



ARTIFICIAL  
INTELLIGENCE

# The Ivy EasyETFs AI Innovation Actively Managed ETF (“Ivy AI”)

## Fund Overview

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The Ivy EasyETFs AI Innovation Fund (“the Portfolio”) is an actively managed exchange traded fund (“AMETF”) listed on the Johannesburg Stock Exchange (“JSE”). The Portfolio aims to achieve long-term capital growth by investing predominantly in global equity securities of companies positioned to benefit from Artificial Intelligence innovation and related technological advancement.

Using a research-driven, quantitative and qualitative investment approach, the Portfolio constructs a diversified global equity portfolio aligned with its mandate. Exposure is gained primarily through individual global shares and participatory interests in collective investment schemes.

The Portfolio is expected to hold approximately 50 global companies across the AI ecosystem, providing diversified exposure while maintaining a risk profile consistent with high equity investment.

## What is Artificial Intelligence?

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Artificial Intelligence (“AI”) is a field of computer science focused on developing systems capable of performing tasks that typically require human intelligence, including learning, pattern recognition and decision-making.

AI is increasingly embedded in global economic activity, creating opportunities across a broad ecosystem of companies involved in hardware and semiconductors, software and applications, cloud platforms, data centres, energy infrastructure and cybersecurity.

Given the pace of innovation and competitive dynamics within the sector, identifying individual winners may be challenging. The Portfolio therefore seeks to provide diversified exposure to global companies positioned to benefit from AI innovation and related technological advancement, consistent with its objective of achieving long-term capital growth through investment predominantly in global equity securities and participatory interests in collective investment schemes.

Investment risks may include capital expenditure cycles, regulatory changes, valuation sensitivity and infrastructure constraints.

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Directors BK Main TA Morrison & IR Randall Reg No 1998/08666/07 VAT 4560190326



## Portfolio Characteristics

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|                      |   |
|----------------------|---|
| CIS Type             | Actively Managed Exchange Traded Fund   |
| Ticker               | IVYAI   |
| ASISA Classification | Global – Equities – General   |
| Investment Theme     | Artificial Intelligence & Automation  |
| Currency Exposure    | The AMETF is inward listed on the JSE, providing South African investors access to offshore exposure via a locally traded instrument.                                       |
| Custodian            | First Rand Bank (acting through it's RMB Trustees Division)   |
| Liquidity            | <ul style="list-style-type: none"><li>• JSE listed instrument - market liquidity daily.</li><li>• Direct trading (Primary Market) dealing cut-off is 10:00 daily.</li></ul> |
| Market Maker         | Jane Street Financial Services  |
| CIS Manager          | EasyETF's (RF) (Pty) Ltd  |

## Investment Strategy

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- Research-driven investment strategy, informed by the Manager's macro-economic outlook and market assessments.
- Investments will predominantly include individual global equity securities and participatory interests in portfolios of collective investment schemes that align with the Portfolio's objectives, selected through robust due diligence.
- Asset selection will focus on:
  - Companies benefiting from Artificial Intelligence innovation and related technological advancement
  - Consistency of performance
  - Soundness of investment process
  - Management team experience
  - Appropriateness to the Portfolio's global equity profile
- Strategy emphasises capital growth while managing volatility.
- Investment risk profile consistent with high equity exposure.

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## Key Differentiators

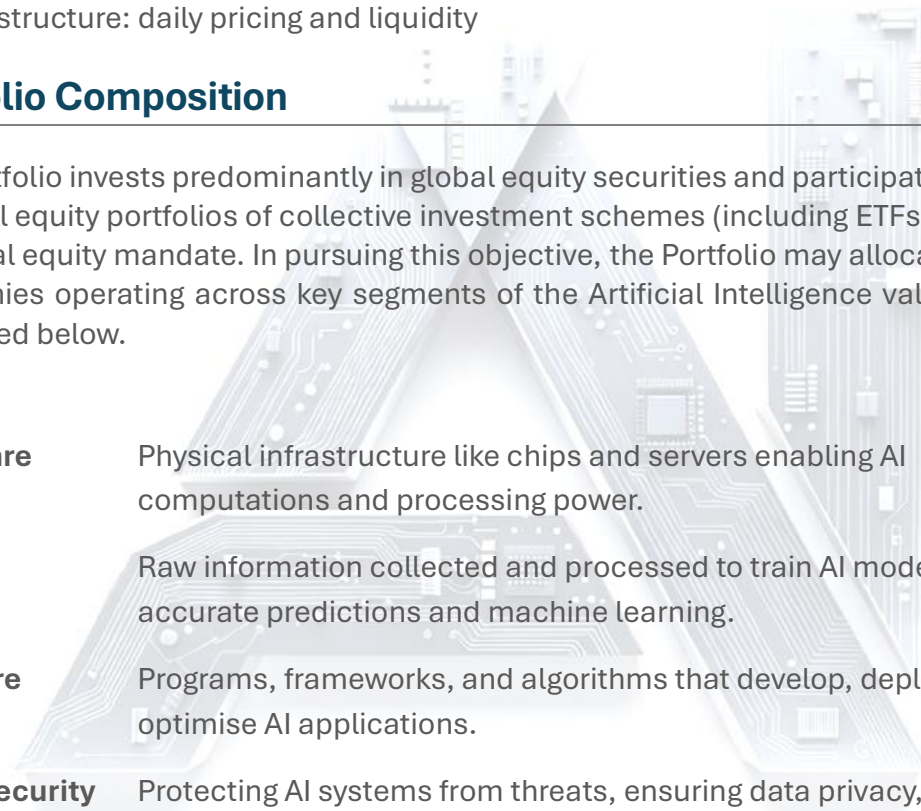
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- Management actively invests in the Portfolio to align their interests
- Access to world class research allowing us to spot developing AI trends
- Pure-play AI focus: targeted exposure beyond broad technology indices
- Risk-aware approach: Actively deploy AI models to assist in stock selection
- Continual sector and individual stock weighting analysis with strict caps in place
- Long term focus
- ETF structure: daily pricing and liquidity

