

SYGNIA ITRIX TOP 40 ETF

30 JUNE 2020

PORTFOLIO MANAGERS

SYGNIA ASSET MANAGEMENT

INCEPTION

30 OCTOBER 2017

FUND SIZE

R 272 Million

NAV PRICE

5 078 cents

UNITS IN ISSUE

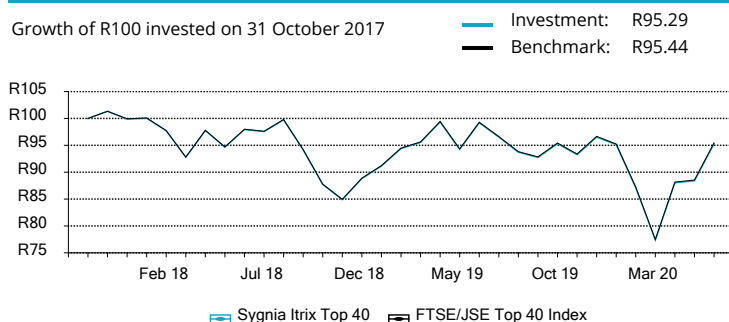
5 349 779

FUND INFORMATION

Classification	South Africa - Equity - General
Asset Allocation	100% South African Equity
NAV/Index Ratio	ca. 1/1000
Financial Year End	31 December
Index Tracking	Fund tracks the FTSE/JSE Top 40 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 31 October 2017



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
Naspers Ltd	22.4%
BHP Group PLC	12.6%
Compagnie Financiere Richemont SA	9.4%
Anglo American PLC	8.3%
AngloGold Ashanti Ltd	3.5%
Prosus N.V.	3.3%
British American Tobacco PLC	3.0%
FirstRand Ltd	2.9%
Mondi PLC	2.6%
Gold Fields Ltd	2.4%

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017											1.3%	-1.4%	-0.1%
2018	0.2%	-2.3%	-5.1%	5.4%	-3.2%	3.5%	-0.4%	2.2%	-5.6%	-6.8%	-3.2%	4.6%	-11.1%
2019	2.6%	3.6%	1.2%	4.0%	-5.1%	5.3%	-2.7%	-2.9%	-1.1%	2.8%	-2.1%	3.5%	8.7%
2020	-1.5%	-8.4%	-11.2%	13.8%	0.4%	7.8%							-1.3%

RISK STATISTICS

	FUND	^BM
% Negative Months	50.0%	50.0%
Average Negative Month	-3.9%	-3.9%
Largest Drawdown	-23.6%	-23.5%
Standard Deviation	17.4%	17.4%
Downside Deviation	10.2%	10.2%
Highest Annual Return: Dec 2018 - Nov 2019	9.9%	9.9%
Lowest Annual Return: Apr 2019 - Mar 2020	-19.0%	-19.0%
Annualised Tracking Error (Active Return)	-0.06%	-
Annualised Tracking Error (Std Dev of Active Return)	0.09%	-

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.

INVESTMENT OBJECTIVE

TO REPLICATE THE PRICE AND YIELD PERFORMANCE OF THE FTSE/JSE TOP 40 INDEX

INCOME DISTRIBUTION

**PAYMENT: DEC 2019 - 87.35134 CENTS PER UNIT
PAYMENT: JUN 2019 - 70.55234 CENTS PER UNIT**

TRUSTEES

STANDARD BANK TRUSTEES (021 441 4100)

LISTING INFORMATION

Exchange	JSE Limited
Exchange Code	SYGT40
Trading Currency	ZAR
Portfolio Currency	ZAR
ISIN	ZAE000251351
RIC	SYGT40J.J
Bloomberg Ticker	SYGT40 SJ EQUITY
Trading Hours	9:00 am - 16:50 pm
Transaction cut-off	JSE trading hours

ASSET ALLOCATION

ASSET	PERCENT	ALLOCATION
Domestic Equity	98.6%	
Domestic Cash	1.4%	

SECTOR ALLOCATION

SECTOR	PERCENT	ALLOCATION
Consumer Discretionary	36.2%	
Materials	35.4%	
Financials	13.1%	
Consumer Staples	6.9%	
Communication Services	3.6%	
Cash	1.4%	
Real Estate	1.2%	
Health Care	0.9%	
Other	1.4%	

PORTFOLIO PERFORMANCE ANALYSIS

PERIOD	SYGNIA ITRIX TOP 40	FTSE/JSE TOP 40 INDEX**
1 Month	7.8%	7.8%
3 Months	23.2%	23.2%
6 Months	-1.3%	-1.3%
Year to Date	-1.3%	-1.3%
1 Year	-3.9%	-3.9%
Since Inception	-1.8%	-1.7%

