

Fund Objective

The Satrix Property Index Fund is a specialist index tracking fund which tracks the performance of the FTSE/JSE SA Listed Property Index (J253). The fund is rebalanced quarterly.

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 there is no risk of deviation from the chosen benchmark.

Why choose this fund?

*Investors wanting exposure to SA Listed Property stocks at a compelling cost.

*The fund is a cost-effective, asset allocation tool which investors can use to diversify their portfolios with sector specific exposure.

*Investors requiring an overall yield including both income generation and long-term capital appreciation.

Fund Information

ASISA Fund Classification	SA - Real Estate - General
Risk profile	Aggressive
Benchmark	FTSE/JSE SA Listed Property Index (J253)
Portfolio launch date	Aug 2012
Fee class launch date	Aug 2012
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio size	R836.5 million
Last two distributions	Jun 2016: 36.81 cents per unit Dec 2015: 32.89 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	0.51
Total Expense Ratio (TER)	0.54
Transaction Cost (TC)	0.07

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 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
GrowthPoint	19.17
Redefine	14.75
New Europe Property Investments	10.11
Resilient	8.83
Hyprop	8.50
Fortress Income Fund	6.58
Fortressa	5.00
Rockcastle Global Real Estate	4.59
SA Corp Real Estate	3.53
Vukile	3.40

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	4.15	3.76
3 year	14.11	14.55
5 year	N/A	N/A
Since inception	12.87	13.48

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

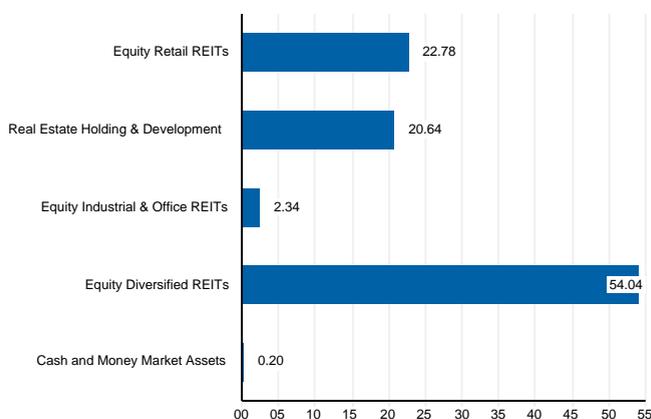
Retail Class	Fund (%)	Benchmark (%)
1 year	4.15	3.76
3 year	48.57	50.30
5 year	N/A	N/A
Since inception	65.59	69.39

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

Actual highest and lowest annual returns*

Highest Annual %	24.92
Lowest Annual %	4.15

Asset Allocation



target range of 3% to 6% in Q3'17. With around 87% of listed property sector debt hedged for three to four years, the direct negative impact of rate hikes should be minimal.

We consider the SAPY Index to be fairly priced on average and over the longer term we would still expect an inflation-beating absolute total return from listed property of between 10% and 12% p.a. compounded from current share price levels. This comprises an average entry yield of around 7% plus CPI-like growth in distributions.

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.

Portfolio Manager(s) Quarterly Comment - 30 Sep 2016

Market Review

Listed property, as measured by the performance of the FTSE/JSE SA Listed Property Index (SAPY), delivered a total return of -0.7% in Q3'16, underperforming bonds (ALBI: +3.4%), cash (STeFI: +1.9%) and equities (ALSI: +0.5%). Year-to-date to 30 September 2016, the sector produced a total return of 8.8%, which compares to the 15% return on bonds and 4.8% return on equities.

The past quarter results season reflected little change in property fundamentals with vacancies tracking largely sideways and modest rental growth. While the office and industrial sector has been under pressure for some time, cracks in the retail sector were apparent with slowing trading density growth. Growthpoint described its latest financial year as its 'toughest year yet'.

The best performing stocks across the property universe during the last three months were Emira (+14%) and Rebois (+13.5%). The list of underperformers was dominated by rand-sensitive stocks, such as Tradehold (-22%), Redefine International (-14%) and Resilient (-11%).

What Satrix did

During the September quarterly rebalance the one-way turnover in the SAPY Index was about 2.3%. Shares that were up-weighted in the index were Fortress Income Fund A&B and Tradehold, which were funded by the down-weighting of Growthpoint, Resilient and Rockcastle. Capital raisings also took place in shares like New Europe Property Investments (NEPI), Redefine and Hyprop.

The FTSE/JSE is currently doing extensive research on all the property benchmarks (to bring about some changes) and we hope to see some progress on this sometime during the last quarter of this year.

Your fund managed to perform in line with the SAPY Index.

Outlook

The SAPY Index is currently trading at a forward yield of 7.0%, a 160 basis points (bps) premium to the SA long bond. Based on market views the estimated SA-based earnings (excluding offshore) is yielding 8.0%, a 60 bps premium to the SA 10-year government bond. On this measure the sector seems to be fairly priced.

After hiking its repurchase rate by 50 bps in 2015 and 75 bps in 2016 to 7%, the South African Reserve Bank (SARB) paused its rising rate trajectory in the third quarter. According to SARB forecasts, headline inflation is projected to return to the

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

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. 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 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.

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.

FTSE/JSE SA Listed Property Index (J253)

The FTSE/JSE SA Listed Property Index consists of the largest 20 liquid companies by market capitalisation in the Real Estate Investment and Services Sector and Real Estate Investment Trust Sector with a primary listing on the JSE.

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.

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.

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.