

Sygnia Itrix MSCI USA Index ETF

Minimum Disclosure Document (MDD)

Global - Equity - General

31 August 2024

Portfolio Managers

Sygnia Asset Management

Inception

1 April 2008

Fund Size

R 7.915 Billion

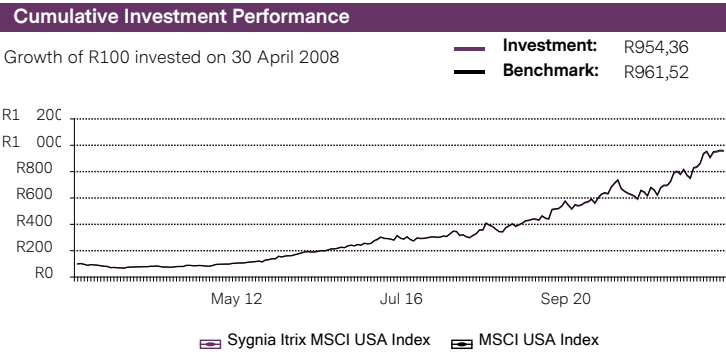
NAV Price

9 476 cents

Units in Issue

83 524 005

Fund Information	
Classification	Global - Equity - General
Asset Allocation	100% Offshore Equity
NAV/Index Ratio	ca. 1/1000
Financial Year End	31 December
Index Tracking	Fund tracks the MSCI US 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 is for illustrative purposes only and is calculated using the NAV before any distributable income and management fee.

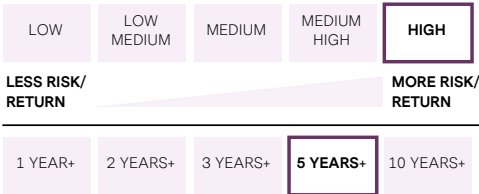
Top 10 Holdings	
Instrument	Percent
Apple Ord Shs	6.8%
Microsoft Ord Shs	6.0%
NVIDIA Ord Shs	6.0%
Amazon Com Ord Shs	3.4%
Meta Platforms Ord Shs Class A	2.3%
Alphabet Ord Shs Class A	1.9%
Alphabet Ord Shs Class C	1.7%
Eli Lilly Ord Shs	1.6%
Broadcom Ord Shs	1.5%
JPMorgan Chase Ord Shs	1.3%

Historical Performance													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	1.4%	3.1%	1.0%	3.5%	-5.1%	6.8%	4.8%	1.7%	-1.0%	8.0%	4.2%	3.4%	36.1%
2022	-8.6%	-3.2%	-2.2%	-1.6%	-1.8%	-3.7%	11.0%	-1.9%	-4.5%	10.3%	-2.7%	-5.9%	-15.5%
2023	9.1%	2.6%	-0.1%	4.3%	8.9%	1.6%	-2.7%	4.5%	-5.3%	-2.9%	10.4%	0.9%	34.4%
2024	3.2%	8.5%	1.7%	-4.7%	4.6%	0.3%	0.8%	-0.2%					14.6%

Since inception performance figures are available on request.

Risk Statistics		
	Fund	^BM
% Negative Months	40.0%	40.0%
Average Negative Month	-3.2%	-3.2%
Largest Drawdown	-19.6%	-19.6%
Standard Deviation	17.3%	17.3%
Downside Deviation	7.1%	7.1%
Highest Annual Return: Apr 2023 - Mar 2024	36.9%	36.9%
Lowest Annual Return: Jan 2022 - Dec 2022	-15.5%	-15.5%
Annualised Tracking Error (Active Return) (12 Mths)	0.0%	-
Annualised Tracking Error (Std Dev of Active Return) (60 Mths)	0.0%	-

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



To replicate the price and yield performance of the MSCI USA Index

Payment: 10 Jul 2024 - 15.69388 cents per unit

Payment: 12 Jan 2024 - 19.12778 cents per unit

Standard Bank Trustees (021 441 4100)

Investment Objective

Income Distribution

Trustees

Listing Information	
Exchange	JSE Limited
Exchange Code	SYGUS
Trading Currency	ZAR
Portfolio Currency	USD
ISIN	ZAE000249546
RIC	SYGUSJJ
Bloomberg Ticker	SYGUS SJ EQUITY
Trading Hours	9:00 am - 16:50 pm
Transaction cut-off	JSE trading hours

