Minimum Disclosure Document

(Fund Fact Sheet)

Satrix Balanced Index Fund

February 2016

Fund Objective

The Satrix Balanced Index Fund complies with the limitations of Regulation 28 and offers diversified exposure to all the key local and international asset classes, with a smart SA equity core. The Fund tracks a composite index benchmark, with a long term strategic asset allocation, rebalanced on a bi-annual basis in March and September.

Fund Strategy

The composite benchmark of the fund comprises the following asset class building blocks:

Asset class	Index exposures
Smart SA equity core (55%)	1/3 FTSE/JSE Dividend Plus Index, 1/3 FTSE/JSE Equally Weighted Top 40 Index, 1/3 Satrix Momentum Index
SA bonds (8%)	FTSE/JSE All Bond Index
SA property (6%)	FTSE/JSE SA Listed Property Index
SA inflation-linked bonds (6%)	Barclays SA Gov Inflation-Linked Bond Index
SA cash (5%)	SA Nominal Cash
International equities (15%)	MSCI World Equity Index
International bonds (5%)	Barclays Global Treasury Index

The asset composition of the index aims to target a CPI+5.5% return over the long term.

Why choose this fund?

*The SA equity smart core blends Satrix's smart beta equity trackers to provide further style, size and sector diversification.
*The international portion of the fund (20%) provides some rand-hedge protection.
*You gain access to a fund that aims to grow capital steadily, while providing income over the medium to longer term.
*The high equity exposure gives you material exposure to an asset class that, though more volatile than others, usually delivers superior performance in the long term.

Fund Information

ASISA Fund Classification	SA - Multi-Asset - High Equity
Risk profile	Moderate Aggressive
Benchmark	Proprietary Satrix Balanced Index
Portfolio launch date	Oct 2013
Fee class launch date	Oct 2013
Minimum investment	Lump sum: R10 000 l Monthly: R500
Portfolio size	R1 217.2 million
Last two distributions	31 Dec 2015: 14.13 cents per unit 30 Jun 2015: 15.90 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	0.68
Total Expense Ratio (TER)	0.86
Transaction Cost (TC)	13.20

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.

Where this fund invests into other unit trusts, it does so into zero fee classes except for offshore equity (0.30%) and offshore bonds (0.12%).

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 January 2013 to 31 December 2015. 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
Naspers -N-	3.85
FirstRand / RMBH	2.55
BTI Group	2.55
Mondi	1.80
Investec	1.65
Steinhoff Int Hldgs N.v	1.59
GrowthPoint	1.51
MTN	1.45
Sasol	1.43
Vodacom	1.29

Top 10 Holdings as at 31 Dec 2015

Performance (Annualised) as at 29 Feb 2016 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.51)	(0.51)
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	7.57	8.81

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

Performance (Cumulative) as at 29 Feb 2016 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.51)	(0.51)
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	18.56	21.77

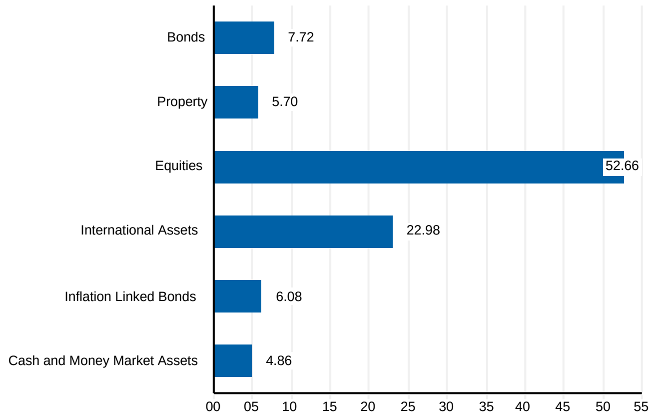
Cumulative return is aggregate return of the portfolio for a specified period

Actual highest and lowest annual figures since inception

Highest Annual %	18.31
Lowest Annual %	(1.51)

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

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Dec 2015

Market review | Global and local equity markets

What an eventful year!

There was certainly no shortage of memorable moments for global markets in 2015 with the likes of a sharp decline in commodity prices, problems in Greece, China's devaluation, the European Central Bank disappointing and of course the first Federal Reserve rate hike since 2006 all playing their part.

During the last three months of 2015 many macro drivers of the S&P earnings expectations deteriorated further. In particular, oil prices declined some more, key currencies fell further and US industrial activity continued to contract on weak capex and exports. Adding to the cheer, geopolitical risk appears to move upward, which might warrant a pause in Fed rate hikes towards the middle/latter part of 2016. In a low global growth environment with Europe still negotiating a recovery from the periphery's debt binge and China weaning its economy off investment spending, this is a considerable further burden for fragile equity markets.

The MSCI World Index (developed markets) realised a negative return of 1.8% in USD terms for calendar year 2015, which was still much better than MSCI Emerging Markets (-14.6%) and MSCI South Africa (-25.1%), led by the 25.2% weakening of the rand. Foreign bonds (Barclays Global Aggregate) realised a return of -0.92% in USD terms.

