SYGNIA ITRIX TOP 40 ETF

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	HIGH

LESS RISK/ RETURN — MORE RISK/ RETURN

1 YEAR+	2 YEARS+	3 YEARS+	5 YEARS+	10 YEARS+

31 OCTOBER 2018

PORTFOLIO MANAGERS	**SYGNIA ASSET MANAGEMENT**
INCEPTION	**30 OCTOBER 2017**
FUND SIZE	**R 187.31 MILLION**
INSTRUMENT PRICE	**4 682 cents**
UNITS IN ISSUE	**4 000 353**

FUND OBJECTIVE	**TO REPLICATE THE PRICE AND YIELD PERFORMANCE OF THE FTSE/JSE TOP 40 INDEX**
INCOME DISTRIBUTION	**PAYMENT: JUNE 2018 - 65.25727 CENTS PER UNIT** **PAYMENT: DEC 2017 - 5.500 CENTS PER UNIT**
TRUSTEES	**STANDARD BANK TRUSTEES (021 441 4100)**

FUND INFORMATION

Classification	South Africa - Equity - General
Asset Allocation	100% South African Equity
Portfolio Currency	ZAR
NAV/Index Ratio	ca. 1/1000
Financial Year End	31 December
Index Tracking	Fund tracks the FTSE/JSE Top 40 Index
Dividend Distribution	Semi-annual distribution
NAV Publication	Daily on sygnia.co.za

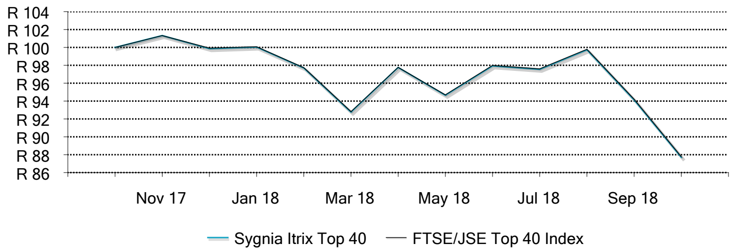
LISTING INFORMATION

Exchange	JSE Limited
Exchange Code	SYGT40
Trading Currency	ZAR
ISIN	ZAE000251351
RIC	SYGT40J.J
Bloomberg Ticker	SYGT40:SJ
Trading Hours	9:00 am - 17:00 pm
Portfolio Valuation	Index close of business 17:00 pm SAST
Transaction cut-off	JSE trading hours 17:00 pm

CUMULATIVE INVESTMENT PERFORMANCE

Growth of R100 invested on 31 October 2017

Investment: R 87,71
Benchmark: R 87,77



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

ASSET ALLOCATION

ASSET	PERCENT	ALLOCATION
Local Equity	98.5%	
Cash	1.5%	

SECTOR ALLOCATION

SECTOR	PERCENT	ALLOCATION
Consumer Discretionary	33.2%	
Financials	21.6%	
Materials	21.3%	
Consumer Staples	7.3%	
Energy	4.5%	
Telecommunication Services	4.0%	
Real Estate	2.8%	
Health Care	2.7%	
Industrials	1.1%	
Cash	1.5%	

TOP 10 HOLDINGS

INSTRUMENT	PERCENT
Naspers Ltd	19.5%
BHP Billiton Plc	10.9%
Compagnie Financière Richemont	9.7%
Anglo American Plc	5.5%
Sasol Ltd	4.5%
Standard Bank Group Ltd	3.7%
FirstRand Ltd	3.6%
British American Tobacco Plc	2.9%
MTN Group Ltd	2.7%
Sanlam Ltd	2.3%

PORTFOLIO PERFORMANCE ANALYSIS

PERIOD	SYGNIA ITRIX TOP 40	FTSE/JSE TOP 40 INDEX
1 Month	-6.8%	-6.8%
3 Months	-10.1%	-10.1%
6 Months	-10.3%	-10.2%
Year to Date	-12.2%	-12.2%
Since Inception	-12.3%	-12.2%

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017											1.3%	-1.4%	-0.1%
2018	0.2%	-2.3%	-5.1%	5.4%	-3.2%	3.5%	-0.4%	2.2%	-5.6%	-6.8%			-12.2%

Since inception performance figures are available on request.

