MINIMUM DISCLOSURE DOCUMENT

Satrix Balanced Index Fund

B1 Class | 31 March 2024

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 I Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R10.4 billion
Last two distributions	30 Jun 2023: 30.98 cents per unit 31 Dec 2023: 29.25 cents per unit
Income decl. dates	30 June I 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
Ishares Core Msci World Ucits Etf	5.09
Ishares Glbl Infrastructure	4.80
Ish Dvl Mkt Prpty Yld Usd A	4.77
Naspers Ltd	4.26
Standard Bank Group Ltd	3.55
Mtn Group Ltd	3.40
Gold Fields Ltd	2.79
Bhp Group Limited	2.34
Nedbank Group Ltd	2.02
Nepi Rockcastle N.v.	1.87

as at 31 Mar 2024

PERFORMANCE (ANNUALISED) AS AT 31 MAR 2024

B1-Class	Fund (%)	Benchmark (%)	Category (%)
1 year	13.21	14.07	9.43
3 year	10.42	11.36	8.46
5 year	10.00	10.93	8.34
10 year	8.57	9.45	6.93

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	35.65
Lowest Annual %	(11.81)

FEES (INCL. VAT)

	B1-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)	0.40
Transaction Cost (TC)	0.11

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.

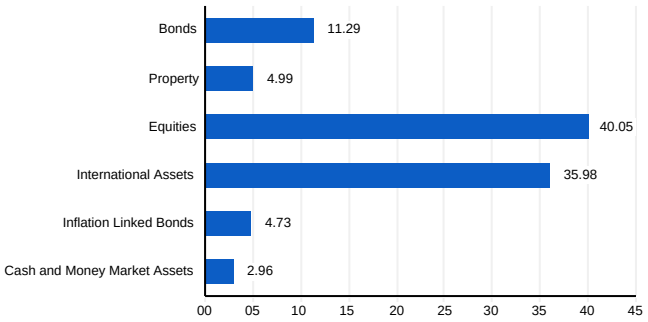
The Transaction Cost (TC) is the cost incurred by the portfolio in the buying and selling of underlying assets. This is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years. Obtain the costs of an investment prior to investing by using the EAC calculator provided at www.satrix.co.za

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary of Terms sheet which is available on the website.

Satrix Balanced Index Fund

B1 Class | 31 March 2024

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.

Equity Performance and Changes

Locally, the Price Momentum and Earnings Revisions sub-factors had a strong quarter while the Leverage sub-factor was also relatively strong, contributing positively to the Quality factor. The Price to Book sub-factor outperformed during the quarter, adding to the Value factor performance, while Dividend Yield, Earnings Yield and Price to Cash Flow were down for the quarter. Low Beta and Low Volatility underperformed while Profitability was flat.

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 first quarter of the year, the multi-factor model added value over and above the Quality single factor while it underperformed the Momentum and Value single factors. Over the same period, SmartCore™ underperformed the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) benchmark while it also underperformed the average of the single factors deployed in the multi-factor model. During the quarter, a pure blend approach of the Satrix proprietary Quality, Value and Momentum indices also underperformed the FTSE/JSE Capped SWIX index.

From an attribution perspective, underweight positions in Sasol (SOL) and Remgro (REM) and an overweight position in Harmony Gold (HAR) added value to the strategy during the quarter. Counters that detracted value from the strategy included underweight positions in Richemont (CFR) and AngloGold Ashanti (ANG) and an overweight position in Standard Bank (SBK). The Satrix SmartCore™ Index rebalanced in March 2024 and the fund added AngloGold Ashanti (ANG) while positions in MTN Group (MTN) and Thungela Resources (TGA) were increased. These were funded by deleting Sappi (SAP) while positions in Gold Fields (GFI), Glencore (GLN), Standard Bank (SBK) and Woolworths (WHL) were reduced.

Local Bonds and ILBs

The FTSE/JSE All Bond Index (ALBI) had a poor start to the year, as the index delivered a negative return of 1.80% for the quarter. Yields on the benchmark R2035 bond rose 90.5 bps to 12.28%. Inflation-linked bonds outperformed nominal bonds, with the IGOV Index down 0.47 for the quarter. Some of the weakness in the market can be ascribed to positioning ahead of the elections, which are scheduled for 29 May 2024. Recent surveys show the ANC getting substantially less than 50% of the vote and thus requiring a coalition to stay in power. From an investor's perspective certain coalition permutations have the possibility of altering the policy trajectory of the new administration. It is this uncertainty that the market is grappling with and thus placing a higher discount on local assets.

Local Property

In the first quarter of 2024, the FTSE/JSE SA Listed Property Index (SAPY) realised a positive return of 3.85%, slightly outperforming the FTSE/JSE All Property Index (ALPI), which returned a positive 3.47%. The top contributors to the quarterly performance were Attacq (ATT) (15.7%), NEPI Rockcastle (NRP) (+7.8%) and Vukile Property Fund (VKE) (+5.4%). Equites Property Fund (EQU) (-8.5%), Hyprop Investment (HYP) (-5.6%), MAS Real Estate (MSP) (-4.9%) and Growthpoint (GRT) (-3.6%) were some of the top detractors from performance. At the March FTSE/JSE index review there were no additions to or deletions from the index. The one-way turnover was 0.80%.

Offshore Equity

In rand terms, the first quarter saw the MSCI All Country World Index (ACWI) go up 12.03% (+8.32% in US dollar terms). The fund invests in the Satrix World Equity Tracker UCITS and the Satrix Emerging Markets Tracker UCITS by holding these investments in the same weight as that of the MSCI ACWI. These funds track performance of the respective indices through a process of optimisation with an ex-ante tracking error varying around 10 basis points and 18 basis points respectively. The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2 841 constituents, the index covers approximately 85% of the global investable equity opportunity set.

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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*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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