mar 2024)

**Fees are exclusive of VAT

Sygnia Itrix MSCI Emerging Markets

50 ETF

Fund commentary

Minimum disclosure document (MDD)

Global - Equity - General

1st Quarter 2024

Market performance

Global stock markets recorded their best first-quarter performance in five years, buoyed by hopes of a soft economic landing in the US and enthusiasm about artificial intelligence. This is working perfectly for our funds.

The US unemployment rate increased unexpectedly from 3.7% to 3.9%, its highest rate in two years, while average hourly earnings fell, suggesting decelerating wage growth pressures. Similarly, the latest JOLTS data show the quits rate has continued to decline, and the employment components of the ISM manufacturing and services purchasing managers indices both contracted in February. The jobs data are consistent with a gradually softening labour market. Retail sales rose 0.6% month-on-month in February, below consensus. With consumer Covid savings depleted, the US consumer is under pressure. Money and credit growth are weak, delinquency rates are rising for non-mortgage debt and banks have continued to tighten lending standards.

Non-mortgage debt payments have surged and for the first time on record, interest payments on non-mortgage debts are as high as mortgage interest payments. This will constrain consumer spending and confidence. Office real estate is a major risk. At nearly 20%, office market vacancy is at its highest since the data series began in 1979. The share of delinquent loans in commercial real estate collateralised loan obligations surged fourfold in January, to 8.6%.

This suggests the Fed should cut interest rates sooner, but inflation has picked up slightly. Prices paid to US producers rose in February by the most in six months, driven by higher fuel and food costs, and the US core consumer price index came in slightly hotter than expected at 3.8%, though this was down from January's 3.9%. Fortunately, this is unlikely to change the Fed's plans to cut interest rates in June.

Fed Chair Jerome Powell made dovish comments at his semi-annual testimony to the Senate Banking Committee, adopting the language of European Central Bank President Christine Lagarde in his statement that inflation is "not far" from where it needs to be for the Fed to start cutting interest rates. In addition, the Fed lowered the bar for policy easing by raising expected core personal consumption expenditure for 2024 up to 2.6%, while still projecting three cuts this year.

Inflation could actually fall faster than these expectations. Chinese export prices are still falling, suggesting that the US will continue to import disinflation. Both the Zillow and New Tenant rent indices suggest lower owners' equivalent rent, and the US has lost nearly 2 million full-time jobs over the last three months, suggesting payroll growth has been driven by part-time jobs.

Premier Li Qiang announced at the March National People's Congress that China will target economic growth at around 5% for 2024. Despite a higher base, this matches 2023's target of around 5%, but it will require more stimulus to lift confidence in an economy

already constrained by a property slump and entrenched deflation. Premier Qiang himself acknowledged that "It is not easy for us to realise these targets ... We need policy support and joint efforts from all fronts." The budget is likely to boost GDP by 0.6 ppt in 2024 after the broad deficit, which combines the general public budget and government funds budget. China's economic performance year to date reflects robust gains in manufacturing output and capital investment against a tepid recovery in consumer spending.

According to China's National Bureau of Statistics, Chinese exports increased 32.6% from a year earlier in the first two months of this year, to 15.9m tonnes. However, the adjustment in China's real estate sector is not over, and the property market is likely to contract for the fourth year in a row. While supply-side stimulus and a boost in export demand has helped, consumer demand continues to face headwinds from falling property prices.

The Bank of Japan ended eight years of negative policy rates with its first hike in 17 years! The central bank set a new policy rate range of between 0% and 0.1%, shifting from -0.1% short-term interest. Despite Chinese stagnation, manufacturing green shoots are evident in the rest of the world. Taiwan's trade figures point to an improvement in global trade, and the Swedish krona's appreciation suggests global growth is improving.

US exceptionalism is helped by its energy independence. According to the US Energy Information Administration, the US produced 28% more oil in 2023 than the world's previous top producer, Russia, and 33% more than Saudi Arabia. US economic resilience will be tested by the lagged effects of monetary tightening, but a recession is unlikely in light of the room for monetary easing, a productivity resurgence and strong household balance sheets. The Fed is likely to cut three times this year.