In SA we had our own trauma/excitement, with the low point of three finance ministers in a week and a resultant more than R200bn loss across SA equities and bonds. SA bonds weakened significantly resulting in one of the poorest performance quarters for the asset class in a long time (-6.43%). Probable credit downgrades also present a significant risk to SA fixed interest assets. Luckily we saw a recovery later in December, which lifted equities off their lows, yet SA equities (the All Share index realised 5.1%) still underperformed cash (6.5%) in 2015.The bear case for SA equities in 2015 was characterized by (a) lower commodity prices; (b) higher cost of equity, given the likely expectations of SA's foreign credit rating downgrade to sub-investment grade somewhere during 2016; (c) concerns around a reversal in 'lower for longer' interest rates; and (d) little progress on structural reforms.

While headline CPI provided no real surprises over the quarter (4.8% yoy) the upward trajectory of future inflation is highly likely given the exchange rate and concerns around food prices (drought). The inflation-linked fixed interest asset class reacted with a 1.62% performance in the final quarter. During the last three months of the year the property asset class (SAPY) index realised a return of -4.66%, affected by the broad based sell off in SA assets. While the relative attractiveness of the property asset class to fixed interest and equity is much less now, structural exposure remains a necessity in our balanced fund.

The start of 2016 has seen an unwelcome repeat of the policy furore that hit Chinese and ultimately global markets in the summer of 2015. Global growth expectations are depressed and a sign of a renewed weakness in Chinese PMI acted as a catalyst for bearish sentiment to be expressed across equity, commodity and credit markets.

As you may know your SA equity exposure is achieved through the use of smart beta factors. The momentum factor posted a healthy relative return above that of all market and other smart beta factor indices in the fourth quarter. It showed both tempered aggression (in up markets) and defensive (in down markets) attributes in a difficult quarter. While both price momentum and earnings revision contributed to the favourable result, the portfolio was also cross pollinated by volatility sensitivity, an unintended but welcome result of our risk management overlay.

The dividend yield factor continued to struggle in Q4 2015 and failed to demonstrate some defensive character against an uncertain capital market. Its exposure to the mid and smaller cap companies also detracted but exposure to Sibanye Gold (SGL) and Vodacom (VOD) provided some welcome offset. The performance of momentum relative to yield is looking stretched given historical levels and investors should bear in mind the diversifying role that the yield factor will play when the momentum friendly environment dissipates. One also needs to be reminded of the premium it offers over the long term and the growing effect that dividend income has in the end result. We remain convinced of all our smart beta factors' medium- to long-term significance and the premium they offer in the South African capital market and remain disciplined in our implementation and extraction of all factors.

While the capital markets have provided a less than pleasant experience in the riskier asset classes in the recent short term, we remain convinced of the medium- to long-term investment strategy of having measured strategic exposure to all the necessary asset classes for the purpose of diversification.

Portfolio Manager(s)

Henriqueco Visser

BSc (Mathematical Stats)

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 (Moderate)

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

Additional Information

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 are 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.

Composite benchmark
Multi-asset class funds offer exposure to various asset classes including cash, equity, bonds and property both locally and internationally. In a passively managed multi-asset class fund each underlying asset class is managed to deliver the return of its respective index. For example, in the SATRIX Balanced Index Fund the property exposure is managed to deliver the performance of the FTSE/JSE SA Listed Property Index (J253). The composite index simply combines the underlying indices, each adhering to a specified weight.

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.

Long term strategic asset allocation
The long term strategic asset allocation is the target allocations for the various asset classes within the composite benchmark. The composite is rebalanced back to the strategic asset allocation biannually (March and September). The strategic asset allocation of the SATRIX Balanced Index aims to return CPI+5.5%pa, over the long-term.

Rand-hedge protection
A Rand-hedge is a way of maximising returns on your investment in rand terms, through an offshore investment. The rand value of your investment increases if the currency declines (when the rand depreciates, the rand value of your offshore investment appreciates).

Smart beta
Before we can explain smart beta, we need to define the investment terms beta and alpha. Simply put, beta is the return you as an investor receive simply by being invested in the market. For example, the return you receive by investing in the FTSE/JSE All Share index is a beta return. If you employ an active fund manager (one who studies companies and chooses a basket of shares for you) who gives you a return which is different to that of the market (either positive of negative), this under- or outperformance of the market is called alpha.
Alpha = Fund performance - market performance (beta)
Smart beta funds attempt to capture excess returns in a systematic way. The idea is to deliver a better return while taking on less risk than the JSE All Share index. The result of weighting stocks differently to the JSE is that you have a fund which differs from the JSE in terms of: (a) individual stock exposure (b) sector exposure (e.g. resources, financials and industrials), and (c) factor exposure (e.g. foreign, size, yield and market sensitivity)

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.