

# Sygnia Itrix MSCI Japan Index ETF

Minimum Disclosure Document (MDD)  
Global - Equity - General

31 December 2024

Portfolio Managers **Sygnia Asset Management**  
Inception **1 April 2008**  
Fund Size **R 604 Million**  
NAV Price **2 064 cents**  
Units in Issue **29 239 605**

Investment Objective

To replicate the price and yield performance of the MSCI Japan Index

Income Distribution

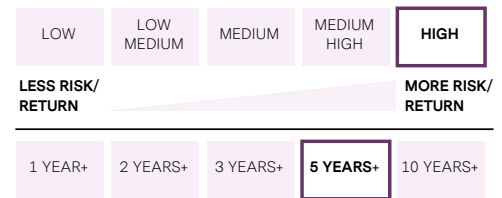
Bi-Annually (December and June)

Payment: 10 Jul 2024 - 10.02533 cents per unit

Payment: 12 Jan 2024 - 8.93285 cents per unit

Trustees

Standard Bank Trustees (021 441 4100)

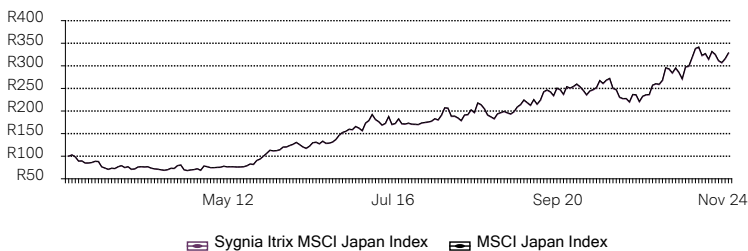


Fund Information	
Classification	Global - Equity - General
Asset Allocation	100% Offshore Equity
NAV/Index Ratio	ca. 1/10
Financial Year End	31 December
Index Tracking	Fund tracks the MSCI Japan Index
Dividend Distribution	Semi-annual distribution
NAV Publication	Daily on sygnia.co.za
Portfolio Valuation	Close of relevant market
Foreign exchange source	World Market fix rate 16:00pm EST

## Cumulative Investment Performance

Growth of R100 invested on 30 April 2008

Investment: R327,63  
Benchmark: R328,77



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
Toyota Motor Ord Shs	5.5%
Sony Group Ord Shs	3.6%
Mitsubishi UFJ Financial Group Ord Shs	3.5%
Hitachi Ord Shs	3.1%
Recruit Holdings Ord Shs	2.6%
Sumitomo Mitsui Financial Group Ord Shs	2.4%
Keyence Ord Shs	2.2%
Tokyo Electron Ord Shs	1.8%
Tokio Marine Holdings Ord Shs	1.8%
Fast Retailing Ord Shs	1.7%

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	1.4%	2.1%	-2.2%	-3.2%	-4.0%	3.7%	1.1%	1.9%	6.1%	-2.4%	2.8%	1.4%	8.6%
2022	-8.0%	-1.3%	-6.8%	-1.3%	0.1%	-3.3%	7.5%	-0.3%	-6.3%	5.3%	1.4%	0.2%	-13.1%
2023	8.8%	1.3%	-0.5%	3.4%	10.4%	-0.9%	-3.0%	3.9%	-3.3%	-5.0%	9.7%	0.6%	26.6%
2024	6.4%	6.2%	0.9%	-5.4%	1.2%	-3.8%	5.4%	-1.9%	-4.2%	-1.4%	2.8%	4.0%	9.7%

Since inception performance figures are available on request.

