

Sygnia Itrix (RF) (Proprietary) Limited

Sygnia Itrix Sustainable Economy ETF

JSE Code: SYGSE

ISIN: ZAE000313888

Sygnia Itrix 4th Industrial Revolution Global Equity ETF

JSE Code: SYG4IR

ISIN: ZAE000252433

Portfolios in the Sygnia Itrix Collective Investment Scheme registered as such in terms of the Collective Investment Schemes Control Act, 45 of 2002, managed by Sygnia Itrix (RF) Proprietary Limited (“Sygnia Itrix”).

BALLOT PROCEDURES IN RESPECT OF AMALGAMATING THE SYGNIA ITRIX SUSTAINABLE ECONOMY ETF WITH THE SYGNIA ITRIX 4TH INDUSTRIAL REVOLUTION GLOBAL EQUITY ETF

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

Sygnia Itrix (RF) (Pty) Ltd, a Manager appointed in terms of the Collective Investment Schemes Control Act, No. 45 of 2022 (“the Act”), hereby effects ballot voting procedures in terms of Section 59 of the Deed and Section 99 of the Act to obtain approval for:

- Amalgamation of the Sygnia Itrix Sustainable Economy ETF (“SYGSE”) into the Sygnia Itrix 4th Industrial Revolution Global Equity ETF (“SYG4IR”).

PLEASE NOTE: Only investors in the SYGSE portfolio are required to vote. Investors in the SYG4IR portfolio are not required to vote.

Motivation for the proposed amalgamation:

The reason for the amalgamation is due to the similarities between the two products, both tracking Kensho Indices and providing exposure to Global (predominantly US) equities. SYGSE tracks the S&P Kensho Sustainable Technologies Index which is made up of 7 subsector indices and holds approximately 274 constituents. SYG4IR tracks the S&P Kensho New Economies Composite Index which is made up of 25 subsector indices and holds approximately 544 constituents (which includes all of the SYGSE constituents). SYGSE being amalgamated into SYG4IR would therefore provide investors with greater diversification for

the same management fee of 0.50% exclusive of VAT. SYG4IR is larger in assets and has a longer track record. Both funds are deemed high risk portfolios, fully invested into listed global equities, however the SYG4IR is more diversified.

Below are the 7 subsector indices of the S&P Kensho Sustainable Technologies Index (KSUSTNP) and a mapping to the sub sector indices of the S&P Kensho New Economies Composite Index (KNEXP) providing similar exposure:

S&P Kensho Sustainable Technologies Index (KSUSTNP) used in SYGSE	S&P Kensho New Economies Composite Index (KNEXP) used in SYG4IR
S&P Kensho Final Frontiers Index	S&P Kensho Space Index
S&P Kensho Intelligent Infrastructure Index	S&P Kensho Advanced Transport Systems Index, S&P Kensho Smart Borders Index, S&P Kensho Smart Grids Index
S&P Kensho Smart Transportation Index	S&P Kensho Electric Vehicles Index, S&P Kensho Drones Index, S&P Kensho Advanced Transport Systems Index
S&P Kensho Clean Power Index	S&P Kensho Cleantech Index, S&P Kensho Clean Energy Index
S&P Kensho Future Communication Index	S&P Kensho Digital Communities Index, S&P Kensho Virtual Reality Index, S&P Kensho Enterprise Collaboration Index
S&P Kensho Advanced Manufacturing Index	S&P Kensho Robotics Index, S&P Kensho Smart Factories Index
S&P Kensho Sustainable Staples Index	S&P Kensho Sustainable Farming Index.

The following are additional subsector indices included in the S&P Kensho New Economies Composite Index:

S&P Kensho Cyber Security Index, S&P Kensho Wearables Index, S&P Kensho Autonomous Vehicles Index, S&P Kensho 3D Printing Index, S&P Kensho Smart Buildings Index, S&P Kensho Nanotechnology Index, S&P Kensho Genetic Engineering Index, S&P Kensho Future Payments Index, S&P Kensho Alternative Finance Index, S&P Kensho Distributed Ledger Index and the S&P Kensho Digital Health Index.

Notification to the investors in the SYG4IR portfolio:

This SENS announcement serves as a warning of the proposed amalgamation and contains the required information for you to make an informed decision pertaining to the exercise of your rights.

Should investors holding a majority in value of participatory interest in the SYG4IR portfolio object to the proposed amalgamation, the manager will not proceed with the amalgamation and inform the Financial Sector Conduct Authority (“FSCA”) of the objection.

The assets that are transferred from the SYGSE portfolio will be of similar type, quality and liquidity as the assets held by the SYG4IR portfolio. The SYGSE portfolio does not hold any illiquid assets. No illiquid assets will be transferred to SYG4IR as a result of the amalgamation.

