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 preceding 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
SatrxNOW.co.za: No minimum

**Portfolio size**
R434 million

**Last two distributions**
30 Jun 2018: 24.30 cents per unit
31 Dec 2018: 19.78 cents per unit

**Income decl. dates**
30 June l 31 Dec

**Income price dates**
1st working day in July and January

**Valuation time of fund**
17:00

**Transaction cut off time**
Manual: 15:00
SatrxNOW.co.za: 13:30

**Daily price information**
www.satrix.co.za

**Repurchase period**
T+3

**Fees (Incl. VAT)**

<table>
<thead>
<tr>
<th>Fees (Incl. VAT)</th>
<th>Retail Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice initial fee (max.)</td>
<td>N/A</td>
</tr>
<tr>
<td>Manager initial fee</td>
<td>N/A</td>
</tr>
<tr>
<td>Advice annual fee (max.)</td>
<td>1.15</td>
</tr>
<tr>
<td>Manager annual fee</td>
<td>0.52</td>
</tr>
<tr>
<td>Total Expense Ratio (TER)</td>
<td>0.58</td>
</tr>
<tr>
<td>Transaction Cost (TC)</td>
<td>0.54</td>
</tr>
</tbody>
</table>

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.

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Securities</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naspers -N-</td>
<td>12.17</td>
</tr>
<tr>
<td>FirstRand / RMBH</td>
<td>7.59</td>
</tr>
<tr>
<td>Stanbank</td>
<td>5.83</td>
</tr>
<tr>
<td>Bid Corporation Limited</td>
<td>5.23</td>
</tr>
<tr>
<td>Compagnie Fin Richemont</td>
<td>4.80</td>
</tr>
<tr>
<td>Implats</td>
<td>4.72</td>
</tr>
<tr>
<td>AngloPlat</td>
<td>4.48</td>
</tr>
<tr>
<td>Harmony</td>
<td>4.38</td>
</tr>
<tr>
<td>Clicks Group Ltd</td>
<td>3.82</td>
</tr>
<tr>
<td>Capitec</td>
<td>3.50</td>
</tr>
</tbody>
</table>

**Performance (Annualised) as at 31 Aug 2019 on a rolling monthly basis**

<table>
<thead>
<tr>
<th>Retail Class</th>
<th>Fund (%)</th>
<th>Benchmark (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>(1.63)</td>
<td>(0.47)</td>
</tr>
<tr>
<td>3 year</td>
<td>4.57</td>
<td>5.79</td>
</tr>
<tr>
<td>5 year</td>
<td>6.11</td>
<td>7.47</td>
</tr>
<tr>
<td>Since inception</td>
<td>8.24</td>
<td>9.64</td>
</tr>
</tbody>
</table>

**Performance (Cumulative) as at 31 Aug 2019 on a rolling monthly basis**

<table>
<thead>
<tr>
<th>Retail Class</th>
<th>Fund (%)</th>
<th>Benchmark (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>(1.63)</td>
<td>(0.47)</td>
</tr>
<tr>
<td>3 year</td>
<td>14.35</td>
<td>18.41</td>
</tr>
<tr>
<td>5 year</td>
<td>34.53</td>
<td>43.39</td>
</tr>
<tr>
<td>Since inception</td>
<td>58.72</td>
<td>71.03</td>
</tr>
</tbody>
</table>

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

**Actual highest and lowest annual returns**

<table>
<thead>
<tr>
<th>Highest Annual %</th>
<th>Lowest Annual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.17</td>
<td>(1.63)</td>
</tr>
</tbody>
</table>

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 2018 to 30 June 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.

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary Terms Sheet.
longer term this has been more problematic. The negative performance trend in these styles mirrors the general risk-on positioning of markets of the past six months.

Domestically, the Momentum signal continues to show a strong recovery since December 2018 along with general market sentiment, which has begun to entrench a trend after a period of rotating market leadership. As such, Price Momentum is now positive over a 12-month period for the first time since the second quarter of last year, illustrating the aggregative nature of its recovery. Earnings Revisions has shown more cyclicality than expected, however, over the prior quarter its behaviour is more in line with its traditional defensive role within the broad Momentum strategy - offering a more scaled-back cyclical exposure than its Price Momentum cousin. Over 12 months, however, the strategy is still underperforming due to the significant underperformance over the fourth quarter of 2018.

The portfolio strategy has similarly added positive excess returns over the quarter to the tune of c.3.2% over the Capped SWIX benchmark. The strategy’s positive contributions to performance was largely attributed to high-scoring momentum stocks such as Sasol (SCL), Telkom (TKG), Sibanye Gold (SGL), Impala Platinum (IMP) and Anglo American Platinum (AMS). In terms of underperformance contributors, these included overweight positions in AngloGold (ANG), PSG Group (PSG) and Capitec (CPI) and underweight positions in ABSA (ABG) and Gold Fields (GFI).

At the last rebalance date (mid-June), we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio. Based on these signals, exposure to Naspers (NPN) was increased and MMI (MMI) and Quilter (QLT) were added to the portfolio, and this was funded by dropping PSG Konsult (KST), Netcare (NTC) and Reunert (RLO). 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.

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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.

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 investor’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 investors 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.

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.

Manager Information:
Satrix Managers (RF) Pty Ltd (Reg. No. 2004/009205/07). 4th Floor, Building 2, 11 Alice Lane, Sandown, 2146.