

### INVESTMENT POLICY SUMMARY

The investment objective of the portfolio is to provide investors with income and capital growth in the medium to long term by tracking the FTSE/JSE Mid Cap Index (J201) as closely as possible. We believe that the benchmark choice and resulting returns form the most important elements of an equity strategy. 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.

### WHY CHOOSE THIS FUND?

\*This fund is ideal for the investor who seeks the general equity market performance through a well-diversified equity portfolio at low costs.

\*This is a passive, 100% equity investment with no stock picking or asset allocation calls.

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

\*This fund could also serve as the core component of the equity portion of a client's portfolio.

### FUND INFORMATION

<b>ASISA Fund Classification</b>	South African - Equity - Mid & Small Cap
<b>Risk profile</b>	Aggressive
<b>Benchmark</b>	FTSE/JSE Mid Cap Index (J201)
<b>Portfolio launch date</b>	Mar 2018
<b>Fee class launch date</b>	Mar 2018
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za: No minimums
<b>Portfolio size</b>	R600.3 million
<b>Last two distributions</b>	30 Jun 2023: 20.00 cps 31 Dec 2023: 22.87 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>Transcation 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
Investec Ltd	6.25
Nedbank Group Ltd	5.59
Bidvest Ltd	4.82
Rengro Ltd	4.64
Aspen Pharmacare Holdings Ltd	4.43
Clicks Group Ltd	4.39
Discovery Limited	4.30
Impala Platinum Holdings Ltd	4.14
Sibanye Still Water Limited	3.92
Woolworths Holdings Ltd	3.66

as at 31 Dec 2023

### PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	9.01	9.70
3 year	12.08	12.83
5 year	6.62	7.29
Since inception	4.44	5.11

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

### ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS\*

Highest Annual %	27.94
Lowest Annual %	(14.89)

### FEES (INCL. VAT)

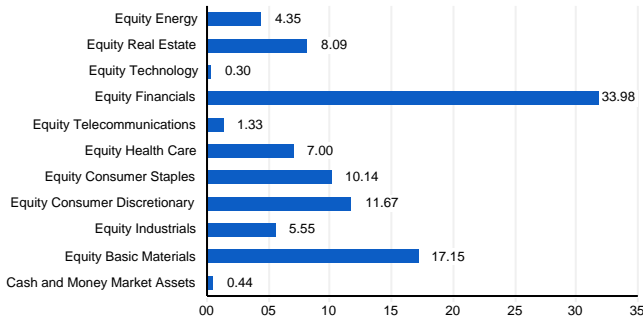
	Retail Class (%)
<b>Advice initial fee (max.)</b>	N/A
<b>Manager initial fee</b>	N/A
<b>Advice annual fee (max.)</b>	1.15
<b>Manager annual fee</b>	0.52
<b>Total Exposure Ratio (TER)</b>	0.52
<b>Transaction Cost (TC)</b>	0.13

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 October 2020 to 30 September 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](http://www.satrix.co.za)

**ASSET ALLOCATION**



**PORTFOLIO QUARTERLY COMMENTARY - 31 DEC 2023**

2023 got off to a rocky start, with markets fearing a possible global recession, ongoing conflicts in the Middle East, and Russia's continued assault on Ukraine. However, inflation would soften quicker than expected, changing investor sentiment as reserve banks around the globe paused on rate hikes. Contrary to the expected recession, there was an Artificial Intelligence (AI) boom which saw stocks like NVIDIA climbing to returns north of 200% for the year. The fixed-income and equity markets rallied, with Information Technology becoming one of the most rewarded sectors for the year.

In rand terms, the fourth quarter saw the MSCI World Index go up 8.2%, the MSCI Emerging Markets Index up 4.7%, and the MSCI USA Index up 8.5%. The MSCI India Index was up 8.6% during the quarter, while the MSCI China Index was down 7%. The MSCI Europe Index was up 7.8% while the MSCI United Kingdom Index was also up 3.7%.