## Portfolio Composition

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The Portfolio invests predominantly in global equity securities and participatory interests in global equity portfolios of collective investment schemes (including ETFs), in line with its global equity mandate. In pursuing this objective, the Portfolio may allocate capital to companies operating across key segments of the Artificial Intelligence value chain, as illustrated below.



|                      |   |
|----------------------|---|
| <b>Hardware</b>      | Physical infrastructure like chips and servers enabling AI computations and processing power.             |
| <b>Data</b>          | Raw information collected and processed to train AI models for accurate predictions and machine learning. |
| <b>Software</b>      | Programs, frameworks, and algorithms that develop, deploy, and optimise AI applications.                  |
| <b>Cybersecurity</b> | Protecting AI systems from threats, ensuring data privacy, and preventing malicious attacks.              |
| <b>Energy</b>        | Power resources needed to sustain AI data centres and high-compute operations efficiently.                |



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|---|---|---|---|---|---|
| <br>hardware       |    |    |    |    | <p><b>Top Ten Holdings</b></p>  |
| <br>data           |    |    |    |    | <p>Amazon</p>   |
| <br>software       |    |    |    |    | <p>Meta</p> <p>Nvidia</p> <p>Tesla</p>                                      |
| <br>Cyber Security |    |    |   |    | <p>Advanced Micro Devices</p> <p>Alphabet</p> <p>Microsoft</p> <p>Baidu</p> |
| <br>Energy       |  |  |  |  | <p>CrowdStrike</p> <p>TSMC</p>  |

## Portfolio & Investment Committee Members

|                               |   |
|-------------------------------|---|
| <p><b>Bruce Main</b></p>      | <p>Bruce with over 25 years of investment experience, holding a B Comm, Fintech Programme (Oxford), Artificial Intelligence (Oxford), Gene Therapies (Harvard). Societe Generale Bank, Ivy AM.</p>  |
| <p><b>Ross Randall</b></p>    | <p>Ross with over 30 years of investment and private equity experience, holding a B.Comm, B.Compt Honours CA (SA). Deloitte SA, Standard Bank, Ivy AM.</p>  |
| <p><b>Tessa Morrison</b></p>  | <p>Tessa with over 25 years of investment and consulting experience holding a B Comm (Hons). Arthur Andersen Business Consulting, Momentum, Ivy AM.</p>   |
| <p><b>Matthew Bernath</b></p> | <p>Matthew with over a decade and a half of investment banking, data analytics and monetisation experience. He hosts the financial modelling and data monetisation podcasts and hosted the RMB data analytics podcast. Matthew holds a BSc (Eng), CFA. RMB, ShopriteX, Alternata.</p> |

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## Risk Considerations

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*The Portfolio is subject to market, liquidity, currency and other risks typical of global equity investments. Investors should consider the detailed risk disclosures and important information before investing<sup>1</sup>.*

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<sup>1</sup> Collective investment schemes in securities (CIS) are generally medium to long-term investments. The value of the participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CISs are traded at the ruling prices and can engage in scrip lending and borrowing. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from EasyETFs. There is no guarantee in respect of capital or returns in the portfolio. The portfolio may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests in issue. Forward pricing is used.

The portfolio's total expense ratio (TER) reflects the percentage of the average net asset value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. During the phase in period, the TERs does not include information gathered over a full year. Transaction costs (TC) is the percentage of the value of the portfolio incurred as costs relating to the buying and selling of the portfolio's underlying assets. Transaction costs are a necessary cost in administering the portfolio and impacts portfolio returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of portfolio, investment decisions of the portfolio manager and the TER.

Exchange traded funds (ETFs) are listed on an exchange and may incur additional costs. Where foreign securities are included in the portfolio, there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

Performance has been calculated using net NAV to NAV numbers with income reinvested.

ETFs vs unit trusts: Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Schemes Control Act, 2002 (CISCA), 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.

For any additional information such as fund prices or brochures, please go to <https://etfs.easyequities.co.za/>

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[Full MANCO disclaimer](#)

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