Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Momentum Index Fund

September 2016

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 monthly with cognizance given to the liquidity of individual counters and the turnover of the benchmark as a whole. 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	Lump sum: R10 000 l Monthly: R500
Portfolio size	R117.8 million
Last two distributions	Jun 2016: 54.37 cents per unit Dec 2015: 8.65 cents per unit
Income decl. dates	30 June l 31 Dec
Income price dates	1st working day in July & 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	0.50
Total Expense Ratio (TER)	0.68
Transaction Cost (TC)	0.59

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.

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 1 October 2015 to 30 September 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 1 year.

Top 10 Holdings

Securities	% of Portfolio
Naspers -N-	20.96
BTI Group	7.27
Steinhoff Int Hldgs N.v	6.38
FirstRand / RMBH	5.60
Anglos	5.04
Bidvest	4.16
Stanbank	4.02
Capitec	3.83
Clicks Group Ltd	3.61
RMIH	3.06

Top 10 Holdings as at 30 Sep 2016

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

Retail Class	Fund (%)	Benchmark (%)
1 year	5.91	7.04
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	11.31	12.88

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

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

Retail Class	Fund (%)	Benchmark (%)
1 year	5.91	7.04
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	36.70	42.37

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

Actual highest and lowest annual returns*

Highest Annual %	11.19
Lowest Annual %	5.91

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary Terms Sheet.

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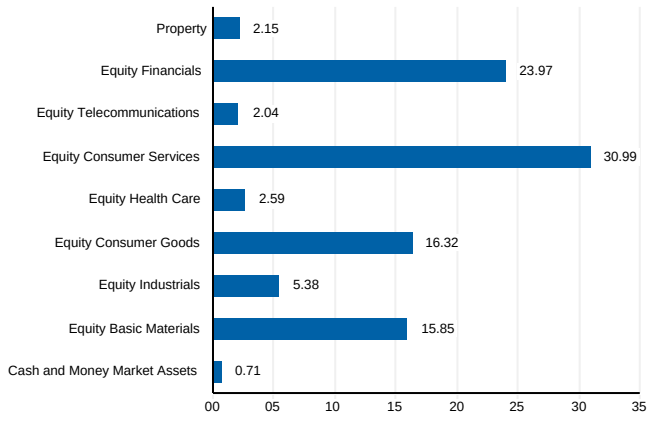
Issue Date: 21 Oct 2016

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 30 Sep 2016

Market review | Global and local equity markets

During the third quarter the European Central Bank (ECB) left policy rates unchanged and did not extend its asset purchase programme, pushing yields higher and markets down. However, on 21 September the Bank of Japan (BoJ) committed to expand the monetary base while keeping purchases at the same level, and introducing quantitative and qualitative monetary easing (QQE) with yield curve control. Although the Federal Reserve (the Fed) stayed on hold, it stated that the case for a rate increase had strengthened. China's economic data continued to improve through the last three months while improving fundamentals and higher yields in emerging markets drove inflows of US$37bn and US$24bn into emerging market (EM) bond and equity funds respectively. Oil rallied post the 28 September meeting in Algiers where Organisation of the Petroleum Exporting Countries (OPEC) members agreed to modest output cuts.

The UK narrowly voting to leave the European Union (EU) is certainly the show-stopper of the past quarter. While Brexit is a major single event with far-reaching implications for the UK and the EU, sufficient evidence points to it being the tip of the iceberg in what seems to be a long global process characterised by the rise of geopolitical tension, the collapse of the status quo, retreat from globalisation, and increased volatility. In the equities space, it may be surprising that emerging markets outperformed developed market equities in dollars by about 10% year to date (YTD), its best YTD performance since 2009 despite most global managers being underweight emerging markets.

In South Africa, gross domestic product (GDP) growth rebounded in the second quarter, but the annual run rate is still well below 1%. Based on our internal econometric analysis, South Africa has a high likelihood of being downgraded from BBB to BB - according to the experience from 47 countries. South Africa lags meaningfully on growth and GDP per capita, but this is partly offset by the strength of our institutions, especially Treasury. However, our credit default swap (CDS) spreads are already comparable to countries which have junk status, such as Russia, so there are indications that a lot of the bad news is discounted by the market.

The FTSE/JSE All Share Index (ALSI) still managed to end the quarter up about 0.5%, despite all the volatility. Sector winners included Platinum and Industrial Metals as Chinese economic data remained modestly supportive. However, the Gold Mining sector (-10.0%) underperformed in Q3'16, given expectations of a US rate hike in December. SA domestic demand sectors, including Banks and Industrial Transport, also outperformed, with an inflection in the domestic macro and interest rates, underpinned by oversold valuations. Yet, General Retailers (-8.3%) remained out of favour post a dismal earnings season.

Portfolio performance, attribution and strategy

While capital markets have always operated under some measure of uncertainty, this year of 2016 has offered extraordinary levels of economic and policy uncertainty providing a tough environment for the price momentum and earnings revision factors to 'find their legs'. This extraordinary uncertainty and lack of visibility stemming from the Brexit contagion, the timing of the Fed interest rate lift off, our own domestic rating uncertainty and the US election outcome are the primary factors that have weighed against the development of an entrenched trend.

The momentum factor's weakness over the quarter was primarily due to stock selection in the financial and resource sectors. Stocks that detracted most in the financial and industrial sectors were overweight positions in Brait (BAT) and Mediclinic (MEI) along with the underweight position in Standard Bank (SBK). In the resources sector the overweight position in Assore (ASR) detracted most. These were offset by our overweight positions held in Sibanye Gold (SGL) and Kumba Iron Ore (KIO) along with the underweight positions in the MTN Group (MTN) and Aspen (APN).

As we closed the quarter, we transitioned the portfolio based on the evaluation of new factor signals and the risk levels in the portfolio with new entrants coming in the form of Blue Label Telecoms (BLU) and exits from SABMiller (SAB) and BID Corporation Limited (BID). The waning factor signal in Brait (BAT) and Truworths (TRU), based on their EBITDA exposure to the UK, also resulted in us phasing out of these positions while we adopted a stronger overweight position in Anglo American (AGL) as a result of strong price momentum and earnings revision attributes. Within this uncertain environment our risk management overlays in our portfolio have added value when one compares our performance to other competing passive and active momentum products.

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 is 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.

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.

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.