

SYGNIA ITRIX FTSE 100 ETF

31 DECEMBER 2018

PORTFOLIO MANAGERS	MELLON CAPITAL MANAGEMENT CORPORATION
INCEPTION	10 OCTOBER 2005
FUND SIZE	R 847 MILLION
INSTRUMENT PRICE	12 442 cents
UNITS IN ISSUE	6 810 000

FUND OBJECTIVE

INCOME DISTRIBUTION

TRUSTEES



TO REPLICATE THE PRICE AND YIELD PERFORMANCE OF THE FTSE 100 INDEX

PAYMENT: JUN 2018 - 200.6499 CENTS PER UNIT
PAYMENT: DEC 2017 - 150.166 CENTS PER UNIT
STANDARD BANK TRUSTEES (021 441 4100)

FUND INFORMATION

Classification	Regional - Equity - General
Asset Allocation	100% Offshore Equity
Portfolio Currency	GBP
NAV/Index Ratio	ca. 1/1000
Financial Year End	31 December
Index Tracking	Fund tracks the FTSE 100 Index
Dividend Distribution	Semi-annual distribution
NAV Publication	Daily on sygnia.co.za

CUMULATIVE INVESTMENT PERFORMANCE

Growth of R100 invested on 31 October 2005

Investment: R 193,94
 Benchmark: R 196,08



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
HSBC Holdings Plc	7.5%
Royal Dutch Shell A	6.0%
BP Plc	5.6%
Royal Dutch Shell B	5.0%
AstraZeneca	4.3%
Glaxosmithkline Plc	4.2%
Diageo	3.9%
British American Tobacco Plc	3.3%
Unilever Plc	2.6%
Rio Tinto Plc	2.4%

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2015	0.0%	5.7%	-2.3%	4.0%	1.9%	-3.7%	5.9%	-3.3%	-0.3%	6.8%	1.8%	2.0%	19.3%
2016	-2.3%	-2.3%	-3.2%	-1.4%	10.4%	-10.3%	-3.4%	6.5%	-7.4%	-5.0%	3.7%	-0.3%	-15.4%
2017	0.9%	-1.9%	3.2%	2.1%	1.7%	-1.8%	3.3%	-2.5%	6.4%	5.8%	-3.3%	-5.4%	7.9%
2018	-1.2%	-7.7%	-0.1%	9.9%	0.7%	6.7%	-2.7%	5.0%	-2.3%	-2.8%	-9.1%	1.1%	-4.1%

Since inception performance figures are available on request.

RISK STATISTICS

	FUND	^BM
% Negative Months	48.3%	48.3%
Average Negative Month	-3.4%	-3.4%
Largest Drawdown	-18.7%	-19.2%
Standard Deviation	15.1%	15.2%
Downside Deviation	9.0%	9.0%
Highest Annual Return: Nov 2016 - Oct 2017	21.9%	22.7%
Lowest Annual Return: Jan 2016 - Dec 2016	-15.4%	-15.3%
Annualised Tracking Error (Active Return)	-0.08%	-
Annualised Tracking Error (Std Dev of Active Returns)	0.07%	-

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

LISTING INFORMATION

Exchange	JSE Limited
Exchange Code	SYGUK
Trading Currency	ZAR
ISIN	ZAE000249520
RIC	SYGUKJJ
Bloomberg Ticker	SYGUK:SJ
Trading Hours	9:00 am - 17:00 pm
Portfolio Valuation	Index close of business 16:30 pm UK ST
Transaction cut-off	JSE trading hours 17:00 pm

SECTOR ALLOCATION

SECTOR	PERCENT	ALLOCATION
Financials	19.9%	
Energy	16.8%	
Consumer Staples	15.5%	
Materials	9.9%	
Health Care	9.5%	
Industrials	9.4%	
Consumer Discretionary	6.1%	
Telecommunication Services	5.5%	
Utilities	3.1%	
Real Estate	1.0%	
Information Technology	0.9%	

PORTFOLIO PERFORMANCE ANALYSIS

PERIOD	SYGNIA ITRIX FTSE 100	FTSE100 INDEX (ZAR)	GBP/ZAR*	FTSE100 INDEX (GBP)
1 Year	-4.1%	-4.0%	9.7%	-12.5%
3 Years	-4.3%	-4.3%	-6.6%	2.5%
5 Years	1.0%	1.1%	1.1%	-0.1%
10 Years	7.3%	7.3%	3.0%	4.3%
Since Inception	5.2%	5.2%	3.4%	1.8%

*A positive performance in currency reflects a depreciation of ZAR against base currency and vice versa.

FEES

INVESTMENT SIZE	BROKER/OTHER PLATFORM (EXCL VAT)	INVESTMENT SIZE	SYGNIA ALCHEMY PLATFORM (EXCL VAT)
First R10M	0.75%pa	First R2M	0.55%pa
R10M-R100M	0.60%pa	R2M-R100M	0.50%pa
Over R100M	0.40%pa	Over R100M	0.30%pa

Total Expense Ratio (TER) 0.86%

Excess management fees for investors over R10M are included in the above TER, and distributed back to the investor at each distribution date.

