

Sygnia Itrix (RF) (Proprietary) Limited

Sygnia Itrix Solactive Healthcare 150 ETF
JSE Code: SYGH
ISIN: ZAE000300521

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 SOLACTIVE HEALTHCARE 150 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 Solactive Healthcare 150 ETF (SYGH) changing the fund from a passively managed exchange traded fund (ETF) to an actively managed ETF. The ETF will no longer aim to replicate the performance of the index but rather use the index as a benchmark for performance measurement while the manager actively makes investment decisions.

Motivation for the proposed changes:

Converting the Sygnia Itrix Solactive Healthcare 150 ETF to the Sygnia Itrix Health Innovation AMETF offers investors a tailored approach to navigating the dynamic healthcare sector. With healthcare being subject to rapid innovation, regulatory changes, and evolving market trends, an actively managed ETF can capitalize on emerging opportunities and mitigate risks. By employing in-depth research and analysis, and efficient portfolio construction methods, the actively managed healthcare ETF gains the flexibility to overweight subsectors or individual stocks, potentially outperforming its passive counterpart on a risk adjusted basis. This shift not only aims to enhance returns but also seeks to protect investors by actively managing downside risks and capitalizing on market inefficiencies within the healthcare industry.

- **Impact on Investors:** The impact is changing from Index tracker to actively managed and this will benefit investors as the portfolio manager will have more flexibility in selecting investments in healthcare innovations, as well as the weighting of these investments in the portfolio. 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.
- Fees will remain the same.
- The fund name will change to Sygnia Itrix Health Innovation Actively Managed ETF

Important information to note:

1. The JSE code and ISIN of the fund will remain the same;
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:	SYGH	SYGH
ISIN:	ZAE000300521	ZAE000300521
Fund name:	Sygnia Itrix Solactive Healthcare 150 ETF	Sygnia Itrix Health Innovation Actively Managed ETF
Long name:	Sygnia Itrix SOL H150	SYGH ActivelyManaged ETF
Abbreviated name:	SYGDMH150	SYGHAMETF
Portfolio benchmark:	Solactive Developed Markets Healthcare 150 Index	Solactive Developed Markets Healthcare 150 Index
Investment policy:	The objective of the Sygnia Itrix Solactive Healthcare 150 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 Solactive Developed Markets Healthcare 150 Index	The portfolio will be an actively managed exchange traded fund (AMETF). The primary objective of Sygnia Itrix Health Innovation Actively Managed ETF is to achieve long-term capital appreciation by investing in a diversified portfolio of companies which have direct or indirect

	<p>(.SDMH150P) ("benchmark index"). The Solactive Developed Markets Healthcare 150 (.SDMH150P) Index tracks the performance of the largest 150 companies from the developed market Healthcare Industry and is based on the Solactive Global Benchmark Series.</p> <p>In order to achieve this objective, the Sygnia Itrix Solactive Healthcare 150 ETF shall track the Solactive Developed Markets Healthcare 150 Index (.SDMH150P) 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, uncorrelated, healthcare sector, which will assist in hedging health care liabilities. 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</p>	<p>exposure to the healthcare sector. The fund aims to outperform its benchmark index, the Solactive Developed Markets Healthcare 150 Index, through active management and strategic allocation. The AMETF will employ an active management strategy, leveraging the expertise of portfolio managers to select healthcare stocks that exhibit strong growth potential. The portfolio will maintain a diversified portfolio across various sectors within the healthcare industry, including pharmaceuticals, biotechnology, medical devices, healthcare services, and healthcare technology. The primary criteria for selection will involve identifying sectors within healthcare that exhibit strong growth potential, favourable regulatory environments, and technological innovation.</p> <p>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 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</p>
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	<p>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 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. 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. 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>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>Portfolio performance will be measured against the Solactive Developed Markets Healthcare 150 Index, with the aim of outperforming the index over the long term while managing risk.</p> <p>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 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> <p>The portfolio aims to achieve its investment objectives whilst recognizing that there will be significant short-term volatility and aims to protect capital over the medium to long term.</p>
Charges:	Management Fees 0.44% excl VAT	Management Fees 0.44% excl VAT
Distribution:	June, December	June, December

Rebalancing:	March, June, September and December	Not applicable as the fund will no longer replicate the index
ASISA classification	Global Equity General	Global Equity General
JSE Sector	Exchange Traded Fund	Actively Managed Exchanged Traded Fund

Balloting Procedures for the investors in the SYGH 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 Sygnia Itrix Solactive Healthcare 150 ETF 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 SYGH 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 SYGH investors:

1. Investors are requested to notify their JSE Brokers/CSDPs by no later than Friday, 12 July 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 Friday, 12 July 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, 07 August 2024. Copies of the Sygnia Itrix Solactive Healthcare 150 Index 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:

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

Salient dates	2024
Record date for the ballot voting procedures	Monday, 10 June
Declaration SENS Announcement of the investment policy and name change	Thursday, 13 June
Last day for investors/brokers/CSDPs to respond to the auditors (by 5pm)	Friday, 12 July
Deadline for Auditors to submit their findings report to Sygnia Itrix	Monday, 22 July
FSCA issues approval letter	Monday, 29 July
SENS announcement confirming the results of the ballot by 11:00	Tuesday, 30 July
Last day to trade in the old name as an ETF	Monday, 05 August
Ex-date (trading commences as an AMETF)	Tuesday, 06 August
Record date	Thursday, 08 August
Accounts at the CSDPs or brokers will be updated with the new name	Monday, 12 August

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

Index disclaimer:

The index currently tracked by SYGH are products of Solactive AG and has been licensed for use by Sygnia Itrix. The funds or securities referred to herein are not sponsored, endorsed or promoted by Solactive AG, and Solactive AG bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The complete terms and conditions of your ETF investment are contained in the fund's Offering Circular and Pre-Listing Statement and the relevant Supplement.

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

13 June 2024

Manager

Sygnia Itrix (RF) (Proprietary) Limited

Trustee

The Standard Bank of South Africa Limited

JSE Sponsor

Vunani Sponsors