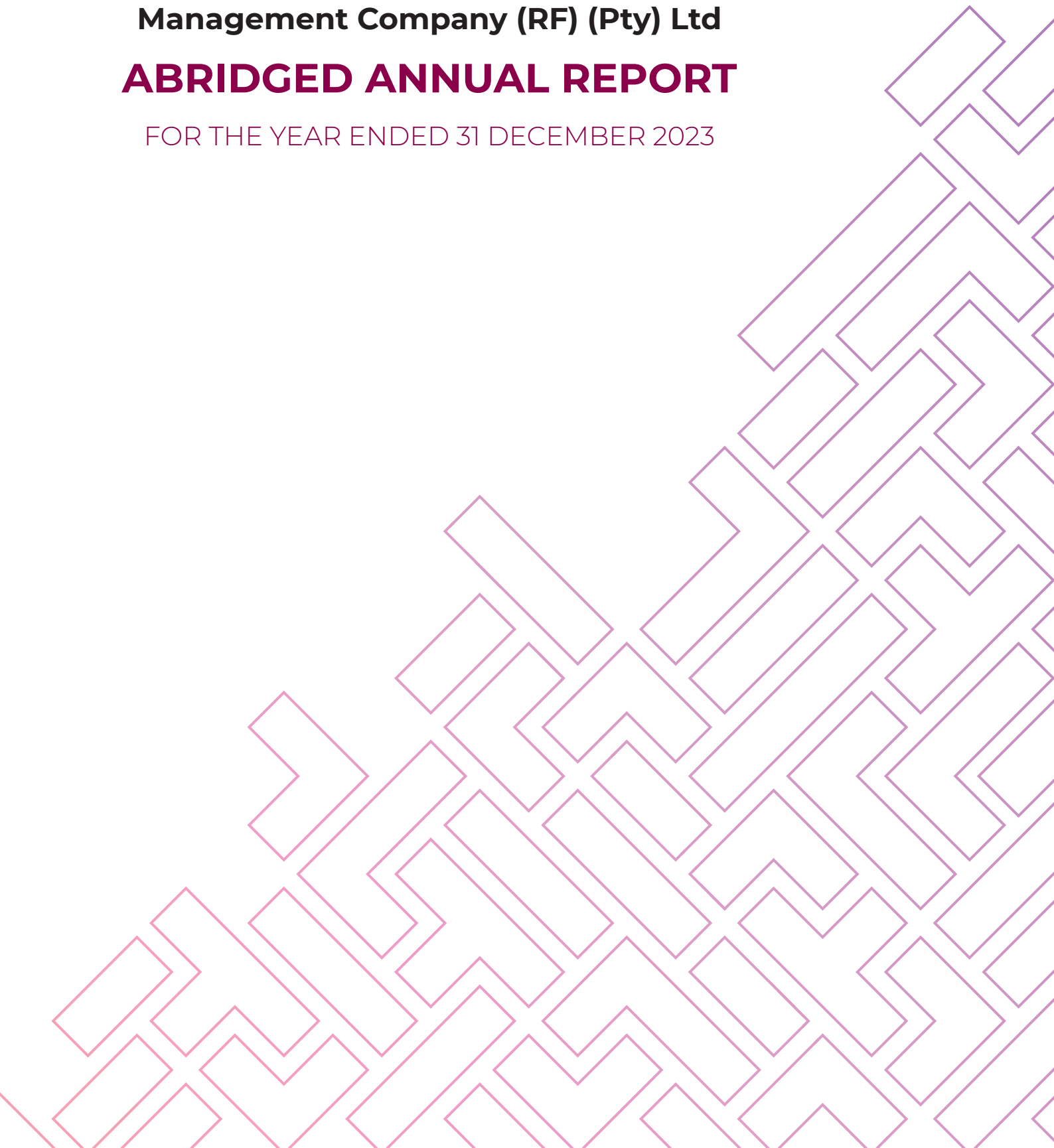


STRATEGIC INVESTMENT SERVICE
Management Company (RF) (Pty) Ltd

ABRIDGED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023



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Manager

Strategic Investment Service Management Company (RF) Proprietary Limited ("SIS") is registered in terms of the Collective Investment Schemes Control Act as the manager of the Strategic Investment Service Unit Trust Scheme.