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

FEES

Management Fee	0.12%
Other costs	0.07%
VAT	0.03%
Total Expense Ratio (TER)	0.22% (Jun 2020)
Transaction Costs (TC)	0.05% (Jun 2020)
Total Investment Charge (TIC)	0.27% (Jun 2020)

SYGNIA ITRIX TOP 40 ETF

FUND COMMENTARY

SOUTH AFRICA - EQUITY - GENERAL

2ND QUARTER 2020

MARKET PERFORMANCE

We are halfway through the year and, despite a strong recovery, markets are still caught between conflicting signals. On the positive side, forward-looking indicators such as Empire and Philly Surveys suggest that the recession is already over in the US; global growth is set to rebound in Q3 as economies open up; a Covid-19 vaccine is likely soon given the unprecedented government funding to drug makers; policy remains supportive; and a potential Biden victory could contain geopolitical risk with China.

On the negative side, the IMF revised its global growth outlook lower and now expects GDP to contract by 4.9% in 2020 (previously -3.0%), the most in six decades; company results show massive damages to earnings; Trump continues his sabre-rattling against China; and the Covid-19 infection rate is on the rise again. However, the increase is far slower than before and for now, policymaker preferences are leaning towards isolated measures for lockdowns, partly due to lower-than-modelled hospitalisation rates. Locally, despite not having reached a peak in the infection rate, South Africa has implemented further easing in lockdown restrictions, allowing restaurants, casinos and personal care businesses to open. According to Minister of Health, Zweli Mkhize, while the number of confirmed cases has grown exponentially in South Africa, hospital utilisation rates are still far below what was expected.

As Trump's campaign for re-election in November heats up, we are likely to see a continued escalation of US/China tensions. US President Trump criticised China's handling of the Covid-19 pandemic, stating that the US could consider a complete decoupling from the Chinese economy. An underwhelming rally in Tulsa dampened Trump's odds of retaining the presidency, down to 47% compared to Biden's 53%.

The outlook of the dollar is a key driver of asset allocation that we review regularly; a weak dollar is very supportive of emerging markets, trade and commodities. The dollar moves in long-term cycles that last an average of nine years, moving between periods of undervaluation and overvaluation. We are currently in the ninth year of a strong dollar rally. While turning points are impossible to pick, we may be getting close, with the US elections being the key.

The dollar is overvalued on a long-term inflation differential (purchasing power of parity), and interest rate differentials have narrowed in favour of non-US currencies.

The US has a significant twin deficit (budget account and current account), which is traditionally a headwind to currency strength. The combined deficit is close to 20% of GDP, the highest since WWII.

The rise of the US shale oil industry and US energy independence is likely to reverse with lower oil prices.

ECB has set up a Eurosystem repo facility that will supply euros to non-eurozone central banks to raise the "importance of the euro in global financial markets". This follows similar moves by China, and it increases the international attraction of EUR and CNH relative to the USD.

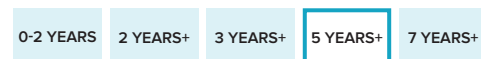
The coronavirus crisis will keep the dollar elevated in the near term as a safe haven asset, but as the crisis resolves we could see the start of long-term dollar weakness, particularly if Biden takes the reins.

Government debt was projected to increase from 65.6% in the current year to 71.6% of GDP by 2022/23. In a special adjustment budget, the first of its kind, Tito Mboweni announced that with the Covid-19 recession, fiscal deterioration accelerated: gross national debt is now expected to reach 81.8% of GDP in the current year due to a budget deficit of 14.6% of GDP this year. The IMF estimates GDP growth in South Africa to contract by 8% this year. Without structural reforms, this will only get worse, with the country spiralling into default. However, government has resolved to implement active economic reform measures that will raise growth, create jobs and stabilise the debt-to-GDP ratio. These proposals will be set out in the 2020 MTBPS, but even with these reforms, gross debt-to-GDP is expected to peak at a massive 87.4% in four years. As unemployment figures rose to a 17-year high of 30.1% (even before the visible effects of lockdown), these reforms are desperately needed. Moody's responded to the budget stating that the reforms "will be very difficult to achieve." Meanwhile SAA's restructure has once again been delayed by the unions. We will have to wait and see if the promises are delivered.

