

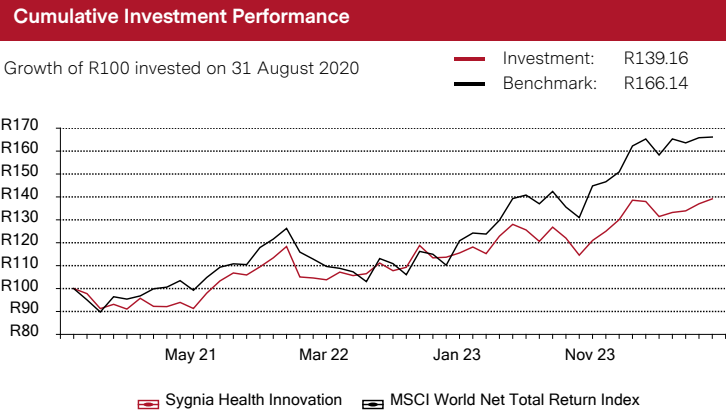
# Sygnia Health Innovation Global Equity Fund Class A

Minimum Disclosure Document (MDD)  
Class A  
GLOBAL - EQUITY - GENERAL

31 August 2024

Portfolio Manager  
Regulation 28  
Fund Launch Date  
Class Launch Date  
Fund Size  
Unit Price  
Units in Issue

Kyle Hulett, Steven Empedocles  
Non-Compliant  
5 August 2020  
5 August 2020  
R 868 Million  
134.33  
318,665,817



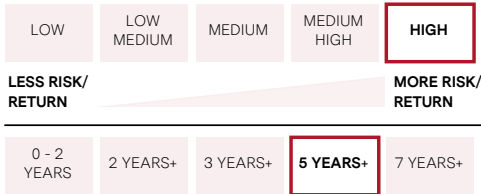
Performance Analysis			
Periodic Performance	Fund	*BM	Difference
1 Month	1.6%	0.2%	1.4%
3 Months	4.5%	0.5%	3.9%
6 Months	0.4%	2.4%	-2.0%
Year to Date	11.3%	13.3%	-2.0%
1 Year	9.7%	16.7%	-6.9%
**3 Years	9.2%	14.5%	-5.2%
**Since Inception	8.6%	13.5%	-4.9%

\*MSCI World Net Total Return Index  
\*\*Annualised performance figures

Historical Performance													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020									-2.2%	-6.7%	2.0%	-2.2%	-9.0%
2021	5.2%	-3.7%	-0.1%	2.0%	-2.8%	7.3%	5.5%	3.3%	-0.8%	3.3%	3.6%	4.4%	30.0%
2022	-11.2%	-0.4%	-0.8%	3.2%	-1.4%	0.8%	4.4%	-3.0%	1.4%	8.7%	-4.6%	0.3%	-4.0%
2023	1.6%	2.2%	-2.4%	6.6%	4.2%	-1.9%	-4.0%	5.1%	-3.8%	-6.1%	5.6%	3.3%	10.0%
2024	4.1%	6.5%	-0.4%	-4.8%	1.4%	0.5%	2.3%	1.6%					11.3%

Risk Statistics		
	Fund	BM
% Negative Months	41.7%	43.8%
Avg Negative Return	-3.2%	-3.0%
Maximum Drawdown	-12.3%	-18.4%
Standard Deviation	14.2%	15.9%
Downside Deviation	9.2%	7.0%
Highest Annual Return: Jan 2021 - Dec 2021	30.0%	32.4%
Lowest Annual Return: Jan 2022 - Dec 2022	-4.0%	-12.7%

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



Investment Objective  
Income Distribution  
Trustees

Deliver strong long-term capital growth by investing in international equities  
Bi-annually (September and March)  
No payment to date  
Standard Bank Trustees (021 441 4100)

Asset Allocation		
Sector	Percentage	Allocation
International Equities	100.0%	
Top 10 Holdings		
Asset	Percentage	
Eli Lilly Ord Shs	8.9%	
UnitedHealth Group Ord Shs	5.1%	
Novo Nordisk Ord Shs Class B	4.1%	
Novo-Nordisk ADR repsg 1 B Ord Shs	3.9%	
Johnson & Johnson Ord Shs	3.8%	
AbbVie Ord Shs	3.3%	
Merck & Co Ord Shs	2.8%	
Oxford Sciences Innovations PLC (GBP)	2.6%	
Astrazeneca Ord Shs	2.5%	
Thermo Fisher Scientific Ord Shs	2.2%	

The above percentages include effective exposure in underlying unit trusts.

