

Client Letter – November 2006 SATRIX INVESTMENT PLAN

SATRIX PERFORMANCE

Clients often request figures on the performance of Satrix products versus other investment products, such as unit trusts. The unit trust industry recognises three year returns as the benchmark for performance; Satrix has only been registered as a Collective Investment Scheme since mid-2004 and entered the various Unit Trust performance surveys at that point. It is only recently, therefore, that we have been in a position to compare our three year performance against the industry norms.

Table A shows the performance of Satrix 40 versus the general equity unit trust funds as calculated in the University of Pretoria quarterly Unit Trust Survey. Only 5 out of 41 general equity unit trusts outperformed Satrix 40 over the three year period ended June 2006. In other words, 88% of unit trust managers failed to match the performance of the index (which was the return provided by Satrix 40).

Table A

SATRIX 40 – COMPARATIVE PERFORMANCE VERSUS GENERAL EQUITY UNIT TRUSTS				
	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)
Satrix 40 Return (%)	19,8	55,0	48,9	39,9
Equity – General funds (Number of Funds)	52	51	45	41
Average Return of General Equity Unit Trusts (%)	12,4	43,3	43,6	36,9
Number of General Equity Unit Trusts Outperforming Satrix 40	0	2	3	5
Underperformance Ratio for General Equity Unit Trusts (%)	100	96	93	88
<i>Source: Unit Trust Survey (June 2006)</i>				

Table B compares the three Satrix products which have been available for the past three years with their peers in the categories measured in the Unit Trust Survey. The Satrix 40 and Satrix Fini have been either the first or second best performing funds in their category over the past 3 months to 3 years. The Satrix Indi has been the best performing fund in its category over a three year period.

Table B

SATRIX COMPARATIVE PERFORMANCE – RANKING PERFORMANCE VERSUS OTHER UNIT TRUSTS					
	3 Months	6 Months	1 Year	2 Years	3 Years
Satrix 40 (Large Cap Funds)	1	2	2	1	2
Satrix Fini (Financial Sector)	1	1	1	1	2
Satrix Indi (Industrial Sector)	1	4	4	3	1
<i>Source: Unit Trust Survey (June 2006)</i>					

The Unit Trust Survey performance figures include annual management fees (for instance, the 1 percent annual management fee charged by the administrators of the Satrix Investment Plan), but exclude any upfront fees. Many unit trusts can charge upfront fees as high as 5 percent, compared with Satrix, which only charges brokerage of 0,10% and JSE settlement charges as an upfront fee, if you deal direct with our Administrators. Accordingly, the Unit Trust Survey figures flatter the Unit Trust industry by ignoring a good portion of their costs, but even with this artificial boosting of returns to investors, most unit trusts cannot match the performance of Satrix.

EXEMPTION OF SATRIX FROM UNCERTIFICATED SECURITIES TAX (UST)

The SA Revenue Service recently announced an amendment to the Uncertificated Securities Tax Act 1998, which means that any changes in beneficial ownership of listed Collective Investment Schemes, such as Satrix, would no longer be subject to UST. Until this amendment, any investors who bought Satrix securities were subject to the UST charge of 0,25% of the value of the securities purchased.

The exemption from payment of UST was deemed by SARS to have come into effect from 1st July 2006. However, the JSE only enabled this change to be effected by its member stockbrokers from 2nd October 2006. Any investors, who purchased Satrix securities through the Investment Plan, between 1st July and 2nd October have been reimbursed for the UST that they have paid and details of this repayment of UST are shown on the statements sent out accompanying this letter. The reimbursed UST payments have been utilised to purchase additional Satrix securities, where applicable.

SATRIX INVESTMENT SEMINARS

In the last client newsletter we advised of an Investment Seminar to be held in Johannesburg on 9th October 2006. This was a great success and appears to have been highly enjoyed by the Satrix investors who attended. The Seminar addressed the Satrix products; why you should invest in them; performance data; new products in the pipeline; etc. In addition, AOSL, spoke about the Satrix Investment Plan administration platform, including the current areas of focus and future plans.

We have been asked by a number of Satrix investors to conduct similar seminars at centres other than Johannesburg during the course of 2007. If there is sufficient interest from current or potential Satrix investors, we will consider Satrix seminars in your area. Should you also be in a position to put together groups of potential investors, from say, an investment club, your company, sports or recreation clubs or any other organisation, we will also endeavour to conduct Satrix seminars with these groups, in order to spread the word about the outstanding investment opportunities provided by the Satrix Investment Plan. Please contact either Sherryl Fortuin (Tel: 011-520-7355; Email: Sherrylf@jse.co.za) or myself to set up seminars in your area.

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Satrix securities are listed on the JSE Limited and the trading of participatory interests on the Exchange will incur trading and settlement costs. The price at which a participatory interests trades on an exchange, may differ from the price at which the manager repurchases participatory interests. As with all stock exchange investments, the market price of

Satrix securities will fluctuate according to market conditions, general sentiment and other factors.

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS products are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs."