

Fund Objective

This is a passive, pure equity fund which tracks the performance of the FTSE/JSE All Share 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 Share Index (J203)
Portfolio launch date	Jan 2013
Fee class launch date	Jan 2013
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio size	R174.0 million
Last two distributions	31 Dec 2015: 22.42 cents per unit 30 Jun 2015: 17.25 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	15:00
Daily price information	Local newspaper and www.satrix.co.za
Repurchase period	3 working days

Fees (Incl. VAT)

	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	0.36
Total Expense Ratio (TER)	0.72
Transaction Cost (TC)	0.19

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 3 years on an annualised basis. The TER is calculated from 01 April 2013 to 31 March 2016. 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 3 years on an annualised basis.

Top 10 Holdings

Securities	% of Portfolio
SAB Miller	12.09
Naspers -N-	12.07
Compagnie Fin Richemont	6.78
BHP Billiton	4.83
BTI Group	3.67
Steinhoff Int Hldgs N.v	3.39
Sasol	3.37
MTN	3.23
Old Mutual	2.60
FirstRand / RMBH	2.58

Top 10 Holdings as at 31 Mar 2016

Performance (Annualised) as at 30 Apr 2016 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	(0.47)	0.21
3 year	13.21	14.38
5 year	N/A	N/A
Since inception	11.63	12.83

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

Performance (Cumulative) as at 30 Apr 2016 on a rolling monthly basis

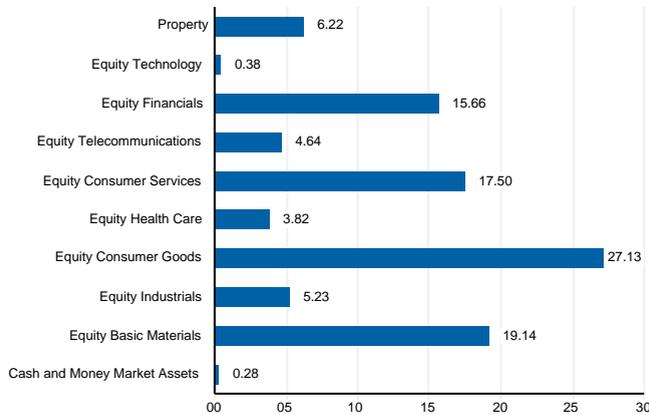
Retail Class	Fund (%)	Benchmark (%)
1 year	(0.47)	0.21
3 year	45.10	49.63
5 year	N/A	N/A
Since inception	44.28	49.52

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

Actual highest and lowest annual figures since inception

Highest Annual %	28.71
Lowest Annual %	(0.47)

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Mar 2016

Market commentary

The surge in global equities that began during the second week of February continued throughout March with equities rallying 7.2% during the month. This rally was led by cyclical regions and sectors, with Emerging Markets performing best and Materials and Energy leading sector performance. In the absence of a recovery in macro and earnings data at this stage, the revival seems tactical rather than the beginning of a sustained cyclical upturn. Even in the absence of improving data, if history repeats itself, the current bounce could last for a while longer.

But despite this rally we are facing many headwinds globally such as global industrial production that remains under pressure, emerging market economies which are at seven-year lows and the fact that China's first quarter growth in production has been weak and GDP growth is also at 25-year lows. Despite setting a 6.5%-7% GDP growth target for 2016 the risk of a hard landing for China remains.

In South Africa political developments remain in the spotlight with the recent Constitutional Court judgement on Nkandla and in a separate development, the stand-off between the finance minister and the SARS head, as well as potential challenges posted by a Hawks investigation. These are only a few of the many battles that we've seen in the political field this year.

This political uncertainty has undermined consumer confidence, which is at multi-year lows. South Africans are also bracing themselves for the impact of the crippling drought, which will require close to 0.5% of GDP in maize imports and will catapult food inflation into the double digits. The key issue now remains when Moody's, which has South Africa's sovereign rating two notches above junk, will downgrade us by one notch in line with the other rating agencies.

While many South Africans may be somewhat surprised that the rand has found its way back to below R15 to the dollar, South Africa with the exception of Argentina, remains the black sheep of the Emerging Market currency basket. While the rand has been one of the better performers this year, it remains the second worst currency performer over 12 months and likewise over five years. As such, it is not that surprising that it would enjoy a good bounce in a 'risk on' environment.

The FTSE/JSE All Share Index gained 3.9% during the first three months of 2016, with March in particular posting a strong return of 6.4%. SA sector winners included Resources, with Gold and Platinum delivering returns of 93% and 75% respectively. The resources rally can be attributed to the fact that the US dollar appears to have topped out after rallying for close to five years, which means that commodity prices have started to recover from their lows. Interestingly, banks (+13%) benefited from the strong rand, despite the weak domestic outlook. Food Retailers (+15%) also benefitted, buoyed by rising food inflation trends. Despite these strong returns SA equities saw significant foreign equity outflows of close to R25 billion up to the end of March.

Portfolio changes and performance

The FTSE/JSE All Share Index (ALSI) realised a return of about 3.8%, which managed to outperform the ALSI40 index by about 2.3%. This difference was mainly due to the strong performance from Mid cap shares (+19%) and to a lesser extent Small cap companies (+11%). The mid caps were mainly driven by the very strong performance of gold and platinum shares. Poor performances from some of the larger companies included Capco, Intu plc Richemont, SABMiller and Naspers, all of which were affected by a common theme, namely the stronger rand.

With the volatility in the market increasing over the last three months we had to carefully manage the risk budget (active risk of between 10 and 15 basis points) in our optimised portfolio. For us to be able to stay within these limits, we had to increase the number shares in the portfolio by six to the current 116. Active risk is currently at about 13 basis points

Despite all these challenges your portfolio managed to perform in line with the All Share benchmark.

Conclusion

The cumulative 75bps of interest rate hikes so far this year have set the hurdle higher for SA equities to beat cash. For equities to now deliver returns in line with cash, assuming that current market consensus earnings expectations are correct, P/E multiples have to remain at a hefty premium relative to the last five-year average.

This might be feasible as local fund managers are still holding substantial cash weightings, which should lend some support for equities, but this leaves very little margin for error or slippage in earnings expectations.

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 Satrix Managers (RF) (Pty) Ltd ("Satrix") does not accept any responsibility for any claim, damages, loss or expense; however it arises, out of or in connection with the information. No member of Sanlam gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy of any of this information. 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 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 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 Share Index (J203)

The FTSE/JSE All Share 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 its 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.

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.