Fees	
Initial Fee	0.00% **
Management Fee	0.70% **
Performance Fee*	0.00%
Other costs	0.04% **
VAT	0.11%
Total Expense Ratio (TER)	0.85% (Jun 2024)
Transaction Costs (TC)	0.02% (Jun 2024)
Total Investment Charge (TIC)	0.87% (Jun 2024)

\*\* Fees are exclusive of VAT  
\*Please note, the performance fee will increase to 20% of outperformance of the benchmark with a cap of 2.30% effective 1 July 2021.

# Sygnia Health Innovation Global Equity Fund

## Fund commentary

Minimum disclosure document (MDD)

Class A  
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



### TIME HORIZON



### Fund performance

The Sygnia Health Innovation Global Equity Fund delivered a positive performance of 1.2% in USD during the period. However, the appreciation of the rand against the US dollar offset these gains, resulting in a -3.0% performance in rand terms for the quarter. The fund underperformed against its broader market benchmark, the MSCI World Net Total Return Index.

From a sub-industry perspective, the fund benefitted from exposure to Pharmaceuticals and Managed Healthcare, while Life Sciences Tools & Services, Healthcare Equipment and Healthcare Services were the largest detractors. The fund benefitted from exposure to Eli Lilly and Co, Novo Nordisk A/S and AstraZeneca PLC, while its exposure to Johnson & Johnson, CVS Health Corp and Bristol-Myers Squibb Co detracted from performance.

The fund continues to hold companies at the forefront of technologically advanced healthcare development and is expected to yield the benefits of healthcare innovation over the long term.

### Disclaimer

Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the law of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

# Important information to consider before investing

## Investment Objective & Strategy

The Sygnia Health Innovation Global Equity Fund is a Global-Equity-General portfolio which seeks to deliver long term capital growth by investing at least 80% of its assets outside South Africa and at all times invest in a minimum of 80% of equities. The portfolio will invest in financially sound equity securities, preference shares which generate capital growth, property shares and property related assets, fixed income securities and asset in liquid form, whether such securities, instrument or assets are listed or unlisted financial instruments (derivatives).

## Balancing Risk and Reward

The portfolio represents Sygnia's best investment view on the optimal combination of securities required to achieve superior long-term returns at a reasonable level of risk at any time. The portfolio exploits the benefits of diversification and will change its exposure to different securities and sectors on an active basis, based on prevailing market conditions. The portfolio aims to achieve its investment objectives, whilst recognising that there will be significant short-term volatility and aims to protect capital over the medium to long term.

Collective Investment Schemes in Securities (unit trusts) 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. Unit trusts are traded at the ruling price and are allowed to engage in borrowing and scrip lending.

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 for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

## Fees\*

Sygnia charges an annual management fee comprised of applicable basis fees paid to underlying managers and Sygnia's annual service fee. The fund may invest in other unit trusts (underlying funds) that levy their own charges and that may charge a performance fee in the event that the underlying funds performance exceeds its benchmark

A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, STT, auditors' fees, bank charges and trustee fees. Sygnia does not provide advice and therefore does not charge advice 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 published returns. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Where the financial product has a been in existence for less than a year, the TER and transaction costs cannot be accurately determined. Calculations are based on actual data where possible and best estimates where actual data are not available.

## Foreign Securities

The fund may also invest 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.

## How are unit prices calculated?

Unit 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 deductions from the portfolio, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 17:00 each business day. Purchases and redemption requests must be received by Sygnia by 14:00 each business day to receive that day's price. The price shown is specific to this class. The fund size represents the portfolio size as a whole. Unit prices are updated by 10:00 every business day and are available on our website, [www.sygnia.co.za](http://www.sygnia.co.za).

## Disclaimer

The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Sygnia Collective Investments RF (Pty) Ltd is incorporated and registered under the laws of South Africa and is registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Proprietary) Limited (FSP Registration No. 873), an authorised financial services provider, is the appointed investment manager of the fund. Sygnia Collective Investments RF (Pty) Ltd 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.

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Additional information such as fund prices, brochures, application forms and a schedule of fees and charges can be requested via [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za) or 0860 794 642 (0860 SYGNIA).