

**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>	R5.7 billion
<b>Last two distributions</b>	30 Jun 2024: 45.63 cps 31 Dec 2024: 47.05 cps
<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	12.17
Republic Of South Africa 8.00% 31012030	11.91
Republic Of South Africa 8.75% 280248	11.76
Republic Of South Africa 8.25% 31032032	11.01
Republic Of South Africa 8.875% 28022035	10.78
Republic Of South Africa 8.50% 31012037	9.60
Republic Of South Africa 9.00% 31012040	8.26
Republic Of South Africa 8.75% 31012044	7.57
Republic Of South Africa 7.00% 280231	6.61
Rsa 6.25% 310336	2.70

as at 28 Feb 2025

**PERFORMANCE (ANNUALISED)**

A1-Class	Fund (%)	Benchmark (%)
1 year	16.97	17.63
3 year	9.36	9.93
5 year	8.79	9.42
10 year	7.72	8.33

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

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

Highest Annual %	16.97
Lowest Annual %	(4.25)

**FEES (INCL. VAT)**

	A1-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>	0.49
<b>Transaction Cost (TC)</b>	0.01

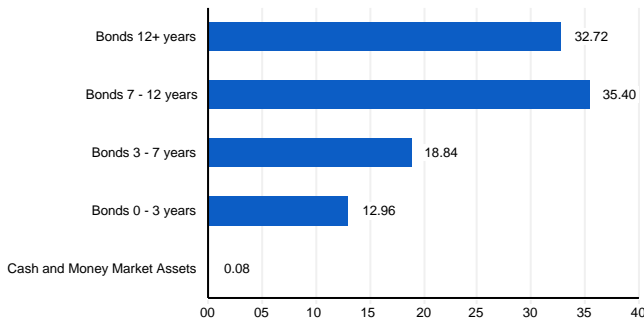
Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is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

Total Expense Ratio (TER) | The Management Fee is expressed as an annual percentage of the daily NAV of the CIS This Fee is net of any scrip lending income and Management Fee waiver, where applicable.

The Total Expense Ratio (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 on an annualised basis. 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 on an annualised basis.

The current TER/TC cannot be regarded as an indication of future TER and TC. A higher TER and TC does not imply a poor return nor does a low TER and TC imply a good return. Obtain the costs of an investment prior to investing by using the EAC calculator provided at satrix.co.za.

**ASSET ALLOCATION**



**PORTFOLIO QUARTERLY COMMENTARY - 31 DEC 2024**

2024 was a very rewarding year for growth assets as US mega-cap stocks in the tech industry dominated the markets for the second year in a row. Donald Trump was elected as US president in November, which strengthened the dollar and saw yields rise, negatively affecting foreign investment-grade bonds. Many central banks, including the South African Reserve Bank, continued normalising rates. However, inflation remained stubborn, changing the market's expectations of how quickly central banks would cut interest rates going into 2025.

The MSCI World Index was up 9.3% in rand terms in the fourth quarter, while the MSCI USA and the S&P 500 indices were up 12.4% and 12% respectively. The Nasdaq 100 Index ended the period up 14.8%. The MSCI China Index was up 1.1% for the quarter, while the MSCI India Index was down 2.9%. This dragged the MSCI Emerging Markets Index lower, closing the quarter up a mere 0.7%. Global bonds were up 3.9% for the quarter. The MSCI Europe Index was down 1.2% and the MSCI United Kingdom Index was up 2%.

Oil prices rose earlier in the quarter, driven by concerns over the Middle East conflict and potential supply disruptions. However, later in the quarter the prices declined as the demand from China slowed. Brent crude oil ended the quarter at US\$74.64 a barrel, a 4.1% increase from the start of the quarter. It was a very good year for gold as the price continued its run, breaching a stream of all-time highs throughout the year. However, gold ended the quarter flat (-0.4%), closing at US\$2 624.40.

In November, Trump won 312 electoral votes, beating Kamala Harris's 226 electoral votes. His pro-business policies, corporate tax cut plans, along with the rising US bond yields translated into a strengthening US dollar environment. The US 20-year Government Bond yield closed the quarter at 4.86% from 4.18% at the beginning of the quarter.

In local markets, the FTSE/JSE All Share Index (ALSI) was down 2.1% for the fourth quarter and the FTSE/JSE Top 40 Index (Top 40) was down 3.4%. The underperformance in the local market was largely driven by Resources, which were down 10.1% for the quarter, and Financials, which were down 1.8%. Industrials were flat for the quarter, ending 0.5% down. The South African 10-year Government Bond yield closed the quarter at 9%, while the All Bond Index (ALBI) ended the quarter positive, by 0.4%. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFi) Composite Index, delivered positive money market returns of 2%, while the FTSE/JSE SA Listed Property Index (SAPY) was down 0.8% for the quarter.

The rand depreciated by 9.5% to the US dollar over the quarter, closing at R18.87 to the greenback, R23.63 to the pound and at R19.53 to the euro.

**Bond Quarterly Q4 2024**

The bond market rally in South Africa ran out of steam in the fourth quarter of 2024 as US yields backed up from their low levels in September. The FTSE/JSE All Bond Index (ALBI) returned just 0.43% for the quarter, underperforming both cash and inflation-linked bonds. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFi) Composite Index, returned 2.01% while the FTSE/JSE Inflation-Linked Index (CILI) returned 0.83%. Notwithstanding the poor performance in the final quarter bonds still delivered great returns for the year with the ALBI delivering 17.18%. Local bonds took their cue from US bonds, which saw the benchmark 10-year bond yield rise 0.79 bps to 4.57%. By comparison, the benchmark R2035 bond yield rose only 0.28%. Indeed, for the year as a whole the 10-year SA bond yield compressed 1.78% relative to the US benchmark.

US bonds reversed past gains as the market started to price in the implications of a second Donald Trump presidency. While the US fiscal position deteriorated during the Biden administration, Trump's policies of much higher trade tariffs and tax cuts are likely to make the fiscal situation much worse. Whereas the Biden administration increased tariffs on Chinese imports by up to 100%, Trump is proposing tariffs on all imports, which will increase inflation.

During the quarter, there was significant repricing of rate cut expectations, both locally and in the US. The Federal Market Open Committee (FOMC) delivered two 25-bps cuts. The December rate cut was accompanied by projection for 2025, which showed that members of the committee expect to cut rates by only 50 bps in 2025, compared to 100 bps at the September meeting. The Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) delivered just one 25-bps cut during the quarter. The cautious approach of the SARB was despite a very benign Issue Date: 18 Mar 2025

inflation backdrop, which saw inflation breach the bottom of the target band to print at 2.8% in October and 2.9% in November and an unchanged forecast for average inflation for 2025 of just 4%.

**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.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Satrix Managers (RF) (Pty) Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Chartered Bank is the appointed trustee of the Satrix Managers Scheme.

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are subject to tax penalties.