

INVESTMENT POLICY SUMMARY

This is a pure equity fund that aims to replicate the FTSE/JSE RAFI40 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 annually in March.

WHY CHOOSE THIS FUND?

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

*The FTSE/JSE RAFI 40 Index represents 40 shares listed on the JSE based on four equally weighted fundamental factors: Sales, Cash Flow, Book Value and Dividend.

*The factors considered offer diversification with regards to company and sector.

*The fund offers similar liquidity and capacity as that of a market-cap weighted index and avoids over exposure to the more over-valued equities.

FUND INFORMATION

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	FTSE/JSE RAFI40 Index (J260)
Portfolio launch date	Aug 2011
Fee class launch date	Aug 2011
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R164.1 million
Last two distributions	30 Jun 2023: 43.42 cents per unit 31 Dec 2023: 41.58 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
Anglo American Plc	10.23
Firststrand Ltd	6.62
Naspers Ltd	5.44
British Am. Tobacco Plc	4.93
Sibanye Still Water Limited	4.64
Mondi Plc	4.64
Sasol Ltd	4.10
Standard Bank Group Ltd	3.99
Mtn Group Ltd	3.83
Glencore Plc	3.54

as at 31 Mar 2024

PERFORMANCE (ANNUALISED)

Retail Class	Fund (%)	Benchmark (%)
1 year	(0.76)	(0.04)
3 year	11.59	12.57
5 year	8.93	9.99
10 year	6.96	8.19

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	54.47
Lowest Annual %	(28.55)

FEES (INCL. VAT)

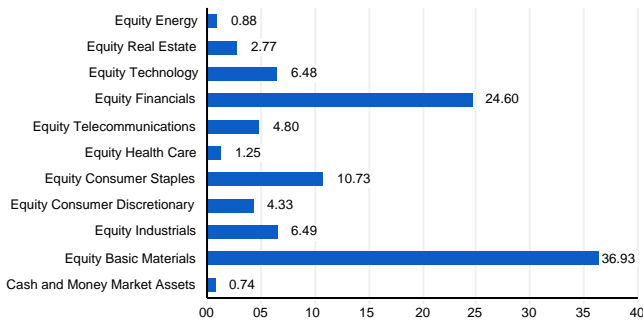
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.69
Total Expense Ratio (TER)	0.77
Transaction Cost (TC)	0.17

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 MAR 2024

Offshore equity markets started the year strong as optimism surrounding Artificial Intelligence (AI) and strong economic growth prospects continued, allowing central banks to keep their interest rate-cutting plans in play. Annual inflation in the US edged up 3.2% in February while unemployment ticked up to 3.9% from 3.7%. China set an ambitious 5% growth target for the year, while it vowed to transform its development model and lower risks associated with its property sector being bankrupt.

In rand terms, the first quarter of the year saw the MSCI World Index up 12.7%, the MSCI Emerging Markets Index up 6%, and the MSCI USA Index up 14.2%. The MSCI India Index was up 9.8% during the quarter, while the MSCI China Index rose 1.3%. The MSCI Europe Index was up 9% while the MSCI United Kingdom Index rose 6.8%.

During their March meeting, the US Federal Reserve (Fed) left rates unchanged for the fifth time in a row, since pausing last year. Oil prices spiked during the quarter with oil producers like Russia and members of OPEC cutting production to tighten the supply-demand in the market. Brent oil ended the quarter at US\$86.97 a barrel, a 12.9% increase from the start of the quarter. The gold price ended the quarter up 8.5%, hitting a record high of US\$2 238. The US 20-year Government Bond yield ticked up to 4.46% at the end of the quarter.

The story was different in local markets, as the FTSE/JSE All Share Index (ALSI) was down 2.2% for the first quarter and the FTSE/JSE Top 40 Index (Top 40) was down 2.3%. The underperformance was largely driven by local Financials being down 7.1% for the quarter with Resources and Industrials up 0.6% and 0.7% respectively. The South African 10-year Government Bond yield closed the quarter at 10.9%, while the All Bond Index (ALBI) was down 1.8%. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFI) Composite Index, delivered positive money market returns of 2%, while the FTSE/JSE SA Listed Property Index (SAPY) was up 3.8% for the quarter.

South Africa heads to the polls in May this year, and the elections might prove to be the most contested since 1994. The markets will be watching how the exchange is impacted with the potential coalition permutations that may be spun out of the election results. The markets are also keeping a close eye on the South African Reserve Bank (SARB)'s policy on rate cutting anticipated for this year. At their last meeting, the SARB kept rates unchanged, though it cited some inflation risks as it moved closer to the top of the central banks' 3-6% inflation target range, printing 5.6% in February. During the quarter, the rand depreciated by 3.5% to the US dollar, closing at R18.94 to the dollar, R23.92 to the pound and at R20.45 to the euro.

Portfolio Performance and Changes

In the first quarter of 2024, the FTSE/JSE RAFI 40 Index (RAFI 40) posted a negative return of 2.41%.

A significant number of stocks were in deep negative territory. Resources continued to drive the index performance down with some of the largest negative performances coming from this sector. Kumba Iron Ore (KIO) (-20.9%), Sasol (SOL) (-19.8%), Anglo American Platinum (AMS) (-19.3%) and Exxaro (EXX) (-17.3%) all detracted from performance for the quarter.

Financials did not fare any better with large banks including FirstRand (FSR) (-13.2%) and Standard Bank (-11%) taking a negative turn. Other financial services companies including Remgro (REM) (-24.8%) and Discovery (-16%) had a difficult quarter. Retailers' business confidence dipped during the first quarter of 2024, emphasising the effect high borrowing costs continue to have on consumers. Woolworths (WHL) (-16%) and Shoprite (SHP) (-9%) consequently had a tough quarter.

On the positive side, with the run on gold in the last month of the quarter, gold companies including AngloGold Ashanti (ANG) (+20.6%) and Gold Fields (GFI) (+11%) contributed positively to the index performance.

Richemont (CFR) (+12.4%) reported a sharp uptick in its revenues in the final three months of 2023, driven by surging jewellery sales in China and Japan which offset a drop in sales in Europe, giving the share price significant momentum over the quarter. BID Corporation (BID) (+9.5%) and British American Tobacco (BTI) (+9.2%) also contributed positively to performance over the quarter.

At the March 2024 FTSE/JSE index review Northam Platinum (NPH), NEPI Rockcastle (NRP) and Reinet Investments (RNI) were included in the index. Quilter (QLT) and The Spar Group (SPP) were excluded from the index. The one-way turnover was 18.73%.

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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