Inflation expectations could increase in response to stronger economic growth or an oil spike related to geopolitics. Crude oil prices have risen steadily this month as Ukrainian drone attacks on Russian oil facilities are estimated to have shut down 7% of Russia's refining capacity. Vladimir Putin unsurprisingly won Russia's presidential election – the vote, which included the five Ukrainian regions occupied by Russia, was never in doubt after the Kremlin blocked any opposition candidates from running.

Climate change also poses a risk to the inflation outlook. Our oceans have experienced record-breaking global sea surface temperatures, fuelling concerns of extreme weather patterns – any major weather event could cause supply chain disruptions and higher inflation. Election risks also loom large, both in South Africa on 29 May and in the US on 5 November. With Biden currently leading by 1% point, the US election will be closely contested.

We maintain an overweight position in US equities for now. The dollar may weaken due to narrower interest rate differentials or a rest of world growth recovery, but US elections and China weakness are likely to keep the dollar strong.

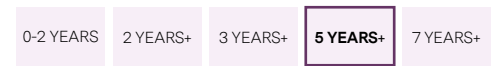
RISK PROFILE



LESS RISK/
RETURN

MORE RISK/
RETURN

TIME HORIZON



Fund performance

The Sygnia Itrix MSCI Emerging Markets 50 ETF delivered 7.6% for the quarter, in line with its benchmark, the MSCI Emerging Markets 50 Index. The fund benefitted from exposure to Taiwan Semiconductor Manufacturing Co Ltd, Hon Hai Precision Industry Co Ltd and SK Hynix Inc, while its exposure to HDFC Bank Ltd, PDD Holdings Inc and Vale SA detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of Celltrion Inc and the removal of WuXi Biologics Inc.

The fund remains true to its investment objective of delivering returns that mirror those of the MSCI Emerging Markets 50 Index.

Disclaimer

The Sygnia Group is a member of the Association for Savings and Investment SA. Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002. Sygnia Asset Management (Pty) Limited (FSP 873), an authorised financial services provider, is the appointed investment manager of the Fund. Sygnia Itrix does not provide any guarantee with respect to the capital or return of the portfolio. Collective Investment Schemes (CIS) are generally medium to long-term investments. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. The value of investments/units may go down as well as up and past performance is not necessarily an indicator of future performance. ETFs trade on stock exchanges and may therefore incur additional costs associated with listed securities. Unlike a unit trust, which can be bought or sold only once per day, an ETF can be traded intraday, during exchange trading hours. ETFs may invest in foreign securities, which may be exposed to macroeconomic, settlement, political, tax, liquidity, and foreign exchange risks. Performance is calculated for the portfolio, and the individual investor performance may differ as a result of trading cost, price paid for investment share. Additional information on the Index including its performance and tracking error can be viewed on the relevant Minimum disclosure document (MDD) on www.sygnia.co.za. A schedule of fees, charges and where the ETF engages in securities lending activities, information on such securities lending activities may be requested via admin@sfs.sygnia.co.za or 0860 794 642. The complete terms and conditions of your ETF investment are contained in the fund's offering circular, pre-listing statement, programme memorandum and/or supplemental deed and index constituents with prices are published daily on Sygnia's website. The documents/information may be obtained from www.sygnia.co.za or on request from Sygnia. Nothing in this document shall be considered to state or imply that the Fund is suitable for a particular type of investor. All the portfolio options presented are approved collective investment schemes in terms of the Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. A copy of the Minimum disclosure document (MDD) is available on our website: www.sygnia.co.za.

Important information to consider before investing

Investment Objective and Strategy

The objective of the Sygnia Itrix MSCI Emerging Markets 50 ETF is to provide an investment vehicle to investors who want to achieve long term capital appreciation in tracking the performance of the MSCI EM 50 Index ("benchmark index").

