

### Fund Objective

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

<b>ASISA Fund Classification</b>	SA - Multi Asset - Low Equity
<b>Category Benchmark</b>	SA - Multi Asset - Low Equity - Median
<b>Risk profile</b>	Cautious
<b>Benchmark</b>	Proprietary Satrix Low Equity Balanced Index
<b>Portfolio launch date</b>	Jul 2014
<b>Fee class launch date</b>	Jul 2014
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za: No minimum
<b>Portfolio size</b>	R1.8 billion
<b>Last two distributions</b>	30 Jun 2022: 30.69 cents per unit 31 Dec 2021: 28.92 cents per unit
<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
<b>Repurchase period</b>	T+3

### Fees (Incl. VAT)

	B1-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>	0.29
<b>Total Expense Ratio (TER)</b>	0.37
<b>Transaction Cost (TC)</b>	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 April 2018 to 31 March 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](http://www.satrix.co.za)

### Top 10 Holdings

Securities	% of Portfolio
Ish Dvl Mkt Prpty Yld Usd A	4.97
Anglo American Plc	1.30
Naspers Ltd	1.24
Firststrand Ltd	1.20
Mtn Group Ltd	1.10
Nedbank Group Ltd	0.73
Anglo American Platinum Limited	0.71
Apple Inc	0.63
Vodacom Group Limited	0.62
Gold Fields Ltd	0.53

as at 30 Jun 2022

### Performance (Annualised) as at 30 Jun 2022 on a rolling monthly basis

B1-Class	Fund (%)	Benchmark (%)	Category (%)
1 year	3.96	4.88	3.04
3 year	6.74	7.38	5.65
5 year	6.80	7.28	5.87
Since inception	6.60	6.99	5.81

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

### Performance (Cumulative) as at 30 Jun 2022 on a rolling monthly basis

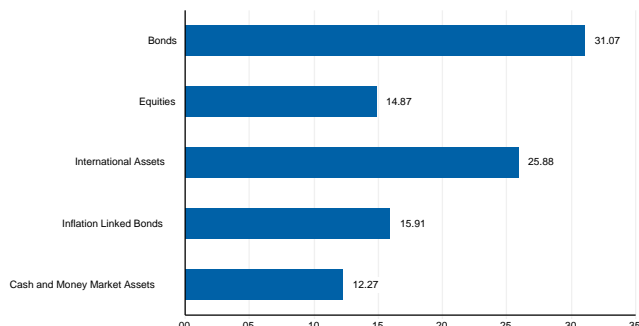
B1-Class	Fund (%)	Benchmark (%)	Category (%)
1 year	3.96	4.88	3.04
3 year	21.62	23.83	17.92
5 year	38.94	42.13	32.98
Since inception	65.92	70.75	56.35

Cumulative return is aggregate return of the portfolio for a specified period.

### Actual highest and lowest annual returns\*

Highest Annual %	13.82
Lowest Annual %	2.13

### Asset Allocation



### Portfolio Manager(s) Quarterly Comment - 30 Jun 2022

#### Market Commentary

US inflation numbers surprised the market in May, accelerating by 8.6%. To combat the inflation risks the US Federal Reserve (Fed) had to hike interest rates by a staggering 0.75%, the magnitude of which was last seen in 1994. Contributors to the US inflation acceleration came from a 50% price jump in fuel, natural gas being up 30%, and food items increasing by 10%. A worse than expected GDP print by the US economy, with a slowdown in consumer spending and continued inflation acceleration, further grew recession concerns, which triggered the massive sell-off in risky assets in June. The US equity markets continued to tank in the second quarter of the year, with the S&P 500 posting its worst first half of the year since 1970.

For the second quarter of the year, the MSCI World Index was down 16.2%, the MSCI Emerging Markets Index was down 11.1% and the MSCI USA Index was down 16.9% in US dollar total returns. The MSCI South Africa Index was down 22.9% during the quarter in dollar terms while the MSCI China Index was up 3.4%. The MSCI Europe Index was down 14.5% while the MSCI United Kingdom Index was also down 10.5% in US dollar total returns.

Demand for oil increased in China, as the country eased its hard lockdown while output from some of the Organization of the Petroleum Exporting Countries (OPEC) members had dropped and a planned strike in the energy sector in Norway was going to cut global oil supply by almost 10%. The Brent crude price ended the quarter at \$109 a barrel, a 4.1% increase from the start of the quarter. The gold price came off the \$2 000 level in March, on the back of the Russian invasion of Ukraine, but has since dropped, starting the second quarter at \$1 937.23 and closing the quarter at \$1 806.89, a loss of 6.7% over the quarter. As fears grew about the US economy being tipped into recession by the aggressive rate hikes from the Fed, the US Government 10-year bond closed the quarter at 2.97%.

In local markets, the FTSE/JSE All Share Index (ALSI) was down 8.30% for the first half of the year, a level last seen in 2000 and 2003. For the quarter, the ALSI was down 11.7%, while the FTSE/JSE Top 40 (-11.8%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (-10.7%) indices were also massively down for the quarter. The South African Government 10-year bond yield closed the quarter at 10.56%, while the All Bond Index (ALBI) was down 3.7% for the quarter. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest (STeFI) Composite Index delivered positive money market returns of 1.2% for the quarter while the FTSE/JSE SA Listed Property Index (SAPY) was down 11.6% for the quarter.

