

Own the performance
of the JSE with a single,
low-cost investment.

SATRIX
Own the market

Introducing Satrix.

The performance of the JSE. With a single, cost effective transaction.

Despite its daily volatility and short-term unpredictability, the JSE provides a valuable long-term investment for all South Africans. In fact, over the past 10, 20 and 30 years the JSE has comfortably outperformed inflation, property, gold and money in the bank. But how do you get into the market? How do you take advantage of its performance? How do you spread your risk? Satrix puts the performance of the JSE within easy reach of anyone with R1,000 or R300 per month to spare.



Worldwide, only a small percentage of active fund managers have managed to outperform stock market indices over the long term.



Satrix. Wealth creation in today's uncertain times.

These days, actively managed funds – those that research the market to look for opportunities that will help them outperform the overall market – are struggling to produce superior returns. Many investors prefer the reassurance of passively managed funds – they follow an index without trying to outperform it.

Index funds provide investors with all the benefits of a diversified portfolio and will ensure the return of the market – for the cost of one transaction. Satrix 40 is South Africa's first passively managed fund listed on the JSE Securities Exchange South Africa.

A single transaction. And lower costs.

Satrix is designed to give low-cost exposure to the JSE. Firstly, there is only a single transaction cost when you buy Satrix. Were you to buy the equivalent portfolio of stocks on the JSE, you would pay brokerage and other transaction costs on each of the stocks. Secondly, the stocks that make up Satrix change very seldom (most quarterly). Unlike actively managed funds, where

the managers are constantly dealing and churning the portfolio in search of the next winners, investors in Satrix don't have these increased transaction costs. You get transparency, value for money and instant access. Satrix is that simple, that cost effective and that powerful.

The seven Satrix products

Satrix 40

Gives investors the performance of the FTSE/JSE Top 40 index. It enables you to invest in a single security that provides a diversified portfolio of the top 40 companies on the JSE, measured by their market capitalisation. Every quarter, Satrix 40 pays out all the dividends received from the JSE's Top 40 companies, less costs.

Satrix INDI

Gives you the performance of the FTSE/JSE Industrial 25 index and pays out quarterly dividends.

Satrix FINI

Gives you the performance of the FTSE/JSE Financial 15 index and pays quarterly dividends.

Satrix SWIX Top 40

Provides the performance of the FTSE/JSE Swix Top 40 index and pays out quarterly dividends.

Satrix RESI

Provides the performance of the FTSE/JSE Resources 20 index and pays out quarterly dividends

Satrix DIVI

Aims to offer a particularly high-dividend yield as it tracks the FTSE/JSE Dividend Plus index. Dividends paid out quarterly.

Satrix RAFI 40

Tracks a fundamental index, which looks at the 5 year fundamental accounting data of main JSE shares, plus also providing a total return by investing all dividends on the date of receipt. Investors therefore receive the total return (capital plus dividend yield) of the FTSE/JSE Rafi 40 index.

The advantages of Satrix are easy to see.

- > You have a diversified investment portfolio. Each Satrix product matches the performance of a FTSE/JSE index.
- > Satrix trades like an ordinary share. Its price rises and falls as it follows the index. You can buy or sell at any time, at a price you know and which reflects net asset value.
- > You can invest in the equity markets at a low cost.
- > Dividends received from the underlying index shares are paid quarterly (except for the Satrix RAFI 40).
- > Satrix is registered with the Financial Services Board (FSB) as a Collective Investment Scheme. It therefore falls under the regulation and jurisdiction of the FSB as well as the JSE. Satrix is a registered Financial Services Provider (License number 15658).

How does Satrix work?

Satrix ETFs are securities listed in the Exchange Traded Funds sector of the JSE, and are traded like any other JSE listed security or share. The underlying shares of the constituent companies in the Top 40, INDI, FINI, SWIX Top 40, RESI, DIVI and RAFI 40 indices are held by separate portfolios under a Collective Investment Scheme. Holding the exact underlying baskets of shares at all times enables the portfolios to replicate the index performance (both price and dividends).

What will Satrix cost on any given day?

The value of Satrix securities rises and falls with the underlying index being tracked. The price of each Satrix product on the JSE reflects the underlying index being tracked, divided by 1000, except for the Satrix Divi where the price of the Divi is the index divided by 100. For example, if the Top 40 index is at a level of 25000, then each Satrix 40 security will trade at R25,00.

What about management costs?