FIND OUT MORE ABOUT OUR FUNDS:
WWW.SYGNIA.CO.ZA



SYGNIA ITRIX FTSE 100 ETF FUND COMMENTARY

REGIONAL - EQUITY - GENERAL

4TH QUARTER 2018

MARKET PERFORMANCE

December 2018 brought to an end a year of turbulence and uncertainty, as markets worldwide delivered some of the worst investment performance seen since the global financial crisis. Synchronised global growth, touted at the start of the year, gave way to decelerating growth, with only the US showing strong numbers. However, by year end the strong US dollar, rising US interest rates and political trade wars led even the US economy to start buckling, with corporate earnings disappointing and forecasts for 2019 cut. Global debt levels hit a record high of 225% of GDP. Unsurprisingly, December saw investors moving back into safe-haven assets, including the Japanese yen, while abandoning equities. The US yield curve flattened, often an indicator of a looming recession.

We enter 2019 with a hope that the wild market swings of 2018 are not repeated and that the slowdown in global growth is more gradual. The IMF predicts that growth should slow to 3.7% in 2019, from 3.9% in 2018, with a recession unlikely in the next 18 months. However, the primary risks to a benign scenario include a spike in US inflation, which would force additional interest rate hikes; an escalation in the US-China trade war; and uncertainty in European politics. On the upside, it is likely that oil prices will stabilise at current low levels, as will the US dollar, while China intervenes domestically through further stimulus measures.

The events of December can only be described as the "wild west" of investing. The US Federal Reserve increased interest rates for the ninth time since the end of quantitative easing, despite increased attacks from President Donald Trump. US equity markets experienced their worst month since 1931, dropping by 15% at mid-month before recovering 5% of the loss in a matter of days. A partial government shutdown over Trump's commitment to forcing

Congress to allocate US\$5 billion towards the building of a border "wall", as promised in his election campaign, means that the US enters 2019 deeply divided as the Democrats take over control of the House of Representatives.

The euro celebrated its twentieth birthday on 1 January 2019, a milestone many thought would never be achieved given the tumultuous EU politics.

In a historic monetary policy meeting, the ECB ended its massive bond-buying programme, which saw it accumulate a portfolio of €2.6 trillion in assets over nearly four years to stimulate the eurozone's recovery. The ECB reiterated that it would continue to reinvest the principal payments from maturing securities "for an extended period time" and that interest rates would remain at their present record-low levels until at least the end of next summer. This was due to growth dropping to its lowest level in over four years in the third quarter against a gloomier global backdrop and sluggish industrial activity that hurt dynamics. The eurozone recovery is still on track despite the slowdown, although the ECB has acknowledged that the balance of risks has moved to the downside since the last meeting.

In 2019, China is expected to overtake the eurozone as the world's second-largest economy. However, the headwinds emanating from the US trade war are substantial and are already evident in disappointing economic growth, trade and retail sales figures. China has indicated that it will provide more monetary and fiscal support to the economy in 2019 to counteract the effects of the slowdown.

After suffering for much of the year, emerging markets fared much better in the last quarter of 2018 relative to developed markets. This included the FTSE/JSE SWIX Index, which lost 4.9% – compared to the MSCI World Index in rands, which fell 11.8% over the quarter. Locally,

RISK PROFILE



TIME HORIZON



Industrials led the fall with a 6.8% loss, while Financials were almost flat, losing only 0.4%. The JSE All Bond Index gained 2.7%, while the rand depreciated by 1.9% relative to the US dollar. Despite a better end to the year, most equity markets ended 2018 sharply down, with the FTSE/JSE SWIX Index falling by 11.7%.

FUND PERFORMANCE

The Sygnia Itrix FTSE 100 ETF delivered -10.6% for the quarter in Rand terms, in line with its benchmark, the FTSE 100 Index. The Fund benefitted from exposure to Diagio, BT Group and Smith & Nephew, while its exposure to British American Tobacco, BP and Royal Dutch Shell detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of Spirax-Sarco Engineering, Hiscox and Auto Trader Group and removal of Shire, Sky and Randgold Resources. Shire was removed after being acquired in a GBP46bn deal by Takeda Pharmaceutical, a 237-year old Japanese group which is now one of the world's largest drugmakers. Sky was removed after being acquired by Comcast Corp.

The Fund remains true to its investment objective of delivering returns that mirror those of the FTSE 100 Index.

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IMPORTANT INFORMATION TO CONSIDER BEFORE INVESTING

INVESTMENT APPROACH

The Sygnia Itrix FTSE 100 ETF is a high risk, passively managed index tracking fund, registered as a Collective Investments Scheme, and is listed on the Johannesburg Stock Exchange as an Exchange Traded Fund. The objective is to replicate the price and yield performance of the FTSE 100 Index as closely as possible by physically holding a portfolio of securities equivalent to the basket of securities comprising the Index and in the same weightings of the Index. Index Performance data can be sourced from Bloomberg, Reuters, other data providers and at www.sygnia.co.za.

BALANCING RISK AND REWARD

The FTSE 100 Index is a market capitalisation weighted index representing the performance of the 100 largest UK – domiciled companies, which pass screening for size and liquidity. Index constituents are all traded on the London Stock Exchange SETS trading system. For changes to the index constituents please refer to the published SENS. The recommended investment term for investors in the Sygnia Itrix FTSE 100 ETF is a minimum of five years.

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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.

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.

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. 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.

WHAT IS THE TOTAL EXPENSE RATION (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 year. 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.

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