RISK PROFILE



TIME HORIZON



FUND PERFORMANCE

The Sygnia Itrix Top 40 ETF delivered 23.2% for the quarter, in line with its benchmark, the FTSE/JSE Top 40 Index. The Fund benefitted from exposure to Naspers, BHP Group and Anglo American, while its exposure to Clicks Group, Shoprite Holdings and FirstRand detracted from performance.

There were several changes to the tracked index's constituents over the period, including the addition of Exxaro Resources and the removal of Redefine Properties.

The Fund remains true to its investment objective of delivering returns that mirror those of the FTSE/JSE Top 40 Index.

DISCLAIMER

Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002. 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. The value of participatory interests 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. 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 at the end of the trading 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, illiquidity and foreign exchange risks. Additional information on the Index including its performance and tracking error can be viewed on the relevant Fund Fact Sheets on www.sygnia.co.za. A schedule of fees and charges may be requested via admin@sfs.sygnia.co.za or 0860 794 642 (0860 SYGNIA). 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. These documents may be obtained from 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.

IMPORTANT INFORMATION TO CONSIDER BEFORE INVESTING

INVESTMENT APPROACH

The Sygnia Itrix Top 40 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 of this portfolio is to provide simple access to investors who wish to track the movements of the FTSE/JSE TOP 40 Index through investing in the physical index securities. The FTSE/JSE TOP 40 Index consists of the largest 40 companies, listed on the JSE, ranked by investable market capitalisation in the FTSE/JSE All Share Index. The investment policy of the portfolio is to track the Index as closely as practically and feasibly possible by buying securities included in the Index at similar weighting as they are included in the Index. Whenever the Index gets rebalanced, the Portfolio will purchase the newly included constituent securities and will sell the constituent securities which were excluded from the Index.

BALANCING RISK AND REWARD

The Fund has a 100% strategic allocation to South African equities. The structure of the Fund is dictated by the composition of the FTSE/JSE Top 40 Index. It is a suitable investment for investors seeking higher returns, those who are willing to tolerate higher volatility and investors who aim to maximise capital accumulation over a longer-term time horizon. For changes in the index constituents, please refer to the published SENS. 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

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 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.

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

Sygnia Itrix (RF) (Pty) Ltd is a registered and approved Manager under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). Sygnia Asset Management (Pty) Ltd (FSP No 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. Nothing in this minimum disclosure document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor.

This document is for information purposes only and does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Whilst reasonable care was taken in ensuring that the information contained in this document is accurate, Sygnia accepts no liability in respect of any damages and/or loss (whether direct or consequential) or expense of any nature which may be suffered as a result of reliance, directly or indirectly, on the information in this document. Additional information such as fund prices, brochures, application forms and a schedule of fees and charges be requested via admin@sfs.sygnia.co.za or 0860 794 642 (0860 SYGNIA).

You should be aware that certain transactions give rise to substantial risk. Product values may be affected by market values, interest rates, exchange rates, volatility, dividend yields and issuer credit ratings. 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. These documents may be obtained from www.sygnia.co.za or on request from Sygnia.

Sygnia Limited and any of its affiliates may make markets or hold units in the fund or hold positions in the investments in which the fund invests. As set out in the offering circular, the sale of securities is subject to restrictions in some jurisdictions. In particular, any direct or indirect distribution of this document into the United States, Canada or Japan, or to U.S. persons or U.S. residents, is prohibited.

INDEX DISCLAIMER

"FTSE®" is a trade mark of the London Stock Exchange Group Companies, "JSE" is a trade mark of the JSE Limited and both are used by the JSE under licence. The FTSE/JSE TOP 40 Index is calculated by FTSE in conjunction with the JSE. Neither the JSE or FTSE sponsor, endorse or promotes this product and are not in any way connected to it and does not accept any liability. All intellectual property rights in the index values and constituent list vests in FTSE and the JSE. Sygnia Itrix (RF) (Pty) Ltd has obtained full licence from the JSE to use such intellectual property rights in the creation of this product.



SYGNIA ITRIX (RF) (PTY) LTD
Registration No. 2004/035580/07

Minimum Disclosure Document - Issue Date: 09 Jul 2020

CAPE TOWN: 7th Floor, The Foundry, Cardiff Street, Green Point,
8001 T +27 21 446 4940

JOHANNESBURG: Unit 40, 6th Floor Katherine & West Building,
West Street, Sandton, 2196 T +27 10 595 0550

DURBAN: Office 2, 2nd Floor Ridgeview, 1 Nokwe Avenue,
Ridgeside, Umhlanga Ridge, 4319 T +27 31 001 0650

www.sygnia.co.za | info@sygnia.co.za

Sygnia