The Standard Bank of South Africa Limited (“the trustees”) must be in agreement that the assets being transferred:

- will not result in any material prejudice to the interest of investors in the SYG4IR portfolio;
- will be consistent with the investment policy of the portfolio;
- can be effected without any breach of investment limits or the investment policy.

List of similarities and differences:

	Transferring portfolio	Target portfolio
Fund name:	Sygnia Itrix Sustainable Economy ETF	Sygnia Itrix 4th Industrial Revolution Global Equity ETF
Portfolio benchmark:	S&P Kensho Sustainable Technologies Index	S&P Kensho New Economies Composite Index
Investment policy:	<p>The objective of the Sygnia Itrix Sustainable Economy ETF is to provide an investment vehicle that gives easy access to investors who want to achieve long term capital appreciation in tracking the performance of the <u>S&P Kensho Sustainable Technologies Index</u> (“benchmark index”).</p> <p>The benchmark index measures the performance component of the S&P Kensho New Economy Sector Indices that include companies with exposure to smart transportation and manufacturing, sustainable agriculture, clean</p>	<p>The objective of this portfolio is to provide simple access to investors who wish to gain investment exposure to new technologies by tracking the movements of the <u>Kensho New Economies Composite SM Index</u> through investing in the physical index securities. The Kensho New Economies Composite SM Index comprehensively captures the 21st Century Sectors that are propelling the 4th Industrial Revolution and fostering new industries that will transform every facet of our lives.</p>

<p>power, space exploration, intelligent infrastructure and the technologies that enable remote working. The S&P Kensho Sustainable Technologies Index is made up of seven component indices. The seven indices are combined and optimized using S&P Kensho's proprietary algorithms. The index has an ESG overlay, which screens out companies that generate revenue from thermal coal production/extraction or from shale, arctic or oil sands oil and gas extraction. Companies in violation of the ESG screens are dropped and the weights of the remaining constituents are scaled up to 100%.</p> <p>In order to achieve this objective, the Sygnia Itrix Sustainable Economy ETF shall track the S&P Kensho Sustainable Technologies 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. The portfolio will be passively managed and provides investors access to a global, fast growing sustainable technology sectors, which will assist in diversifying their overall investment portfolios. No securities will be bought for the sole purposes of making a speculative profit by selling them at a higher price later, unless this is for the purpose of tracking the Index.</p> <p>The portfolio will be managed to most effectively give effect to the objectives and investment policy by including apart from assets in liquid form the use of listed and unlisted financial instruments (derivatives) for the exclusive purpose of efficient portfolio management. The portfolio is passively managed and aims to produce the same level of income as that produced by the Index. As a further objective, the securities held by the portfolio may be managed to generate income for the benefit of investors.</p> <p>The portfolio may invest in participatory interests and other forms of participation in portfolios of collective investment schemes, whether listed on an exchange or not, registered in South Africa or offshore with similar schemes operated in</p>	<p>The investment policy of the portfolio shall be to track the Index by buying securities that substantially make up the Index at similar weighting as they are included in the Index. Whenever the Index gets rebalanced by the index provider, the Portfolio will purchase the constituent securities that substantially make up the Index and will sell the constituent securities which were excluded from the Index and buy or sell the securities that remain in the Index, in order to ensure that the returns of the portfolio follows that of the index. A tracking error minimizing algorithm is used to determine the least number of transactions required to keep the portfolio's returns aligned as closely as practically and feasibly possible to the Index's return while at the same time keeping the trading costs in the portfolio to a minimum.</p> <p>No securities will be bought for the sole purposes of making a speculative profit by selling them at a higher price later on unless this is for the purpose of tracking the Index. All purchase and sales of securities are done solely to ensure the Portfolio holds securities that substantially make up the Index and minimizes the tracking error to the Index.</p> <p>The portfolio is passively managed, and aims to produce the same level of income as that produced by the Index. As a further objective, the securities held by the portfolio shall be managed to generate income for the benefit of investors.</p> <p>The composition of the Portfolio will be compared to the composition of the Index on a daily basis, taking into account any investment contributions or withdrawals to and from the Portfolio, the receipt of any dividends for reinvestment, the effect of any corporate actions and its impact on the composition of the Portfolio relative to that of the Index.</p> <p>The portfolio shall also be entitled to employ such other investment techniques and instruments as will most effectively give effect to the object and investment policy of the portfolio, including the use of depository receipts as well as listed and unlisted financial instruments, including derivatives, in accordance with the provisions of the Act and applicable legislation as amended from time to</p>
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	<p>territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa in accordance with the provisions of the Collective Investment Schemes Control Act and applicable legislation, as amended from time to time, in order to achieve the portfolio's investment objective.</p> <p>It is recorded that the portfolio's ability to replicate the price and yield performance of the Index will be affected by the costs and expenses incurred by the portfolio.</p> <p>The Trustee shall ensure that the Manager complies with the investment policy set out in this supplemental deed.</p> <p>For the purpose of this portfolio, the Manager shall reserve the right to close the portfolio to new investors on a date determined by the Manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The Manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the Manager.</p>	<p>time. The Manager may also include unlisted forward currency, interest rate, index and exchange rate swap transactions for efficient portfolio management.</p> <p>Investors can obtain participatory interests in the Portfolio by acquiring participatory interests on the secondary market or subscribing for participatory interests in the portfolio. In order to achieve this objective the manager may, subject to the Act and this Supplemental Deed No 16 read together with the Main Deed, create and issue or redeem and cancel an unlimited number of participatory interests in the portfolio.</p> <p>The portfolio will not be managed according to traditional methods of active management, which involve the buying and selling of securities based on economic, financial and market analysis and investing judgment. Instead the investment objective and style will be replication of the Index returns. As a result the financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio unless the securities of such company or entity are removed from the Index itself.</p> <p>The portfolio will hold securities purely for the economic rights and benefits attaching thereto, and accordingly if a takeover bid is made for shares of a company included in the Index, the portfolio will not tender shares in respect thereof. Securities held by the portfolio which are subject to a takeover bid will only be surrendered if such surrender is mandatory (and then only to the extent of such mandatory surrender) in terms of the applicable law or under the rules of a regulatory authority or body having jurisdiction. If a takeover bid results in a company no longer qualifying for inclusion in the Index, any shares of the company held by the portfolio after the takeover bid will be disposed of by the portfolio, and the proceeds will be applied in effecting the appropriate adjustments to the portfolio.</p> <p>To the extent necessary for the purposes of achieving its investment policies, the portfolio may hold assets in liquid form.</p>
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		<p>It is recorded that the portfolio's ability to replicate the price and yield performance of the Index will be affected by the costs and expenses incurred by the portfolio.</p> <p>To the extent that assets in the portfolio are exposed to exchange rate risk, the Manager may include listed and unlisted financial instruments for the exclusive purpose of hedging exchange rate risk subject to the conditions and limits stipulated by the Act. The manager shall have the maximum flexibility to vary allocation between the various geographical markets and sector classes to reflect changing economic and market conditions.</p> <p>The portfolio may invest in participatory interests and other forms of participation in portfolios of collective investment schemes, whether listed on an exchange or not, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective.</p> <p>Any material change to the investment policy of the portfolio shall constitute an amendment of the Deed, and shall be subject to the provisions of clause 65 of the Deed, in which even investors shall be given reasonable notice to enable them to redeem their participatory interest prior to implementation of the change.</p>
Charges:	Management Fees 0.50% excl VAT	Management Fees 0.50% excl VAT
Distribution:	June, December	June, December
Rebalancing:	March, June, September and December	March, June, September and December

