Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Balanced Index Fund

December 2019

Fund Objective

The Satrix 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 fo the fund comprises the following aset class building blocks:

Asset Class	Index Exposure
Smart SA equity Core (49%)	Satrix SmartCore™
SA Bonds (10%)	JSE All Bond Index
SA Property (8%)	FTSE/JSE SA Listed Property Index
SA inflation-linked bonds (6%)	S&P SA Sovereign Inflation-Linked Bond Index
SA cash (2%)	STeFI Composite
International equities (21%)	MSCI All Country World Index (ACWI)
International bonds (4%)	Bloomberg Barclays Global Aggregate

Why choose this fund?

- The SmartCore™ reflects the equity characteristics we feel are most significant.
- The strength in combining portfolios of these different characteristics is that they perform predictably and reliably with one another providing a smoother and diversified performance experience.
- The international portion of the fund (25%) provides some rand-hedge protection.
- You gain access to a fund that aims to grow capital steadily, while providing income over the medium to longer term.
- The high equity exposure gives you material exposure to an asset class that, though more volatile than others, usually delivers superior performance in the long term.

Fund Information

ASISA Fund Classification	SA - Multi-Asset - High Equity
Category Benchmark	SA - Multi-Asset - High Equity - Median
Risk profile	Moderate Aggressive
Benchmark	Proprietary Satrix Balanced 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	R5 095.9 million
Last two distributions	30 Jun 2019: 24.74 cents per unit 31 Dec 2019: 25.76 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 SatrixNOW.co.za: 13:30
Daily price information	www.satrix.co.za

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	0.40
Total Expense Ratio (TER)	0.48
Transaction Cost (TC)	0.24

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 since inception 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
FirstRand / RMBH	4.73
Anglos	3.51
AngloPlat	3.12
Clicks Group Ltd	3.12
Naspers -N-	2.69
Kumba	2.65
Nedbank	2.43
Vodacom	2.31
GrowthPoint	2.24
Gold Fields	1.88

Top 10 Holdings as at 31 Dec 2019

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

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	10.05	10.53	9.53
3 year	7.18	8.08	5.10
5 year	5.96	7.04	4.84
Since inception	7.03	8.15	5.77

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

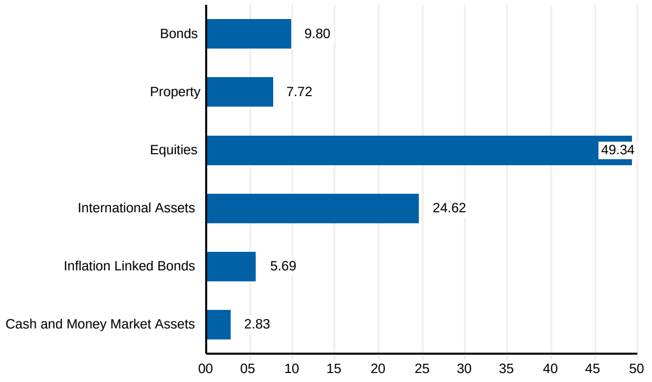
Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	10.05	10.53	9.53
3 year	23.12	26.26	16.10
5 year	33.56	40.52	26.63
Since inception	52.07	62.11	41.37

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

Actual highest and lowest annual returns*

Highest Annual %	19.04
Lowest Annual %	(6.02)

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 dollar. The year 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.

Bond yields in developed markets rose steadily during the quarter with the benchmark US 10-year bond yield rising from 1.66% to 1.92% while the yields on the German 10-year bond became less negative, rising from -0.57% to -0.19%. With inflation remaining relatively subdued, demand for inflation protection has been weak. The inflation-linked index returned a negative 0.91% for the quarter. Yields on the I2029 (10-year) rose 0.28% from 3.41% to 3.69%. Credit spreads continued to tighten even as fundamentals have deteriorated. While we do not expect an imminent reversal of the trend, we have noticed that auctions are starting to price within price guidance, rather than below, and market orders to sell are getting longer.

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.

The fourth quarter of 2019 yielded more evidence that the South African Reserve Bank (SARB) is succeeding in its quest to lower inflation expectations towards 4.5%. Indeed, inflation prints have consistently surprised on the low side over the past year. Headline consumer price inflation advanced just 3.6% in the year to November 2019, while core inflation increased 3.9%.

In early November 2019, Moody's changed the outlook on South Africa's long-term sovereign debt from stable to negative, indicating there is a material risk of a downgrade and that it would monitor the upcoming 2020 Budget closely.

Equity Performance & Attribution

Globally, the fourth quarter was characterised by poor performance from the 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 liked 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.

Domestically, the fourth quarter of 2019 ended the year in strong favour of Momentum factors. Price Momentum once again came out on top, backed by Earnings Revisions. Quality factors performed poorly in 2019 and in the fourth quarter. Return on Equity and 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 multi-factor approach of the fund, where stocks are selected based on their combined Value, Momentum and Quality signals, subtracted value over and above the single factors and marginally underperformed the benchmark Capped SWIX index over the fourth quarter. Over the year, the multi-factor approach managed to outperform the benchmark as well as the average of the single factors deployed in the multi-factor model.

From an attribution perspective, overweight positions in Anglo American Platinum, Clicks and Gold Fields and an underweight position in MTN, Naspers and Standard Bank added value to the strategy over the quarter. Counters that detracted value from the strategy included an overweight position in Telkom, Truworths and Nedbank while an underweight position in Sibanye Gold and Sasol also detracted from performance.

The Satrix Smartcore™ Index rebalanced in December. Old Mutual and Motus Holdings were added while Bidvest, Impala Platinum and Tsogo Sun Gaming were dropped from the index.

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 (Moderate)

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

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 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.

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 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.

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.

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 target allocations for the various asset classes within the composite benchmark. The composite is rebalanced back to the strategic asset allocation biannually (March and September). The strategic asset allocation of the SATRIX Balanced Index aims to return CPI+5.5%pa, over the long-term.

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).

Smart beta
Before we can explain smart beta, we need to define the investment terms beta and alpha. Simply put, beta is the return you as an investor receive simply by being invested in the market. For example, the return you receive by investing in the FTSE/JSE All Share index is a beta return. If you employ an active fund manager (one who studies companies and chooses a basket of shares for you) who gives you a return which is different to that of the market (either positive of negative), this under- or outperformance of the market is called alpha.
Alpha = Fund performance - market performance (beta)
Smart beta funds attempt to capture excess returns in a systematic way. The idea is to deliver a better return while taking on less risk than the JSE All Share index. The result of weighting stocks differently to the JSE is that you have a fund which differs from the JSE in terms of: (a) individual stock exposure (b) sector exposure (e.g. resources, financials and industrials), and (c) factor exposure (e.g. foreign, size, yield and market sensitivity)

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.