

INVESTMENT POLICY SUMMARY

The Satrix Balanced Index Fund is Regulation 28 compliant and offers diversified exposure to all the key local and international asset classes. The Fund tracks a composite index benchmark, with a long term strategic asset allocation, rebalanced on a bi-annual basis in March and September.

FUND STRATEGY

The composite benchmark of the fund comprises the following asset class building blocks:

Asset Class Index Exposure

SA Equity (40%)	Satrix SmartCore™ Index
SA Bonds (12%)	FTSE/JSE All Bond Index
SA Property (5%)	FTSE/JSE SA Listed Property Index
SA Inflation-Linked Bonds (5%)	S&P SA Sovereign Inflation-Linked Bond Index
SA Cash (2%)	STeFI Composite
International Equity (26%)	MSCI All Country World Index (ACWI)
International Property (5%)	FTSE EPRA/Nareit Developed Dividend+ Index
International Infrastructure (5%)	FTSE Global Core Infrastructure Index

WHY CHOOSE THIS FUND?

- The Satrix SmartCore™ Index targets stocks with positive exposures to multiple desired attributes, such as Momentum, Value and Quality.
- These attributes are rewarded drivers of returns, and when combined using a multi-factor approach, offer strong overall exposure to the desired factors, while managing a variety of risks relative to the SA equity market.
- The international portion of the fund provides some rand-hedge protection.
- You gain access to a fund that aims to grow capital steadily, while providing income over the medium to longer term.
- The high equity exposure gives you material exposure to an asset class that, though more volatile than others, usually delivers superior performance in the long term.

FUND INFORMATION

ASISA Fund Classification	SA - Multi-Asset - High Equity
Category Benchmark	SA - Multi-Asset - High Equity - Median
Risk profile	Moderate Aggressive
Benchmark	Proprietary Satrix Balanced 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	R9.5 billion
Last two distributions	30 Jun 2023: 30.07 cents per unit 31 Dec 2022: 30.34 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

TOP 10 HOLDINGS

Securities	% of Portfolio
Ish Dvl Mkt Prpty Yld Usd A	4.94
Ishares Core Msci World Ucits Etf	4.83
Ishares Gbl Infrastructure	4.79
Naspers Ltd	3.94
Mtn Group Ltd	2.61
Gold Fields Ltd	2.45
Firststrand Ltd	2.19
Absa Group Limited	2.18
Nedbank Group Ltd	1.90
Anglo American Plc	1.83

as at 31 Aug 2023

PERFORMANCE (ANNUALISED) AS AT 31 AUG 2023

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	11.61	12.54	12.26
3 year	12.53	13.59	10.60
5 year	7.87	8.87	6.86
Since inception	8.06	9.18	6.94

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	24.57
Lowest Annual %	0.15

FEES (INCL. VAT)

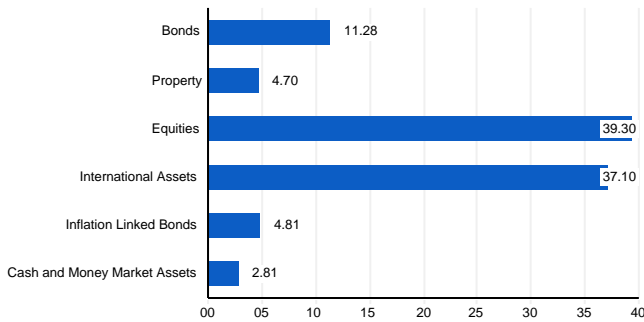
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.40
Total Expense Ratio (TER)	0.50
Transaction Cost (TC)	0.12

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 July 2020 to 30 June 2023. 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 2023

Market Comments

Global shares continued to rally in the second quarter with the advance led by developed markets, where geopolitics and central banks were the main focus. Following Ukraine's long-awaited counteroffensive, Putin's rule appeared to be challenged domestically. US-China tensions seemed to de-escalate after Antony Blinken, the US Secretary of State, unexpectedly held a meeting with Xi Jinping, President of the People's Republic of China, during his Beijing trip. Elsewhere, Saudi Arabia announced further oil production cuts at the OPEC+ meeting, but Brent Crude only rose by 3.1% in June. Major central banks raised interest rates in the period although the US Federal Reserve elected to keep rates on hold in June. Government bond yields rose, resulting in bond prices falling.

For the second quarter of the year, the MSCI World Index was up 6.8%, the MSCI Emerging Markets Index was flat at 0.9%, lagging after a strong first quarter, and the MSCI USA Index was up 8.7% in US dollar total returns. The information technology (IT) sector led the stock market advance in the US. The MSCI India Index was up 12.2% during the quarter in US dollar terms while the MSCI China Index was down 9.7% amid concerns over a weaker-than-expected recovery. The MSCI Europe Index was up 3.3% while the MSCI United Kingdom Index was also up 2.1% in US dollar total returns.