In order to achieve this objective, the Sygnia Itrix MSCI Emerging Markets 50 ETF shall track the MSCI EM 50 Index as closely as practically and feasibly possible by buying securities that substantially make up the index at similar weighting as they are included in the Index. Whenever the Index gets rebalanced, the Portfolio will be rebalanced to align its holdings to that of the benchmark and to the extent that its performance will not deviate from its benchmark.

Balancing risk and reward

The Fund has a 100% strategic allocation to global equities. The structure of the Fund is dictated by the composition of the MSCI EM 50 Index and managed with the aim to produce the same level of income as that produced by the index. Investors are alerted to the fact that the Fund is not a general equity product, but one with a specific focus, and thus a specific risk and return profile. For a change in the index constituents, please refer to the published SENS. Index Performance data can be sourced from Bloomberg, Reuters, other data providers and at www.sygnia.co.za.

Collective Investment Schemes (CIS) 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. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies. The fund may also be exposed to liquidity risk. This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value.

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 based on the NAV to NAV calculation of the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date and dividend withholding tax.

Fees

Sygnia Itrix ETFs are Exchange Traded Funds that trade on stock exchanges and may therefore incur additional costs associated with listed securities. Sygnia Itrix does not provide advice and therefore does not charge advice fees. A schedule of fees and charges is available on request from Sygnia Itrix. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee 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.

Foreign Securities

The fund invests in foreign securities, which may be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down.

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.

Exchange Traded Funds vs Unit Trusts

Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Scheme Control Act, ETFs trade on stock exchanges just like any other listed, tradable security. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours.

How are NAV prices calculated?

Net Asset Value (NAV) 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 permissible deductions from the portfolio divided by the number of units in issue. The price at which ETFs trade on an Exchange may differ from the NAV price published at the close of the trading day, because of intraday price movements in the value of the constituent basket of securities.

Disclaimer

Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Pty) Ltd (FSP No 873), an authorised financial services provider, is the appointed investment manager of the fund. Sygnia Itrix does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this minimum disclosure document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

This document is for information purposes only and does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Whilst reasonable care was taken in ensuring that the information contained in this document is accurate, Sygnia accepts no liability in respect of any damages and/or loss (whether direct or consequential) or expense of any nature which may be suffered as a result of reliance, directly or indirectly, on the information in this document. Additional information such as fund prices, brochures, application forms and a schedule of fees and charges be requested via admin@sfs.sygnia.co.za or 0860 794 642 (0860 SYGNIA).

You should be aware that certain transactions give rise to substantial risk. Product values may be affected by market values, interest rates, exchange rates, volatility, dividend yields and issuer credit ratings. The complete terms and conditions of your ETF investment are contained in the fund's offering circular, pre-listing statement, programme memorandum and/or supplemental. These documents may be obtained from www.sygnia.co.za or on request from Sygnia.

Sygnia Limited and any of its affiliates may make markets or hold units in the fund or hold positions in the investments in which the fund invests. As set out in the offering circular, the sale of securities is subject to restrictions in some jurisdictions. In particular, any direct or indirect distribution of this document into the United States, Canada or Japan, or to U.S. persons or U.S. residents, is prohibited.

Index Disclaimer

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Offering Circular pre-listing statement, programme memorandum and/or supplemental contains a more detailed description of the limited relationship MSCI has with the Sygnia Itrix and any related funds.

CAPE TOWN: 7th Floor, The Foundry, Cardiff Street, Green Point, 8001 T +27 21 446 4940

JOHANNESBURG: Unit 40, 6th Floor Katherine & West Building, West Street, Sandton, 2196 T +27 10 595 0550

DURBAN: Office 2, 2nd Floor Ridgeview, 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4319 T +27 31 001 0650

www.sygnia.co.za | info@sygnia.co.za

SYGNIA ITRIX (RF) (PTY) LTD
Registration No. 2004/035580/07

Minimum Disclosure Document - Issue Date: 10 Jun 2024

Sygnia 