Sygnia International Flexible FoFs

Minimum Disclosure Document (MDD)
Class A
Global - Multi-Asset - Flexible

31 May 2024

LOW	LOW MEDIUM	MEDIUM	**MEDIUM HIGH**	HIGH

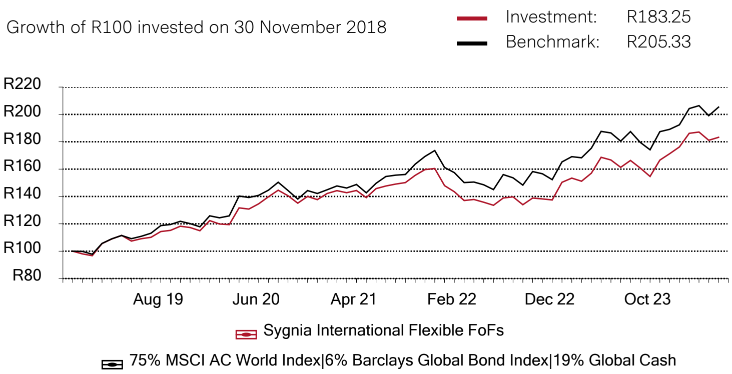
LESS RISK/ RETURN — MORE RISK/ RETURN

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

Portfolio Managers	**Kyle Hulett, Iain Anderson**
Regulation 28	**Non-Compliant**
Fund Launch Date	**10 April 2014**
Class Launch Date	**6 June 2014**
Fund Size	**R 1 586 Million**
Unit Price	**279.55**
Units in Issue	**49 314 358**

Investment Objective	**Maximisation of long-term returns with limited focus on managing the risk of short-term capital loss**
Income Distribution	**Bi-annually (September and March)** **Payment: 1 April 2024 - None to report** **Payment: 1 October 2023 - None to report**
Trustees	**Standard Bank Trustees (021 441 4100)**

Cumulative Investment Performance



Geographic Allocation as at 31 March 2024

Region	*Percentage*	*Allocation*
North America	67.0%	
Europe (incl UK)	20.3%	
Developed Asia Pacific	7.7%	
Emerging Markets	4.4%	
Cash	0.7%	

Performance Analysis

Periodic Performance	*Fund*	**BM*	*Difference*
1 Month	1.2%	3.1%	-1.9%
3 Months	-1.6%	0.5%	-2.1%
6 Months	10.0%	9.6%	0.4%
Year to Date	7.0%	8.6%	-1.6%
1 Year	8.7%	9.4%	-0.8%
****3 Years**	9.6%	12.9%	-3.3%
****5 Years**	11.3%	13.5%	-2.2%
****Since Inception**	11.6%	14.0%	-2.3%

Performance as calculated by Sygnia Asset Management as at reporting date
*75% MSCI AC World Index|6% Barclays Global Bond Index|19% Global Cash
***Annualised performance figures*

Asset Allocation

Asset Class	*Percentage*
International Equities	74.1%
International Property	2.1%
International Fixed Interest	7.5%
International Cash	16.2%

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2019	-1.3%	9.2%	3.2%	2.4%	-3.7%	1.6%	0.9%	3.8%	0.8%	2.6%	-0.8%	-2.0%	17.3%
2020	6.5%	-2.0%	-0.4%	10.3%	-0.7%	2.9%	3.8%	3.5%	-2.8%	-3.9%	3.6%	-1.7%	19.8%
2021	3.3%	1.5%	-1.0%	1.1%	-3.6%	4.7%	1.3%	1.0%	0.7%	3.5%	2.7%	0.5%	16.5%
2022	-7.8%	-3.0%	-4.5%	0.6%	-1.5%	-1.6%	4.0%	0.6%	-4.1%	3.6%	-0.5%	-0.6%	-14.3%
2023	9.4%	2.0%	-1.5%	3.9%	7.4%	-1.2%	-3.2%	3.1%	-3.3%	-3.8%	7.7%	2.8%	24.6%
2024	2.9%	5.7%	0.5%	-3.2%	1.2%								7.0%

Risk Statistics

	Fund	BM
% Negative Months	40.0%	40.0%
Avg Negative Return	-2.4%	-2.6%
Maximum Drawdown	-16.8%	-16.4%
Standard Deviation	12.3%	13.3%
Downside Deviation	6.0%	5.7%
Highest Annual Return: Aug 2019 - Jul 2020	26.9%	27.8%
Lowest Annual Return: Jan 2022 - Dec 2022	-14.3%	-12.3%

