

### 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 (15%)	FTSE/JSE Capped Shareholder Weighted Index
SA bonds (25%)	JSE All Bond Index
SA property (5%)	FTSE/JSE SA Listed Property Index
SA inflation-linked bonds (16%)	S&P SA Sovereign Inflation-Linked Bond Index
SA cash (16%)	STeFI Composite
International equities (20%)	MSCI All Country World Index (ACWI)
International bonds (3%)	Bloomberg Barclays Global Aggregate

### 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>	R1.220 billion
<b>Last two distributions</b>	30 Jun 2020: 29.94 cents per unit 31 Dec 2020: 20.41 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>	0.48
<b>Transaction Cost (TC)</b>	0.06

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 January 2020 to 31 December 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](http://www.satrix.co.za)

### Top 10 Holdings

Securities	% of Portfolio
Naspers -N-	1.46
GrowthPoint	1.22
NEPIROCK (NEP)	1.02
Anglos	0.82
FirstRand	0.73
Apple Computer Co	0.69
Implats	0.62
Redefine	0.59
Microsoft Corp	0.57
SIBANYE-S (SSW)	0.49

Top 10 Holdings as at 30 Apr 2021

### Performance (Annualised) as at 30 Apr 2021 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	15.83	16.19	12.54
3 year	6.81	7.27	6.29
5 year	6.18	6.75	5.93
Since inception	6.67	7.22	6.20

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

### Performance (Cumulative) as at 30 Apr 2021 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)	Category (%)
1 year	15.83	16.19	12.54
3 year	21.85	23.44	20.09
5 year	34.93	38.63	33.38
Since inception	54.61	60.06	50.09

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

### Actual highest and lowest annual figures for the last 10 years

Highest Annual %	15.83
Lowest Annual %	(0.72)

### Asset Allocation



### Portfolio Manager(s) Quarterly Comment - 31 Mar 2021

#### Market comments

The first quarter of the year had countries going back to stricter rules of lockdowns as third waves of the Covid-19 virus started to gather momentum, while at the same time pharmaceutical companies started to roll out vaccines to combat the spread of the virus. Equities were in positive territory as markets bolstered positive returns for the quarter following President Joe Biden's inauguration in January, more vaccine shipments in February and Congress's vote on one of the US's largest ever fiscal stimulus packages in March.

For the quarter, the MSCI World Index (4.9%), MSCI Emerging Markets (EM) Index (2.3%) and MSCI USA Index (5.4%) all gave positive returns in net US dollar. The Latin American emerging markets did not perform well in the first quarter of the year with the MSCI EM Latin American Index declining 5.3%. The MSCI South Africa Index returned a staggering 12.1% over the quarter while the MSCI China Index lost 0.43%. The MSCI Europe Index returned 4.1% while the MSCI United Kingdom Index posted 6.2%. All returns are in net US dollar.

Global bonds suffered one of their worst quarterly performances, led by a sell-off in US Treasuries. The Bloomberg Barclays Aggregate Bond Index lost 4.46% as the benchmark US 10-year Treasury bond yield sold off more than 82 basis points to end the quarter at 1.74%. The sell-off was triggered by expectations that the Biden stimulus plan of \$1.9 trillion will lead to an increased supply of bonds. Also, with the US economy expected to grow above trend for the next two years and signs of increasing inflation emerging, the market started to discount monetary policy tightening by the US Federal Reserve (Fed).

The bond market expected a positive budget with bonds rallying in the month of February. National Treasury budgeted for a larger than anticipated decline in bond issuance for the 2021/22 fiscal year as revenues and issuance in the previous financial year ran ahead of target. Despite the positive surprise, the curve steepened in March, partially reversing earlier flattening. However, with the South African yield curve already one of the steepest, the steepening in March was less than that witnessed in other countries. The 7-12 year sector of the All Bond Index (ALBI) was the worst performer followed by the 12+ year sector with negative returns of 2.2% and 1.75% respectively.

Inflation-linked bonds had a very strong quarter as real yields continued to compress from the very oversold levels of last year. The iShares International Treasury Bond ETF (IGOV) returned 4.66%, driven by the strong performances from the 7-12 year and 12+ year sectors of the index, which delivered 5.95% and 6.1% respectively.

The vaccine rollouts have not moved countries to levels where they could relax mobility restrictions, leaving international travel still at lows as other countries restricted their borders, fearing the spread of the new variants of the virus. Despite this the oil price continued to rally, touching the \$67 a barrel level mid-March amid fears of supply tightness in oil markets and lingering concerns about the pace of recovery in fuel demand. The oil price ended the quarter at \$63.5 a barrel, a 23% gain from the start of the period. The gold price dropped to June 2020 levels, as Congress passed Biden's Covid-19 relief package. For the quarter, the price of the precious metal was down 11%, ending at \$1 684 an ounce.

The FTSE/JSE SA Listed Property Index (SAPY) (6.4%) ended the quarter in positive territory.

The South African rand weakened against the US dollar through the period. For the full quarter, the local currency depreciated by 0.6% to the dollar, closing at R14.76 to the greenback, R20.37 to the pound, but appreciated by 3.3% and closed at R17.34 to the euro.

The South African Reserve Bank (SARB) unanimously voted to keep its repo rate unchanged at 3.5% during its March meeting to support the country's recovery. SARB Governor Lesetja Kganyago highlighted the reliance of the country's recovery on how fast the vaccination takes place in the country and the likelihood of a third wave.

Forecasted growth for South Africa remained at more than 3% for the year 2021, and the SARB sees two interest rate hikes coming for the year. South Africa still battled with unemployment, standing at an all-time high of 32.5%, while government debt also remained very high at 80.3% of GDP.

#### Equity Performance and strategy

The FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) returned 12.6% in the first quarter of 2021, trailing behind the FTSE/JSE Shareholder Weighted All Share Index (SWIX) and the FTSE/JSE All Share Index (ALSI), which returned 13.2% and 13.1% respectively. The top contributors to this positive performance were Naspers (NPN) (+16.9%), Impala Platinum (IMP) (+40.6%), Anglo American plc (AGL) (+21.8%), MTN Group (MTN) (+44.2%) and Sasol (SOL) (+58.0%). The largest detractors from the performance of the index were Discovery (DSY) (-13.6%), AngloGold Ashanti (ANG) (+4%), Harmony Gold (HAR) (-12.5%) and Anheuser-Busch InBev (ANH) (-10.2%).

At the March 2021 FTSE/JSE index review there were no additions to the index while RMB Holdings (RMH) was deleted from the index. The one-way turnover was 1.04%.

Satrix currently tracks the Capped SWIX using an optimised model. The optimised model holds between 130 and 135 out of a possible 139 shares at an ex-ante active risk of between 6 and 9 basis points.

#### 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](mailto: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 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.