

Sygnia Itrix MSCI Emerging Markets 50 ETF

Minimum Disclosure Document (MDD)

Global - Equity - General

30 June 2024

| | |
|--------------------|--------------------------------|
| Portfolio Managers | Sygnia Asset Management |
| Inception | 30 April 2021 |
| Fund Size | R 323 Million |
| NAV Price | 1 823 cents |
| Units in Issue | 17 716 824 |

Investment Objective

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

Income Distribution

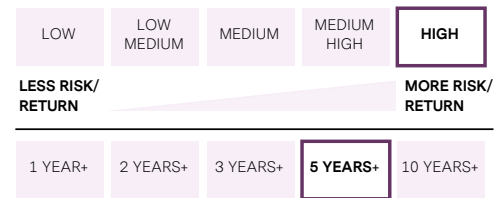
Bi-Annually (June and December)

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)



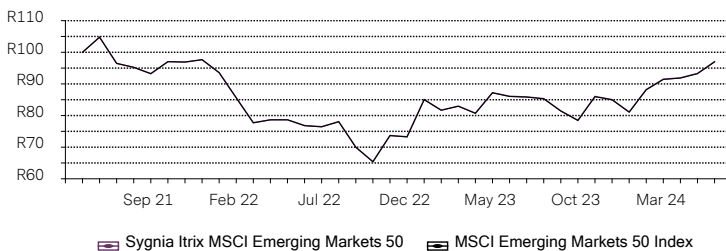
| Fund Information | |
|-------------------------|-----------------------------------|
| Classification | Global - Equity - General |
| Asset Allocation | 100% Offshore |
| NAV/Index Ratio | ca. 1/1000 |
| Financial Year End | 31 December |
| Index Tracking | MSCI EM 50 Index |
| Dividend Distribution | 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 |

| 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 |

Cumulative Investment Performance

Growth of R100 invested on 31 May 2021

Investment: R97,03
Benchmark: R96,96



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 | 23.2% |
| Tencent Holdings Ord Shs | 10.0% |
| Samsung Electronics Ord Shs | 9.0% |
| Alibaba Group Holding Ord Shs | 4.5% |
| HDFC Bank ADR Representing Three Ord Shs | 3.8% |
| SK Hynix Ord Shs | 3.0% |
| Hon Hai Precision Industry Ord Shs | 2.6% |
| PDD Holdings ADS | 2.5% |
| ICICI Bank ADR Rep 2 Ord Shs | 2.4% |
| Meituan Ord Shs | 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% | 4.0% | | | | | | | 14.1% |

Risk Statistics

| | Fund | ^BM |
|--|--------|--------|
| % Negative Months | 59.5% | 56.8% |
| Average Negative Month | -3.5% | -3.6% |
| Largest Drawdown | -37.6% | -37.6% |
| Standard Deviation | 20.1% | 20.1% |
| 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.

Asset Allocation

| Asset | Percent | Allocation |
|----------------------|---------|------------|
| International Equity | 96.9% | |
| Domestic Equity | 1.8% | |

Sector Allocation

| Sector | Percent | Allocation |
|------------------------|---------|------------|
| Information Technology | 45.5% | |
| Financials | 17.4% | |
| Consumer Discretionary | 15.3% | |
| Communication Services | 13.6% | |
| Energy | 3.1% | |
| Materials | 2.8% | |
| Other | 2.4% | |

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 | 4.0% | 4.0% | 7.2% | 4.0% |
| 3 Months | 6.1% | 6.1% | 10.0% | 6.1% |
| 6 Months | 14.1% | 14.1% | 14.3% | 15.8% |
| Year to Date | 14.1% | 14.1% | 14.3% | 15.8% |
| 1 Year | 12.7% | 12.7% | 16.6% | 15.0% |
| 3 Years | -2.5% | -2.6% | -10.2% | -0.9% |
| Since Inception | -1.0% | -1.0% | -9.8% | 0.7% |

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) | 0.42% (Jun 2024) |
| Transaction Costs (TC) | 0.03% (Jun 2024) |
| Total Investment Charge (TIC) | 0.45% (Jun 2024) |

**Fees are exclusive of VAT

Sygnia Itrix MSCI Emerging Markets

50 ETF

Fund commentary

Minimum disclosure document (MDD)
Global - Equity - General

2nd Quarter 2024

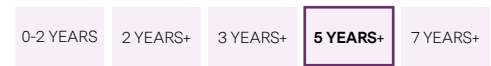
RISK PROFILE



LESS RISK/
RETURN

MORE RISK/
RETURN

TIME HORIZON



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.

Fund performance

The Sygnia Itrix MSCI Emerging Markets 50 ETF delivered 6.1% 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, Tencent Holdings Ltd and Hon Hai Precision Industry Co Ltd, while its exposure to Samsung SDI Co Ltd, Li Auto Inc and Itau Unibanco Holding SA detracted from performance.

There were two changes to the tracked index's constituents over the period, being the addition of PetroChina Co Ltd and the removal of Li Auto Inc.

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

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Sygnia 

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.

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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.

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