

### Fund Objective

This is a passive, pure equity fund which tracks the performance of the FTSE/JSE All Share Index. The fund is rebalanced quarterly and the fund therefore incurs minimal trading fees.

### Fund Strategy

We believe that the benchmark choice and resulting returns forms the most important elements of an equity strategy - by investing in a passive vehicle the returns to investment strategies are known.

### Why choose this fund?

\*This fund is ideal for the investor who seeks the general equity market performance through a well-diversified equity portfolio at low costs.

\*This is a passive, 100% equity investment with no stock picking or asset allocation calls.

\*This fund is a pure equity fund and is therefore not Regulation 28 compliant.

\*This fund could also serve as the core component of the equity portion of a client's portfolio.

### Fund Information

<b>ASISA Fund Classification</b>	SA - Equity - General
<b>Risk profile</b>	Aggressive
<b>Benchmark</b>	FTSE/JSE All Share Index (J203)
<b>Portfolio launch date</b>	Jan 2013
<b>Fee class launch date</b>	Jan 2013
<b>Minimum investment</b>	Manual: Lump sum: R10 000   Monthly: R500 SatrixNOW.co.za : No minimums
<b>Portfolio size</b>	R603 million
<b>Last two distributions</b>	30 Jun 2018: 25.37 cents per unit 31 Dec 2018: 25.28 cents per unit
<b>Income decl. dates</b>	30 Jun   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>	Local newspaper and www.satrix.co.za
<b>Repurchase period</b>	3 working days

### Fees (Incl. VAT)

	Retail 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>	0.52
<b>Total Expense Ratio (TER)</b>	0.54
<b>Transaction Cost (TC)</b>	0.27

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 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 January 2018 to 31 December 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-	17.85
BHP GROUP PLC	9.35
Compagnie Fin Richemont	7.52
Anglos	5.04
FirstRand / RMBH	3.62
Stanbank	3.40
Sasol	3.28
Mondi	2.18
MTN	2.06
Sanlam	1.88

Top 10 Holdings as at 28 Feb 2019

### Performance (Annualised) as at 28 Feb 2019 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.78)	(0.90)
3 year	6.37	7.35
5 year	5.58	6.56
Since inception	8.00	9.08

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

### Performance (Cumulative) as at 28 Feb 2019 on a rolling monthly basis

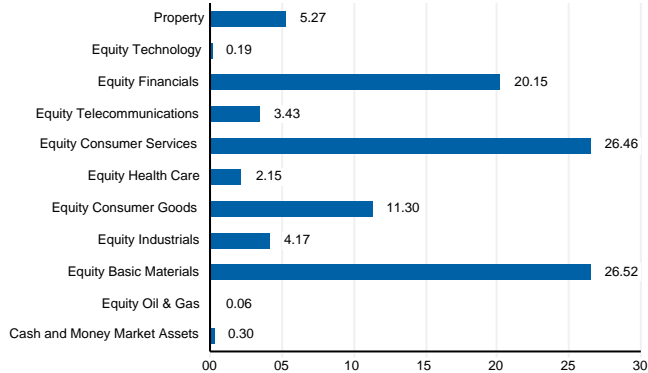
Retail Class	Fund (%)	Benchmark (%)
1 year	(1.78)	(0.90)
3 year	20.35	23.70
5 year	31.18	37.40
Since inception	60.72	70.87

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

### Actual highest and lowest annual returns\*

Highest Annual %	21.27
Lowest Annual %	(5.26)

### Asset Allocation



### Portfolio Manager(s) Quarterly Comment - 31 Dec 2018

#### Market review

In December, the MSCI All Country World Index (ACWI) fell 7.2% in US Dollar, which is the worst December return for global equities on record since 1988. For the year, global equities lost a very disappointing 11.2%, which is the worst year since the 2008 Global Financial Crisis and the sixth worst year on record. Despite underperforming the MSCI ACWI significantly in December, the US was the best performing region in 2018.

This performance was on the back of expectations that global growth is slowing, a tightening monetary policy, swelling fiscal deficits, earnings headwinds and political uncertainty, which are all very legitimate and will probably grow more pronounced over the coming months and quarters. The Chinese PMI disappointed with the Shanghai stock exchange down 19% for the year despite the government attempting to stimulate demand by cutting the bank reserve requirement four times. The Brexit vote, which will take place in January, also created much uncertainty in the UK and the rest of Europe. Emerging Markets (-2.9%), Asia Pacific ex-Japan (-3%) and Europe (-4.7%) fell less than the global aggregate in December, but finished 2018 as the three worst performing regions.

However, the correction over the course of the last quarter of 2018, in particular the December meltdown, was probably too violent, overstating the immediacy of the aforementioned market risks.

Returning to South Africa, in comparison the local market underperformed emerging markets materially in 2018, opening up the possibility of better performance in 2019, particularly for domestic-focused stocks in the SA market.

