Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Low Equity Balanced Index Fund

September 2018

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 exposures	
SA equity (21%)	FTSE/JSE Capped Shareholder Weighted Index
SA bonds (23%)	JSE All Bond Index
SA property (6%)	FTSE/JSE SA Listed Property Index
SA inflation-linked bonds (10%)	S&P SA Sovereign Inflation-Linked Bond Index
SA cash (20%)	STeFI Composite
International equities (14%)	MSCI All Country World Index (ACWI)
International bonds (3%)	Bloomberg Barclays Global Aggregate
International cash (3%)	JP Morgan 1D US cash rate

Why choose this fund?

*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 l Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R839.9 million
Last two distributions	31 Dec 2017: 21.12 cents per unit 30 Jun 2018: 19.22 cents per unit
Income decl. dates	30 June l 31 Dec
Income price dates	1st working day in July & January
Valuation time of fund	17:00
Transaction cut off time	Manual: 15:00 SatrixNOW.co.za: 13:30
Daily price information	Local newspaper and www.satrix.co.za
Repurchase period	3 working days

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)	0.60
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.Where this fund invests into other unit trusts, it does so into zero fee classes except for offshore equity (0.30%) and offshore bonds (0.15%).

Total Expense Ratio (TER) | 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 1 year. The TER is calculated from 01 July 2017 to 30 June 2018. 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 1 year. Obtain the costs of an investment prior to investing by using the EAC calculator provided at www.satrix.co.za

Top 10 Holdings

Securities	% of Portfolio
Naspers -N-	2.02
GrowthPoint	1.54
Satrix Emerging Market Equity Tracker Fund Class I	1.49
Sasol	1.24
Redefine	1.21
FirstRand / RMBH	1.15
NEPI ROCKCASTLE PLC	1.00
Stanbank	0.95
BTI Group	0.73
Anglos	0.72

Top 10 Holdings as at 30 Sep 2018

Performance (Annualised) as at 30 Sep 2018 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	4.41	4.94	6.08
3 year	5.91	6.35	6.45
5 year	N/A	N/A	N/A
Since inception	6.23	6.82	6.37

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

Performance (Cumulative) as at 30 Sep 2018 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	4.41	4.94	6.08
3 year	18.79	20.30	20.64
5 year	N/A	N/A	N/A
Since inception	28.64	31.62	29.35

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

Actual highest and lowest annual returns*

Highest Annual %	7.45
Lowest Annual %	4.41

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary Terms Sheet.

SATRIX OWN THE MARKET

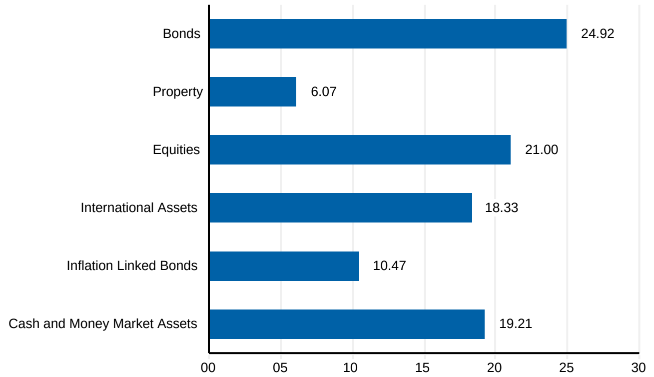
Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Low Equity Balanced Index Fund

September 2018

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 30 Sep 2018

Macro review

In the US, economic growth remained robust and this ultimately overshadowed simmering concerns around the escalating US–China trade war. Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as ‘accommodative’ and reaffirmed its outlook for further gradual hikes into 2019. Data released in September showed wages to be growing at the fastest rate since 2009, while additions to non-farm payrolls remain above 185 000 on a three-month average. As yet, industrial activity indicators show little impact from the trade wars.

In Europe, worries over trade wars and potential US tariffs on cars were a feature of the period. On the economic front, Q2 2018 growth was revised up to 0.4% quarter-on-quarter, compared to the initial estimate of 0.3%. Forward-looking activity indicators continued to point towards expansion, albeit at a more subdued pace than at the start of 2018. The Flash Eurozone PMI Composite Output Index (1) for September fell to a four-month low of 54.2. Eurozone inflation was estimated at 2.1% for September, up from 2% in August. There was no change in policy from the European Central Bank who reiterated that interest rates would remain on hold ‘at least through the summer of 2019’.