RISK STATISTICS

	FUND	^BM
% Negative Months	58.3%	58.3%
Average Negative Month	-3.6%	-3.5%
Largest Drawdown	-13.4%	-13.4%
Standard Deviation	13.1%	13.0%
Downside Deviation	8.2%	8.2%
Highest Annual Return: Nov 2017 - Oct 2018	-12.3%	-12.2%
Lowest Annual Return: Nov 2017 - Oct 2018	-12.3%	-12.2%
Annualised Tracking Error (Active Return)	-0.06%	-
Annualised Tracking Error (Std Dev of Active Return)	0.09%	-

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

FEES

Total Expense Ratio (TER)	0.16% (Sep 2018)
Annual Management Fee	0.10% per annum (excluding VAT)

FIND OUT MORE ABOUT OUR FUNDS:
WWW.SYGNIA.CO.ZA

Sygnia

SYGNIA ITRIX TOP 40 ETF
FUND **COMMENTARY**

SOUTH AFRICA - EQUITY - GENERAL

3RD QUARTER 2018

RISK PROFILE

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	**HIGH**

LESS RISK/ RETURN — MORE RISK/ RETURN

TIME HORIZON

0-2 YEARS	2 YEARS+	3 YEARS+	**5 YEARS+**	7 YEARS+

MARKET PERFORMANCE

The third quarter of 2018 marked the 11th anniversary of the Global Financial Crisis and, as liquidity dried up over the US summer holidays, markets once again experienced heightened volatility. Emerging market contagion was the main driver as concerns spread from Argentina's fiscal problems and IMF bailout and Turkey's twin deficits to Brazil's contentious elections, Russia's US sanctions and South Africa's economic recession. Global traders came up with another acronym: BRATS. South Africa is the only country within BRATS that has not seen its credit rating downgraded to junk, albeit our markets are pricing in that downgrade. Beyond the idiosyncratic risks of the BRATS, the strong US dollar and rising US interest rates continue to lead to outflows from emerging markets, weakening their currencies and forcing them to hike interest rates once again to anchor inflation, a vicious cycle that puts further strain on their economies.

According to Bank of America Merrill Lynch, the number of global rate hikes is now at levels last seen before the Global Financial Crisis. Turkey, in a sign of capitulation, raised interest rates from 17.8% to 24%, while Russia increased rates for the first time in four years. The only positive is that this has been perceived as confirmation that the central banks of both countries remain relatively independent. At the same time, Argentina and Kenya implemented austerity measures to appease the IMF. Together with weaker than expected US consumer price inflation, these policy adjustments brought some calm to the emerging markets and their currencies by quarter end. Despite violent swings, the rand was only 2.9% weaker against the dollar over the quarter.

The US economy continued to strengthen, with equity markets hitting new highs, consumer confidence at its strongest levels in 18 years and jobless claims at 49-year lows. This has allowed the US Federal Reserve to increase interest rates for the third time this year and upgrade their growth expectations for 2019. Merrill Lynch's survey of asset managers' expectations reported the most favourable outlook for US earnings on record, reflected in the valuation of the S&P500 Index, which has outperformed the MSCI Emerging Market Index by 20% on a year-to-date basis. US focus will move to the mid-term elections of 6 November, where polls suggest that the Democratic Party is likely to take the House of Representatives, while the Republicans will keep the Senate. This is not ideal, but is likely to paralyse President Donald Trump on the domestic policy front. Irrespective of the results, however, he will retain free reign on foreign policy issues.

The picture looks less rosy for the rest of the world, hit by a strengthening US dollar, oil prices at four-year highs and global trade wars. Oil remains a headwind to growth and rose to US$85/barrel as Trump announced sanctions on Iran's energy industry and Venezuela's supply decreased due to their economic crisis. The OECD has announced that global economic growth has peaked and lowered its growth forecasts for 2018, predominantly due to trade wars.

There seems to be no end to the US - China trade war, with both countries implementing second rounds of tariffs in September and China boycotting the annual UN Summit held in New York. The new tariffs bring the total value of Chinese goods levied with tariffs up to US$250bn, and Trump threatened to expand tariffs to include an additional US$267bn of Chinese imports, taking the total to over US$500bn, roughly the size of all Chinese imports. The yuan weakened to a 12-month low and the Shanghai Composite Index fell to a low 25% from its January highs. Chinese growth is slowing and the Chinese government is attempting to support growth with both fiscal and monetary support, but these have yet to make an impact.

In Europe, the ECB kept interest rates unchanged while lowering its growth forecasts. The ECB confirmed that it will end its €2.6 trillion stimulus programme by the end of 2018, with a first hike likely only in September 2019. The UK's exit from the EU remains on the cards, but there is no deal in sight, as neither party is willing to compromise on the key issue of free movement of people. Further East, Russia held its biggest war games in four decades after Russian Prime Minister Dmitry Medvedev called US sanctions a declaration of economic war.