As the US Federal Reserve (Fed) transitioned from a hawkish outlook to being neutral, and then dovish on interest rates, the markets started to propel upwards. The conflicts in the Middle East also brought about uncertainty in oil prices, with Brent oil ending the quarter at US\$77.04 a barrel, a 14.7% decrease from the start of the quarter. The Fed's dovish comments and anticipation of rate cuts drove the gold price, which hit a record high of US\$2 077 in November and ended the quarter at US\$2 062.59, up 11.6% since the beginning of the quarter. The US 20-year Government Bond yield eased from its record 5.29% level and closed the quarter at 4.18%.

In local markets, the FSTE/JSE All Share Index (ALSI) was up 6.9% for the final quarter, closing the year on a positive. In this period, the FTSE/JSE Top 40 Index (Top 40) and FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) were also up 6.6% and 8.2% respectively. The South African 10-year Government Bond yield closed the quarter at 9.77%, while the All Bond Index (ALBI) was up 8.1%. 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 16.4% for the quarter.

The year 2023 marked the worst period for South Africans in terms of loadshedding, with the country plummeting into sporadic darkness for over 330 days (90%) of the year. This took place the year before the country goes to the polls in what is expected to be the most hotly contested election since the first democratic elections in 1994. The ongoing loadshedding is one of the factors that have influenced the performance of the South African rand. Markets watched the South African Reserve Bank (SARB) halting interest rate hikes as the rand appreciated by 2.9% to the US dollar, closing at R18.29 to the greenback, R23.31 to the pound and at R20.20 to the euro.

**Portfolio Performance and Changes**

In the last quarter of 2023, the FTSE/JSE Mid Cap Index had a return of 9.98%, significantly outperforming the FTSE/JSE ALSI Index, which had a return of 6.92. For the year to date in 2023, the FTSE/JSE Mid Cap Index had a return of 9.70%.

Resources had a mixed bag of returns during the quarter with some stocks making large positive gains. Harmony Gold Mining (HAR) (+69.9%), Northam Platinum (NPH) (+22.3%) and Exxaro (EXX)(+18.6%) were some of the largest contributors to the positive index return. Sibanye-Stillwater (SSW) (-14.8%) and Thungela Resources (TGA) (-11.4%) detracted from the strong positive performance during the quarter.

Financials also had a good quarter with property stocks NEPI Rockcastle (NRP) (+21.4%) and Growthpoint (GRT) (+18.3%), and both Investec Ltd (INL) (+18.7%) and Investec plc (INP) (+16.6%) also contributing to the overall index return. Pharmaceuticals had an uptick during the quarter with Dis-Chem (DCP) (+30.4%), Clicks Group (CLS) (+25.9%) and Aspen Pharmacare (APN) (+18.4%) in strong positive territory. The strong positive performance by Tiger Brands (TBS) (+31.1%) made a large contribution to the index's return for the quarter.

Pick n Pay (PIK) (-37.1%) was the biggest loser for the quarter as it reported a half-year loss and its share price dipped its lowest in 15 years when the retailer withheld its interim dividend payout. Sasol (SOL) (-29%) also took a significant downturn this quarter with the company's Climate Change Report being rejected by investors and its annual general meeting being abandoned due to protests. The company, South Africa's biggest by revenue, accounts for about a fifth of the nation's greenhouse gas emissions. It also emits other pollutants including sulphur dioxide, which can cause heart attacks and strokes. The company has set a target of cutting emissions

cause heart attacks and strokes. The company has set a target of cutting emissions by 30% by 2030 and reaching net zero emissions by 2050.

At the December 2023 FTSE/JSE index review there were no constituent additions or deletions to the index. The one-way turnover was 0.35%.

**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

**DISCLAIMER**

Although all reasonable steps have been taken to ensure the information on this website/advertisement/brochure is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

\*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.