Satrix Money Market Fund

A1 Class | 31 March 2024

INVESTMENT POLICY SUMMARY

This fund aims to deliver a higher level of income than fixed deposits and call deposits over time. Capital preservation is of primary importance and the fund offers immediate liquidity. The fund has no offshore exposure. The fund invests in a range of money market instruments which include negotiable certificates of deposit, bankers' acceptances, debentures, treasury bills and call accounts. The fund may only invest in money market instruments with a maturity of less than 13 months. While capital losses are unlikely, they can occur if, for example one of the issuers of an instrument held by the fund defaults. In this event losses will be borne by the fund and its investors.

WHY CHOOSE THIS FUND?

- This fund is ideal for use as an emergency fund.
- It could form the core fund of your portfolio's cash component.
- It is ideal for risk-averse investors, or investors who are waiting for market volatility or global uncertainty to subside.
- The fund should produce higher returns than call deposits while interest rates are declining.
- The fund pays out income on a monthly basis.
- In rising interest rate environments, these funds will benefit soonest from higher call deposit rates.

FUND INFORMATION

ASISA Fund Classification	SA - Interest Bearing - Money Market
Risk profile	Ultra conservative
Benchmark	STeFI Composite Index
Portfolio launch date	01 Dec 2016
Fee class launch date	01 Dec 2016
Minimum investment	Lump sum: R10 000 | Monthly: R500
Portfolio size	R520.7 million
Yield	8.90%
Last twelve distributions	31 Mar 2024: 0.73 cents per unit 28 Feb 2024: 0.68 cents per unit 31 Jan 2024: 0.73 cents per unit 31 Dec 2023: 0.73 cents per unit 30 Nov 2023: 0.71 cents per unit 31 Oct 2023: 0.73 cents per unit 30 Sep 2023: 0.72 cents per unit 31 Aug 2023: 0.72 cents per unit 31 Jul 2023: 0.72 cents per unit 30 Jun 2023: 0.69 cents per unit 31 May 2023: 0.68 cents per unit 30 Apr 2023: 0.64 cents per unit
Income decl. dates	Last day of each month
Income price dates	1st working day of the following month
Valuation time of fund	17:00
Transaction cut off time	13:00
Daily price information	www.satrix.co.za
Repurchase period	T+3

TOP 10 HOLDINGS

Securities	% of Portfolio
Absa F/r 21012025	4.07
Absa F/r 03062024	2.87
Republic Of South Africa Tb 9.0869% 24072024	2.62
Standard Bank F/r 14052024	2.48
Republic Of South Africa Tb 8.6681% 12062024	2.17
Republic Of South Africa Tb 9.0977% 29052024	1.96
Standard Bank F/r 18102024	1.91
Nedbank F/r 28062024	1.90
Absa Ncd 9.1% 24032025	1.73
Sappi F/r 18062024	1.72

as at 31 Mar 2024

PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	8.79	8.39
3 year	6.31	6.08
5 year	6.26	6.00
Since inception	6.69	6.43

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	8.79
Lowest Annual %	3.92

FEES (INCL. VAT)

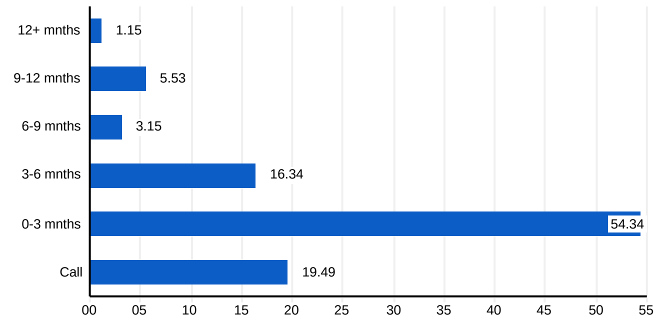
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.29
Total Expense Ratio (TER)	0.31
Transactional Costs (TC)	0.004

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 - 31 MAR 2024

The US Federal Reserve (Fed) kept interest rates unchanged at their March meeting as economic activity remained resilient and inflation sticky. Chairman Powell emphasised the Fed remains fully committed to bringing inflation down to its 2% target. For 2024, they kept their forecast of the number of cuts at a maximum of three. Accordingly, the market's expectations for cuts are also down to no more than three in 2024 from six to seven cuts at the end of 2023. Powell said that the committee will continue its data-dependent approach and evaluate data and rate hike decisions on a meeting-by-meeting basis.

