

INVESTMENT POLICY SUMMARY

This is a pure equity fund that aims to replicate the FTSE/JSE Dividend Plus Index. The appeal for an investor is the alternate weighting methodology (discussed below) to the traditional FTSE/JSE Top 40, which is a market cap weighted index. 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. The fund is rebalanced bi-annually in March and September.

WHY CHOOSE THIS FUND?

*The index which the fund replicates consists of 30 high dividend yielding companies within the universe of the FTSE/JSE Top 40 and FTSE/JSE Mid Cap Index (excl. Real Estate) that are expected to pay the best normal dividends over the forthcoming year.

*The fund will have a low correlation with other indices on the JSE and accordingly, it provides an ideal product for diversifying investment portfolios.

*It will appeal to investors seeking a high income portfolio.

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

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

FUND INFORMATION

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	FTSE/JSE Dividend Plus Index (J259)
Portfolio launch date	Aug 2011
Fee class launch date	Aug 2014
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R410.0 million
Last two distributions	30 Jun 2023: 114.00 cents per unit 31 Dec 2023: 48.04 cents per unit
Income decl. dates	30 Jun 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
African Rainbow Minerals	10.17
Kumba Iron Ore Ltd	6.98
Exxaro Resources Ltd	6.25
Impala Platinum Holdings Ltd	5.20
Thungela Resources Ltd	4.62
Nedbank Group Ltd	4.34
Tiger Brands Ltd	4.04
British Am. Tobacco Plc	4.03
Mr Price Group Limited	4.00
Anglo American Platinum Limited	3.62

as at 31 Jan 2024

PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	(12.43)	(11.73)
3 year	9.66	10.65
5 year	7.26	8.31
10 year	7.42	8.44

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	39.41
Lowest Annual %	(22.70)

FEES (INCL. VAT)

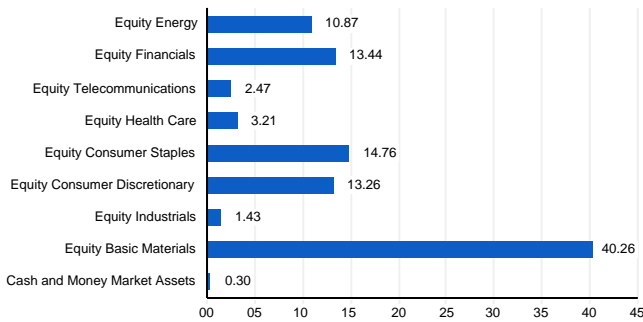
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.52
Total Expense Ratio (TER)	0.57
Transaction Cost (TC)	0.31

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 2021 to 31 December 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 - 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 FTSE/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 Dividend+ Index (Divi Plus) had a return of 5.99%. For the year to date in 2023, the index had a negative return of 5.32%.

Resources had a mixed bag of returns during the quarter with some stocks making large positive gains. Anglo American Platinum (AMS) (+36.5%), Kumba Iron Ore (KIO) (+35.1%), African Rainbow Minerals (ARI) (+26.9%) and Exxaro Resources (EXX) (+18.6%) were some of the largest contributors to the positive index return. Sibanye-Stillwater (SSW) (-14.8%), Thungela Resources (TGA) (-11.4%) and Anglo American plc (AGL) (-9.8%) detracted from the strong positive performance during the quarter.

Tiger Brands (TBS) (+31.1%), FirstRand (FSR) (+18.6%) and Mr Price (MRP) (+14.9%) also contributed to the overall index return. 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 by 30% by 2030 and reaching net zero emissions by 2050.

The index is reviewed semi-annually in March and September.

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.

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