

INVESTMENT POLICY SUMMARY

The Satrix Low Equity 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 (15%)	Satrix SmartCore™ Index
SA Bonds (30%)	FTSE/JSE All Bond Index
SA Inflation-linked bonds (15%)	S&P SA Sovereign Inflation-Linked Bond Index
SA Cash (15%)	STeFI Composite
International Equity (15%)	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.
- Investment in a stable, low equity multi-asset class fund.
- Exposure to multiple asset classes in South Africa and abroad.
- The benefit of significant local and global diversification.
- Access to a fund that aims to steadily grow capital, whilst providing income over the medium to longer term.

FUND INFORMATION

ASISA Fund Classification	SA - Multi Asset - Low Equity
Category Benchmark	SA - Multi Asset - Low Equity - Median
Risk profile	Cautious
Benchmark	Proprietary Satrix Low Equity Balanced Index
Portfolio launch date	Jul 2014
Fee class launch date	Jul 2014
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R2.1 billion
Last two distributions	30 Jun 2022: 30.03 cents per unit 31 Dec 2021: 28.25 cents per unit
Income decl. dates	30 June 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
Ish Dvl Mkt Prpty Yld Usd A	4.66
Ishares Gbl Infrastructure	4.65
Anglo American Plc	1.55
Firststrand Ltd	1.30
Mtn Group Ltd	1.19
Naspers Ltd	1.01
Anglo American Platinum Limited	0.94
Absa Group Limited	0.88
Nedbank Group Ltd	0.81
Gold Fields Ltd	0.65

as at 30 Nov 2022

PERFORMANCE (ANNUALISED) AS AT 30 NOV 2022

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	3.46	4.42	4.01
3 year	7.97	8.74	6.87
5 year	6.35	6.97	5.81
Since inception	6.70	7.31	6.20

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

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	15.65
Lowest Annual %	(0.13)

FEES (INCL. VAT)

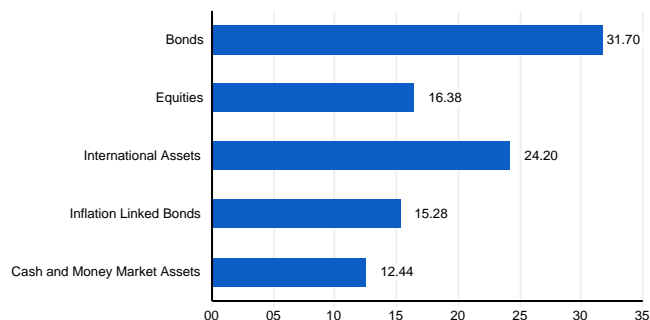
	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.40
Total Expense Ratio (TER)	0.49
Transaction Cost (TC)	0.07

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 2018 to 30 September 2022. 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 - 30 SEP 2022

Market Comments

Soaring inflation across the globe has put central banks on a difficult journey, as more aggressive tightening was needed to combat the rise in inflation. For the third time in a row, the Federal Reserve (Fed) raised rates during its September meeting, adding 0.75%. The South African Reserve Bank (SARB) followed suit and also raised its benchmark repo rate by another 0.75% in September. For SARB this was the sixth consecutive rate hike since late 2021. The People's Bank of China and the Bank of Japan kept their rates steady during the quarter, while the European Central Bank raised its rates by 0.75% and the Bank of England increased its benchmark rate to 2.25%, its seventh consecutive rate hike.

For the third quarter of the year, the MSCI World Index was down 6.2%, the MSCI Emerging Markets Index was down 11.2% and the MSCI USA Index down 4.8% in US dollar total returns. The MSCI India Index was up 6.5% during the quarter in dollar terms while the MSCI China index was down 22.5%. The MSCI Europe Index was down 10.1% and the MSCI United Kingdom down by 10.8% in US dollar total returns.

A strong dollar and the aggressive interest rate hikes across the globe and fear of a global economic slowdown threatened the demand of energy while OPEC+ said it expected demand for oil to wane. The Brent crude price ended the quarter at \$80 a barrel, a 27% decrease from the start of the quarter. As the Fed turned hawkish to curb inflation, gold started the third quarter at \$1806.89 and closed the quarter at \$1662.10, a loss of 8.0%. For the first time since 2008, the 10-Year US Government Bond yield hit 4% but eased and closed the quarter at 3.83%.

