

Fund Objective

This is a passive, pure equity fund which tracks the performance of the FTSE/JSE All Bond Index. The fund is rebalanced quarterly and the fund therefore incurs minimal trading fees.

Fund Strategy

We believe that the benchmark choice and resulting returns forms the most important elements of an equity strategy - by investing in a passive vehicle the returns to investment strategies are known.

Why choose this fund?

*This fund is ideal for the investor who seeks the general equity market performance through a well-diversified equity portfolio at low costs.

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

*This fund is a pure equity fund and is therefore not Regulation 28 compliant.

*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 All Bond Index
Portfolio launch date	Dec 2012
Fee class launch date	April 2014
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R1,9 billion
Last two distributions	30 Jun 2021: 29.49 cents per unit 31 Dec 2020: 16.99 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)

	B2-Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.29
Total Expense Ratio (TER)	0.34
Transaction Cost (TC)	0.20

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 July 2020 to 30 June 2021. 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 Ltd	13.29
Bhp Group Plc	11.70
Compagnie Fin Richemont	11.08
Anglo American Plc	9.38
Firststrand Ltd	3.07
Impala Platinum Holdings Ltd	2.44
Mondi Plc	2.28
Mtn Group Ltd	2.18
Sibanye Still Water Limited	2.18
Standard Bank Group Ltd	1.81

as at 31 Jul 2021

Performance (Annualised) as at 31 Jul 2021 on a rolling monthly basis

B2-Class	Fund (%)	Benchmark (%)
1 year	26.21	27.06
3 year	9.00	9.67
5 year	7.99	8.75
Since inception	7.22	8.01

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

Performance (Cumulative) as at 31 Jul 2021 on a rolling monthly basis

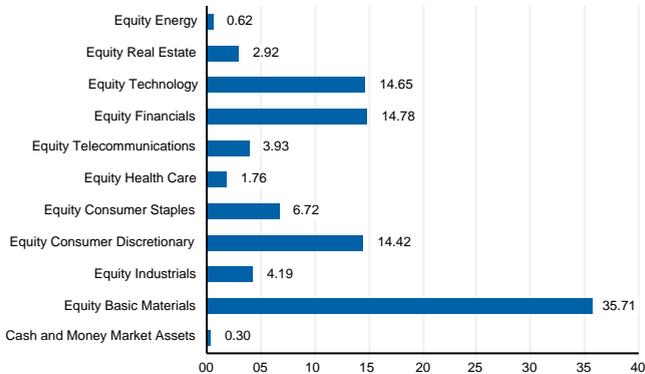
B2-Class	Fund (%)	Benchmark (%)
1 year	26.21	27.06
3 year	29.50	31.90
5 year	46.85	52.12
Since inception	65.75	74.81

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 %	26.21
Lowest Annual %	1.05

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 30 Jun 2021

Market Commentary

A contagious Delta variant of the Covid-19 virus has spread to almost 100 countries worldwide, sparking new lockdown restrictions. This has left businesses to suffer another hit while they were still scrambling to recover from last year's losses. Local equities were flat over the second quarter of 2021 (Q2) as South Africa went back to an adjusted Level 4 lockdown amid the third wave of the virus. International markets experienced a positive quarter as the vaccine rollout accelerated in developed markets, while herd immunity was still not reached.

For the quarter, the MSCI World Index (+7.7%), MSCI Emerging Markets (EM) Index (+5.1%) and MSCI USA Index (+8.8%) all gave positive returns in net US dollar. The Latin American emerging markets performed well in Q2 with the MSCI EM Latin American Index returning 15%. The MSCI South Africa Index (-1.5%) was in negative territory over the quarter while the MSCI China Index returned 2.3%. The MSCI Europe Index returned 7.4% while the MSCI United Kingdom Index gained 6%. All returns are in net US dollar.

The tension between Saudi Arabia and the United Arab Emirates (UAE) increased in their OPEC standoff, forcing the organisation to halt two talks, which has left markets worrying about the failed agreements. Throughout this, the oil price continued to rally, as the UAE blocked a deal by Saudi Arabia and Russia that would see output increase in the second half of the year. The oil price ended the quarter at \$74.6 a barrel, a 17.4% gain from the start of the period. At the beginning of the quarter, the gold price moved up and reached beginning-of-year levels, but then lost ground as the US Federal Reserve (Fed) looked to speed up the expected pace of policy tightening. For the quarter, the price of the precious metal was up 4.8%, ending at \$1 765 an ounce. The US Government 10-year bond closed the quarter at 1.48% as job numbers in the US showed gains, but not enough to raise inflation.

Locally, the South African equity indices, namely the FTSE/JSE Top 40 (Top 40) (-0.8%), FTSE/JSE All Share (ALSI) (+0.1%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped Swix) (+0.6%) all showed flat to negative returns through the quarter. The South African Government 10-year Bond yield started the period at a yield of 9.5% and closed the quarter at 8.9%, resulting in the All Bond Index (ALBI) (+6.9%) ending the quarter with a positive return. The cash benchmark, the Alexander Forbes Short-Term Fixed Interest (STeFI) Composite Index (+0.9%) delivered positive money market returns for the quarter. The FTSE/JSE SA Listed Property Index (SAPY) (+12.1%) ended the quarter in positive territory, doubling its Q1 returns.

The South African rand strengthened against the US dollar through the period. For the full quarter, the rand appreciated by 3% to the dollar, closing at R14.31 to the greenback, R19.75 to the pound and at R16.96 to the euro.

The South African Reserve Bank (SARB) again unanimously voted to keep its repo rate unchanged at 3.5% during its May meeting as widely expected by analysts. Continuing with his stance on the slowness of the vaccine rollout, Governor Lesetja Kganyago warned that the slow progress of the rollout and the energy issues at Eskom were posing downside risks to South Africa's economic outlook.

Forecast growth for South Africa was revised and increased to 4.2% from the previous 3.8% for the year 2021, and these numbers were published before the increase in lockdown restrictions in June. The SARB emphasised that they see two interest rate hikes coming, for the year.

Portfolio performance and changes

In the second quarter of 2021, the ALSI Index realised a positive return of 0.05%, outperforming the Capped SWIX, which declined 1.83%, by 1.88%.

The top contributors to the positive quarterly returns were Foschini (TFG) (+29%), Richemont (CFR) (+22%), Capitec (CPI) (+20%) and MTN (MTN) (+19%). Anglo American Platinum (AMS) (-23%), AngloGold Ashanti (ANG) (-17%), Naspers (NPN) (-15%) and Impala Platinum (IMP) (-14%) were the top detractors from performance.

During the June 2020 FTSE/JSE index review Karooooo (KRO) was added and no constituents were deleted from the index. The one-way turnover was 0.83%.

Our strategy

Satrix currently tracks the ALSI using an optimised model. The optimised model holds between 130 and 135 shares 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 (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: southafrica.securities-services@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.

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 All Bond Index

The FTSE/JSE All Bond Index represents 99% of the full market cap of all the shares listed on the main board of the JSE.

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 an *optimisation* strategy - it seeks to track the performance of the index by buying the securities in the index that provides the most representative sample of the index based on correlations, exposure and risk.

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.