

#### 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

<b>ASISA Fund Classification</b>	SA - Equity - General
<b>Risk profile</b>	Aggressive
<b>Benchmark</b>	Proprietary Satrix Momentum Index
<b>Portfolio launch date</b>	Oct 2013
<b>Fee class launch date</b>	Oct 2013
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za: No minimum
<b>Portfolio size</b>	R152.0 million
<b>Last two distributions</b>	30 Jun 2022: 18.53 cents per unit 31 Dec 2022: 36.39 cents per unit
<b>Income decl. dates</b>	30 June   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
Naspers Ltd	10.53
Compagnie Fin Richemont	6.63
Anglogold Ashanti Ltd	6.43
Firststrand Ltd	6.26
Absa Group Limited	5.12
Mtn Group Ltd	4.54
Glencore Plc	4.54
Anheuser-busch Inbev Sa Nv	4.14
Reinet Investments S.c.a	4.04
Investec Ltd	3.88

as at 30 Apr 2023

#### PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	2.92	3.73
3 year	14.67	15.75
5 year	5.37	6.42
Since inception	8.28	9.53

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

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

Highest Annual %	31.53
Lowest Annual %	(12.97)

#### FEES (INCL. VAT)

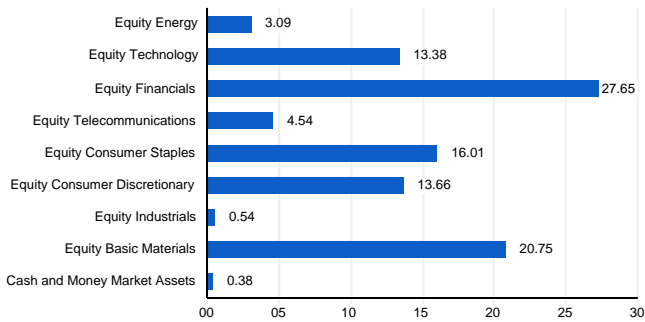
	Retail Class (%)
<b>Advice initial fee (max.)</b>	N/A
<b>Manager initial fee</b>	N/A
<b>Advice annual fee (max.)</b>	1.15
<b>Manager annual fee</b>	0.52
<b>Total Expense Ratio (TER)</b>	0.59
<b>Transaction Cost (TC)</b>	0.34

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 January 2020 to 31 December 2022. 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](http://www.satrix.co.za)

## ASSET ALLOCATION



## PORTFOLIO QUARTERLY COMMENTARY - 31 MAR 2023

### Market comments

Much like last year, the first quarter of this year has been eventful. South Africa has continued to suffer continuous daily load shedding resulting in a decline in economic activity, and in March, S&P Global downgraded South Africa's credit rating outlook from positive to stable.

Listed US tech companies had a huge turnaround during the first quarter of the year, although markets were being cautious. Last year saw severe economic headwinds, but 2023 has had a good start for the sector. The banking sector experienced the total opposite. Billion-dollar tech-lender Silicon Valley Bank, the 16th biggest bank in the US, collapsed mid-March becoming the second-biggest bank failure in the US. Consumers, in panic, then did a bank run on Signature Bank, which then also collapsed making it the third-largest US bank failure in US history. On the other side of the globe, Credit Suisse, the second-largest bank in Switzerland, also collapsed and was bought by rival UBS for about US\$3.3 billion.

For the first quarter of the year, the MSCI World Index was up 7.7%, the MSCI Emerging Markets Index was up 4% and the MSCI USA Index was up 7.6% in US dollar total returns. The MSCI India Index was down 6.4% during the quarter in US dollar terms while the MSCI China Index was up 4.7%. The MSCI Europe Index was up 10.6% while the MSCI United Kingdom Index was also up 6.1% in US dollar total returns.

There were growing concerns about a possible US recession, fuelled by bank collapses, and the oil price fell to its lowest level since the beginning of the year, to US\$72.77 a barrel. The Brent price ended the quarter at US\$79.89 a barrel, a 7% decrease from the start of the quarter. The gold price went back to its March 2022 levels, ending the quarter at US\$1 967.90, up 7.9% since the beginning of the quarter, while the US 10-year Government Bond yield closed the quarter at the 3.49% level, lower than the previous quarter.

In local markets, the FSTE/JSE All Share Index (ALSI) was up 5.2% for the first quarter of the year, all thanks to a very strong January start, as both February and March were down. For the quarter, the FTSE/JSE Top 40 Index (Top 40) (6.2%) and FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) (2.4%) were also up. The South African 10-year Government Bond yield closed the quarter at 9.8%, while the All Bond Index (ALBI) was up 3.4% for the quarter. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFI) Composite Index, delivered positive money market returns of 1.8% for the quarter while the FTSE/JSE SA Listed Property Index (SAPY) was down 5.1% for the quarter.

Markets expected a 25-basis point (bps) increase from the South African Reserve Bank (SARB) Monetary Policy Committee (MPC) announcement in March, but Governor Lesetja Kganyago delivered an unexpectedly aggressive 50-bps increase. This was the ninth consecutive increase from the central bank since November 2021. The news helped the rand pull back against a strong dollar, introducing some volatility in the local currency. For the full quarter, the rand depreciated by 4.3% to the US dollar, closing at R17.74 to the greenback, coming from a high of R18.61 at the beginning of March, while it closed at R21.94 to the pound and at R19.28 to the euro.

### Portfolio performance, attribution and strategy

For the first quarter of the year, equities had a strong start as the MSCI World Index was up 7.7% in dollar terms for the period. There was also an increase in risk appetite, as High Beta stocks were the best performers for the quarter, which was also evident in the Nasdaq returning a staggering 20.7% for the quarter. Value and Profitability stocks were among the strong performers for the quarter while Growth and Earnings Quality stocks also outperformed. The worst performing factors were Momentum stocks and Leverage. Locally, it was a very poor quarter for factors. Quality was the worst performer as Profitability stocks dragged the factor together with Leverage stocks. Momentum was also down, as the Price Momentum subfactor continued to underperform for the last 12 months, while Earnings Revision were fairly flat. The Value factor was a mixed bag, which made it end the quarter flat against the Capped SWIX as Earnings and Dividend yields were down while Price to Book and Cashflow were up for the quarter. Locally listed Low Beta and Low Vol stocks were among the best performers for the quarter.

Over the quarter, the Momentum factor underperformed the Capped SWIX benchmark. From an attribution perspective, overweight positions in AngloGold Ashanti (ANG) and Richemont (CFR) and an underweight position in Anglo  
Issue Date: 18 May 2023

American Platinum (AMS) added value to the strategy over the quarter. Counters that detracted value from the strategy were overweight positions in African Rainbow Minerals (ARI), Thungela Resources (TGA) and Impala Platinum (IMP).

At the last rebalance in March 2023, we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio. Based on these signals, Reinet (RNI) and Anheuser-Busch InBev (ANH) were added as new positions to the portfolio while Mediclinic International PLC (MEI) was deleted from the portfolio. Noticeable increases in positions were Prosus (PRX) and Naspers (NPN) and noticeable decreased positions were Impala Platinum (IMP) and Investec Ltd (INL).

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 (greater than 5 years). It is designed to track the benchmark and is a pure equity fund. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

## 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.