In local markets, the FTSE/JSE All Share index was down 1.9% for the third quarter of the year, hitting the lowest point since the beginning of the year. For the quarter, the FTSE/JSE Top 40 (-2.7%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (-2.4%) were also down. The South African Government 10-year bond yield closed the quarter at 10.88%, while the All Bond Index (ALBI) was up 0.6% for the quarter. The cash benchmark, the Alexander Forbes Short-Term Fixed Interest (STeFi) Composite Index delivered positive money market returns of 1.35% for the quarter while the FTSE/JSE SA Listed Property Index was down 3.5% for the quarter.

Power cuts in South Africa escalated and have now become the worst load shedding on record, derailing economic recovery prospects and adding to the poor performance of the South African rand, which was already negatively impacted by the strong dollar. For the full quarter, the South African rand depreciated by 9.7% to the US dollar, closing at R17.97 to the greenback, R20.06 to the pound and at R17.60 to the euro.

Local Equity Market

The third quarter also proved to be challenging, both globally and in the local markets. During the quarter there was still fear of inflation from investors and some were even worried about a global recession. This present the market with a lot of volatility as the markets recovered in September only to wipe out the recover and closed the quarter down. Globally, the Momentum and Growth factors did well and outperformed the general market while Dividend yield stocks also outperformed. Quality continued to struggle as Profitability and Leverage dragged on performance during the period. Emerging markets factor indices also had a tough quarter, but Low Vol, Dividend Yield, Quality, Growth and Momentum all outperformed the general market. Low size and Value strategies came off underperforming the rest of the market.

The Smartcore™ fund uses a multi-factor approach where stocks are selected based on their bottom-up combined Value, Momentum and Quality signal. In last 12 months, the multi-factor model added value over and above the Quality and Momentum single factors, but continued to underperform the Value strategy and ended up with an outperformance versus the FTSE/JSE Capped SWIX index over the same period. Over the past 12 months the multi-factor approach managed to outperform the FTSE/JSE Capped SWIX benchmark while it underperformed the average of the single factors deployed in the multi-factor model. During the quarter, the Smartcore™ strategy underperformed the FTSE/JSE Capped SWIX index.

From an attribution perspective, underweights in Sasol (SOL), Capitec (CPI) and an overweight in Woolworths (WHL) added value to the strategy over the quarter. Counters that detracted value from the strategy included overweight positions in

Sibanye (SSW), Kumba (KIO) and and underweight in Glencore (GLN).

The Satrix Smartcore™ Index rebalanced in September and the fund added Mr Price (MRP), Rand Merchant (RMI), South 32 (S32) and Thungela (TGA), while positions in Absa Group (ABG), Anglo American (AMS) and Exxaro (EXX) were increased. These were funded by deletions in Anglo Ashanti (ANG), Capitec (CPI), Distell Group (DGH), Ninety One Plc (N91), Santam (SNT) and Sibanye (SSW), while positions in Naspers (NPN), Old Mutual (OMU), Vodacom (VOD) and Woolworths (WHL) were decreased.

Local Bond and Inflation Linked Bond Market

Locally, the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) delivered two hikes of 0.75% in July and September. Inflation moderated to 7.6% in August, from a high of 7.8% in July. Despite the peak in inflation the SARB has remain hawkish because the rand has been weakening against the US dollar, which increases inflation risks. Returns of the FTSE/JSE All Bond Index mirrored those of global markets. The market experienced a strong recovery in July and early August, however, those gains evaporated as Fed officials and other central bankers reiterated their singular focus to bring inflation back to targets. Nominal bonds eked out a positive return of 0.6%, outperforming inflation-linked bonds, which saw the FTSE/JSE Inflation-Linked Government Index (IGOV) return a negative 1% for the quarter. Cash remains the standout fixed-interest asset class, with the Alexander Forbes Short-Term Fixed-Interest Index (STeFi) returning 1.35% for the quarter and 3.57% on a year-to-date basis.

In the third quarter of 2022, the S&P South Africa Sovereign Inflation-Linked Bond 1+ Year Index realised a negative return of 1.17%, underperforming nominal bonds index which returned of 0.60%.

International Equities

The MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,900 constituents, the index covers approximately 85% of the global investable equity opportunity set. The index (in rand terms) had a return of 2.22% (-6.71% in US dollar terms) in the third quarter of 2022.

RISK PROFILE (CAUTIOUS)

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability of capital losses. This portfolio has limited exposure to equities. It is designed for maximum capital protection and aims to ensure a stable income and/or income growth.

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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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.