

**INVESTMENT POLICY SUMMARY**

The fund tracks the performance of its benchmark, the FTSE/JSE All Bond Index. The fund is rebalanced monthly. The fund will invest in a basket of permitted government and corporate fixed-interest securities. The aim is to track the FTSE/JSE All Bond Index. By investing in a passive vehicle, the returns to investment strategies are known. By applying a full replication strategy, the fund will mirror the composition of the chosen benchmark. In order to reduce costs and minimise tracking error, Satrix Bond Index Fund engages in scrip lending activities.

**WHY CHOOSE THIS FUND?**

- \*If you seek general market performance through a well-diversified bond portfolio at low cost.
- \*If you seek a core component for the bond portion of your portfolio.
- \*If you who prefer to take a longer term view when building wealth.
- \*If you are cost conscious.

**FUND INFORMATION**

<b>ASISA Fund Classification</b>	SA - Interest Bearing - Variable Term
<b>Risk profile</b>	Cautious
<b>Benchmark</b>	FTSE/JSE All Bond Index
<b>Portfolio launch date</b>	Dec 2008
<b>Fee class launch date</b>	Apr 2014
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za: No minimum
<b>Portfolio size</b>	R4.9 billion
<b>Last two distributions</b>	30 Jun 2024: 45.63 cents per unit 31 Dec 2023: 45.13 cents per unit
<b>Income decl. dates</b>	30 Jun   31 Dec
<b>Income price dates</b>	1st working day in July and January
<b>Valuation time of fund</b>	17:00
<b>Transaction cut off time</b>	Manual: 15:00 SatrixNOW.co.za: 13:30
<b>Daily price information</b>	www.satrix.co.za
<b>Repurchase period</b>	T+3

**TOP 10 HOLDINGS**

Securities	% of Portfolio
Republic Of South Africa 10.50% 211226	13.77
Republic Of South Africa 8.00% 31012030	12.43
Republic Of South Africa 8.75% 280248	11.78
Republic Of South Africa 8.25% 31032032	10.42
Republic Of South Africa 8.875% 28022035	10.18
Republic Of South Africa 8.50% 31012037	8.86
Republic Of South Africa 8.75% 31012044	7.57
Republic Of South Africa 9.00% 31012040	7.53
Republic Of South Africa 7.00% 280231	6.22
Rsa 6.25% 310336	2.63

as at 30 Jun 2024

**PERFORMANCE (ANNUALISED)**

Retail Class	Fund (%)	Benchmark (%)
1 year	13.09	13.73
3 year	7.04	7.62
5 year	7.20	7.82
10 year	7.57	8.21

Annualized return is the weighted average compound growth rate over the period measured.

**ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS\***

Highest Annual %	13.09
Lowest Annual %	0.72

**FEES (INCL. VAT)**

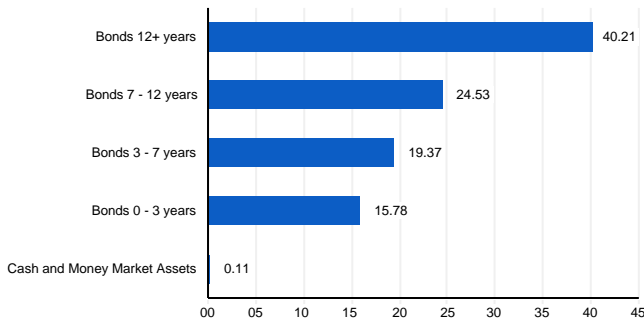
	Retail Class (%)
<b>Advice initial fee (max.)</b>	N/A
<b>Manager initial fee</b>	N/A
<b>Advice annual fee (max.)</b>	1.15
<b>Manager annual fee</b>	0.52
<b>Total Expense Ratio (TER)</b>	0.50
<b>Transaction Cost (TC)</b>	0.02

Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Total Expense Ratio (TER) | The TER is the charges incurred by the portfolio, for the payment of services rendered in the administration of the CIS. The TER is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years. The TER is calculated from 01 April 2021 to 31 March 2024. A higher TER does not imply a poor return nor does a low TER imply a good return.

The Transaction Cost (TC) is the cost incurred by the portfolio in the buying and selling of underlying assets. This is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years. Obtain the costs of an investment prior to investing by using the EAC calculator provided at www.satrix.co.za.

