

INVESTMENT POLICY SUMMARY

The Satrix Momentum Index Fund is an equity only portfolio. To capture this investment style and its effect, Satrix has developed the proprietary Satrix Momentum Index. It aims to capture the return of the equity market enhanced by the momentum risk premium. This is achieved by constructing a portfolio tilted toward stocks (or equities) that display positive momentum characteristics and away from stocks showing negative momentum characteristics. Momentum is defined for the index in terms of a composite of price momentum and earnings momentum as measured by analyst revisions. The index is reviewed and rebalanced 8 times a year (approximately every 6 weeks) where parameters are recalculated with cognizance given to the liquidity of individual counters and the turnover of the benchmark as a whole. The benchmark is also moderated in terms of sector and stock specific risks. The universe for selection of stocks to be included in the Satrix Momentum Index is all stocks on the JSE that meet the applicable liquidity screening requirements referred to in the calculation methodology, excluding listed property stocks. The fund is rebalanced every 6 weeks.

WHY CHOOSE THIS FUND?

*Because it is negatively correlated to value investing, momentum investing can be a valuable diversification component.

*The momentum product is designed to be: Risk Controlled; Consistent; True-to-label; and a robust blend of price and earnings momentum styles.

*This is pure equity fund is therefore not Regulation 28 compliant.

*This fund is aggressively risk profiled and thus investors should be willing to tolerate potential volatility in the short-term.

FUND INFORMATION

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	Proprietary Satrix Momentum Index
Portfolio launch date	Oct 2013
Fee class launch date	Oct 2013
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R154.0 million
Last two distributions	30 Jun 2024: 30.28 cents per unit 31 Dec 2023: 28.47 cents per unit
Income decl. dates	30 June 31 Dec
Income price dates	1st working day in July and January
Valuation time of fund	17:00
Transaction cut off time	Manual: 15:00 SatrixNOW.co.za: 13:30
Daily Price Information	www.satrix.co.za
Repurchase period	T+3

TOP 10 HOLDINGS

Securities	% of Portfolio
Naspers Ltd	9.80
Capitec Bank Holdings Ltd	6.90
Standard Bank Group Ltd	6.64
Sanlam Ltd	5.35
Gold Fields Ltd	5.19
Firstrand Ltd	4.98
Harmony Gold Mining Company Ltd	4.74
Aspen Pharmacare Holdings Ltd	4.40
Shoprite Holdings Ltd	4.04
Investec Ltd	3.77

as at 30 Jun 2024

PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	9.31	10.31
3 year	9.07	10.01
5 year	6.90	7.89
10 year	7.17	8.39

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	21.17
Lowest Annual %	(11.22)

FEES (INCL. VAT)

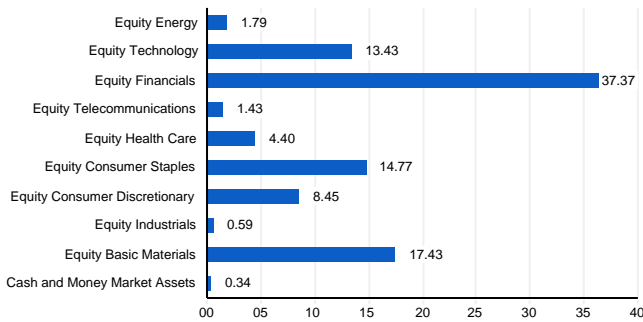
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.52
Total Expense Ratio (TER)	0.60
Transaction Cost (TC)	0.32

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

Following a strong first quarter in terms of equity returns, the second quarter was mixed when considering different jurisdictions and asset classes. Demand for companies linked to Artificial Intelligence (AI) continued and improvements in corporate earnings in the US also drove the equity market. In addition, inflation continued to cool with some areas, like the Eurozone, starting to cut rates. Annual inflation in the US was up 3.3% and the US Federal Reserve (Fed) held rates constant while acknowledging that the anticipated rate cuts were pushed out, to start perhaps as late as December this year.

In rand terms, the second quarter of the year saw the MSCI World Index down 1%, the MSCI Emerging Markets Index up 1.2%, and the MSCI USA Index up 0.2%. The MSCI India Index was up 6.3% during the quarter, while the MSCI China Index was also up 3.3%. The MSCI Europe Index was down 3% while the MSCI United Kingdom Index was flat (-0.01%).

