Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Momentum Index Fund

September 2018

Fund Objective

The Satrix Momentum Index Fund is an equity only portfolio. To capture this investment style and its effect, Satrix has developed the proprietary Satrix Momentum Index. It aims to capture the return of the equity market enhanced by the momentum risk premium. This is achieved by constructing a portfolio tilted toward stocks (or equities) that display positive momentum characteristics and away from stocks showing negative momentum characteristics. The fund is rebalanced monthly.

Fund Strategy

Momentum is defined for the index in terms of a composite of price momentum and earnings momentum as measured by analyst revisions. The index is reviewed and rebalanced 8 times a year (approximately every 6 weeks) where parameters are recalculated with cognizance given to the liquidity of individual counters and the turnover of the benchmark as a whole. These rebalance dates coincide with the quarterly FTSE/JSE index review dates and the last trading day in the month proceeding the FTSE/JSE index review. The benchmark is also moderated in terms of sector and stock specific risks. The universe for selection of stocks to be included in the Satrix Momentum Index is all stocks on the JSE that meet the applicable liquidity screening requirements referred to in the calculation methodology, excluding listed property stocks.

Why choose this fund?

*Because it is negatively correlated to value investing, momentum investing can be a valuable diversification component.
*The momentum product is designed to be: Risk Controlled; Consistent; True-to-label; and a robust blend of price and earnings momentum styles.
*This is pure equity fund is therefore not Regulation 28 compliant.
*This fund is aggressively risk profiled and thus investors should be willing to tolerate potential volatility in the short-term.

Fund Information

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	Proprietary Satrix Momentum Index
Portfolio launch date	Oct 2013
Fee class launch date	Oct 2013
Minimum investment	Manual: Lump sum: R10 000 l Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R329.3 million
Last two distributions	Dec 2017: 16.61 cents per unit Jun 2018: 17.96 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	0.52
Total Expense Ratio (TER)	0.62
Transaction Cost (TC)	0.69

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.

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-	10.05
Sasol	8.84
FirstRand / RMBH	8.60
Stanbank	5.86
BHP Billiton	5.21
Bid Corporation Limited	4.84
Compagnie Fin Richemont	4.79
Capitec	4.33
Bidvest	4.25
Discovery	4.11

Top 10 Holdings as at 30 Sep 2018

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

Retail Class	Fund (%)	Benchmark (%)
1 year	1.57	2.74
3 year	5.96	7.18
5 year	N/A	N/A
Since inception	9.12	10.55

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

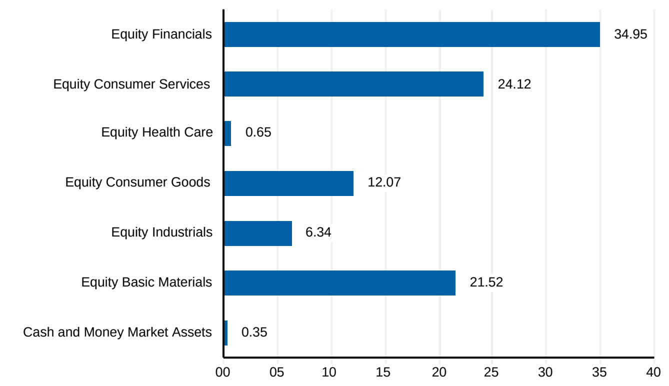
Retail Class	Fund (%)	Benchmark (%)
1 year	1.57	2.74
3 year	18.98	23.11
5 year	N/A	N/A
Since inception	53.56	63.74

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

Actual highest and lowest annual returns*

Highest Annual %	11.19
Lowest Annual %	1.57

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 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.

Portfolio performance, attribution and strategy

Global trade uncertainties and other geopolitical risks once again weighed heavily on investor minds over the prior quarter. This resulted in rotation between the Momentum/Growth and Value strategies during the quarter as the slope of the yield curve gyrated. Short interest in the Price Momentum strategy globally has stabilised near historical average, suggesting it is not as crowded anymore. The Momentum strategy's macro risk has also declined recently, and it has become more defensive to credit risk. Additionally, the performance of the Price Momentum strategy started to diverge from the Growth strategy as they become much less correlated.

In South Africa, both the Price Momentum and Earnings Momentum strategies have endured a tough quarter. With broad equity indices down in absolute terms over the period, these cyclical strategies are expected to experience some underperformance. Whereas previous quarters saw Earnings Momentum (a sub-component of Headline Momentum) and Price Momentum exhibit divergent performances, during Q3 2018 we saw synchronised underperformance, as investors disregarded companies with positive earnings sentiment. Typically, however, the Earnings Revisions strategy encompasses a more defensive component, and we expect Earnings Momentum to fulfil its role going forward in our overall Momentum strategy.

As an overall factor the Momentum strategy struggled during Q3 2018 relative to the FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX). The strategy's positive contributions to performance was largely attributed to high-scoring Momentum stocks such as Assore (ASR), Capitec (CPI) and African Rainbow Minerals (ARI). In terms of underperformance contributors, these included overweight positions in Naspers (NPN), Clicks (CLS), Standard Bank (SBK) and Imperial (IPL), and underweight positions in MTN and Old Mutual (OMU).

At the last rebalance date (mid-September), we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio. Based on these signals, Anglo American (AGL), Aspen (APN), Barlows (BAW), Kumba Iron Ore (KIO) and MTN were removed, whereas exposures to Assore (ASR) and Rand Merchant Holdings (RMH) were cut due to their waning strength of momentum signal. On the positive side, we added Exxaro (EXX) and Santam (SNT) based on its current strong signal, and also increased allocations to Anglo American (AGL), all in line with the risk objective of the fund.

We remain convinced of the factor's medium- to long-term significance and the premium it offers in the South African capital market and remain disciplined in our implementation and extraction of the factor.

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.

Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Momentum Index Fund

September 2018

Risk Profile (Aggressive)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (greater than 5 years). It is designed to track the benchmark and is a pure equity fund. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

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 is 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.

Equities
Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling. Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

Index
An index is a unique grouping of securities, selected according to a pre-defined methodology. Indices can be constructed to represent the overall market, a specific sector or theme. The index performance can be used as a benchmark against which to compare fund performances. A well-constructed index should be transparent, replicable and investable.

Pure equity fund
A pure equity fund invests only in equities (also referred to as stocks or shares) and aims to achieve aggressive capital growth over the very long term. This type of fund will experience volatility in the short term.

Satrix Momentum Index
To capture this investment style and its effect, Satrix has developed the proprietary Satrix Momentum Index. It aims to capture the return of the equity market enhanced by the momentum risk premium. This is achieved by constructing a portfolio tilted toward stocks (or equities) that display positive momentum characteristics and away from stocks showing negative momentum characteristics. The fund is rebalanced monthly.

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.