Balloting Procedures for the investors in the SYGSE portfolio

The ballot will be valid if the majority of investors in the SYGSE, excluding the manager, vote in favour of the amalgamation. Absence of a response will be regarded as a vote in favour of the amalgamation.

Section 99 (3)(a) of the Act stipulates that on the effective date, every investor “shall hold in the new scheme or portfolio, such participatory interests with an aggregate money value that is not less than the lower of the net asset value or market value, as may be fair and reasonable in the circumstances of the participatory interests which such investor, immediately before the date on which the proposed transaction becomes effective, held in the original portfolio.” In other words, when the portfolios are amalgamated, investors will be issued with replacement participatory interests in the SYG4IR portfolio which will be equal in market/monetary value to the participatory interests held pre-amalgamation.

The manager will apply the round down methodology and pay fractions in the instance where fractional ETF securities cannot be issued.

How does the proposed amalgamation impact your investment?

Please refer to the table of comparisons above for a comprehensive list of similarities and differences between the transferring and targeted portfolio. As mentioned above the amalgamation introduces further diversification for SYGSE investors in terms of exposure to a higher number of listed global equities, however the SYG4IR has the same risk classification as SYGSE.

If the ballot is successful and approved by the FSCA, the SYGSE portfolio will be rebalanced to align its weighted holdings with the SYG4IR portfolio just before the effective date of the amalgamation to ensure investors are not prejudiced as a result of a difference in performance between the two portfolios after the conversion ratio has been calculated and published.

For the investors in the SYG4IR portfolio the proposed amalgamation will have no impact on their investments as the portfolio will continue to exist with no changes to the investment objective.

Investors in the SYGSE portfolio will receive replacement participatory interests in the SYG4IR portfolio which tracks the S&P Kensho New Economies Composite Index with no adverse effect on their investments as a result of the amalgamation.

A special distribution shall take place on both the SYGSE and SYG4IR portfolios as a result of the amalgamation.