## Risk Statistics

	Fund	^BM
% Negative Months	45.0%	45.0%
Average Negative Month	-3.1%	-3.1%
Largest Drawdown	-19.1%	-19.1%
Standard Deviation	15.3%	15.3%
Downside Deviation	6.9%	6.9%
Highest Annual Return: Jul 2022 - Jun 2023	33.2%	33.2%
Lowest Annual Return: Oct 2021 - Sep 2022	-17.4%	-17.4%
Annualised Tracking Error (Active Return) (12 Mths)	0.0%	-
Annualised Tracking Error (Std Dev of Active Return) (60 Mths)	0.0%	-

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

## Listing Information

Exchange	JSE Limited
Exchange Code	SYGJP
Trading Currency	ZAR
Portfolio Currency	JPY
ISIN	ZAE000249538
RIC	SYGJPJJ
Bloomberg Ticker	SYGJP SJ EQUITY
Trading Hours	9:00 am - 16:50 pm
Transaction cut-off	JSE trading hours

## Asset Allocation

Asset	Percent	Allocation
International Equity	100.0%	

## Sector Allocation

Sector	Percent	Allocation
Industrials	23.2%	
Consumer Discretionary	18.8%	
Financials	15.6%	
Information Technology	13.8%	
Health Care	7.7%	
Communication Services	7.2%	
Consumer Staples	5.2%	
Materials	3.8%	
Other	4.7%	

## Portfolio Performance Analysis

Period	Sygnia Itrix MSCI Japan**	MSCI Japan Index (ZAR)**	MSCI Japan Index (JPY)**	Sygnia Itrix MSCI Japan (TR)
1 Year	9.7%	9.7%	18.5%	11.3%
3 Years	6.5%	6.5%	11.6%	7.8%
5 Years	9.1%	9.1%	10.6%	10.4%
10 Years	9.6%	9.6%	7.0%	10.8%
Since Inception	7.4%	7.4%	4.2%	8.6%

Performance of the fund is calculated by Sygnia Asset Management as at reporting date.

Performance figures greater than one year are annualised.

\*\*Price return.

## Fees

Broker/Other Platform (excl VAT)	Sygnia Alchemy Platform (excl VAT)
First R 10 Million	0.75%pa
First R 2 Million	0.55%pa
R 10 Million-R 100 Million	0.60%pa
R 2 Million-R 100 Million	0.50%pa
Over R 100 Million	0.40%pa
Over R 100 Million	0.30%pa
VAT	0.12%
VAT	0.08%
Total Expense Ratio (TER)	0.90% (Dec 2024)
Total Expense Ratio (TER)	0.65% (Dec 2024)
Transaction Costs (TC)	0.02% (Dec 2024)
Transaction Costs (TC)	0.02% (Dec 2024)
Total Investment Charge (TIC)	0.92% (Dec 2024)
Total Investment Charge (TIC)	0.67% (Dec 2024)

Excess management fees for investors over R10m are included in the above TER, and distributed back to the investor at each distribution date.

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## Fund commentary

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4th Quarter 2024

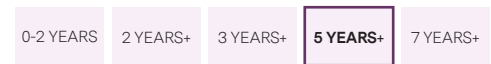
### RISK PROFILE



LESS RISK/  
RETURN

MORE RISK/  
RETURN

### TIME HORIZON



### Market performance

The final quarter of 2024 was largely shaped by the election of Donald Trump as US president for a second term, triggering a rally in US risk assets. Both the S&P 500 and Nasdaq indices reached all-time highs in early December, while robust economic data allowed Federal Reserve Chairman Jerome Powell to cut interest rates by 25 basis points (bps) for the third time in 2024. However, Powell's hawkish comments on inflation unsettled markets, leading the tech-heavy Nasdaq Composite to fall 3.6% following the announcement – its worst performance on a Fed decision day since March 2001. Meanwhile, the small-cap Russell 2000 Index dropped 4.4%, marking its worst-ever performance on a Fed decision day. Bond yields responded negatively to the comments, with the yield on the 10-year US Treasury bond rising above 4.6%. The market is now only pricing 50 bps of cuts over the next year, down from earlier expectations of 175 bps.