In emerging markets, there was little progress in bilateral trade negotiations and China responded with tariffs on $110 billion of US goods. Meanwhile, Chinese macroeconomic data disappointed. Turkey experience a sharp sell-off in the Lira, as geopolitical tensions with the US exacerbated ongoing concerns over its wide current account deficit, above-target inflation and central bank independence. South Africa’s macro backdrop deteriorated as global liquidity tightened given the economy’s twin deficits, and Q2 2018 GDP growth disappointed, slowing to 0.4% year-on-year. Mexico saw positive general elections and an agreement with the US on NAFTA renegotiation. Despite ongoing risk of new US sanctions, Russia benefited from crude oil price strength.

Global and local market review

The MSCI World Index posted a Dollar total return of 5.1% (+1.9% for Q2 2018), once again outperforming the MSCI Emerging Markets Index (-0.9% in Q3 2018 vs -7.9% in Q2 2018). In the US, despite political uncertainty and trade concerns, the US equity bull market became the longest in history on 22 August, and advanced in Q3 2018 to significantly outperform other major regions. Over the quarter, the information technology and healthcare sectors were boosted by a slew of robust earnings. Eurozone equities posted a modest gain in Q3 2018 with the the MSCI EMU (European Economic and Monetary Union) Index returning 0.4%. Energy and industrial stocks were among the leading gainers. The FTSE/JSE All Share Index fell 0.8% amid Brexit uncertainty and a tempering of the global growth outlook, as a result of the escalating trade war between the US and China. Although trade tensions continued to escalate during the quarter, the Japanese stock market ended September above its recent range to show a total return of 5.9% for the quarter.

Emerging market equities lost value in what was a volatile Q3 2018, with US Dollar strength and the US–China trade dispute weighing on risk appetite. China underperformed as the US implemented tariffs on a total of $250 billion of Chinese goods, some of which are set to increase in January, and threatened tariffs on a further $267 billion of goods. There was little progress in bilateral trade negotiations and China responded with tariffs on $110 billion of US goods. Turkey was the weakest index market amid a sharp sell-off in the Lira. South Africa also underperformed. The market is vulnerable to global liquidity tightening given the economy’s twin deficits, and Q2 2018 GDP growth disappointed, slowing to 0.4% year-on-year. SA Resources and SA Financials outperformed in Q3 2018 with total returns of 5.2% and 2.8% respectively, while the SA Industrial sector was the drag on the index, shedding 7.8% over the same period.

The FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) delivered a return of -1.65%, which was better than that of the FTSE/JSE Shareholder Weighted Index (SWIX), which realised -3.34%. The return difference could mainly be attributed to the weight difference in Naspers and to a lesser extent to Aspen and MTN.

Core government bond yields rose over the quarter due to positive economic data, particularly from the US. This outweighed a bout of safe-haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe. The Fed implemented its third rate hike this year, removing references to ‘accommodative’ policy and striking an optimistic tone. In commodities, the S&P GSCI Spot Index posted a marginally negative return in Q3 2018 with US Dollar strength weighing on prices. Industrial metals were weaker on global trade uncertainty. Copper was down 5.5%, while nickel (-15.6%) and lead (-15.9%) registered steeper declines. Precious metals were also weaker, with silver and gold down 8.9% and 4.8% respectively. By contrast, the energy segment posted a positive return as spot prices for Brent crude gained 5.5% and natural gas was up 2.9%.

In Closing

South Africa remains on a low-growth path. The aftershocks of State Capture and policy uncertainty persist, constraining confidence and investment. Structural economic reforms remain slow in coming, though the finalisation of the Mining Charter before the end of the year marks an important milestone. South Africa needs growth in order to arrest further fiscal, socio-economic and credit ratings decline.

Moody’s review of the sovereign’s ratings around middle October is unlikely to deliver any surprises (no change to its stable outlook or its Baa3 rating), though we think there is a chance the review could be delayed until after the 24 October medium-term budget.

Although local factors have weighed on the Rand, i.e. Ramaphoria sentiment souring, risks of a Moody’s downgrade, uncertainty surrounding the Mining Charter and land expropriation without compensation, much of the weakness in the Rand has been driven by external developments - a stronger US Dollar, weaker commodity prices, tighter monetary policy from the Fed, contracting global Dollar liquidity and lately, emerging market contagion risks from Turkey and Argentina.

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 is 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: zatrustee.securities@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).

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.

Tax Free Unit Trust
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 R33 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.