

#### 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 (20%)	FTSE/JSE All Bond Index
SA Cash (2%)	STeFI Composite
Global Property (5%)	FTSE EPRA/Nareit Developed Dividend+ Index
Global Infrastructure (5%)	FTSE Global Core Infrastructure Index
Global Equity (Developed) (23%)	MSCI World Index
Global Equity (Emerging) (5%)	MSCI Emerging Markets 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

<b>ASISA Fund Classification</b>	SA - Multi-Asset - High Equity
<b>Category Benchmark</b>	SA - Multi-Asset - High Equity - Median
<b>Risk profile</b>	Moderate Aggressive
<b>Benchmark</b>	Proprietary Satrix Balanced Index
<b>Portfolio launch date</b>	Oct 2013
<b>Fee class launch date</b>	Oct 2013
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za: No minimum
<b>Portfolio size</b>	R13.4 billion
<b>Last two distributions</b>	30 Jun 2024: 34.03 cps 31 Dec 2024: 33.51 cps
<b>Income decl. dates</b>	30 June   31 Dec
<b>Income price dates</b>	1st working day in July and January
<b>Valuation time of fund</b>	17:00
<b>Transaction cut off time</b>	Manual: 15:00 SatrixNOW.co.za: 13:30
<b>Daily Price Information</b>	www.satrix.co.za

#### TOP 10 HOLDINGS

Securities	% of Portfolio
Ishares Core Msci World Ucits Etf	15.41
Ish Dvl Mkt Prpty Yld Usd A	5.11
Ishares Gbl Infrastructure	5.05
Standard Bank Group Ltd	3.47
Gold Fields Ltd	2.96
Naspers Ltd	2.90
British Am. Tobacco Plc	2.82
Mtn Group Ltd	2.78
Republic Of South Africa 10.50% 211226	2.31
Republic Of South Africa 8.00% 31012030	2.28

as at 31 May 2025

#### PERFORMANCE (ANNUALISED) AS AT 31 MAY 2025

A1-Class	Fund (%)	Benchmark (%)	Category (%)
1 year	17.51	18.18	15.07
3 year	11.39	12.45	10.94
5 year	14.07	15.07	12.18
10 year	8.76	9.78	7.32

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

#### ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS\*

Highest Annual %	25.18
Lowest Annual %	(2.96)

#### FEES (INCL. VAT)

	A1-Class (%)
<b>Advice initial fee (max.)</b>	N/A
<b>Manager initial fee</b>	N/A
<b>Advice annual fee (max.)</b>	1.15
<b>Manager annual fee</b>	0.40
<b>Total Expense Ratio (TER)</b>	0.52
<b>Transaction Cost (TC)</b>	0.09

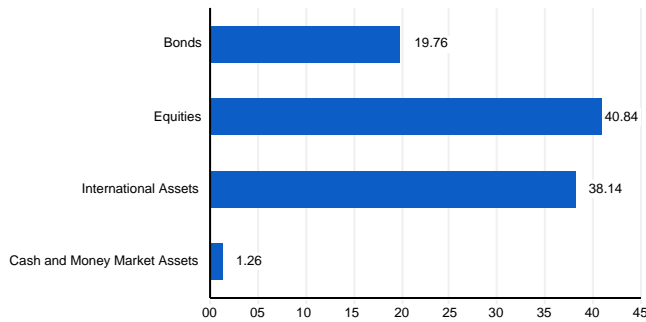
Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Total Expense Ratio (TER) | The Management Fee is expressed as an annual percentage of the daily NAV of the CIS This Fee is net of any scrip lending income and Management Fee waiver, where applicable.

The Total Expense Ratio (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 on an annualised basis. 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 on an annualised basis.

The current TER/TC cannot be regarded as an indication of future TER and TC. A higher TER and TC does not imply a poor return nor does a low TER and TC imply a good return. Obtain the costs of an investment prior to investing by using the EAC calculator provided at satrix.co.za.

## ASSET ALLOCATION



## PORTFOLIO QUARTERLY COMMENTARY - 31 MAR 2025

US President Donald Trump's trade war plans introduced significant volatility into the market in the first quarter of 2025. All the gains from the S&P 500 Index since the US elections in November 2024 were completely wiped out by the beginning of March this year, as the index fell back below the 5 800 level. The volatility was also driven by a slowdown in US GDP growth, with the fourth quarter expanding by 2.5% compared to 2.7% in the previous period. The European market experienced record-breaking inflows into its capital markets, and the Euro Stoxx 50 Index finally broke even at its 5 400 level, last seen in the year 2000 - ending a 25-year streak. Further east, China had a spectacular quarter, outperforming both the US and the rest of the developed markets, thanks to DeepSeek's AI breakthrough in January and improved sentiment towards the country's tech stocks.

For the first quarter of the year, the MSCI World Index was down 4.3% in rand terms, while the MSCI USA and S&P 500 indices declined by 7% and 6.8%, respectively. The Nasdaq 100 Index ended the period down 10.5%. In contrast, the MSCI China Index rose 12.1% for the quarter, while the MSCI India Index fell 5.4%. As a result, the MSCI Emerging Markets Index remained relatively flat, closing the quarter up a modest 0.3%. Global bonds were also flat for the quarter (0.04%). Meanwhile, the MSCI Europe Index gained 7.7%, and the MSCI United Kingdom Index was up 6.9%.