Despite this volatility, the S&P 500 Index gained 12.4% in ZAR terms for the quarter and 27.2% for the full year, following a 26.3% return in 2023, underscoring the resilience of US equities. The MSCI All Country World Index increased by 8.4% in the quarter and finished 21.2% higher in ZAR terms for the full calendar year. As measured by the Barclays Capital Global Aggregate Bond Index, global bonds returned 2.4% for the quarter but ended the year down 2.3%, reflecting investor concerns over the potential for resurgent global inflation.

The US continues to be the powerhouse of the global economy, with gross domestic product (GDP) growth expected to reach 2.7% for the full calendar year despite widespread predictions of an imminent recession throughout 2024. The strength of US consumer spending has been a key driver of this growth, supported by low unemployment rates and rising wages. Retail sales increased by 3.8% for the year, while inflation is expected to remain in the 3–3.5% range, indicating a stable economic environment.

In South Africa, local equities rose by 13.4% in 2024, underperforming both local bonds (up 17.2%) and local property (up 29%) for the second consecutive year. The absence of load shedding in the second half of the year supported industrial production and retail sales growth, contributing to a modest GDP recovery. However, below-trend growth remains a challenge for the Government of National Unity, which has so far successfully navigated early political hurdles. The ZAR weakened significantly in the final quarter, primarily due to dollar strength, falling from R17.20 in September to R18.85 by year end.

Inflation expectations in South Africa have remained well contained and are projected to be 3% for the full calendar year. This provided South African Reserve Bank Governor Lesetja Kganyago with the flexibility to follow the lead of his global counterparts and cut interest rates for the first time in four years. The central bank reduced rates by 25 bps at both its September and November meetings, and markets are pricing in one more 25 bps cut in 2025. With the prime lending rate now at 11.25%, interest rates remain above pre-global pandemic levels, when they peaked at 10.50%. High interest rates continue to be a challenge for growth in the domestic economy, which expanded by less than 1.0% in 2024. However, global inflation uncertainty limits the Governor's ability to make more aggressive rate cuts.

In Europe, the UK economy faces several challenges, including the potential for a contraction in the fourth quarter of 2024 and a weak long-term outlook. Pessimism among business leaders has grown, partly due to a series of new tax increases introduced by the Labour government. Yields on ten-year government bonds have risen to their highest levels since 2008, and the pound has steadily weakened against the US dollar. Germany, Europe's largest economy, is entering its third year in recession, while the ongoing war in Ukraine continues to weigh heavily on economic output across Europe. Despite Ukraine's central bank forecasting GDP growth of 4% in 2024 and 4.3% in 2025, the economy remains about 25% smaller than in 2021, highlighting the severe long-term impact of the conflict.

Geopolitical tensions and the volatility of oil prices continue to shape the economic outlook in the Middle East. While the price of oil steadily declined through 2024 on the back of slowing economic activity, the price began to climb again at the end of December on renewed investor optimism.

In emerging markets, China signalled a significant policy shift aimed at stabilising its economy and mitigating the impact of prolonged US trade tensions. The government introduced plans for "moderately loose" monetary policies to support businesses and stimulate domestic consumption, including interest rate adjustments and increased liquidity injections. This marks China's first major shift in economic strategy in over a decade, reflecting a proactive approach to countering external pressures and fostering growth. Concerns around another trade war with the US has also pushed China to increase trade with the rest of the world – China's share of exports to the US has already declined from a peak of 22% six years ago to its current level of 13.5%. China's announcement to ban exports to the US of several critical metals used in high-tech and military applications was also a retaliatory shot across the bow against any perceived threat of sanctions.

Across the broader market, emerging market equities returned 10.7% for the full year in ZAR terms, underperforming developed equity markets for the fourth consecutive year and for the seventh time in the past ten years. Sentiment to emerging markets remains challenging, as the policies proposed by President Trump in the US are likely to further strain economies already under pressure. Any further delay in rate cuts in the US will also translate into weakness for emerging market currencies and bond yields.