**ASSET ALLOCATION**

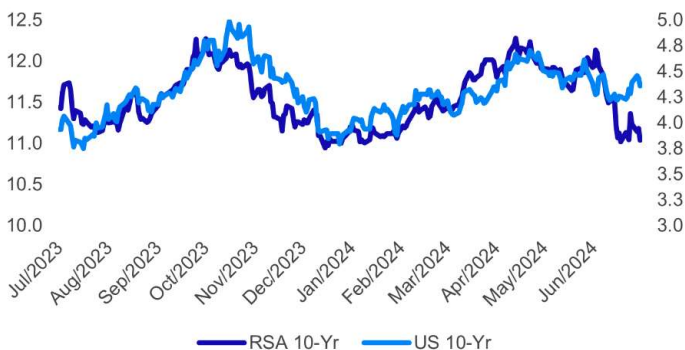


**PORTFOLIO QUARTERLY COMMENTARY - 30 JUN 2024**

The May general election was the dominant theme affecting local markets in the second quarter. With the polls projecting the ANC will get a 40-43% share of the vote, the markets were especially worried that such an outcome could result in the ANC forming a coalition with either the EFF or Jacob Zuma's MK Party to stay in power. Such a coalition would have been market-unfriendly as these parties oppose the reforms the ANC has embarked upon. While the ANC did perform as badly as the polls had predicted, it invited other parties to form a Government of National Unity (GNU), guided by 'fundamental principles', which effectively saw the EFF and MKP ruled out as potential partners. The markets cheered the outcome of the ANC-DA tie-up, with all local assets rallying aggressively. With Cyril Ramaphosa retaining the presidency, the reform agenda is expected to continue.

The JSE All Bond Index (ALBI) delivered a strong return of 7.49% for the quarter, with the index delivering a return of 5.18% in the month of June. Inflation-linked bonds (ILBs) had a better quarter too but trailed nominal bonds. The FTSE/JSE Inflation-Linked Index (CIL) returned 2.37% for the quarter, while the Alexander Forbes Short-Term Fixed-Interest (STeFI) cash index returned 2.03%. Local assets ended off their best levels as haggling over cabinet positions in the GNU showed that this GNU is not without risks.

**SA and US 10yr Bond Yields**



In April, yields in developed markets rose as inflation in the US stayed above target and printed higher than expected. The higher inflation rate reinforced the view that monetary policy rates would stay higher for longer. Yields on the US 10-year bond rose by 0.48%. Inflation readings in May and June moderated somewhat, which helped the markets to recover. However, at the June Federal Open Market Committee (FOMC) meeting, the median dot plot showed that the US Federal Reserve (Fed) now only expects to reduce the policy rate once this year, compared to an indication of two cuts in the March dot plot. The Fed's projections also show a slight increase in the terminal rate beyond 2026. Despite the more hawkish stance of the Fed, no less than 12 central banks among the G20 and OECD countries cut rates in the second quarter. In Latin America, the easing cycle is well advanced as these countries were the first to raise rates in response to inflation. The European Central Bank (ECB) reduced its policy rate by 0.25% in June. Turkey and New Zealand bucked the trend and raised rates. The Bank of Japan is expected to raise rates soon as its ultra-low policy rate is putting pressure on the yen against the dollar. Meanwhile, the South African Reserve Bank (SARB)'s Monetary Policy Committee (MPC) kept the repo rate unchanged at 8.25% at the May meeting. South Africa's inflation eased moderately from 5.3% in March to 5.2% in May but remains above the SARB's target of 4.5%.

**Bond Market Outlook**

There can be no doubt that the global monetary policy cycle is now in an easing phase. While the Fed continues to sound hawkish and indeed the political calendar may preclude it from moving on rates this side of the November elections, there are increasing signs that the US economy is starting to slow. This is best exemplified by the Citigroup Economic Surprise Index, which has declined from a reading of 40 in April to -28.5 at the end of June. The Fed funds futures are fully pricing a rate cut at the November meeting and are pricing a total of 47 bps of easing by year-end. In Europe, the market is expecting the ECB to cut rates at the October meeting and to

reduce the rate by 0.41% before year-end.

Locally, forward rate agreements are now fully pricing a rate cut at the November meeting, however, these expectations could be moved earlier if the rand were to maintain its recent strength closer to R18.00/USD, as this would result in a better inflation outlook.

Former President Donald Trump extended his lead over Biden in the polls, following their TV debate and the Supreme Court ruling that a president is immune from prosecution. The first Trump presidency was generally bad for emerging market assets as his protectionist trade policies led to a stronger dollar. The US yield curve has started to steepen as Trump's fiscal policies are seen as increasing deficits.

**RISK PROFILE (CAUTIOUS)**

This fund aims to provide stable income in conjunction with fluctuating capital values. It aims to provide a high level of income in excess of cash returns over the medium term. This fund is designed to track the bond benchmark and has a medium-term investment horizon.

**CONTACT DETAILS**

**Manager**

Satrix Managers (RF) Pty Ltd (Reg. No. 2004/009205/07). 4th Floor, Building 2, 11 Alice Lane, Sandown, 2146.

**Investment Manager**

The management of investments are outsourced to Satrix, a division of Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

**Trustee**

Standard Chartered Bank, Tel No.: 011 217 6600, E-mail: southafrica.securities-services@sc.com

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\*The highest and lowest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

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