Severe power cuts in South Africa and growing concerns about the ability of Eskom to power long-term growth in the country, along with political turmoil, put pressure on the rand. For the full quarter, the South African rand depreciated by 12.1% to the US dollar, closing at R16.38 to the greenback, R19.89 to the pound and at R17.12 to the euro.

In May, the South African Reserve Bank (SARB) brought to market the biggest interest rate hike (+0.50%) but in the same month the inflation numbers in the country still surprised. With the weaker rand and increased oil prices now trickling towards petrol price increases, another high inflation number has been forecasted for June, which would then clear the way for further increases in interest rates.

### Portfolio performance, attribution and strategy

The second quarter was challenging, both globally and in the local markets. Investors continued to avoid high-risk assets, which resulted in a major stock sell-off in the last bit of the quarter. Globally, the Value strategy accompanied by the High Yield and Low Volatility strategies outperformed the general markets. Momentum and Quality, on the other hand, underperformed during the quarter, due to their high exposure in high-beta stocks. Emerging market factor indices also had a tough quarter, with High Yield, Quality, Momentum, Value and Growth all underperforming the general market. Low volatility stocks and low size stocks were the only winners and came up beating the rest of the market.

The fund uses a multi-factor approach where stocks are selected based on their bottom-up combined Value, Momentum and Quality signal. In the last 12 months, the multi-factor model added value over and above the Quality and Momentum single factors, but underperformed the Value strategy and ended up with an underperformance versus the Capped SWIX index over the quarter. Over the past 12 months the multi-factor approach managed to outperform the Capped SWIX benchmark as it also outperformed the average of the single factors deployed in the multi-factor model.

From an attribution perspective, underweight positions in Discovery (DSY), Sanlam (SLM) and Aspen (APN) added value to the strategy over the quarter. Counters that detracted value from the strategy included overweight positions in Gold Fields (GFI), Anglo American plc (AGL) and MTN Group (MTN).

The Satrix Smartcore™ Index rebalanced in June and the fund added Exxaro (EXX), Sappi (SAP) and Santam (SNT), while positions in Anglo American Platinum (AMS), Gold Fields (GFI) and Naspers (NPN) were increased. These were funded by deletions in Barloworld (BAW), Bytes (BYI), Lighthouse (LTE), Montauk (MKR), Northam Platinum (NPH) and Ninety One Ltd (NY1), while positions in Anglo American plc (AGL), AngloGold Ashanti (AGL), Kumba (KIO) and Old Mutual (OMU) were decreased.

### Strategy

In June 2022 we have revised the asset allocation on the fund strategy as indicated above. This year Regulations 28 has been amended to allow for higher offshore allocation, and so we have brought forward the process to make changes accordingly. Relaxing regulatory constraints offer an opportunity to increase diversification and exposure to potentially higher-earning assets.

### Portfolio Manager(s)

The Satrix Investment Team

### Management of Investments

The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

### 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.

### Additional Information

Although all reasonable steps have been taken to ensure the information on this website/advertisement/brochure is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

\*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.

### Trustee Information

Standard Chartered Bank

Tel no.: 011 217 6600, E-mail: southafrica.securities-services@sc.com

### Glossary of Terms

#### Collective investment scheme (CIS)

A collective investment scheme (or unit trust) comprises a pool of assets such as equities, bonds, cash and listed property, which are managed by an investment manager and is governed by the Collective Investment Schemes Control Act no 45 of 2002. Each investor has a proportional stake in the CIS portfolio based on how much money he or she contributed. The word "unit" refers to the portion or part of the CIS portfolio that is owned by the investor. The "trust" is the financial instrument that is created in order to manage the investment. The trust enables financial experts to invest the money on behalf of the CIS investor.

#### Linked Investment Service Provider (LISP)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

#### Composite benchmark

Multi-asset class funds offer exposure to various asset classes including cash, equity, bonds and property both locally and internationally. In a passively managed multi-asset class fund each underlying asset class is managed to deliver the return of its respective index. For example, in the SATRIX Low Equity Balanced Index Fund the property exposure is managed to deliver the performance of the FTSE/JSE SA Listed Property Index (J253). The composite index simply combines the underlying indices, each adhering to a specified weight.

#### Index

An index is a unique grouping of shares, selected according to a pre-defined methodology e.g. largest market capitalisation or highest dividend yield. An index can be constructed to represent the overall market, a specific sector or a theme. The index performance can be used as a benchmark against which to compare active fund performances. A well-constructed index should be transparent, replicable and investable.

#### Long term strategic asset allocation

The long term strategic asset allocation is the exact weighting for each asset class within the composite benchmark. The composite is rebalanced back to the strategic asset allocation biannually (March and September).

#### Rand-hedge protection

A Rand-hedge is a way of maximising returns on your investment in rand terms, through an offshore investment. The rand value of your investment increases if the currency declines (when the rand depreciates, the rand value of your offshore investment appreciates).

#### Tax Free Investing

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.

#### Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

#### Volatility

Volatility is a measure of 'risk', and refers to the extent to which the price of an investment or fund fluctuates over a certain period of time. Funds with a high volatility usually offer the potential for higher returns over the longer term than low volatility funds but also the potential for significant downside.