

Fund Objective

This is a pure equity fund that aims to replicate the FTSE/JSE Dividend Plus Index. The appeal for an investor is the alternate weighting methodology (discussed below) to the traditional FTSE/JSE Top 40, which is a market cap weighted index. The fund is rebalanced bi-annually in March and September.

Fund Strategy

We believe that the benchmark choice and resulting returns form the most important elements of an equity strategy - by investing in a passive vehicle the returns to investment strategies are known. By applying a full replication strategy, the fund will mirror the composition of the chosen benchmark.

Why choose this fund?

*The index which the fund replicates consists of 30 high dividend yielding companies within the universe of the FTSE/JSE Top 40 and FTSE/JSE Mid Cap Index (excl. Real Estate) that are expected to pay the best normal dividends over the forthcoming year.

*The fund will have a low correlation with other indices on the JSE and accordingly, it provides an ideal product for diversifying investment portfolios.

*It will appeal to investors seeking a high income portfolio.

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

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

Fund Information

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	FTSE/JSE Dividend Plus Index (J259)
Portfolio launch date	Aug 2011
Fee class launch date	Aug 2014
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R516.1 million
Last two distributions	30 Jun 2019: 40.54 cents per unit 31 Dec 2019: 42.65 cents per unit
Income decl. dates	30 Jun 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 SatrixNOW.co.za: 13:30
Daily price information	www.satrix.co.za
Repurchase period	T+3

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)	0.57
Transaction Cost (TC)	0.51

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 October 2018 to 30 September 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

Top 10 Holdings

Securities	% of Portfolio
Kumba	5.87
Exxaro	5.74
ARM	5.58
BTI Group	4.64
NetCare	4.12
BHP GROUP PLC	4.11
MOTUS HOLDINGS LTD	4.08
Old Mutual Limited	3.90
ABSA Group Limited	3.57
Vodacom	3.55

Top 10 Holdings as at 31 Dec 2019

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

Retail Class	Fund (%)	Benchmark (%)
1 year	3.78	4.92
3 year	8.50	9.54
5 year	4.65	5.64
Since inception	8.14	9.25

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

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

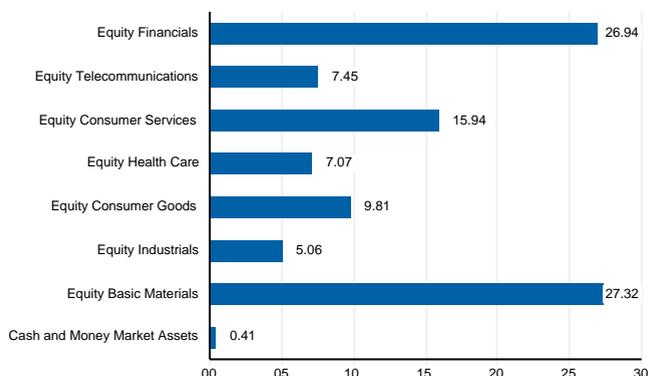
Retail Class	Fund (%)	Benchmark (%)
1 year	3.78	4.92
3 year	27.73	31.44
5 year	25.50	31.56
Since inception	91.92	108.94

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

Actual highest and lowest annual returns*

Highest Annual %	26.40
Lowest Annual %	(20.46)

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Dec 2019

Market comments

All major regions and sectors around the globe posted positive returns in the final quarter of the year: MSCI World (+8.5%), MSCI Emerging Markets (EM) (+11.8%) and MSCI SA (+13.1%), in US dollars. 2019 was one of the strongest years on record for global equities with the MSCI World up 27.6% for the year. MSCI EM (+18.4%), although positive for the year, lagged significantly. Global equities rallied behind signs of stabilising global growth and moderation in trade tensions between the US and China, who in December announced that 'Phase 1' of an agreement had been reached. In the UK, following the Conservative Party's win in the general election, Prime Minister Johnson's Brexit policy is set to take centre stage in 2020. The Withdrawal Agreement is likely to be passed, allowing the UK to leave the European Union on 31 January 2020 with a pledge by the prime minister to not prolong the transition period beyond the end of 2020.