Asset Allocation		
Asset	Percent	Allocation
International Equity	99.9%	

Sector Allocation		
Sector	Percent	Allocation
Information Technology	30.8%	
Financials	13.0%	
Health Care	12.1%	
Consumer Discretionary	9.8%	
Industrials	8.8%	
Communication Services	8.7%	
Consumer Staples	5.9%	
Energy	3.6%	
Other	7.3%	

Portfolio Performance Analysis				
Period	Sygnia Itrix MSCI USA**	MSCI USA Index (ZAR)**	MSCI USA Index (USD)**	Sygnia Itrix MSCI USA (TR)
1 Year	17.5%	17.5%	25.7%	18.0%
3 Years	14.5%	14.5%	7.0%	15.0%
5 Years	17.6%	17.6%	14.1%	18.1%
10 Years	16.6%	16.7%	10.9%	17.5%
Since Inception	14.8%	14.9%	9.0%	15.8%

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

Performance figures greater than one year are annualised.

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

**Price return.

Annual Management Fee			
*Broker/Other Platform (excl VAT)		*Sygnia Alchemy Platform (excl VAT)	
*First R 10 Million	0.75%pa	*First R 2 Million	0.55%pa
*R 10 Million-R 100 Million	0.60%pa	*R 2 Million-R 100 Million	0.50%pa
*Over R 100 Million	0.40%pa	*Over R 100 Million	0.30%pa
VAT	0.12%		
Total Expense Ratio (TER)	0.88% (Jun 2024)		0.64% (Jun 2024)
Transaction Costs (TC)	0.00% (Jun 2024)		0.00% (Jun 2024)
Total Investment Charge (TIC)	0.88% (Jun 2024)		0.64% (Jun 2024)

Excess management fees for investors over R10m are included in the above TER, and distributed back to the investor at each distribution date.



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Fund commentary

Minimum disclosure document (MDD)
Global - Equity - General

2nd Quarter 2024

Market performance

According to the World Economic Forum's survey of leaders, the top two global risks for 2024 – after extreme weather – are AI-generated disinformation and societal and political polarisation, with the latter linked to the former. Geopolitical and societal risks rose further in the second quarter after a number of election surprises around the world, including results in South Africa, Mexico and India, and early election announcements in the UK and France.

In Mexico, the peso and Mexican stocks collapsed after Claudia Sheinbaum's surprise landslide victory brought about a near super-majority in congress. While the tailwinds of Chinese manufacturing's relocation to Mexico have outweighed the costs of the hard-left ruling Morena party's redistributive policies in recent years, the sustainability of these policies is now under question and has investors concerned. The following day, investors dumped stocks in India and triggered a \$386 billion wipeout in the Indian stock market after Narendra Modi's victory was not as decisive as expected. Prime Minister Modi's setback reduces the likelihood of an acceleration in structural reforms and increases political uncertainty.

In South Africa, the rand, bonds and equity markets rallied on the news that the ANC, IFP, PA, RISE and DA, representing 68.4% of the national vote, had struck an agreement to form a Government of National Unity (GNU) and had voted Cyril Ramaphosa in for his second term as president. The alliance is expected to deepen and widen reforms, but the deal is only a preliminary framework. There will be challenges from the MKP and the EFF, who were both left out in the cold. The SA economy shrank below expectations in the first quarter of 2024. Fortunately, after the GNU announcement, the FRA market has priced in at least one 25bps rate cut from the SARB in September.

Sygnia funds upgraded South Africa to neutral on the GNU announcement, which has worked well, with bond yields falling 1%, the rand strengthening by around a rand and equities rallying 6%. Ramaphosa announced his new cabinet on 30 June. To accommodate all 11 GNU parties, the executive has grown to an enormous 32 cabinet members and 43 deputy ministers. The most market-friendly news is that Enoch Godongwana remains Finance Minister, thus ensuring continuity in fiscal prudence and structural reforms; the portfolios focused on policy reform also include several improvements. Reforms take time, however, and the fragility and constant gridlock of coalition governments remain a significant risk. We refrain from going overweight for now.

