

Fund Objective

The Satrix SmartCore™ Index Fund is a passively managed portfolio which aims to replicate the price and yield performance of the custom Satrix SmartCore™ Index ("Index") as closely as possible. The asset allocation of the portfolio aims to grow capital while providing income over the medium to long term. The portfolio is equity only for aggressive investors. The objective and key characteristics of the portfolio is to provide investors with income and capital growth in the medium to long term by tracking the Satrix SmartCore™ Index as closely as possible.

Fund Strategy

The Satrix SmartCore™ Index Fund is designed to offer a diversified equity portfolio with the objective to enhance the returns relative to the FTSE/JSE Capped SWIX index.

This is achieved by targeting stocks with positive exposures to multiple desired attributes, such as Momentum, Value and Quality. These attributes are rewarded drivers of returns, and when combined using a multi-factor approach (see illustration that follows), offers strong overall exposure to the desired risk factors, while simultaneously mitigating unintended exposures to unrewarded risk factors.

Through the cycle, this strategy aims to deliver capital growth, while delivering positive risk-adjusted excess returns with robust risk control relative to its benchmark.

Why choose this fund?

- You have an aggressive risk profile and are seeking longer-term capital growth
- You require a diversified equity portfolio to deliver long-term equity risk premium
- You have a medium to long-term investment horizon, i.e. 3 to 5 years
- You would like to use the portfolio as a core equity holding or as a building block within a multi-asset portfolio

Fund Information

ASISA Fund Classification	South African - Equity - General
Risk profile	Aggressive
Benchmark	SmartCore™ Index
Portfolio launch date	30 April 2019
Fee class launch date	30 April 2019
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R 397.8 million
Last two distributions	30 Jun 2020: 16.31 cents per unit 30 Dec 2020: 7.57 cents per unit
Income decl. dates	30 June 31 Dec
Income price dates	1st working day in July & 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)

	Retail Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.69
Total Expense Ratio (TER)	0.74
Transaction Cost (TC)	0.51

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 January 2020 to 31 December 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
Anglos	7.99
FirstRand	7.08
Naspers -N-	6.89
AngloPlat	5.85
SIBANYE-S (SSW)	5.81
Vodacom	4.58
MTN	4.35
Clicks	3.83
Kumba	3.63
Nedbank	3.21

Top 10 Holdings as at 31 Mar 2021

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

Retail Class	Fund (%)	Benchmark (%)
1 year	52.73	54.21
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	7.15	8.26

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

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

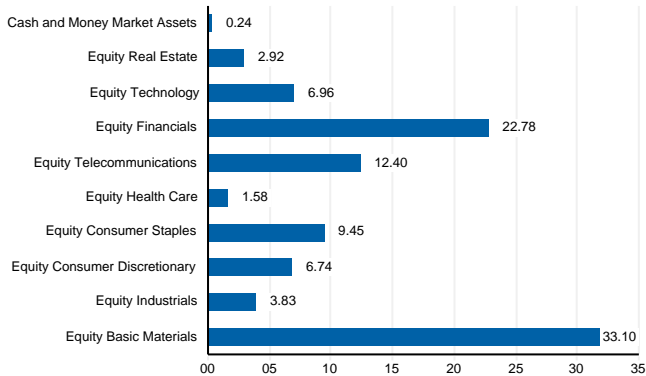
Retail Class	Fund (%)	Benchmark (%)
1 year	52.73	54.21
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	14.16	16.43

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

Actual highest and lowest annual returns*

Highest Annual %	52.73
Lowest Annual %	52.73

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Mar 2021

Market comments

The first quarter of the year had countries going back to stricter rules of lockdowns as third waves of the Covid-19 virus started to gather momentum, while at the same time pharmaceutical companies started to roll out vaccines to combat the spread of the virus. Equities were in positive territory as markets bolstered positive returns for the quarter following President Joe Biden's inauguration in January, more vaccine shipments in February and Congress's vote on one of the US's largest ever fiscal stimulus packages in March.

For the quarter, the MSCI World Index (4.9%), MSCI Emerging Markets (EM) Index (2.3%) and MSCI USA Index (5.4%) all gave positive returns in net US dollar. The Latin American emerging markets did not perform well in the first quarter of the year with the MSCI EM Latin American Index declining 5.3%. The MSCI South Africa Index returned a staggering 12.1% over the quarter while the MSCI China Index lost 0.43%. The MSCI Europe Index returned 4.1% while the MSCI United Kingdom Index posted 6.2%. All returns are in net US dollar.

The vaccine rollouts have not moved countries to levels where they could relax mobility restrictions, leaving international travel still at lows as other countries restricted their borders, fearing the spread of the new variants of the virus. Despite this the oil price continued to rally, touching the \$67 a barrel level mid-March amid fears of supply tightness in oil markets and lingering concerns about the pace of recovery in fuel demand. The oil price ended the quarter at \$63.5 a barrel, a 23% gain from the start of the period. The gold price dropped to June 2020 levels, as Congress passed Biden's Covid-19 relief package. For the quarter, the price of the precious metal was down 11%, ending at \$1 684 an ounce. The US Government 10-year bond closed the quarter at 1.75% as the International Monetary Fund (IMF) raised its outlook for global economic growth and there were prospects of a stronger global economic rebound.