The Satrix funds have a low management cost structure which allows them to track the seven indices at a very low cost. What's more, the costs of managing the portfolio, including rebalancing the portfolio if the index changes, can be partially offset by scrip-lending of the underlying shares. The investor is therefore offered the benefits of index-tracking at a lower cost than purchasing a traditional tracker fund or trading in the underlying stocks. Satrix securities have Total Expense Ratios (TERs) of ± 45 basis points (0,45%), about one fifth the average expense ratios for actively managed unit trusts. The Satrix RAFI 40 has an expense ratio of 52 basis points (0,52%).

What about dividends?

Quarterly dividends are payable to holders of Satrix securities which comprises all the revenue in the Trust, less the net costs of managing the portfolio assets. The Satrix RAFI 40 reinvests all dividends (less permissible deductions) to provide investors with a total return (price plus yield) of the index.

And statements?

If you invest via the Satrix Investment Plan, you receive quarterly statements outlining: your contributions for the quarter; the number and price of specified Satrix securities acquired or sold on your behalf and the price acquired; all other transactions performed on your behalf; details of charges levied; and your total securities holdings and combined investment value. If you purchase your Satrix securities through a member of the JSE (stockbroker), you will get the information you from your broker.

What exactly are Exchange Traded Funds?

Satrix portfolios are index tracking funds that are listed and trade on the stock exchange – hence they are called Exchange Traded Funds (ETFs). ETFs are an entire index or basket of shares structured so they can trade as a single share. A single transaction buys the ownership of the performance of an entire market or market sector. ETFs are one of the fastest growing products available to investors worldwide. A few years ago, no one was aware of ETFs, now over a trillion dollars are invested in over a thousand index tracking ETFs listed on stock exchanges around the world. ETFs spread risk. They are a cost effective way to invest. They may very well be the medium-to long-term investment you are looking for.

“Your best bet is to opt for an index fund ... the type that uses your money to track a stock market index ... those index funds that are very low-cost are investor-friendly by definition and are the best selection for people who wish to own equities.”

Warren Buffett

How do you buy and sell Satrix securities?

Satrix securities are transacted at the ruling market price on the JSE Securities Exchange. There are two ways to trade in Satrix securities.

Through a Stockbroker

- > Brokerage is payable on purchase and sale of Satrix. The brokerage rate is negotiable with your broker. An increasing number of brokers offer discounted brokerage rates on Satrix.
- > No management or other fees are payable to Satrix, but a stockbroker might charge custodian or administration fees at their discretion.
- > Stockbrokers may impose high minimum investable amounts to open an account.

Through the Satrix Investment Plan

Annual administration fee charged by the administrator of the Plan: (calculated daily and deducted quarterly)

Total Investment Per Fund Fee

| | |
|--------------------------|-------|
| R0 to R100 000 | 0,80% |
| R100 000 to R250 000 | 0,75% |
| R250 000 to R1 000 000 | 0,70% |
| R1 000 000 to R3 000 000 | 0,50% |
| R3 000 000 or more | 0,45% |

Transaction Fees

Debit order fee: R3.50

Stock brokerage fees: 0.10% (buying and selling)

Nominal Strate and Investor Protection levies will be charged

Where a financial adviser is used, commissions will be charged

All fees quoted are exclusive of VAT

VAT will be levied where applicable

How do you sell Satrix?

Tracking the performance of Satrix couldn't be easier. The prices are quoted throughout the day while the JSE is open. They're published in the newspapers under the JSE share prices – Exchange Traded Funds section. Or you can track Satrix's performance by accessing the Satrix website (www.satrix.co.za) which is updated every 30 minutes.

How has Satrix performed?

Please visit our website for the latest performance data.

COLLECTIVE INVESTMENT SCHEMES IN SECURITIES ARE GENERALLY MEDIUM TO LONG TERM INVESTMENTS. THE VALUE OF PARTICIPATORY INTERESTS (SECURITIES) MAY GO DOWN AS WELL AS UP AND PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO THE FUTURE. SECURITIES 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 SCHEME. COMMISSION AND INCENTIVES MAY BE PAID AND IF SO, WOULD BE INCLUDED IN THE OVERALL COSTS. TRADING OF PARTICIPATORY INTEREST ON AN EXCHANGE MAY INCUR ADDITIONAL COSTS, INCLUDING TRADING FEES (STRATE), BROKERAGE, ADMINISTRATION FEES AND UNCERTIFICATED SECURITIES TAX (UST). THE PRICE AT WHICH A PARTICIPATORY INTEREST TRADES ON AN EXCHANGE MAY DIFFER FROM THE PRICE AT WHICH A MANAGER REPURCHASES PARTICIPATORY INTERESTS AND THE PRICE PUBLISHED DAILY IN THE PRESS.