In Europe, eurozone equities sold off 7% from their 6 June highs and French bond yields widened on surprise early French legislative elections. French President Emmanuel Macron's gamble to call snap parliamentary elections has backfired: Marine Le Pen's radical right-

wing National Rally party and a rising far-left coalition are leading in the polls, and the market is worried about extreme economic policies and possible European Union exits. The French parliamentary elections will take place from 30 June to 7 July.

While volatility is expected to remain high, a full-blown EU financial crisis is unlikely. Even if the far-right National Rally wins the election, EU member economic constraints will reduce the impact of their policies. The UK is also heading to early elections, on 4 July. According to an IPSOS survey, the Conservatives have lost up to a third of the voters who would have backed the party just four months ago, and the polls predict a historic defeat. The opposition Labour Party has limited the number of non-market-friendly policies it can put in place. Tough fiscal constraints have been promised which should calm investors, but this will likely mean a continuation of low growth and poor investment opportunities for overseas investors.

The rise in energy prices after Russian energy sanctions led to a severe contraction in UK and European real wages, but this headwind has ended. European natural gas prices are down 90% from their peak, inflation has dropped and the ECB has cut rates. Real wages are rising, while the US is seeing a contraction in real wages. This should support European household confidence and lead to an increase in consumption – but the results of the latest German IFO survey show that sentiment deteriorated slightly in June. Similarly, Chinese data continued to indicate weak demand in May, with housing the key drag. Chinese growth – and consequently EU, EM and Japanese growth – will likely remain constrained by China's property deflation. We remain underweight these regions.

Trump's lead in the election polls has surged, but some of his extreme policies are not yet reflected in markets. Trump wants to limit immigration, enact 10% tariffs on all US imports and cut corporate tax rates to 20% while increasing fiscal support. These would all be inflationary and would worsen an already ballooning US budget deficit. The US FNIB small business uncertainty index has risen back to its highs of the previous Biden–Trump election face-off. As we near November's presidential elections, volatility may impact markets more meaningfully. Preliminary purchasing managers' index (PMI) numbers show that the US remained the global economic leader in June, despite signs that the rest of the world was accelerating even as the US slowed. US growth remains resilient. The Kansas City Fed's Labor Market Conditions Indicator, based on 24 variables, expects the US jobless rate to drift higher, which will have two important implications for the Fed: it will alleviate wage inflation and will allow the Fed to focus on the dual mandate of employment and inflation. We remain overweight the US but are keeping an eye on inflation, the labour market and US politics.

RISK PROFILE

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	HIGH
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LESS RISK/
RETURN

MORE RISK/
RETURN

TIME HORIZON

0-2 YEARS	2 YEARS+	3 YEARS+	5 YEARS+	7 YEARS+
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Fund performance

The Sygnia Itrix MSCI USA Index ETF delivered 0.0% for the quarter, in line with its benchmark, the MSCI USA Index. The fund benefitted from exposure to NVIDIA Corp, Apple Inc and Microsoft Corp, while its exposure to Intel Corp, Walt Disney Co and Salesforce Inc detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of CRH PLC, Ge Vernova Inc and Microstrategy Inc and the removal of Pioneer Natural Resources Co, Globe Life Inc and Lear Corp.

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

Important information to consider before investing

Investment Objective and Strategy

The investment policy of the Sygnia Itrix MSCI USA Index ETF is to track the MSCI USA Index as closely as reasonably possible. This is a high risk, passively managed index tracking fund, with an objective to replicate the price and yield performance of the MSCI USA Index as closely as possible by physically holding a portfolio of securities representative of the composition and weighting of the securities contained in the index. Index Performance data can be sourced from Bloomberg, Reuters, other data providers and at www.sygnia.co.za.

Balancing risk and reward

The MSCI USA Index is a free float-adjusted market capitalisation index that is designed to measure developed market equity performance in the USA, representing companies with a total market capitalisation of approximately US\$14 trillion. For changes to the index constituents please refer to the published SENS. The MSCI USA Index is recognised as a barometer of the USA economy and as a holder of the Sygnia Itrix MSCI USA Index ETF; an investor will essentially track the USA equity markets. The recommended investment term for investors in the Sygnia Itrix MSCI USA Index ETF is a minimum of five years.

Annualised performance figures represent the geometric average return earned by the fund over the given time period.

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.

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.

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.

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.

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

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.

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Minimum Disclosure Document - Issue Date: 18 Sep 2024

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