SIS is a wholly owned subsidiary of Acsis Limited. SIS is a full member of the Association for Savings and Investment SA.

Company information

Registration number 1997/022003/07

Registered address

Mutualpark, Jan Smuts Drive, Pinelands, 7405

Contact details

PO Box 44604, Claremont, 7735, South Africa

Tel: +27 (21) 524 5017

Independent Non-Executive Director

PJ Dempsey (Chairman)

LA Harvey

Executive Director

K Williams

MK Gamieldien* (Director Designate, appointment on 30 June 2023)

*Appointment pending FSCA approval.

Company secretary

Old Mutual Limited

Portfolio manager

Old Mutual Multi-Managers is the portfolio manager for all of the portfolios.

Trustees

Standard Bank of South Africa Limited

Auditors

Ernst & Young

Copies of the audited annual financial statements of the Manager and of the funds managed by it are available free of charge on request. Please contact the office detailed above. No scrip lending activities were undertaken by any of the funds.

CHAIRMAN'S NOTE TO UNITHOLDERS

"Democracy is Fortune... Freedom is Wealth." Unknown.

1. YOUR VOTE IS IMPORTANT

Financial freedom is a personal responsibility, and our economic environment also plays a pivotal role in achieving it. But true financial freedom for all depends on our country's capacity to overcome unemployment and reduce earnings inequality, which is not just about finances, but social living and harmony, education, healthcare and much more.

2024 is a historic election year with more than 2 billion voters set to go to the polls in 64 countries, including the biggest economy, the United States (US), and the biggest population, India. We have a duty to actively engage in shaping the world we want to live in and exercise active citizenship by voting for the party most aligned to our goals or values. Your vote is not only a responsibility, but a privilege, to contribute to a future of those who are still too young to vote. And then, when the leaders are announced, as active citizens we must engage Government for the greater good of our country and world, regardless of whether we voted for them or not.

2. 2023 ECONOMIC REVIEW

In 2023, the US economy repeatedly defied gloomy predictions of a recession and economic activity accelerated. In South Africa, the FTSE/JSE All Share Index returned 8% whilst economic growth, as measured by real gross domestic product (GDP), was 0.6%. Although this is nothing to write home about, it is by no means the catastrophic outcome many expected. Globally, the MSCI All Country World Index returned almost 23% in US dollars. Global bonds also ended the year on a positive note despite suffering a big drawdown midway through. This is a powerful reminder of how difficult predictions about the future can be. The best strategy in most cases is simply to remain diversified and invested, irrespective of the noise. This will ensure not losing out on meaningful market appreciation, as it is impossible to time the markets.

3. LOOKING AHEAD

The SA economy remains deeply constrained by unreliable infrastructure and public services. It crawls along, but it's not collapsing. However, beating 2% growth on a sustained basis will be a struggle until there is meaningful progress in private sector participation in rail, ports, and electricity. The domestic inflation outlook is generally improving, despite the small increase to 5.3% in January from December's 5.1%. The global interest rate environment is turning, and the SA Reserve Bank is likely to start cutting rates mid-2024.

The election on 29 May is an event to watch as many local and foreign investors will most likely sit on the sidelines until they know the outcome. Investors will want to see a government in place that can tackle the country's economic challenges. But we do know the election is likely to be free and fair and a true reflection of the will of the people.

4. 2024/25 BUDGET SPEECH GIVES HOPE

When the Minister of Finance read South Africa's 2024 Budget Speech, the 2023 Quarter 4 GDP numbers had not yet been released, and his estimation of 0.6% was seen as conservative at the time. However, the GDP number came in at 0.6%. With the economy showing little signs of strengthening, it is a cause for concern. So, can we look at the recent Budget Speech for hope? Despite it being an election year, National Treasury stuck to their fiscal consolidation agenda. While other countries often see populist budget policies leading up to elections, there was no sign of it in South Africa's 2024 Budget Speech. In fact, this year's Budget can be summarised as a market-positive budget given the tough circumstances. Remember that a good budget for the investment market is not necessarily the same as a good budget for other segments of society who might want tax cuts or higher spending.

Instead, spending growth will slow considerably over the medium term, while personal income tax tables will not be adjusted, meaning some people will be pushed into higher tax brackets when their salaries are adjusted upwards (called "bracket creep"). On the plus side, lower expected inflation in 2024 and interest rate cuts will provide some relief for households.