In South Africa, the main local equity indices, namely the FTSE/JSE Top 40 (Top 40) (+4.5%), FTSE/JSE All Share (ALSI) (+4.6%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (+5.2%), were all positive in the last quarter of 2019. Despite the sell-off in November the FTSE/JSE All Bond Index (ALBI) (+1.7%) performed in line with the cash benchmark Alexander Forbes Short Term Fixed Interest (STeFi) Composite Index (+1.7%) as the risk sentiment improved in December. SA listed property as measured by the FTSE/JSE SA Listed Property Index (SAPY) (+0.58%) had a lacklustre quarter but was ahead of inflation-linked bonds (-0.9%), which was the worst performing asset class. The full year to December 2019 painted a very different picture in the case of bonds. The ALBI (+10.3%) lagged the Top 40 (+12.4%) and the ALSI (+12%). The Capped SWIX (+6.7%) and SAPY (+1.9%) were both in positive territory but struggled in comparison to other major indices.

The rand appreciated markedly as 2019 drew to a close, ending the year at R14.01 to the US dollar. South Africa experienced record-breaking stage 6 load shedding, implemented to relieve the grid due to unplanned breakdowns and prevent a total blackout. The impact could be seen in the fourth quarter performance of Industrials (-0.05%), which was flat in comparison to Resources (+13.4%) and Financials (+2.5%). Despite its low growth potential, the South African economy should, nonetheless, benefit from a renewed upturn in the country's terms of trade. In essence, this implies increased purchasing power, which should be reflected in firmer GDP numbers in the quarters ahead, if electricity outages are restricted.

Portfolio performance, attribution and strategy

Globally, the fourth quarter was characterised by poor performance from Value, Quality and Momentum factors while Growth and Low Volatility once again outperformed. Value, Momentum and Low Volatility were fairly neutral for the year, while Quality and Growth managed to outperform. While there is no structural relationship between Value and Low Volatility from a historical perspective, in 2019 these factors behaved like polar opposites, which was especially apparent from May onwards, where Low Volatility generated strongly positive and Value significantly negative returns. In September 2019 there was a significant rotation

from Momentum, Quality and Low Volatility into Value, but this was short-lived and no structural shift in the trend of the Value factor performance seems to have occurred.

Locally, the fourth quarter of 2019 ended the year in strong favour of Momentum factors, as Price Momentum once again showed the strongest performance, backed up by Earnings Revisions. Quality factors performed poorly in 2019 and in the fourth quarter Return on Equity as well as Debt to Equity delivered disappointing returns. Value factors also performed poorly in the fourth quarter with Dividend Yield and Price to Book delivering negative returns. On the positive side Price to Book had a positive 2019 while Dividend Yield was one of the poorest performing factors over the year.

The Dividend Yield strategy of the fund underperformed the benchmark FTSE/JSE Shareholder Weighted All Share Index (SWIX) by 2.1% over the quarter. From a sector perspective the underweight position in platinum shares generally accounted for the majority of the underperformance.

In terms of stock selection, the largest contributions to outperformance over the quarter came from not holding Naspers as well as overweight positions in African Rainbow Minerals, Exxaro Resources, Motus Holdings, Woolworths and Kumba Iron Ore. Detractors in relative performance came from overweight positions in Telkom, JSE and Truworths as well as underweight positions in Sibanye Gold, Anglo American Platinum, Impala Platinum and Sasol.

The fund was rebalanced in September and the next index rebalancing will occur in March 2020. As at 31 December 2019 the fund is overweight Resources relative to the SWIX with a moderate underweight position in Financials and Industrials.

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

Alternate weighting methodology

Most major market indices are based on a market cap weighting. An alternate weighting puts more emphasis (weighting) on stocks that meet specific criteria. Alternate weighting indices use different weighting methodologies, such as price weighted, equal weighted, dividend weighted, earnings weighted and revenues weighted, to construct these indices.

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.

Dividends

A dividend is a payment made by a company to its shareholders, usually as a distribution of profits.

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 Dividend + Index (J259)

The FTSE/JSE Dividend + Index consists of the 30 highest dividend yielding companies, within the universe of the FTSE/JSE Top 40 and FTSE/JSE Mid Cap Index (excl. Real Estate), that are expected to pay the best normal dividends over the forthcoming year. These shares are chosen by looking at the one year consensus dividend yield forecasts of stock market analysts on both the buy and the sell side.

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 a full replication strategy i.e. it replicates the index exactly by buying the same shares as those in the index in the same proportions, re-balancing whenever the index is rebalanced.

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.