

Fund Objective

The fund tracks the performance of the FTSE/JSE Top 40 Index which represents the 40 largest companies by market cap. The fund endeavours to accurately replicate the index by holding all constituents in the exact index weighting. The index is rebalanced quarterly and the fund therefore incurs minimal trading fees.

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?

*Investors who seek general equity market performance through a well-diversified equity portfolio at low cost.

*Investors who seek a core component for the equity portion of their portfolio.

*Investors who prefer to take a longer term view when building wealth.

*Investors who are cost conscious.

*This is a pure equity fund and 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 - Large Cap
Risk profile	Aggressive
Benchmark	FTSE/JSE Top 40 Index (J200)
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	R 821.6 million
Last two distributions	30 Jun 2020: 14.20 cents per unit 31 Dec 2019: 26.46 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)

	A1-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)	0.18

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 July 2019 to 30 June 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-	21.75
BHP GROUP PLC	12.78
Compagnie Fin Richemont	8.89
Anglos	8.45
AngloGold	3.78
Prosus NV	3.29
Gold Fields	3.15
FirstRand	2.93
BTI Group	2.55
Mondi	2.44

Top 10 Holdings as at 31 Jul 2020

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

A1-Class	Fund (%)	Benchmark (%)
1 year	3.74	4.62
3 year	4.21	4.93
5 year	4.35	5.13
Since inception	5.45	6.60

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

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

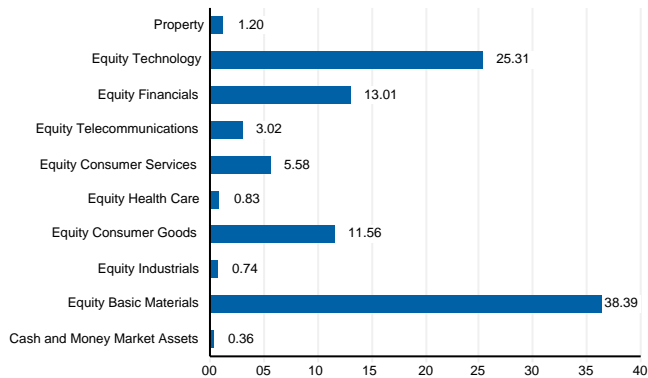
A1-Class	Fund (%)	Benchmark (%)
1 year	3.74	4.62
3 year	13.15	15.53
5 year	23.70	28.43
Since inception	43.12	53.92

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

Actual highest and lowest annual returns*

Highest Annual %	8.61
Lowest Annual %	0.65

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 30 Jun 2020

Market Comments

The second quarter of 2020 was a period of many historical records. Extreme volatility continued into the quarter, but this time markets experienced one of the fastest recoveries from a global stock market crash. During the 2008 Global Financial Crisis, it took equity markets four years to recover 95% of the value from the bottom. This time markets needed only three months to recover 95% of the value from the March 2020 bottom.

For the quarter, the MSCI World Index (19.4%), MSCI Emerging Markets (EM) Index (18.1%) and MSCI USA Index (21.6%) in net US dollar all gave substantial positive returns. Emerging Latin American markets were one of the hardest hit, but in the second quarter the MSCI EM Latin American Index returned 19.1%. The MSCI South Africa Index returned 27.2% over the quarter while the MSCI China Index returned 15.3%. The euro area was also added to the list of recovering regions with the MSCI Europe Index returning 15.3% while the MSCI United Kingdom Index only returned 7.8%, both in net US dollar.

The supply and demand of oil continued to be drastically altered by the Covid-19 pandemic during the quarter. After plummeting to \$20 per barrel at the end of March 2020, the global shutdowns and low demand for energy plunged the oil price below \$0 for the first time in history. Since then, the oil price has recovered, ending the quarter at \$38 a barrel with some economies around the world reopening and having high mobility and high Covid-19 recovery rates. The gold price closed the quarter at eight-year highs, trading at \$1 780 an ounce. The US 10-year government bond closed the quarter at 0.6% as the US unemployment rate hit a record high of 14.7% from the previous 4.4% rate.

Locally, the South African equity indices, namely the FTSE/JSE Top 40 (24.2%), FTSE/JSE All Share (ALSI) (23.2%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (21.6%), all extended positive gains through the quarter. At the end of April South Africa exited the FTSE World Government Bond Index (WGBI) after its Moody's 'junk status' downgrade earlier. Despite this, the South African 10-year government bond yield recovered from its first-quarter highs and closed the quarter at 9.25%, resulting in the All Bond Index (ALBI) (9.9%) ending the quarter positive (falling bond yields mean the current market value of these bonds increases). The cash benchmark, the Alexander Forbes Short-Term Fixed Interest (STeFI) Composite Index (1.5%), delivered positive money market returns for the quarter. The FTSE/JSE SA Listed Property Index (SAPY) (20.4%) ended the quarter in positive territory, with a few property stocks either reversing or postponing dividend pay-outs.

The South African rand continued to tank at the beginning of the second quarter, trading at an all-time high of R19.35 to the dollar. For the full quarter, the local currency appreciated by 2.4% to the US dollar, closing at R17.38 to the greenback, R21.52 to the pound and R19.54 to the euro.

The South African Reserve Bank (SARB) Monetary Policy Committee (MPC) mentioned that the economic contraction and slow recovery of the economy will keep inflation below the middle of their target range. In their meeting in May, the MPC continued to cut the repo rate by 0.50% to 3.75%, the lowest level in its history.

The Covid-19 impact also came with Finance Minister Tito Mboweni tabling a supplementary budget, highlighting SARS expecting a R300 billion shortfall in tax collections for the year while adding more budget to healthcare and social grants

and forecasting South Africa's debt to be at 106% of GDP by 2024. The finance minister also emphasised that besides the Land Bank there would be no other state-owned entity (SOE) that will receive a bail-out from the government, adding to the embattled SAA's troubles.

The South African GDP contracted by 2% in the first quarter of the year, following a contraction of 1.4% in December 2019. The lockdown regulations in South Africa propelled the unemployment rate to 30.1% with a number of big companies in the formal sector announcing plans to retrench staff.

Portfolio Performance and Changes

The FTSE/JSE Top 40 (ALSI 40) Index was one of the best performing indices for the second quarter of 2020 with a return of 24.1%. For the half-year to 30 June 2020, the ALSI 40 is marginally positive (0.37%).

Naspers (NPN) (+23.8%), Richemont (CFR) (+14.0%) and the mining stocks helped carry the index in the second quarter of 2020 with the top contributors being BHP Group (BHP) (+31.4%), Anglo American (AGL) (+31.9%), AngloGold Ashanti (ANG) (+58.4) and Gold Fields (GFI) (+75.7%). Sasol (SOL)'s (+257%) turnaround also contributed to this positive quarter. Retailers were hardest hit during the quarter, with Clicks (CLS) (-18%) and Shoprite (SHP) (-14.6%) being the top detractors from performance.

During the June 2020 FTSE/JSE index review Exxaro (EXX) was included in the index while Redefine (RDF) was excluded from the index. The one-way turnover was 1.26%.

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.

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 Top 40 Index (J200)

The FTSE/JSE Top 40 Index comprises the largest 40 companies in the FTSE/JSE All Share Index, ranked by full market cap.

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 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.