

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 proceeding 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 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R242,8 million
Last two distributions	30 Jun 2020: 16.54 cents per unit 31 Dec 2020: 6.31 cents per unit
Income decl. dates	30 June 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)	0.59
Transaction Cost (TC)	0.38

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 October 2019 to 30 September 2020. 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-	9.15
FirstRand	6.17
Stanbank	5.49
SIBANYE STILL WATER LIMITED	5.42
Compagnie Fin Richemont	4.81
Northam	4.71
Clicks Group Ltd	4.09
ABSA Group Limited	4.00
Implats	3.97
Discovery	3.81

Top 10 Holdings as at 31 Dec 2020

Performance (Annualised) as at 31 Dec 2020 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	(4.47)	(3.47)
3 year	(2.84)	(1.77)
5 year	3.60	4.76
Since inception	6.91	8.24

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

Performance (Cumulative) as at 31 Dec 2020 on a rolling monthly basis

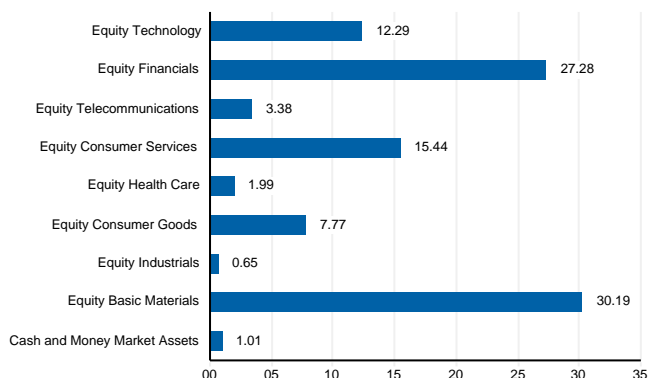
Retail Class	Fund (%)	Benchmark (%)
1 year	(4.47)	(3.47)
3 year	(8.27)	(5.22)
5 year	19.34	26.19
Since inception	61.44	76.42

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

Actual highest and lowest annual returns*

Highest Annual %	31.87
Lowest Annual %	(17.68)

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Dec 2020

Market comments

The fourth quarter of 2020 started as a potent cocktail of uncertainty amid a resurgence of coronavirus infections across the globe, with some countries going back to lockdowns, which triggered a sell-off in October. The losses were quickly turned into gains in November after Biden came out tops in the US election, despite Trump not accepting defeat, and after news about Covid-19 vaccine rollouts started to spread.

For the quarter, the MSCI World Index (14%), MSCI Emerging Markets Index (+19.7%) and MSCI USA Index (+13%) all gave positive returns in net US dollar. Emerging markets also performed well in the fourth quarter with the MSCI EM Latin American Index returning a massive 34.8%. The MSCI South Africa Index returned 22.1% over the quarter while the MSCI China Index returned 11.2%. The MSCI Europe Index returned 15.6% and the MSCI United Kingdom Index 16.9%. All returns are in net US dollar.

Mobility restrictions across the globe were still intact, with other countries even going back to harder levels of restrictions. Despite this the oil price reached March 2020 levels, with OPEC members agreeing to maintain their production levels and Saudi Arabia voluntarily cutting production below its quota. The oil price ended the quarter at \$51.8 a barrel, a 26% gain from the start of the period. The gold price recorded its best annual gain in a decade for the year 2020, amid widespread stimulus measures from central banks. For the quarter, the price was flat (+0.32%), ending at \$1 893 an ounce. The US Government 10-year Bond closed the quarter at 0.93% as the US unemployment rate continued to recover (+6.7%).

Locally, the South African equity indices, namely the FTSE/JSE Top 40 (+8.9%), FTSE/JSE All Share (+9.8%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (+11.5%), all showed high positive gains through the quarter. The South African Government 10-year Bond yield started the period at a yield of 9.45% but later closed the quarter at 8.8%, resulting in the All Bond Index (ALBI) (+6.7%) ending the quarter positive. The cash benchmark, the Alexander Forbes Short-Term Fixed Interest (STeFI) Composite Index (+1%), delivered a positive return for the quarter. The FTSE/JSE SA Listed Property Index (SAPY) (+22.2%) ended the quarter being one of the best performing asset classes.

The South African rand strengthened against the US dollar through the period. For the full quarter, the rand appreciated by 12.1% to the dollar, closing at R14.67 to the greenback, R20.08 to the pound and R17.94 to the euro.

The South African Reserve Bank (SARB) Monetary Policy Committee (MPC) continued to hold the repo rate at the 3.5% level with the MPC not making the decision unanimously. Fitch and Moody's added to South Africa's economic troubles as Moody's moved South Africa to two levels below investment grade status while Fitch brought it to three levels below.

A second wave of Covid-19 infections in South Africa, accompanied by a new variant of the virus, which has been depicted to spread faster than the previous strain, forced cabinet to have an emergency meeting. It came to the decision that South Africa would be moved back to lockdown level 3, leaving South Africans with a sobering year-end.

Portfolio performance, attribution and strategy

Globally, the stock markets recouped all losses from the first half of the year and ended the year in positive double-digit territory. Momentum and Quality continued to rally through the year and were the best performing global factors for the year, while Value extended on its historical losses. Locally, Value owned the entire year, continuing with its outperformance in the fourth quarter. Unsurprisingly, Momentum continued with its losses, particularly Price Momentum, along with the Quality strategy.

Over the quarter, the Momentum factor underperformed the Capped SWIX benchmark, while it also underperformed the same benchmark over the last 12 months. From an attribution perspective, overweight positions in Northam Platinum (NHM) and African Rainbow Minerals (ARI) and an underweight position in AngloGold Ashanti (ANG) added value to the strategy over the quarter. Counters that detracted value from the strategy were underweight positions in ABSA (ABG), MultiChoice (MCG) and Sasol (SOL).

At the last rebalance in December, we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio. Based on these signals ABSA (ABG) and Telkom (TKG) were added to the portfolio while positions in Glencore (GLN) and Sibanye-Stillwater (SSW) were increased. These exposures were funded by deleting Anglo American Platinum (AMS), AngloGold Ashanti (ANG) and Momentum (MTM) from the fund and also decreased positions in Richemont (CFR), Sanlam (SLM) and Santam (SNT).

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.

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.

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 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.

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 R36 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.