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

Fees

Initial Fee	0.00% **
Management Fee	1.10% **
Performance Fee*	0.14% **
Other costs	0.33% **
VAT	0.24%
Total Expense Ratio (TER)	1.81% (Mar 2024)
Transaction Costs (TC)	0.04% (Mar 2024)
Total Investment Charge (TIC)	1.84% (Mar 2024)

***Fees are exclusive of VAT*
**Please note, the performance fee is 10% of outperformance of the 75% MSCI AC World Index|6% Barclays Global Bond Index|19% Global Cash benchmark with a cap of 1.75%.*

Sygnia

Sygnia International Flexible FoFs
Fund commentary

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1st Quarter 2024

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

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.

Fund performance

The Sygnia International Flexible Fund of Funds returned 9.3% for the quarter, outperforming its strategic benchmark which returned 9.2%.

The rand weakened by 3.5% against the US dollar over the quarter, increasing global performance in rand terms. The MSCI All Country World Index had a strong first quarter with a return of 12.0%, bringing the cumulative one-year return to an impressive 31.8%. As measured by the Barclays Capital Global Aggregate Bond Index, global bond performance was flat for the quarter as expectations of interest rate cuts in the US were tempered by a resilient US economy.

We believe the fund remains well-positioned to manage portfolio risk and remains true to its investment objective of delivering strong long-term real returns with a focus on longer-term capital preservation.

SYGNIA COLLECTIVE INVESTMENTS RF (PTY) LTD
Registration No. 2009/003063/07

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Sygnia

Important information to consider before investing

Investment Objective & Strategy

The Sygnia International Flexible Fund of Funds is a portfolio that aims to deliver an annual return in excess of the return of the benchmark. The high equity offshore fund seeks to outperform its composite benchmark of 75% MSCI All Country World Index and 25% Barclays Capital Aggregate Bond Index on a regular basis and operates on a fund of funds basis and has exposure to both foreign equities and fixed interest assets through a number of underlying funds managed by different managers selected by Sygnia. The fund uses tactical asset allocation to reduce risk and enhance returns. Derivatives are allowed for efficient portfolio management.

Balancing Risk and Reward

The Sygnia International Flexible Fund of Funds has a strategic allocation to global equities of 75% and 100% exposure to the volatility of the rand. As a result, it has a medium to high risk profile. It is a suitable investment for investors seeking currency diversification and higher returns who are willing to tolerate higher volatility and aim to maximise capital accumulation over a longer-term time horizon.

The recommended investment term for investors in the Sygnia International Flexible Fund of Funds is a minimum of five years. The fund has a high risk profile as it is fully invested in global equities. The risk is managed by spreading investments across geographical regions and well diversified indices. This ensures diversification of sources of returns over market cycles. Tactical allocation is used to take advantage of changing market dynamics in an efficient and cost-effective manner and as a risk management tool in volatile markets. The fund invests in underlying unit trusts which predominantly invest in equities. 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 other unit trusts portfolios, 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. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

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.

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Fees*

A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. Performance-based fees are calculated in terms of the supplemental deed fee for certain of the underlying portfolios. This performance fee will be paid to the underlying investment manager only when the underlying portfolio performance exceeds that if its benchmark. The performance fee of the Fund of Funds, if any, shall be calculated and accrued daily and payable monthly. Sygnia charges an annual management fee comprised of applicable basic fees paid to underlying managers and Sygnia's annual service fee. Performance-based fees are calculated in terms of the supplemental deed fee for certain of our asset managers when they outperform the fund's stated benchmark. This performance fee will be paid by the fund to the underlying investment manager only when the fund's performance exceeds that of the benchmark. The performance fee, if any, shall be calculated and accrued daily, and payable monthly. The performance fee is based on a sharing rate of 10% and capped at 1.75% per annum, where the portfolio has been in existence for more than 365 days. Where the portfolio has been in existence for less than 365 days, this percentage will be pro-rated based on the number of days since inception.

A schedule of fees and charges is available on request from Sygnia. Permissible deductions may include management fees, brokerage, STT, auditor's 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 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 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.

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.

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.

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 or 0860 794 642 (0860 SYGNIA).