A rise in demand for oil and production cuts from OPEC+ influenced inventories, but oil prices were down during the second quarter. Brent crude oil ended the quarter at US\$85 a barrel, a 2.3% drop from the start of the quarter. The gold price reached an all-time high and ended the quarter up 4%, at US\$2 326.40. After a disastrous US presidential debate with current president Joe Biden and former president Donald Trump, the projections for a second term started to shift in favour of Trump. His policies on higher import tariffs, tight immigration laws and possible tax cuts were largely seen as inflationary by the markets. During this period the US 20-year Government Bond yield ticked up to 4.68% at the end of the quarter, while investors continued to take guidance from the Fed's notes on rate cuts and the upcoming US elections.

In local markets, the FTSE/JSE All Share Index (ALSI) was up 8.2% for the second quarter while the FTSE/JSE Top 40 Index (Top 40) was up 7.9%. The outperformance was largely driven by local Financials being up 17.1% for the quarter with Industrials and Resources up 4.8% and 3.4% respectively. The South African 10-year Government Bond yield closed the quarter at 10.2%, while the All Bond Index (ALBI) was up 7.5%. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFI) Composite Index, delivered positive money market returns of 2.1%, while the FTSE/JSE SA Listed Property Index (SAPY) was up 5.5% for the quarter.

President Cyril Ramaphosa was voted in for his second term as president, as several political parties agreed to form a Government of National Unity (GNU) with the ANC, which later drove a massive recovery in SA Inc. stocks in June. In their last meeting, the South African Reserve Bank (SARB) kept rates constant again, as they reiterated that interest rates may remain elevated for an extended period as the committee was sticking to its mandate of achieving its inflation targets. During the quarter, the rand appreciated by 3.6% to the US dollar, closing at R18.26 to the greenback, R23.08 to the pound and at R19.57 to the euro.

Portfolio performance, attribution and strategy

In the second quarter of 2024, global equities continued to rise and emerging markets ended up outperforming developed markets with India leading the way. The MSCI World Index was down 1% during the quarter while the MSCI Emerging Markets (EM) Index was up 1.2%, in rand. Optimism around Artificial Intelligence (AI) continued, with the Nasdaq index up 4.1% over the same period.

Offshore, Quality, Growth and Momentum continued to outperform the MSCI World Index over the quarter with Quality the best performer of the two, while Growth also did better than the market. The worst-performing factor was Value, followed by Equally Weighted strategies, which would have reduced exposure to frontrunners like Nvidia and the other Magnificent Seven stocks that reached all-time highs. Again, risk-averse investors were not rewarded during the quarter as the Low Volatility factor underperformed, while High Dividend stocks also underperformed. In Emerging Markets, again, Momentum outperformed the MSCI EM Index, followed by Enhanced Value and High Dividend stocks. The Equally Weighted strategy was the worst performer during the quarter, with Low Volatility and the Growth factor also underperforming.

Locally, the Quality factor outperformed the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) while Momentum was flat. The Value factor was the worst performer during the quarter compared to the Capped SWIX while the Low Volatility factor also underperformed.

Over the quarter, the Momentum factor marginally outperformed the Capped SWIX
Issue Date: 22 Jul 2024

benchmark. From an attribution perspective, overweight positions in Truworths (TRU) and Sanlam (SLM) and an underweight position in MTN Group (MTN) added value to the strategy over the quarter. Counters that detracted value from the strategy were overweight positions in Anheuser-Busch InBev (ANH) and Gold Fields (GFI) and an underweight position in Anglo American plc (AGL).

At the last rebalance in June 2024, we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio. Based on these signals, AVI Ltd (AVI) and MultiChoice (MCG) were added as new positions to the portfolio while Capitec (CPI) and Mr Price (MRP) were increased. To fund the buys, positions in Bidcorp (BID) and Woolworths (WHL) were deleted, while Naspers (NPN), Anheuser-Busch InBev (ANH), FirstRand (FSR) and Gold Fields (GIF) were reduced.

We remain convinced of the factor's medium to long-term significance and the premium it offers in the South African capital market and remain disciplined in our implementation and extraction of the factor.

RISK PROFILE (AGGRESSIVE)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term. It is designed to track the benchmark and is a pure equity fund. There will be capital volatility in the short- to medium-term, although higher returns should be expected over longer-term periods.

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

DISCLAIMER

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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.