4.1. Finding creative ways to deal with debt

Treasury will use R150 billion of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) gains to pay down debt and reduce Government's annual gross borrowing requirement. GFECRA is the unrealised valuation gains or losses on South Africa's foreign exchange reserves that belong to Government but are held by the South African Reserve Bank. This is new to South Africa because unlike in other countries, there hasn't been a regular transfer of gains from the central bank to the government.

4.2 Reforms

The Budget placed great emphasis on reforms that address the crippling bottlenecks in energy, logistics and elsewhere, but also noted that regulatory changes were explored to encourage and facilitate greater use of public-private partnerships (PPPs). However, while Treasury is responsible for macroeconomic policy and generally does a good job, less efficient government departments are responsible for implementing the microeconomic policies that can enhance South Africa's economic growth performance – for instance, through faster issuing of mining licences or work permits. The bottom line is that South Africa needs faster economic growth to ensure long-term fiscal sustainability. Several reforms have been implemented to address the big constraints on economic growth, but these will take time to bear fruit. In the meantime, South Africa cannot wait for faster growth since Government's interest bill would balloon to excessive levels. Hence the focus on fiscal consolidation largely through spending discipline (helped along by the GFECRA windfall).

5. DIGITAL TRANSFORMATION

There has been impressive digital transformation over the past decade or so. In my opinion, there are many advantages to digital advancement, as it improves ease of doing business. Yes, you must be vigilant to prevent phishing, hacking and malware, and we constantly give tips on our website to avoid this. However, as soon as I opened myself to going digital, I was pleasantly surprised. I am now able to get information in seconds using my phone, the Old Mutual App, Old Mutual Secure Site and the Old Mutual WhatsApp facility. Of course, going digital does not mean severing your relationship with your financial adviser or planner. In fact, digital enhances relationships because now conversations are not wholly about administration, but much deeper, empowering both planners and clients to ask the right questions of each other, with hopefully more relevant solutions and goal achievement.

6. TWO-POT RETIREMENT SYSTEM

National Treasury has introduced the two-pot retirement system draft legislation, currently scheduled to take effect on 1 September 2024. This reform is designed to encourage preservation of your retirement savings while allowing you to access a portion of your accumulated fund annually in the event of an emergency. Once the legislation becomes effective, your monthly or lump sum retirement annuity fund contributions will be divided between two new pots or components. Two-thirds of your contributions will be paid into a retirement pot to be preserved until retirement. The remaining third will be paid into a savings pot, which can be accessed for emergencies. For both retirement and preservation funds, a portion of your existing retirement benefit will be used to fund this pot. Retirement savings before 1 September 2024 will not be affected by the new legislation, as they will be preserved in a vested pot and will continue to be managed under the existing Pension Funds Act.

7. FINANCIAL ADVICE – STILL FUNDAMENTAL

Old Mutual Investment Group periodically produces a study of investment market behaviour over the long term called Long-Term Perspectives. This publication has over 90 years of investment market behaviour summarised into eight investment principles which every investor should remember:

- 1) **Inflation is your enemy.**
 - a. It erodes the value of money.
- 2) **Time (invested in the market) is your friend.**
 - a. Stay invested in the market.
- 3) **You need equities.**
 - a. They offer investment growth.
- 4) **Cash is trash.**
 - a. It loses value over time.
- 5) **Compounding is powerful.**
- 6) **Consider the high price of missing out.**
 - a. Do not time the market.
- 7) **Don't put all your eggs in one basket.**
 - a. Diversify your investments across assets and sectors.
- 8) **Active allocation adds value.**

If we look at this report and all that investors must consider on their investment journey, it shows us that managing an investment portfolio is a full-time job. Although the concepts may be easy to understand, being on top of the underlying information requires a huge commitment in time. This is where I would add a ninth investment principle:

9) The value of financial advice is immeasurable.

The world has become interconnected, and considering the amounts of information we receive daily, it is almost impossible for those who are not investment experts to effectively manage an investment portfolio to achieve their goals. Therefore, I urge you to get financial advice to build your wealth for generations.