Locally, the SA Reserve Bank (SARB)'s Monetary Policy Committee (MPC) kept the repo rate unchanged at their March meeting with a unanimous vote just like in January. The overall tenor of the meeting was cautious as they continued to assess risks to the inflation outlook as tilted to the upside. They upwardly revised their CPI inflation forecasts and now expect CPI inflation returning to the mid-point about one year later in 4Q25.

4Q23 SA GDP rose by a mere 0.1%, lower than the expected 0.3%, implying that the SA economy narrowly avoided a recession. Six out of 10 industries contributed to this growth, with the transport sector contributing the most and expanding by 2.9%. Agriculture and trade experienced steep declines of 9.7% and 2.9%, respectively.

The 4Q23 SA unemployment rate increased to 32.1% from 31.9% in 3Q23, as the number of unemployed persons increased by 46k to 7.9 million. At the same time employment fell by 22k to 16.7 million, after rising for eight straight quarters, and the labour force rose by 25k to 24.6 million.

The most important take from the budget is National Treasury (NT)'s decision to draw down a portion of the SARB's Gold and Foreign Exchange Contingency Reserve Account (GFECRA), utilising R150 billion over the next three fiscal years, to help finance the borrowing requirement.

Fitch ratings affirmed SA's sovereign credit rating at BB- with a stable outlook. They noted that the credit rating is constrained by weak economic growth, large inequality, rising public debt and a slow projected path of fiscal consolidation. They forecast GDP growth of 0.9% in 2024 and 1.3% in 2025 amid electricity supply shortages and logistics problems. The International Monetary Fund upgraded its global growth forecast for 2024 slightly by 0.2% to 3.1% but lowered its SA growth forecast significantly by 0.8% to 1%.

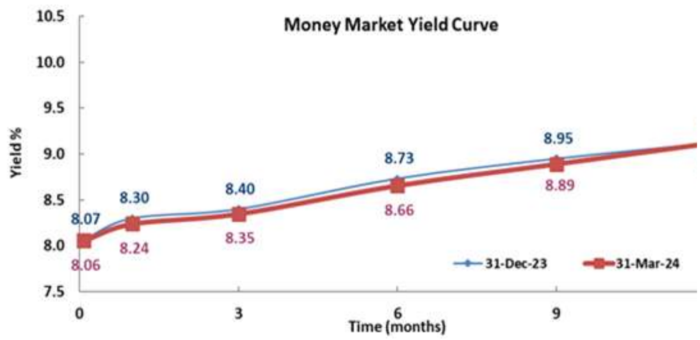
Headline CPI increased to 5.6% year-on-year (y/y) in February from 5.1% y/y in December. Core CPI rose from 4.5% y/y to 5% y/y. PPI inflation rose from 4% y/y to 4.5% y/y. The rand weakened from 18.26 in December to 18.88 in March vs the US dollar. The 10-year SA government bond yield weakened from 11.05% in December to 12.02% in March. The trade balance increased slightly from a surplus of R13.9 billion in December to a surplus of R14 billion in February.

The money market yield curve did a slight positive butterfly movement, with the belly rates decreasing slightly and the short and long wings remaining roughly unchanged. According to the forward rates the market now expects the first interest rate cut towards the end of the year.

What We Did

Quality corporate credit and RSA Treasury Bills (TBs), which are yielding higher than JIBAR rates, were added to the portfolio. The combination of corporate credit, high-yielding RSA TBs, negotiable certificates of deposit (NCDs) and floating-rate notes (FRNs) will enhance portfolio returns.
Our Strategy

Our preferred investments would be a combination of fixed-rate notes, FRNs and quality corporate credit to enhance returns in the portfolio. With the MM yield curve up to one year remaining steep, fixed-rate bank notes are potentially still relatively more attractive than FRNs. Bank FRN spreads have started to increase now and are becoming attractive again. Only some RSA TB tenors yield higher than bank NCDs offering relative value.



RISK PROFILE (ULTRA-CONSERVATIVE)

An ultra-conservative portfolio caters for an extremely low risk tolerance, and is designed for minimum capital fluctuations and volatility. It carries a short time-frame for investment. There are no growth assets in this portfolio and it is a cash-based investment. The ultraconservative portfolio aims to yield returns that are level with inflation. Capital protection is of prime importance.

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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