

### 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 (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

<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>	R873.3 million
<b>Last two distributions</b>	30 Jun 2019: 28.05 cents per unit 31 Dec 2018: 30.02 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)

	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>	0.40
<b>Total Expense Ratio (TER)</b>	0.47
<b>Transaction Cost (TC)</b>	0.05

**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 1 year. The TER is calculated from 01 April 2018 to 31 March 2019. 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](http://www.satrix.co.za)

### Top 10 Holdings

Securities	% of Portfolio
Institutional Cash Series Plc - Institutional US Dollar Liq	2.54
Naspers -N-	2.17
GrowthPoint	1.56
Satrix Emer Mkt Eqty Trk Id	1.52
Redefine	1.12
FirstRand / RMBH	1.07
NEPI ROCKCASTLE PLC	1.03
Stanbank	0.97
MTN	0.86
Anglos	0.79

Top 10 Holdings as at 31 Jul 2019

### Performance (Annualised) as at 31 Jul 2019 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	5.41	5.55	5.13
3 year	4.74	5.24	5.07
5 year	6.03	6.54	5.78
Since inception	6.03	6.54	5.78

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

### Performance (Cumulative) as at 31 Jul 2019 on a rolling monthly basis

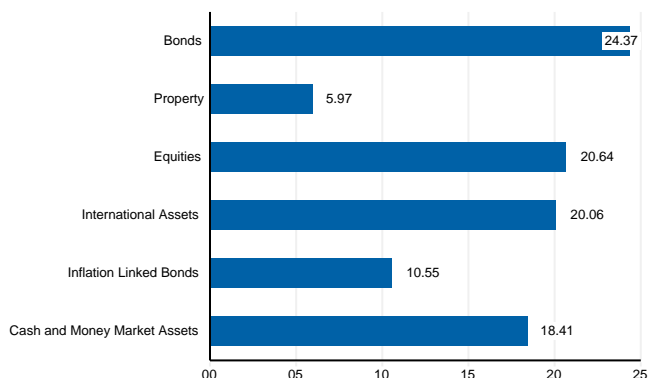
Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	5.41	5.55	5.13
3 year	14.89	16.57	16.00
5 year	34.00	37.25	32.42
Since inception	34.00	37.25	32.42

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

### Actual highest and lowest annual returns\*

Highest Annual %	8.70
Lowest Annual %	3.97

### Asset Allocation



### Portfolio Manager(s) Quarterly Comment - 30 Jun 2019

#### Market Commentary

Global equities rebounded in June as the US-China trade war ebbed and Trump backed off on some of his threats. Global growth data remained negative with further declines in PMIs. Although the 19 June Federal Open market Committee (FOMC) meeting saw no rate change, it delivered a strong statement virtually promising a rate cut at the 31 July meeting.

During the second quarter of 2019, the MSCI World Index realised a gross return of just more than 4%, outperforming the MSCI Emerging Markets Index, which managed a very modest return of 0.6% over the same period. Global bond yields continued to rally with US 10-year yields down to 2.01% and trading sub-2% for the first time since late 2016. US 10-year yields are down more than 125 basis points since November 2018.

In the first half of 2019, the MSCI World Index delivered a total return of 17.4%, outperforming Emerging Markets (+10.8%). Within MSCI World, North America was the best performing region with a return of 18.9%, followed by Europe's 16.5% and the Pacific region's 11.3%.

Yields on the benchmark US 10-year bond declined 47 basis points during the quarter from 2.479% to 2.005%. In its June statement the FOMC acknowledged that economic growth was slowing somewhat and in describing future interest rate changes the statement said the FOMC will 'closely monitor/will act as appropriate'.

In South Africa weak economic data dominated the post-election headlines with first-quarter GDP falling 3.2% quarter on quarter, worse than the -1.6% Bloomberg consensus. The President's State of the Nation Address promised little more than further Eskom bailouts and progress on spectrum auctions with few details/deadlines.

The front and intermediate bonds rallied along with developed market bonds but the back-end bonds did not follow, resulting in a sharply steeper curve. The yield on the R2023 (5-year) bond rallied 41 basis points, while the yield on the R2048 (30-year) bond rose 9 basis points. The FTSE/JSE All Bond Index (ALBI) returned 3.7% for the quarter, with the 'belly' of the curve delivering the best performance. The 7-12-year sector delivered a return of 4.61%.

During the second quarter of 2019, the FTSE/JSE All Share Index (ALSI) posted a total return of 3.9% versus the 8% for the first three months of 2019. SA Financials was the best performer returning 5.4%, followed by SA Industrials with a total return of 4%. SA Resources only managed a gain of 2.4% in the second quarter after the large 17.8% total return in the previous quarter. SA Bonds (ALBI) returned 3.7% after posting a similar return of 3.8% in the first quarter. SA Property managed to outperform bonds, posting a total return of 4.5%. Among the other important indices the FTSE/JSE Shareholder Weighted All Share Index (SWIX) 2.86% performed in line with the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) 2.90%.

In the first half of 2019, SA Equities was the best performing asset class, with the ALSI delivering a total return of 12.2%. SA Bonds gained 7.7%, whilst SA Property was the worst performing asset class with a total return of 6%. Cash posted a total

return of 3.6%.

The FTSE/JSE SA Listed Property Index (SAPY) returned a total of 4.5% during the second quarter of 2019 against the 1.5% in the first three months of 2019. This was better than the ALSI return of 3.9%, cash at 1.8% and bonds, which returned a credible 3.8%. For the last six months the SAPY is still lagging most other major domestic asset classes, returning 6% versus 12.2% for equities, 7.7% for bonds, but still outperforming cash at 3.6%.

#### Equity portfolio performance, attribution and strategy

The Capped SWIX realised a positive return of 2.9%, behind that of the ALSI, which was one of the best performing general equity indices for the second quarter of 2019, up 3.9%. Both these indices are now in positive territory over the last 12 months. Year to date the Capped SWIX ended up in double-digit returns. The Capped SWIX and the SWIX performed in line with one another during the last three months.

The difference in return between these two indices could be explained by the relative underweight exposures to BHP (BHP), Richemont (CFR) and Anglo American plc (AGL) in the Capped SWIX, which all had strong share price performances over the quarter. Relative overweight positions in counters such as the poor performing Sasol (SOL) and British American Tobacco (BTI) further detracted from performance. The relative overweight position in MTN and most of the bank shares negated some of the underperformance.

The equity portfolio underperformed its benchmark by about 10 basis points. The difference in your return was mainly due to our optimised model portfolio underperforming the SWIX. This happened in April when some small cap shares, in which we had no exposure, such as EOH, Ocean and Storage, all performed well. Trading costs, due to cash flows and 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.

During the June 2019 FTSE/JSE index review there were no constituent changes implemented on the index. Weight changes happened on Naspers, BHP and Anglo American. The one-way turnover was just more than 1.4%.

### 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: 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).

#### 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 R33 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.