8. LOOK BACK WITH GRATITUDE, LOOK AHEAD WITH HOPE

South Africa has many challenges, but more than this, it's a country of immense contradictions. A leader in the health sciences field while there are Grade 4 children who can't read, a leading constitutional democracy rife with corruption and poor governance, and a supplier of 45% of power in Africa plagued by load shedding. We hope that the pockets of excellence start to influence and form a culture of excellence, so we may be able to meet the challenges we face. If social media is to be used as a yardstick, it seems the younger generations have learnt to appreciate each other as brothers and sisters. They defend each other and their country, and the belief and conviction they have for their home and its people is infectious. At Old Mutual, we are humbled and excited to be doing business in such a young and vibrant country that also has the advantage of an older generation that truly understands the importance of democracy. We are grateful that you continue to trust us with your financial freedom and continue to invest with us.

Indeed, we look at 2023 with gratitude and 2024 not only with hope, but also belief.

Thank you.



PETER DEMPSEY

CHAIRMAN: STRATEGIC INVESTMENT SERVICE UNIT TRUST SCHEME

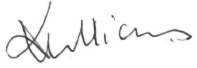


KERWYN WILLIAMS

MANAGING DIRECTOR: STRATEGIC INVESTMENT SERVICE UNIT TRUST SCHEME

REPORT OF THE MANAGING DIRECTOR

The annual report contains the pertinent financial information for the year ended 31 December 2023. There was no deviation from the investment policies and objectives of the portfolios as contained in the relevant Trust Deeds.



K Williams

Strategic Investment Service Management Company (RF) Proprietary Limited



Financial Sector Conduct Authority
Collective Investment Schemes
Riverwalk Office Park, Block B
41 Matroosberg Road
Extension 6
Menlo Park
Pretoria
0081

REPORT OF THE TRUSTEE FOR THE STRATEGIC INVESTMENT SERVICE UNIT TRUST SCHEME

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Strategic Investment Service Unit Trust Scheme (“the Scheme”) have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended (“the Act”), for the financial year ended 31 December 2023.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by [Section 90](#) of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

Standard Bank Centre 1st Floor 5 Simmonds Street Johannesburg 2001 PO Box 61690 Marshalltown 2107 South Africa
Tel. Switchboard: +27 (0)11 636 9112 www.standardbank.co.za

The Standard Bank of South Africa Limited (Reg. No. 1962/000738/06). Authorised financial services and registered credit provider (NCRCP15).

Directors: N Nyembezi (Chairman) L Fuzile* (Chief Executive Officer) LL Bam PLH Cook A Daehnke* OA David-Borha³ GJ Fraser-Moleketi Xueqing Guan¹ GMB Kennealy BJ Kruger Li Li¹
JH Maree NNA Matyuzza ML Oduor-Otieno² ANA Peterside ^{con} SK Tshabalala*

Company Secretary: K Froneman - 2024/03/13

*Executive Director ¹Chinese ²Kenyan ³Nigerian

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed;



Seggie Moodley
Standard Bank of South Africa Limited

27 March 2024

IMPORTANT NOTICE:

In terms of the Collective Investment Schemes Control Act, the trustees of all unit trust companies must report on their adherence to limitations imposed on investing, borrowing powers and the general provisions of the Act and Trust Deed. Our Trustees, Standard Bank of South Africa Limited, have released the Strategic Investment Service Unit Trust Scheme report for 2023. The report does not detail any material breaches and is available from the Manager on request and may be viewed at the registered offices of the Manager.

