

Sygnia Itrix (RF) (Proprietary) Limited
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 The Amendment Of The Investment Policy Of 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 98 of the Act to obtain approval for:

- An amendment of the investment policy of the Sygnia Itrix 4th Industrial Revolution Global Equity ETF (SYG4IR) changing the fund from a passively managed exchange traded fund (ETF) to an actively managed ETF.

Motivation for the proposed change:

The motivation for changing the Sygnia Itrix 4th Industrial Revolution Global Equity ETF to an actively managed ETF is to allow the fund to be repositioned to benefit from changing economic environments. The current Kensho New Economies Index is based on a complex rule based weighting algorithm that results in small and unprofitable companies being over-represented in the index and these companies tend to cyclically underperform in times of high interest rates. Changing the fund to an actively managed ETF means Sygnia would have more flexibility to vary the weights to companies across economic cycles. The fund retains its focus on global companies optimally positioned to benefit from new technologies and innovations that have the potential to transform the global economy across a broad range of sectors.

Impact on Investors:

We believe that the impact of the proposed changes will be to the benefit of investors as the portfolio manager will have more flexibility in selecting investments in new technologies and innovations, as well as the weighting of these investments in the portfolio. As the current index

construction has resulted in small and unprofitable companies being overrepresented in the index, by allowing active management, the portfolio manager will be able to have discretion in removing these from the portfolio when optimal to do so. The manager, through a number of mechanisms including portfolio construction and efficient portfolio management, will aim to improve the return / risk ratio relative to the benchmark.

Important information to note:

1. The JSE code and ISIN of the fund will remain the same; and
2. The management fee will remain the same.

Please refer to the below summary indicating the changes before and after the investment policy change.

List of similarities and differences before and after the proposed changes:

	Before	After
JSE Code:	SYG4IR	SYG4IR
ISIN:	ZAE000252433	ZAE000252433
Fund name:	Sygnia Itrix 4 th Industrial Revolution Global Equity ETF	Sygnia Itrix 4th Industrial Revolution Global Equity Actively Managed ETF
Long name:	SYG4IRGE	S4IR ACTIVELYMANAGED ETF
Abbreviated name:	SYG4IRGE	S4IRAMETF
Portfolio benchmark:	S&P Kensho New Economies Composite Index	Solactive GBS United States 500 Index
Investment policy:	<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 Kensho New Economies Composite SM Index 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>The investment policy of the portfolio shall be to track the Index by buying securities that</p>	<p>The portfolio will be an actively managed exchange traded fund. The Sygnia Itrix 4th Industrial Revolution Global Equity Actively Managed ETF is a Global-Equity-General portfolio which seeks to deliver long term capital growth by investing in financially sound equity securities, preference shares which generate capital growth, property shares and property related assets in liquid form listed internationally. The portfolio may invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a</p>

	<p>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 time. The Manager may also include unlisted</p>	<p>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>The portfolio may also invest in listed and unlisted financial instruments, including derivatives, 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. The Manager may also include unlisted forward currency, interest rate, index and exchange rate swap transactions for efficient portfolio management. In selecting securities for the portfolio, where possible, the manager shall seek to sustain long-term capital growth.</p> <p>The portfolio will focus on selecting global companies which have exposure to new technologies and innovations which have the potential to transform the global economy across a broad range of sectors. The underlying portfolio will be actively managed in terms of sector and geographical allocation. The securities selection will be determined by reference to published indices associated with each sector, taking into account risk. 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. The portfolio's benchmark, for performance measurement purposes, will be the Solactive GBS United States 500 Index.</p> <p>The effective exposure of the portfolio invested outside of the Republic of South Africa will always be above 80%.</p> <p>The portfolio also represents Sygnia's best investment view on the optimal combination of securities required to achieve superior long-term returns at a reasonable level of risk at any time. The portfolio exploits the benefits of diversification and will change its exposure to different securities and sectors on an active basis, based on prevailing market conditions.</p>
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	<p>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>	<p>The portfolio aims to achieve its investment objectives whilst recognising that there will be significant short-term volatility and aims to protect capital over the medium to long term.</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	Not applicable
ASISA classification	Global Equity General	Global Equity General
JSE Sector	Exchange Traded Fund	Exchange Traded Fund
JSE Sub-sector	Exchange Traded Fund	Actively Managed Exchange Traded Fund

Balloting Procedures for the investors in the SYG4IR portfolio

The ballot will be valid if investors holding no less than 25% in value of the total number of participatory interests have responded in writing and a majority of the investors who have responded have voted in favour of the investment policy change. In the event that a quorum is not achieved, a second ballot will be conducted resulting in a change in the proposed salient dates.

How does the proposed changes impact your investment?

Please refer to the list of similarities and differences above summarising the changes.

If the ballot is successful and approved by the FSCA, the SYG4IR portfolio will be changed from a passively managed ETF to an actively managed ETF. Refer to the list above for a detailed description of the investment policy of the actively managed ETF. The investment policy change will be achieved by means of a Name Change capital event that will settle through STRATE. In other words, there will be no conversion ratio applicable as investors will hold the same number of shares in the actively managed ETF as they held in the ETF. Therefore, a rounding methodology and/or fractions will not apply.

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

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

Your rights as an investor:

All investors in the SYG4IR portfolio are given an opportunity to vote in favour of, or against, the proposed investment policy change in terms of clause 98 of the Act.

An independent auditor will verify the outcome of the ballot.

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 changes 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. Investors are requested to notify their JSE Brokers/CSDPs by no later than Monday, 27 May 2024, as to whether they approve the proposed investment policy change 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 Monday, 27 May 2024.
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 come into effect from commencement of business on Wednesday, 19 June 2024. 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: <https://www.sygnia.co.za/our-funds>.

Expected timeline for the implementation of the proposed change in the investment policy:

Salient dates	2024
Record date for the ballot voting procedures	Friday, 26 April
Declaration SENS Announcement of the investment policy and name change	Monday, 29 April

Last day for investors/brokers/CSDPs to respond to the auditors (by 5pm)	Monday, 27 May
Deadline for Auditors to submit their findings report to Sygnia Itrix	Monday, 3 June
FSCA issues approval letter	Tuesday, 11 June
SENS announcement confirming the results of the ballot by 11:00	Tuesday, 11 June
Last day to trade in the old name as an ETF	Tuesday, 18 June
Ex-date (trading commences as an AMETF)	Wednesday, 19 June
Record date	Friday, 21 June
Settlement date	Monday, 24 June

Note:

SYG4IR will not carry over its trading and reference data history from the ETF to the AMETF.

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.

29 April 2024

Manager

Sygnia Itrix (RF) (Proprietary) Limited

Trustee

The Standard Bank of South Africa Limited

JSE Sponsor

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