Sygnia Itrix S&P Global 1200 ESG ETF

Minimum Disclosure Document (MDD)
Global - Equity - General

31 March 2024

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	**HIGH**

LESS RISK/ RETURN — MORE RISK/ RETURN

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

Portfolio Managers	**Sygnia Asset Management**
Inception	**12 April 2021**
Fund Size	**R 2.067 Billion**
NAV Price	**5 415 cents**
Units in Issue	**38 164 715**

Investment Objective	**To replicate the price and yield performance of the S&P Global 1200 ESG Index**
Income Distribution	**Bi-Annually (December and June)** **Payment: 12 Jan 2024 - 29.11281 cents per unit** **Payment: 13 Jul 2023 - 37.18812 cents per unit**
Trustees	**Standard Bank Trustees (021 441 4100)**

Fund Information

Classification	**Regional - Equity - General**
Asset Allocation	**100% Offshore**
NAV/Index Ratio	**ca. 1/1000**
Financial Year End	**31 December**
Index Tracking	**S&P Global 1200 ESG 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**

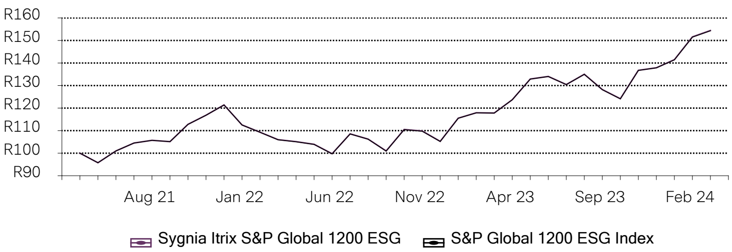
Listing Information

Exchange	**JSE Limited**
Exchange Code	**SYGESG**
Trading Currency	**ZAR**
Portfolio Currency	**USD**
ISIN	**ZAE000296778**
RIC	**SYGESGJ.J**
Bloomberg Ticker	**SYGESG SJ EQUITY**
Trading Hours	**9:00 am - 16:50 pm**
Transaction cut-off	**JSE trading hours**

Cumulative Investment Performance

Growth of R100 invested on 30 April 2021

Investment: R154.42
Benchmark: R154.27



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*
International Equity	99.6%	

Geographic Allocation

Region	*Percent*	*Allocation*
United States	66.2%	
Japan	6.3%	
United Kingdom	3.9%	
France	3.1%	
Other	20.5%	

Sector Allocation

Sector	*Percent*	*Allocation*
Information Technology	26.9%	
Financials	15.7%	
Consumer Discretionary	11.9%	
Health Care	11.3%	
Other	34.2%	

Top 10 Holdings

Instrument	*Percent*
Microsoft Ord Shs	6.5%
Apple Ord Shs	5.2%
NVIDIA Ord Shs	4.6%
Amazon Com Ord Shs	3.4%
Alphabet Ord Shs Class A	1.8%
Alphabet Ord Shs Class C	1.6%
Eli Lilly Ord Shs	1.3%
Taiwan Semiconductor Manufacturing Ord Shs	1.2%
JPMorgan Chase Ord Shs	1.2%
Tesla Ord Shs	1.0%

Portfolio Performance Analysis

Period	*Sygnia Itrix S&P Global 1200 ESG*	*S&P Global 1200 ESG Index (ZAR) ***	*S&P Global 1200 ESG Index USD*	*Sygnia Itrix S&P Global 1200 ESG (TR)*
1 Month	1.9%	1.9%	3.2%	1.9%
3 Months	12.0%	11.9%	8.1%	12.6%
6 Months	20.4%	20.4%	19.8%	21.1%
Year to Date	12.0%	11.9%	8.1%	12.6%
1 Year	31.0%	31.0%	22.7%	32.9%
Since Inception	16.1%	16.0%	5.9%	17.5%

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.*

Historical Performance

	Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Year*
2021					-4.2%	5.5%	3.5%	1.1%	-0.6%	7.3%	3.6%	3.9%	21.4%
2022	-7.3%	-2.9%	-3.0%	-0.8%	-1.1%	-4.0%	8.8%	-2.1%	-4.9%	9.4%	-0.6%	-4.2%	-13.3%
2023	9.8%	2.1%	-0.1%	5.0%	7.4%	0.9%	-2.7%	3.5%	-5.0%	-3.2%	10.1%	0.8%	31.0%
2024	2.6%	7.1%	1.9%										12.0%

Since inception performance figures are available on request.

Risk Statistics

	Fund	*^BM*
% Negative Months	45.7%	45.7%
Average Negative Month	-2.9%	-2.9%
Largest Drawdown	-17.8%	-17.9%
Standard Deviation	16.6%	16.6%
Downside Deviation	6.9%	6.9%
Highest Annual Return: Jul 2022 - Jun 2023	34.4%	34.4%
Lowest Annual Return: Jan 2022 - Dec 2022	-13.3%	-13.3%
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.

Minimum Disclosure Document - Issue Date: 10 Apr 2024

Fees

Management Fee	0.30% **
Other costs	0.02% **
VAT	0.05%
Total Expense Ratio (TER)	0.36% (Mar 2024)
Transaction Costs (TC)	0.05% (Mar 2024)
Total Investment Charge (TIC)	0.41% (Mar 2024)

***Fees are exclusive of VAT*

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Sygnia Itrix S&P Global 1200 ESG ETF

Fund commentary

Minimum disclosure document (MDD)
Global - Equity - General

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 Itrix S&P Global 1200 ETF delivered 12.0% for the quarter, marginally above its benchmark, the S&P Global 1200 ESG Index. The fund benefitted from exposure to Nvidia Corp, Microsoft Corp and Amazon.com Inc, while its exposure to Apple Inc, Tesla Inc and Adobe Inc detracted from performance.

There were several changes to the tracked index's constituents over the period, including the removal of Sumitomo Corp, Cameco Corp and WuXi Biologics (Cayman) Inc.

The fund remains true to its investment objective of delivering returns that mirror those of the S&P Global 1200 ESG Index.

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Important information to consider before investing

Investment Objective and Strategy

The objective of the Sygnia Itrix S&P Global 1200 ESG ETF is to provide an investment vehicle to investors who want to achieve long term capital appreciation in tracking the performance of the S&P Global 1200 ESG (.SPGESUP) ("benchmark index").

In order to achieve this objective, the Sygnia Itrix S&P Global 1200 ESG ETF shall track the S&P Global 1200 ESG (.SPGESUP) 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 it's 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 S&P Global 1200 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 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.

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

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.

Disclaimer

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