R'000	SIS Equity Fund	SIS Equity Fund of Funds	SIS Flexible Income Fund of Funds	SIS Inflation Matching Fund of Funds
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 31 DECEMBER 2023				
Net income from operations before finance costs	465 389	74 003	57 074	7 305
Total finance costs	126 406	61 652	58 920	5 170
Distributions	122 589	61 079	58 919	5 170
Withholding tax on foreign dividends	3 817	573	1	-
Change in net assets attributable to unitholders	338 983	12 351	(1 846)	2 135
STATEMENT OF FINANCIAL POSITION				
AT 31 DECEMBER 2023				
Total assets	4 205 147	1 924 267	728 212	59 192
Total liabilities, excluding net assets attributable to unitholders	60 365	7 665	16 237	2 251
Net assets attributable to unitholders	4 144 782	1 916 602	711 975	56 941
R'000	SIS Inflation Plus 1-3 Fund of Funds	SIS Inflation Plus 3-5 Fund of Funds	SIS Inflation Plus 3-5 Prudent Fund of Funds	SIS Inflation Plus 4-6 Fund of Funds
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 31 DECEMBER 2023				
Net income from operations before finance costs	393 922	1 299 655	171 207	995 445
Total finance costs	165 297	356 330	50 178	245 967
Distributions	165 051	355 108	50 007	244 820
Withholding tax on foreign dividends	246	1 222	171	1 147
Change in net assets attributable to unitholders	228 625	943 325	121 029	749 478
STATEMENT OF FINANCIAL POSITION				
AT 31 DECEMBER 2023				
Total assets	3 542 085	10 269 028	1 428 724	8 218 801
Total liabilities, excluding net assets attributable to unitholders	76 528	141 749	22 279	81 345
Net assets attributable to unitholders	3 465 557	10 127 279	1 406 445	8 137 456
R'000	SIS International Flexible Fund of Funds	SIS International Growth Fund of Funds	SIS Maximum Return Fund of Funds	SIS Money Market Fund
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 31 DECEMBER 2023				
Net income from operations before finance costs	452 318	5 211 824	264 857	47 178
Total finance costs	14 994	9 430	20 444	47 226
Distributions	14 994	9 430	20 223	47 226
Withholding tax on foreign dividends	-	-	221	-
Change in net assets attributable to unitholders	437 324	5 202 394	244 413	(48)
STATEMENT OF FINANCIAL POSITION				
AT 31 DECEMBER 2023				
Total assets	2 718 368	21 484 173	1 767 565	638 239
Total liabilities, excluding net assets attributable to unitholders	8 589	375 312	2 177	5 003
Net assets attributable to unitholders	2 709 779	21 108 861	1 765 388	633 236

R'000	SIS Property Equity Fund
STATEMENT OF COMPREHENSIVE INCOME	
FOR THE YEAR ENDED 31 DECEMBER 2023	
Net income from operations before finance costs	42 206
Total finance costs	29 508
Distributions	29 475
Withholding tax on foreign dividends	33
Change in net assets attributable to unitholders	12 698
STATEMENT OF FINANCIAL POSITION	
AT 31 DECEMBER 2023	
Total assets	458 112
Total liabilities, excluding net assets attributable to unitholders	17 686
Net assets attributable to unitholders	440 426

Portfolio composition	Cash and cash equivalents*	Money market instruments	Derivatives at fair value#	Bonds	Unit trusts		Equity	
					Local	Foreign	Local	Foreign
SIS Equity Fund	0.83	-	-	-	-	-	97.10	2.07
SIS Equity Fund of Funds	0.68	-	-	-	99.32	-	-	-
SIS Flexible Income Fund of Funds	2.60	-	-	-	97.40	-	-	-
SIS Inflation Matching Fund of Funds	4.28	-	-	-	95.72	-	-	-
SIS Inflation Plus 1-3 Fund of Funds	2.52	-	-	-	97.48	-	-	-
SIS Inflation Plus 3-5 Fund of Funds	1.59	-	-	-	98.41	-	-	-
SIS Inflation Plus 3-5 Prudent Fund of Funds	1.77	-	-	-	98.23	-	-	-
SIS Inflation Plus 4-6 Fund of Funds	1.29	-	-	-	98.71	-	-	-
SIS International Flexible Fund of Funds	2.62	-	-	-	-	97.38	-	-
SIS International Growth Fund of Funds	0.30	-	-	-	-	83.69	-	16.01
SIS Maximum Return Fund of Funds	0.28	-	-	-	99.72	-	-	-
SIS Money Market Fund	6.19	26.35	-	67.46	-	-	-	-
SIS Property Equity Fund	0.94	-	-	-	-	-	99.06	-

* Only capital, current and call deposits are included.

Where portfolios hold SAFEX instruments the fair value of derivative assets and liabilities is zero.

