

Sygnia Itrix FTSE 100 ETF

Regional - Equity - General

31 March 2022

Portfolio Managers	Sygnia Asset Management
Inception	10 October 2005
Fund Size	R 953 Million
NAV Price	14 464 cents
Units in Issue	6 587 787

Investment Objective

To replicate the price and yield performance of the FTSE 100 Index

Income Distribution

Bi-Annually (December and June)

Payment: 17 Jan 2022 - 198.47846 cents per unit

Payment: 13 Jul 2021 - 177.33932 cents per unit

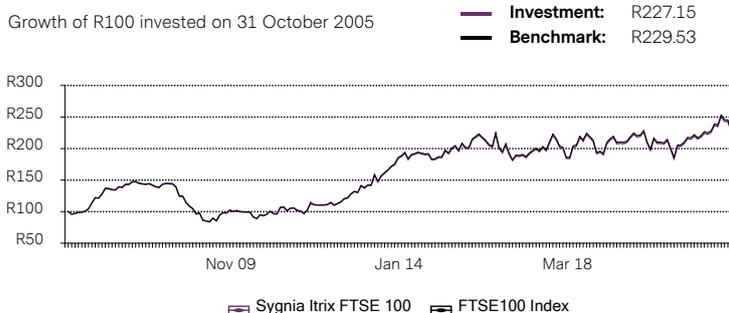
Standard Bank Trustees (021 441 4100)

Trustees

Fund Information	
Classification	Regional - Equity - General
Asset Allocation	100% Offshore Equity
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
Portfolio Valuation	Close of relevant market
Foreign exchange source	World Market fix rate 16:00pm EST

Listing Information	
Exchange	JSE Limited
Exchange Code	SYGUK
Trading Currency	ZAR
Portfolio Currency	GBP
ISIN	ZAE000249520
RIC	SYGUKJ.J
Bloomberg Ticker	SYGUK SJ EQUITY
Trading Hours	9:00 am - 16:50 pm
Transaction cut-off	JSE trading hours

Cumulative Investment Performance



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
Shell Ord Shs	8.0%
Astrazeneca Ord Shs	7.8%
HSBC Holdings Ord Shs	5.3%
Diageo Ord Shs	4.4%
Unilever Ord Shs	4.4%
GlaxoSmithKline Ord Shs	4.0%
British American Tobacco Ord Shs	3.6%
BP Ord Shs	3.6%
Rio Tinto Ord Shs	3.3%
Glencore Ord Shs	3.3%

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	-1.9%	8.9%	3.0%	1.7%	-4.4%	0.4%	-0.3%	1.0%	3.3%	2.7%	-1.9%	0.5%	13.2%
2020	3.2%	-7.8%	-5.5%	8.9%	-3.1%	0.0%	-0.5%	2.6%	-6.5%	-7.4%	10.5%	0.2%	-7.2%
2021	2.1%	3.7%	-0.4%	2.4%	-2.2%	1.3%	3.0%	-0.9%	1.4%	4.9%	-0.8%	6.7%	23.0%
2022	-3.0%	-0.2%	-6.4%										-9.4%

Since inception performance figures are available on request.

Risk Statistics

	Fund	^BM
% Negative Months	46.7%	46.7%
Average Negative Month	-3.3%	-3.3%
Largest Drawdown	-18.7%	-18.7%
Standard Deviation	15.4%	15.4%
Downside Deviation	9.2%	9.2%
Highest Annual Return: Nov 2020 - Oct 2021	28.6%	28.7%
Lowest Annual Return: Nov 2019 - Oct 2020	-17.3%	-17.3%
Annualised Tracking Error (Active Return) (12 Mths)	0.00%	-
Annualised Tracking Error (Std Dev of Active Return) (60 Mths)	0.08%	-

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.

Asset Allocation

Asset	Percent	Allocation
International Equity	98.9%	

Sector	Percent	Allocation
Financials	17.5%	
Consumer Staples	17.0%	
Health Care	12.8%	
Materials	12.2%	
Energy	11.6%	
Industrials	11.2%	
Consumer Discretionary	5.9%	
Communication Services	4.3%	
Other	7.6%	

Portfolio Performance Analysis

Period	Sygnia Itrix FTSE 100	FTSE100 Index (ZAR)**	FTSE100 Index (GBP)**	Sygnia Itrix FTSE 100 (TR)
1 Year	5.8%	5.7%	11.9%	8.5%
3 Years	2.1%	2.1%	1.1%	5.0%
5 Years	3.5%	3.5%	0.5%	6.5%
10 Years	7.4%	7.5%	2.7%	10.8%
Since Inception	5.1%	5.2%	2.1%	8.2%

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

Performance figures greater than one year are annualised.

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

**Price return.

Annual Management Fee

Broker/Other Platform (excl VAT)	Sygnia Alchemy Platform (excl VAT)
First R 10 Million	0.75%pa
R 10 Million-R 100 Million	0.60%pa
Over R 100 Million	0.40%pa
VAT	0.11%
Total Expense Ratio (TER)	0.86% (Mar 2022)
Transaction Costs (TC)	0.03% (Mar 2022)
Total Investment Charge (TIC)	0.89% (Mar 2022)

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

Sygnia Itrix FTSE 100 ETF

Fund Commentary

Regional - Equity - General

1st Quarter 2022

Market Performance

March saw central banks, surging prices and global investor enthusiasm for China compete for our attention with the atrocities on the ground as the war in Ukraine rumbled past the one-month mark. President Putin's invasion ousted Covid as public enemy number one as the somewhat shell-shocked analysts of the world recalibrated their global macro-economic stances.