The poor returns from equities was on the back of poor business confidence, which remains very weak as demonstrated by the South African Chamber of Commerce and Industry (SACCI) business confidence data. Private sector fixed capital formation has collapsed from 17% of GDP in 2007 to lows of 11% of GDP currently. Political uncertainty also weighed on the JSE as the finance minister's confession at the Zondo commission of enquiry led to his recall by the president ahead of the Medium Term Budget. However, the appointment of former Reserve Bank Governor, Tito Mboweni - our fourth finance minister in three years - calmed the market's nerves.

Following three months of negative total returns, SA Equities rebounded in December, with the FTSE/JSE All Share Index (ALSI) (+4.3%) returning its second-best monthly performance for 2018. The ALSI's performance was boosted by SA Resources (+12.3%) posting its best monthly performance since July 2017. This was boosted by the Gold Index, which jumped a huge 25.2% in December, as investors looked to gold as a safe haven amid the global turmoil and US government shutdown.

During 2018, SA Equities (ALSI) lost 8.5% against 21% and 2.6% gains during the two previous calendar years. This was SA Equities' worst annual loss since 2008 when the ALSI also lost about 8.5% in Rand terms. Across the JSE sectors, the dispersion of returns was very wide with Resources outperforming in 2018 with a total return of 15.5%. SA Financials shed 8.8% and SA Industrials were the worst performers among SA equities, losing 17.5% over the year.

The FTSE/JSE SA Listed Property Index (SAPY) was the worst performing asset class with a negative total return of 25.3% (2017: +17.2%, 2016: +10.2%). Cash posted a total return of 7.2% in 2018 while SA Bonds were the best performing asset class, with the FTSE/JSE All Bond Index (ALBI) delivering a total return of 7.7% (2017: +10.2%).

#### Portfolio performance

Almost 30 of the top 40 JSE stocks are in bear market territory, i.e. down some 20% from the peak. This year has been characterised by a number of JSE-listed companies paying the price for their foreign forays and suffering from a regulatory backlash in a number of sectors such as hospitals, tobacco manufacturing and even gaming. However, in most cases the market has taken a worst-case scenario by severely punishing the valuations of very well-run businesses.

The ALSI also experienced a tough fourth quarter of 2018, down 4.88%, which is behind that of the FTSE/JSE Shareholder Weighted All Share Index (SWIX), which was down 3.98%.

Some of the contributors to the negative difference in return between the two All Share indices could be explained by the relative overweight exposures to especially Richemont and Mondi. Underweight exposures to Banking shares added to the underperformance of the ALSI. Relative underweight positions in the poorly performing British American Tobacco and Sasol negated some of this underperformance. For once Naspers (NPN) did not play a meaningful role in performance as its 5% negative return was in line with that of most of the different market indices.

During the September FTSE/JSE index review, Anheuser-Busch InBev, after being listed on the FTSE/JSE for just more than two years, was included in the All Share indices with a weight of about 1% while Pioneer Foods was deleted from the indices.

Your portfolio performed in line with its benchmark. The difference in your return relative to its benchmark was mainly due to our optimised model portfolio marginally underperforming the SWIX. Trading costs, as well as market impact due to rebalance trades also influenced performance. Our optimised portfolio holds between 135 and 140 shares out of a possible 160-plus shares at an ex-ante active risk of between 7 and 10 basis points.

#### Conclusion

If the first week of trading in 2019 is anything to go by, then market participants look set for another volatile year. The week started off positively, buoyed by Trump's tweet of 'big progress' between the US and China on their ongoing trade war. Despite the short-term positive, though, the fact remains that the three major economic issues of the US-China trade war, slowing economic growth and Brexit have yet to be properly resolved and until this is done, a sword of Damocles will remain hanging over global markets.

We have been there before in 2008 when many expected a decade-long bear market for equities. And yet businesses adapt and adjust to tough economic conditions and in this context, we are of the view that patient equity investors will be rewarded with handsome returns over the next three years.

#### 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 (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 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: 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.

#### 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.

#### FTSE/JSE All Share Index (J203)

The FTSE/JSE All Share Index represents 99% of the full market cap of all the shares listed on the main board of the JSE.

#### 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.

#### 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.

#### Market cap weighted index

A market cap weighted index is created by giving weightings to shares according to the company's size (or capitalisation). The larger the company's market capitalisation, the larger it's weighting in the index.

#### Market capitalisation (or market cap)

Market capitalisation (or market cap) is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the current share price by the number of shares outstanding. This value is an indication of a company's size (or capitalisation).

#### Passive investment

Passive investment is a style of investing where a fund replicates the performance a particular market index. Passive investment vehicles include Exchange Traded Funds (ETF's) and index tracking unit trusts. They are so called because the portfolio manager doesn't choose the underlying portfolio. They simply replicate the index they have chosen to track.

#### 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.

#### Replication strategy

This fund employs an *optimisation* strategy - it seeks to track the performance of the index by buying the securities in the index that provides the most representative sample of the index based on correlations, exposure and risk.

#### 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.