Oil prices rose earlier in the quarter to US\$82 per barrel, following a US sanctions statement on Russia and Iran. However, later in the quarter, prices declined as investors awaited the OPEC+ meeting, scheduled for the first week of April. Brent crude oil ended the quarter at US\$74.77 per barrel, marking a 0.2% increase from the start of the quarter. Gold continued its upward trajectory from 2024, breaching multiple all-time highs. The precious metal closed the quarter at US\$3 120.5 per ounce, up 18.9% from the beginning of the year.

In local markets, the FTSE/JSE All Share Index (ALSI) gained 5.9% in the first quarter, while the FTSE/JSE Top 40 Index (Top 40) rose 8.5%. The local market's outperformance was largely driven by Resources, which surged 33.7% during the quarter, and Industrials, which climbed 3.8%. Financials, however, ended the quarter down 1.7%. The South African 10-year Government Bond Yield closed the quarter at 10.6%, having started at 9%. The FTSE/JSE All Bond Index (ALBI) finished slightly positive at 0.7%. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest Composite Index (STeFI), delivered a positive money market return of 1.9%, while the FTSE/JSE SA Listed Property Index (SAPY) declined by 3.5% over the quarter.

The rand appreciated by 2.5% against the US dollar, closing the quarter at R18.39 to the greenback, R23.74 to the British pound, and R19.87 to the euro.

## Portfolio performance, attribution and strategy

Tariff headlines, sluggish growth, consumer sentiment, and the AI shake-up sparked by DeepSeek this year contributed to a volatile first quarter of 2025, with the US equity market being the most negatively affected.

Looking at offshore factor performance, Quality was the only underperforming factor relative to the MSCI World Index, while Momentum marginally outperformed. Both factors have an overweight allocation to US Information Technology stocks. The Minimum Volatility Index delivered the strongest outperformance, followed by High Yield and Value. The Equal Weighted Index and the Growth factor also outperformed the MSCI World Index.

In Emerging Markets, Value and High Yield were the only factors to outperform the MSCI Emerging Markets Index, while the Growth factor matched the index's performance. The Quality factor was the weakest performer, followed by Equal Weighting, Momentum, and Minimum Volatility.

Locally, the Equal Weighted Index outperformed the FTSE/JSE Capped Shareholder Weighted All Share index (Capped SWIX), while the Value factor was flat. The weakest performance came from the High Yield Index, followed by the Low Volatility factor, Quality, and Momentum.

## Local Equity

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 2025, SmartCore™ outperformed the Value, Momentum and Quality

single factors. Over the same period, SmartCore™ outperformed the Capped SWIX index. During the quarter, a pure blend approach of the Satrix proprietary Quality, Value and Momentum indices also underperformed the Capped SWIX index.

From an attribution perspective, overweight positions in Harmony Gold (HAR), Gold Fields (GFI) and MTN Group (MTN) added value to the strategy during the quarter. Counters that detracted value from the strategy included overweight positions in The Foschini Group (TFG) and Mr Price (MRP) and an underweight position in AngloGold Ashanti (ANG).

The Satrix SmartCore™ Index rebalanced in March 2025 and the fund added AngloGold Ashanti (ANG) and Impala Platinum (IMP) while it dropped Dis-Chem (DCP).

## Local Bonds

The highlight of the first quarter is usually the delivery of the budget speech by the Minister of Finance towards the end of February. From a fixed-income investor's perspective, the budget usually has few surprises as any policy changes are flagged in the Medium Term Budget Policy Statement delivered in October or November of the previous year. This year, Minister Enoch Godongwana was forced to postpone the budget presentation at the eleventh hour when it became clear that his proposed 2% VAT tax hike and spending plans would not find support within the governing coalition. A revised budget was presented three weeks later in which a 0.5% VAT hike was proposed along with R31 billion less spending. The revised budget proved unacceptable to the Democratic Alliance (DA), which preferred no tax increases and a comprehensive spending review to unearth cost savings to keep the fiscal framework intact. Parliament voted and passed the money bills on 2 April without the support of the DA, casting doubt on their continuing participation in the Government of National Unity (GNU).

The South African Reserve Bank (SARB) has struck a similarly cautious tone, lowering the repo rate only once by 0.25% to 7.50%, even as inflation has continued to print near the 3% lower bound of the inflation target. The SARB's cautious stance has been informed, in part, by a volatile USD to ZAR exchange rate and uncertain political developments surrounding the budget.

## Global Assets

In rand terms, the MSCI World Index was down 4.28% for the quarter, while the FTSE Global Core Infrastructure and MSCI Emerging Markets indices had positive performance of 2.75% and 0.32% respectively. The FTSE EPRA/NAREIT Developed Dividend+ Index had a negative performance of 0.98%.

## RISK PROFILE (MODERATE AGGRESSIVE)

This is a moderate-aggressive risk portfolio that primarily aims to deliver capital growth over the medium- to long-term, with income a secondary consideration. It aims to reduce volatility relative to an equity-only portfolio. This portfolio has a medium- to long-term investment horizon.

## 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.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Satrix Managers (RF) (Pty) Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div

date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest 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.

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are subject to tax penalties.