As we head into 2025, the need for diversification and proactive risk management is more critical than ever. Investors must be prepared for a year of heightened volatility, driven by lingering geopolitical risks, shifting monetary policies and potential economic disruptions. While opportunities abound, particularly in the US and select emerging markets that could benefit from policy shifts, the environment will require a cautious, strategic approach to investing. As always, staying informed on macroeconomic trends, regional developments and policy shifts will be key to navigating the complexities of the global economy in 2025.

### Fund performance

The Sygnia Itrix MSCI Japan Index ETF delivered 5.4% for the quarter, in line with its benchmark, the MSCI Japan Index. The fund benefited from exposure to Toyota Motor Corp, Mitsubishi UFJ Financial Group Inc and Sony Group Corp, while its exposure to Shin-Etsu Chemical Co Ltd, Mitsubishi Corp and Keyence Corp detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of Fujikura Ltd and the removal of Mazda Motor Corp, Keisei Electric Railway Co Ltd and Nippon Prologis REIT Inc.

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

## Important information to consider before investing

### Investment Objective and Strategy

The composition of the Sygnia Itrix MSCI Japan Index ETF will be adjusted periodically to conform to changes in the composition and weighting of the securities in the MSCI Japan Index so as to ensure that the composition and weighting of the portfolio are representative of the composition and weightings contained in the index.

This is a high risk, passively managed index tracking fund, with an objective to replicate the price and yield performance of the MSCI Japan Index as closely as possible by physically holding a portfolio of securities representative of the composition and weighting of the securities contained in the index. Index Performance data can be sourced from Bloomberg, Reuters, other data providers and at [www.sygnia.co.za](http://www.sygnia.co.za).

### Balancing risk and reward

The MSCI Japan Index is a free float-adjusted market capitalisation index that is designed to measure developed market equity performance in Japan, representing companies with a total market capitalisation of approximately US\$3 trillion. The MSCI Japan Index is recognised as a barometer of the Japanese economy and as a holder of the Sygnia Itrix MSCI Japan Index ETF; an investor will essentially track Japan's equity markets. The recommended investment term for investors in the Sygnia Itrix MSCI Japan Index ETF is a minimum of five years.

Annualised performance figures represent the geometric average return earned by the fund over the given time period.

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.

### Index Disclaimer

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Offering Circular pre-listing statement, programme memorandum and/or supplemental contains a more detailed description of the limited relationship MSCI has with the Sygnia Itrix and any related funds.

### 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.

### 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

The Sygnia Group is a member of the Association for Savings and Investment SA. Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002. Sygnia Asset Management (Pty) Limited (FSP 873), an authorised Financial services provider, is the appointed investment manager of the Fund. Sygnia Itrix does not provide any guarantee with respect to the capital or return of the portfolio. Collective Investment Schemes (CIS) are generally medium to long-term investments. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending.

The value of investments/units may go down as well as up and past performance is not necessarily an indicator of future performance. ETFs trade on stock exchanges and may therefore incur additional costs associated with listed securities. Unlike a unit trust, which can be bought or sold only once per day, an ETF can be traded intraday, during exchange trading hours.

ETFs may invest in foreign securities, which may be exposed to macroeconomic, settlement, political, tax, liquidity, and foreign exchange risks. Performance is calculated for the portfolio, and the individual investor performance may differ as a result of trading cost, price paid for investment share.

Additional information on the Index including its performance and tracking error can be viewed on the relevant Minimum disclosure document (MDD) on [www.sygnia.co.za](http://www.sygnia.co.za). A schedule of fees, charges and where the ETF engages in securities lending activities, information on such securities lending activities may be requested via [admin@sfs.sygnia.co.za](mailto:admin@sfs.sygnia.co.za) or 0860 794 642. 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 deed and index constituents with prices are published daily on Sygnia's website. The documents/information may be obtained from [www.sygnia.co.za](http://www.sygnia.co.za) or on request from Sygnia.

Nothing in this document shall be considered to state or imply that the Fund is suitable for a particular type of investor. All the portfolio options presented are approved collective investment schemes in terms of the Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates.

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**SYGNIA ITRIX (RF) (PTY) LTD**  
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