Local markets were flat for the second quarter of the year, with the FSTE/JSE All Share Index (ALSI) up a mere 0.6%. The FTSE/JSE Top 40 Index (Top 40) rose 0.9% and the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) was up 1.1%. The South African 10-year Government Bond Yield closed the quarter at 10.5%, while the All Bond Index (ALBI) was down 1.5% for the quarter. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFI) Composite Index, delivered positive money market returns of 1.9% for the quarter while the FTSE/JSE SA Listed Property Index (SAPY) was up 0.6% for the quarter.

The South African Reserve Bank (SARB) raised the repo rate to 8.25% - its 10th consecutive hike in a row - taking it to a 14-year high as the central bank scrambled to tame inflation. SARB Governor Lesetja Kganyago cited the inflationary impacts of a weakening rand, ongoing load shedding and elevated global pricing levels as the primary drivers of the hike. The Reserve Bank's decision prompted the most undesirable response possible by markets as the rand plunged to a three-year low. The extreme depreciation of the currency experienced during the month of May was exacerbated by the bad sentiment surrounding Eskom and potential stage 8 and above load-shedding, weak economic growth data and reports that the country may have supplied weapons to Russia.

Portfolio Performance, Attribution and Strategy

The second quarter of the year was also as strong as the first, as the MSCI World index was up 6.8% in dollar terms for the period. The risk appetite held on since the last quarter and there was also a noticeable shift in market sentiment regarding the pace at which rates might decline in the future. With increased expectations around Artificial Intelligence (AI) and for businesses to adopt it, stocks related to AI ended the quarter very strong, which pushed Quality stocks to outperform for the quarter. For the quarter, the Quality factor was the only outperformer in the US with Low Volatility, Yield and Value being the worst underperformers. Momentum and Value did well in Emerging Markets while Quality, Low Size and Growth were poor. Locally, it was a very poor quarter for some of the factors. Momentum outperformed the market as Earnings Revisions had a stronger quarter than Price Momentum and the Dividend Yield factor did poorly during the quarter. The Value factor also underperformed as Earnings Yield had a very poor quarter, trending similarly to the Dividend Yield factor.

The Smartcore™ fund uses a multi-factor approach where stocks are selected based on their bottom-up combined Value, Momentum and Quality signal. In the second quarter of the year, the multi-factor model added value over and above the Quality and Value single factors, but underperformed the Momentum strategy. Over the same period, the multi-factor approach outperformed the FTSE/JSE Capped SWIX benchmark while it also outperformed the average of the single factors deployed in the multi-factor model. During the quarter, a pure blend approach of Satrix proprietary Quality, Value and Momentum indices also underperformed the FTSE/JSE Capped SWIX index.

From an attribution perspective, overweight positions in Gold Fields (GFI), MTN Group (MTN) and Anglo American (AMS) added value to the strategy over the Issue Date: 22 Sep 2023

quarter. Counters that detracted value from the strategy included underweight positions in Northam Platinum (NPH) and Richemont (CFR) and an overweight position in Harmony Gold (HAR).

The Satrix Smartcore™ Index rebalanced in June and the fund added Bytes Technology (BYI) and Northam Platinum (NPH) while positions in BHP Group Limited (BHG), Standard Bank (SBK) and Thungela Resources (TGA) were increased. These were funded by deleting Anglo American Platinum (AMS), ASVI Ltd (AVI), OUTsurance (OUT) and Pick n Pay (PKI) while positions in Gold Fields (GFI), MTN Group (MTN) and British American Tobacco (BTI) were reduced.

Local Bond and Inflation-Linked Bond Market

The FTSE/JSE All Bond Index (ALBI) returned a negative 1.53% for the quarter. In May, the index was down 4.79% before recovering 4.58% in June. The recovery of the bonds was driven by improved sentiment as loadshedding eased significantly and the currency retraced to pre-#LadyRussiagate levels. Inflation-linked bonds performed better than nominal bonds, as they experienced less selling pressure. For the quarter, the CILI index returned a negative 0.74%. On a year-to-date basis, bonds delivered 1.83%, underperforming the Alexander Forbes Short-Term Fixed-Interest (STeFI) cash index return of 3.72%.

Local Property

In the second quarter of 2023, the FTSE/JSE SAPY Index realised a positive return of 0.66%, underperforming the FTSE/JSE All Property Index (ALPI), which returned a positive 0.96%. The top contributors to the quarterly performance were Sirius Real Estate (SRE) (+24%), Fortress A (FFA) (+11%) and NEPI Rockcastle (NRP) (7%). Equites Property Fund (EQU) (-20%), Growthpoint (GRT) (-6%) and Redefine (RDF) (-4%) were some of the top detractors from performance. Sirius Real Estate (SRE) posted large positive gain during the quarter. At the June FTSE/JSE index review there were no additions to or deletions from the index. The one-way turnover was 1%.

International Equities

The MSCI All Country World Index captures large and mid-cap representation across 23 developed market (DM) and 24 emerging market (EM) countries*. With 2 935 constituents, the index covers approximately 85% of the global investable equity opportunity set. The index (in rand terms) had a return of 13% (6.1% in US dollar terms) in the second quarter of 2023. Overall, equity markets displayed incredible resilience during the second quarter of 2023.

RISK PROFILE (MODERATE AGGRESSIVE)

This is a moderate aggressive risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

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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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.