The Russian invasion of the Ukraine has escalated beyond most people's wildest nightmares.

War atrocities sent shock waves throughout the world as we witnessed the bombing of civilian areas in key Ukrainian cities, and financial markets responded with a dramatic sell-off across risk assets. The West has responded with sanctions, turning Russia's dominant position in world energy into the elephant in the room. Russia is the world's third largest exporter of oil, and Europe buys around 60% of Russia's oil exports. The continuation of the war is pitting the West's own domestic financial interests against their political interests abroad. As Western powers put more pressure on the Russian energy economy in recent weeks, oil reached its highest level since 2008 (\$139 per barrel) in March. While the US failed in a lone attempt to ban Russian oil, US Secretary of State Antony Blinken is still engaging with European and Japanese allies to test appetites for a more concerted ban. New talk of compromise from Moscow and Kyiv for Ukraine's status outside of NATO have lifted global markets, but the odds of a breakthrough are not quite favourable yet. Ultimately, the war's impact on global growth and inflation will depend on how long it lasts. And it's not just oil: China-Europe rail routes are used to move more than a million containers via Russia across the 6 000-plus miles of railway that link western Europe to eastern China. These containers must now find new routes via sea, adding to costs and threatening to worsen global supply-chain chaos. European natural gas prices shot up 34% as Putin said he would only accept payment in rubles. No mention has yet been made of Russian gas import restrictions, which would pose major issues for European economies, as 40% of their gas needs are met by Russia. Sanctions on the export of natural gas from Russia to the EU or UK are unlikely.

Global inflation is rising as war related driven supply disruptions replace Covid disruptions and the US is worst hit. In the first hike since 2018, the Federal Open Market Committee (FOMC) raised rates by 25 bps to 0.5%. The Fed ramped up its rate-hike projections to seven overall for 2022, with an additional three or four in 2023. Powell left the door open to a striking 50bps hike in the sequence. To maintain its credibility without crashing the economy, the Fed needs to talk up the rate-hiking cycle – a high-risk move with little hope of completion. With the Fed already on the monetary-policy back foot, Treasury is unlikely to oppose inflation eating away at the national debt pile for a while, either; avoiding a recession is paramount. Rising yields have seen US home affordability at its worst level since 2007, which will slow housing activity, house price increases and growth via a lower wealth effect. The US is in a very difficult position.

China's Hang Seng Technology Index fell nearly 70% from its peak, and Chinese stocks entered their deepest bear market since 2008 as concerns about the country's ties with Russia, a surge in Covid cases and continued regulatory pressure on the technology sector sent shares on a downward spiral.

Moscow had sought military equipment from Beijing, and the US warned China of consequences for supporting the Kremlin. China's Foreign Minister, Wang Yi, says he wants to avoid US sanctions, and the US and China held high-level in-person talks that they described as "substantial" and "constructive". On top of the delicate situation around Russia, US regulators continue to pursue a multiple-year impasse over audit access to Chinese companies with US investors. The US Securities and Exchange Commission named its first Chinese stocks as part of a crackdown on foreign firms that have refused to open their books to US regulators, heightening delisting risks. The battle with the US over existing issues and now Russia comes as China is weakened domestically by yet another Covid outbreak. Nearly 30 million people are under lockdown in China as surging Covid-19 cases have led to the return of mass tests on a scale not seen since the start of the pandemic, leading to worries about a slowdown in growth and further global supply disruptions.

China has reached the equivalent of Mario Draghi's "whatever it takes" moment of the Grexit crisis. China's state council has addressed all the biggest concerns for investors, pledging to keep Chinese capital markets stable, support overseas stock listings, work with the US, address the fragile property development sector and end Big Tech regulations. Coupled with positive fundamentals, the strong rhetoric supporting the economy that key stakeholders want to see in China is shaping up as a catalyst.

South Africa is of course expected to be hit by the rise in energy prices and then by raised inflation. The silver lining is that inflation pressures are muted for an economy with growth as low as South Africa's. The SARB's monetary policy committee (MPC) opted to hike the repo rate by a further 25bps, to 4.25%. Three of the MPC members were in favour of a 25bps hike, while two pushed a more hawkish 50bps rise. While the SARB will continue to raise rates, they are unlikely to do so too quickly, and we think bond yields will not price in inflation concerns for too long. Core inflation for February remained steady at 3.5% year-on-year. The strong rand will certainly help cushion the blow of rising oil prices.

Our global recovery base for this year remains intact, driven by recovering economic activity as a result of eased Covid restrictions. Equity is expected to continue a rotation to value, with sustained emerging market outperformance due to rising real bond yields as global growth remains resilient – if lower than expected – at the start of the year.

RISK PROFILE



LESS RISK/
RETURN

MORE RISK/
RETURN

TIME HORIZON



Fund Performance

The Sygnia Itrix FTSE 100 ETF delivered -9.4% for the quarter, in line with its benchmark, the FTSE 100 Index. The Fund benefitted from exposure to AstraZeneca PLC, Shell PLC and Glencore PLC, while its exposure to Unilever PLC, Barclays PLC and CRH PLC detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of Howden Joinery Group PLC, Endeavour Mining PLC and Airtel Africa PLC and the removal of BHP Group Ltd.

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 Objective and Strategy

The investment policy of the Sygnia Itrix FTSE 100 ETF is to track the FTSE 100 Index as closely as possible, by buying only FTSE 100 securities in which are excluded from the Index from time to time as a result of quarterly Index review or corporate actions or which are required to be sold to ensure that the portfolio holds FTSE 100 securities in the same weighting as they are included in the Index.

This is a high risk, passively managed index tracking fund which 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. 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.

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

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 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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