In Japan, Prime Minister Shenzo Abe was re-elected to his post on the back of the strongest economic growth in two years, despite inflation remaining close to zero and the Bank of Japan retaining stimulus measures. In Central and Latin America, Venezuela sold more oil assets to China in exchange for its badly needed financial support, a move that led Trump to threaten military action against the country. Sentiment remains unsettled by politics, with 41% of economic output from the G20 now governed by populists, up from about 4% in 2007. Brazil heads for key elections on 7 October. Italian Prime Minister Giuseppe Conte says his government can't adhere to EU budget rules, which sent Italian bond yields skyrocketing.

In South Africa, President Cyril Ramaphosa called for the constitution to be changed to allow land expropriation without compensation, causing massive investor anxiety. Economic data remained weak and inflation subdued as SA entered recession. In response, Ramaphosa presented a viable economic plan based on refocussing R50bn of expenditure towards stimulating economic growth. The plan includes the introduction of more competition in the telecommunications sector to bring down data costs, relaxation of visa requirements for foreigners to stimulate tourism, easing of immigration restrictions to bring in badly needed skills, finalisation of the Mining Charter, a R400bn infrastructure fund designed to create jobs, more private/public partnerships and some clarity on the land appropriation issue. However, there are no short-term solutions to the problems.

The quarter ended with the FTSE/JSE SWIX Index down 3.3%, the JSE All Bond Index up 0.8% and the rand 2.9% weaker relative to the US dollar.

FUND PERFORMANCE

The Sygnia Itrix Top 40 ETF delivered -3.9% for the quarter, in line with its benchmark, the FTSE/JSE Top 40 Index. The Fund benefitted from exposure to Sasol, Old Mutual and Sanlam, while its exposure to Naspers, MTN and Aspen Pharmacare detracted from performance.

A few changes to the tracked index's constituents were made over the period, including the addition of Reinet Investments, which was removed in June, and the removal of Gold Field.

The Fund remains true to its investment objective of delivering returns that mirror those of the FTSE/JSE Top 40 Index.

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

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

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

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

Sygnia

IMPORTANT INFORMATION TO CONSIDER BEFORE INVESTING

INVESTMENT APPROACH

The Sygnia Itrix Top 40 ETF is a high risk, passively managed index tracking fund, registered as a Collective Investments Scheme, and is listed on the Johannesburg Stock Exchange as an Exchange Traded Fund. The objective of this portfolio is to provide simple access to investors who wish to track the movements of the FTSE/JSE TOP 40 Index through investing in the physical index securities. The FTSE/JSE TOP 40 Index consists of the largest 40 companies, listed on the JSE, ranked by investable market capitalisation in the FTSE/JSE All Share Index. The investment policy of the portfolio is to track the Index as closely as practically and feasibly possible by buying securities included in the Index at similar weighting as they are included in the Index. Whenever the Index gets rebalanced, the Portfolio will purchase the newly included constituent securities and will sell the constituent securities which were excluded from the Index.

BALANCING RISK AND REWARD

The Fund has a 100% strategic allocation to South African equities. The structure of the Fund is dictated by the composition of the FTSE/JSE Top 40 Index. It is a suitable investment for investors seeking higher returns, those who are willing to tolerate higher volatility and investors who aim to maximise capital accumulation over a longer-term time horizon. For changes in the index constituents, please refer to the published SENS. 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

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. 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.

WHAT IS THE TOTAL EXPENSE RATION (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 year. 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

Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Mellon Capital Management Company is the appointed investment manager, registered with the Securities and Exchange Commission ("SEC"). 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 Limited, or any of its affiliates do not accept any 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

"FTSE®" is a trade mark of the London Stock Exchange Group Companies, "JSE" is a trade mark of the JSE Limited and both are used by the JSE under licence. The FTSE/JSE TOP 40 Index is calculated by FTSE in conjunction with the JSE. Neither the JSE or FTSE sponsor, endorse or promotes this product and are not in any way connected to it and does not accept any liability. All intellectual property rights in the index values and constituent list vests in FTSE and the JSE. Sygnia Itrix (RF) (Pty) Ltd has obtained full licence from the JSE to use such intellectual property rights in the creation of this product.

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.

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

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 T +27 10 595 0550

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