	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS
Investment performance	(Class A)	(Class A)	(Class A)	(Class A)	(Class A)
SIS Equity Fund	9.7	13.9	12.7	8.7	7.7
SIS Equity Fund of Funds*	4.1	13.8	10.0	-	-
SIS Flexible Income Fund of Funds*	8.6	7.2	6.4	-	-
SIS Inflation Matching Fund of Funds	8.9	6.4	6.6	6.9	6.8
SIS Inflation Plus 1-3 Fund of Funds	11.6	9.0	9.1	7.7	7.5
SIS Inflation Plus 3-5 Fund of Funds	13.1	9.9	10.1	8.1	7.8
SIS Inflation Plus 3-5 Prudent Fund of Funds	12.6	11.3	-	-	-
SIS Inflation Plus 4-6 Fund of Funds	12.8	11.9	10.9	8.6	8.1
SIS International Flexible Fund of Funds	17.9	8.8	9.7	8.4	-
SIS International Growth Fund of Funds	27.8	9.1	15.0	12.1	-
SIS Maximum Return Fund of Funds	17.1	10.7	13.2	10.2	9.3
SIS Money Market Fund	8.6	6.1	6.4	6.9	6.9
SIS Property Equity Fund	8.3	14.0	-0.8	-2.1	3.4

	MARCH 2023	JUNE 2023	SEPTEMBER 2023	DECEMBER 2023
Income distribution per unit (cents)	(Class A)	(Class A)	(Class A)	(Class A)
SIS Equity Fund	-	17.58	-	18.44
SIS Equity Fund of Funds*	-	8.01	-	0.93
SIS Flexible Income Fund of Funds*	4.25	4.16	3.95	4.35
SIS Inflation Matching Fund of Funds	-	4.03	-	4.64
SIS Inflation Plus 1-3 Fund of Funds	-	12.49	-	10.83
SIS Inflation Plus 3-5 Fund of Funds	-	11.54	-	7.76
SIS Inflation Plus 3-5 Prudent Fund of Funds	-	5.74	-	3.58
SIS Inflation Plus 4-6 Fund of Funds	-	17.43	-	8.47
SIS International Flexible Fund of Funds	-	0.88	-	1.02
SIS International Growth Fund of Funds	-	0.22	-	0.41
SIS Maximum Return Fund of Funds	-	13.19	-	0.89
SIS Money Market Fund**	-	-	-	-
SIS Property Equity Fund	-	7.74	-	10.92

* Relates to class T.

** The SIS Money Market Fund distributes daily.

Price and total expense ratio	LAST PUBLISHED PRICE	TOTAL EXPENSE RATIO (TER)
	(31/12/2023)	Percentage per Class (%)
	(Class A)	(Class A)
SIS Equity Fund	1 495.42	0.84
SIS Equity Fund of Funds*	270.33	0.89
SIS Flexible Income Fund of Funds*	197.63	0.89
SIS Inflation Matching Fund of Funds	128.90	1.17
SIS Inflation Plus 1-3 Fund of Funds	510.92	1.17
SIS Inflation Plus 3-5 Fund of Funds	577.97	1.23
SIS Inflation Plus 3-5 Prudent Fund of Funds	273.05	1.21
SIS Inflation Plus 4-6 Fund of Funds	890.40	1.23
SIS International Flexible Fund of Funds	466.60	0.87
SIS International Growth Fund of Funds	845.75	1.14
SIS Maximum Return Fund of Funds	1238.51	1.44
SIS Money Market Fund	100.00	0.40
SIS Property Equity Fund	298.93	0.58

* Relates to class T.

STATUTORY INFORMATION:

Only the A Class fund portfolios and T Class fund portfolios for SIS Equity Fund of Funds and SIS Flexible Income Fund of Funds have been included in this Abridged Annual Report. Performance figures are only disclosed for funds that have been in existence for more than one year. A fund portfolio is identical for all the respective classes of that fund. Different classes purely reflect different fee structures, not different portfolio compositions. The A Classes and T Classes have been selected for this Annual Report as this is the only class of units which a retail investor can purchase directly from the SIS Unit Trust Scheme. Note that full details of all the funds and classes are available in the full Annual Report. All performance figures are based on lump sum investments to December 2023. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A schedule of fees, charges and maximum commissions is available from the company. You may sell your investment at the ruling price of the day (calculated at 15h00 daily and 17h00 at month-end for all funds, except the Money Market Fund, which is at 13h00). A Fund of Fund unit trust invests only in other Collective Investment Schemes, which may levy their own charges.

The performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income.