Locally, the South African equity indices, namely the FTSE/JSE Top 40 (13.2%), FTSE/JSE All Share (ALSI) (13.1%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (12.6%), all showed high positive gains through the quarter. The South African Government 10-year bond started the period at a yield of 8.7% and later closed the quarter at 9.5%, resulting in the All Bond Index (ALBI) (-1.7%) ending the quarter negative. The cash benchmark, the Alexander Forbes Short-Term Fixed-Interest Composite Index (STeFI) (0.9%) delivered positive money market returns for the quarter. The FTSE/JSE SA Listed Property Index (SAPY) (6.4%) ended the quarter in positive territory.

The South African rand weakened against the US dollar through the period. For the full quarter, the local currency depreciated by 0.6% to the dollar, closing at R14.76 to the greenback, R20.37 to the pound, but appreciated by 3.3% and closed at R17.34 to the euro.

The South African Reserve Bank (SARB) unanimously voted to keep its repo rate unchanged at 3.5% during its March meeting to support the country's recovery. SARB Governor Lesetja Kganyago highlighted the reliance of the country's recovery on how fast the vaccination takes place in the country and the likelihood of a third wave.

Forecasted growth for South Africa remained at more than 3% for the year 2021, and the SARB sees two interest rate hikes coming for the year. South Africa still battled with unemployment, standing at an all-time high of 32.5%, while government

debt also remained very high at 80.3% of GDP.

Equity portfolio performance, attribution and strategy

Stock markets across the globe posted positive returns for the first quarter of 2021, with some emerging markets down for the same period. From a style perspective, Value outperformed in most regions followed by Quality while, unsurprisingly, long-term Momentum suffered through the quarter. Locally, Low Volatility was the best performing factor followed by Value, continuing the notion of a Value rebound and matching the factor theme across the globe. Momentum along with Quality continued detracting value.

The fund uses a multi-factor approach where stocks are selected based on their combined Value, Momentum and Quality signal. The multi-factor model added value over and above the Momentum and Quality single factors, but underperformed the Value factor and ended up outperforming the benchmark Capped SWIX index over the quarter. Over the past 12 months the multi-factor approach managed to slightly outperform the benchmark as it also outperformed the average of the single factors deployed in the multi-factor model.

From an attribution perspective, overweight positions in Anglo American Platinum (AMS), Truworths (TRU) and an underweight position in Standard Bank (SBK) added value to the strategy over the quarter. Counters that detracted value from the strategy included overweight positions in Clicks (CLS) and Vodacom (VOD) while an underweight position in Sasol (SOL) also detracted from performance.

The Satrix Smartcore™ Index rebalanced in March and the fund added positions in Textainer (TXT) and Woolworths (WHL), while positions in MTN Group (MTN), Sasol (SOL) and AngloGold Ashanti (ANG) were increased. These were funded by a deletion of Prosus (PRX), while positions in Anglo American Platinum (AMS), Clicks (CLS) and Reinert (RNI) were decreased.

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

Basket - A portfolio of securities comprising all the component securities of the relevant index in the same weighting as they are held on that index.

Constituent - A constituent is a stock which is part of a larger portfolio

Central Securities Depository Participant (CSDP) - Institution established to hold securities and to affect transfer under section 32 of the Securities Services Act, No 36 of 2004 between accounts, typically by book-entry.

Distribution - Accrued income less portfolio expenses, which is distributed to investors

Exchange Traded Funds (ETF) vs Unit Trust - Both Unit Trusts and ETF's the investor essentially owns a "proportionate share" (in proportion to the participatory interest held in the fund/portfolio) of the underlying investments held by the fund. With Unit Trusts, the investor holds participatory units issued by the fund while in the case of an EFT, the participatory interest, while issued by the fund, comprises a listed security or share and traded on a Johannesburg stock exchange. ETF shares can be traded by any stockbroker on the exchange or via the Satrix Investment Plan.

Liquidity - Liquidity is the ease of buying and selling a financial instrument for cash without causing any significant change in its price.

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).

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 makers - The market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell participatory interests at prices around the NAV, thereby ensuring tight buy and sell spreads

Net Asset Value (NAV) - The NAV is the total assets of the portfolio less the liabilities. The NAV is given per ETF share that is outstanding by dividing the total value of the fund by the number of shares that are issued.

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.

Rebalancing - Rebalancing is when the asset manager buys and/or sells constituents in a portfolio in order to bring the portfolio in line with the index being tracked.

Scrip lending - The lending of securities from one party (being the holder of the securities) to another party (the borrower). The borrower provides collateral for the securities borrowed.

Securities - An instrument representing ownership (stocks), a debt agreement (bonds) or the rights to ownership (derivatives).

Spread - The difference between the price at which a market maker is willing to buy a security and the price at which the seller is willing to sell it (the difference between the bid and ask for a given security).

Stockbrokers - A stockbroker can execute your purchase or sale order through the JSE's trading system (stockbrokers need to be registered members of the JSE). As with any share transaction, your broker will attempt to find a sell order for your securities in the market that match against your buy order.

Strate - The electronic settlement system utilised by the JSE and administered by Strate, which facilitates the electronic clearing and settlement for all transactions concluded on the JSE.

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.