There shall be no tax impact or change in investment value for investors as a result of the amalgamation.

The amalgamation does not release the trustees, custodian or manager from any responsibility to the investors.

Your rights as an investor:

All investors in the SYGSE portfolio are given an opportunity to vote in favour of, or against, the proposed amalgamation in terms of clause 99 of the Act.

In terms of FSCA Notice 1 of 2023 [Exemption of CIS Managers from certain requirements of Section 99(1) of the Collective Investment Schemes Control Act (“CISCA”), 2002] all investors in the SYG4IR portfolio are given an opportunity to object to the proposed amalgamation, but are not required to vote.

An independent auditor will verify the outcome of the ballot.

If investors do not participate in the amalgamation ballot timeously, they will be deemed to have voted in favour of the amalgamation.

The amalgamation will be a Capital Gains Tax (“CGT”) roll-over event, so no CGT will be payable upon amalgamation.

Should you not be comfortable with the proposal in so far as they relate to the portfolio in which you hold participatory interests, you may elect to redeem your participatory interests at any time and withdraw your money at the prevailing price in the market, as defined in the Main Deed, subject to that it is a discretionary investment. **By electing to redeem or sell your participatory interests, it will constitute a CGT event for which you will be liable to pay CGT at your next income tax assessment.**

If you choose not to withdraw your investment, the proposed amalgamation as set out in this announcement (to the extent that they are approved by investors) will automatically apply to your investment.

Action required by SYG4IR investors:

1. No action is required.
2. Should you wish to object to the proposed amalgamation, please notify our registered auditors, Mazars, at ballotsygnia@mazars.co.za on or before 24 October 2023.

Action required by SYGSE investors:

1. Investors are requested to notify their JSE Brokers/CSDPs by no later than Tuesday, 24 October 2023, as to whether they approve the proposed amalgamation as set out in this announcement or not;
2. Alternatively, please complete the enclosed Ballot Form and return it to our registered auditors, Mazars, at ballotsygnia@mazars.co.za on or before 24 October 2023.
3. If you have disposed of your participatory interests in the portfolio, no action is required.

Approval and commencements:

Subject to the ballot voting procedure being successful and approval by the FSCA, the proposed amalgamation will be with effect from commencement of business on Wednesday, 22 November 2023. Copies of the Sygnia Itrix 4th Industrial Revolution Global Equity ETF Pricing Supplement, in English, may be obtained during normal business hours from the office of Sygnia Itrix (RF) (Proprietary) Limited located at 7th Floor, The Foundry, Cardiff Street, Greenpoint, 8001 and is available on the website: www.sygnia.co.za.

Expected timeline for the implementation of the proposed amalgamation:

Salient dates	2023
Record date for the ballot voting procedures	Wednesday, 06 September
Declaration SENS announcement of the SYGSE amalgamation	Tuesday, 12 September
Last day for investors/brokers/CSDPs to respond to auditors (by 5pm)	Tuesday, 24 October
Deadline for auditors to submit their findings report to Sygnia Itrix	Tuesday, 31 October
Sygnia Itrix to submit the auditor's report to the FSCA	Wednesday, 01 November
FSCA to advise Sygnia to submit signed supplemental deeds for approval	Monday, 06 November
FSCA issues approval letter	Friday, 10 November
SENS announcement confirming the results of the ballot and finalisation information	Monday, 13 November
Trade date for rebalance trades to align SYGSE with SYG4IR	Tuesday, 14 November
Settlement date for rebalance trades	Friday, 17 November
Calculation of conversion ratio at market close on	Monday, 20 November
SENS announcement of conversion ratio by 11am	Tuesday, 21 November
Last day to trade in respect of the special distribution and the amalgamation	Tuesday, 21 November
Suspension of trading of the SYGSE ETF shares on the JSE	Wednesday, 22 November
Commencement of trading of the issued shares under the name Sygnia Itrix 4th Industrial Revolution Global Equity ETF (ISIN: ZAE000252433 and alpha code: SYG4IR)	Wednesday, 22 November
SENS announcement in respect of cash rates for special distribution by 11am	Wednesday, 22 November
SENS announcement of fractional entitlements	Thursday, 23 November
Record date	Friday, 24 November
Accounts of dematerialised securities holders updated at their CSDPs or brokers	Monday, 27 November
Payment date of fractional shares and special distribution	Monday, 27 November
Termination of listing of SYGSE ETF shares on the JSE	Tuesday, 28 November

Note: Any changes to the expected dates above will be announced on SENS.

Index disclaimer:

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Should you require any further information, please do not hesitate to contact our Client Contact Centre on 0860 794 642.

12 September 2023

Manager

Sygnia Itrix (RF) (Proprietary) Limited

Trustee

The Standard Bank of South Africa Limited

JSE Sponsor

Vunani Capital Sponsors