



SANLAM ALTERNATIVE INCOME FUND

Fund Objective

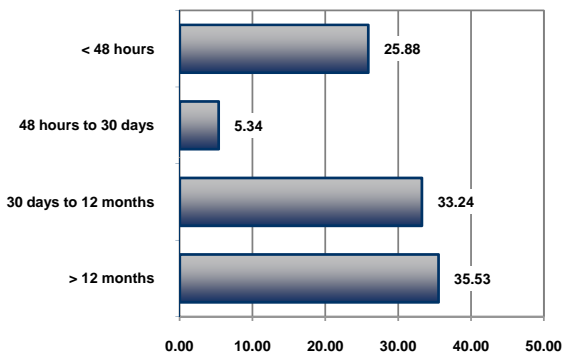
The objective of the Fund is to offer a liquid, mainly dividend yielding investment that will track the South African short-term interest rate cycle.

Income distributed to investors will aim to exceed the average after tax yield normally received from money market portfolios.

Fund Information

Type	Unit Trust established in terms of the Collective Investment Schemes Control Act (CISCA).
Classification	Domestic - Fixed Interest - Varied Specialist
Fund Size	R7 513.3 million
Risk Profile	Conservative
Benchmark	After tax return on the SIM Money Market Fund (individual tax rate of 40%)
Launch Date	25 May 2007
Fund Manager	Sanlam Collective Investments Ltd
Investment Managers	Sanlam Structured Solutions, a division of Sanlam Investments Management (Pty) Ltd, and Ora Fund Managers (Pty) Ltd
Trustee	Standard Bank of South Africa Ltd
Fund Credit Rating	AA- (zaf) by Fitch Ratings

Liquidity Profile



Portfolio Summary

Credit Exposure	% of Portfolio
Nedbank Group Limited/Nedbank Limited	17.92
Sanlam Limited	14.03
FirstRand Limited/First Rand Bank Limited	12.62
Standard Bank of South Africa Limited	9.34
SIM Money Market Fund	9.12
Investec Bank Limited/Investec Limited	8.13
ABSA Bank Limited	8.10
Standard Bank Cash Account	6.94
Standard Bank Corporate Money Market Fund	4.90
Investec Money Market Fund	4.86
SIM Segregated Cash Portfolio	4.04

All securities are credit rated.

Fund Detail

This Unit Trust has a conservative investment mandate that will follow a risk profile focused on capital preservation subject to strict criteria, in accordance with the requirements of CISCA.

The Fund invests in a diversified portfolio of rand denominated investments consisting of:

- redeemable cumulative preference shares,
- liquid instruments (such as Money Market Unit Trusts), and
- any other securities allowed by CISCA.

Capital risk is restricted as the Fund has no exposure to:

- non-cumulative or non-redeemable preference shares, or
- fixed-rate preference shares.

This Fund has no offshore exposure.

Who Should Invest

- Investors seeking to increase their portfolios' liquid holdings with a better after tax yield than a Money Market Unit Trust.
- High net worth individuals who have utilised their interest exemption and require a regular, tax efficient income.
- Corporate investors in need of STC credits.
- Investors seeking protection from equity and bond market volatility.



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Fund Facts

Targeted Constant Price	100 cents per unit
Liquidity	48 hours (subject to provisions of Cisca and deed)
Initial Fee	0.00%
Annual Service Fee	A1 Class: 1.31% (Including VAT) This fee includes an ongoing 0.30% trailer fee for intermediaries. More competitive fee classes are available for larger investments.
Total Expense Ratio	A1 Class: 1.64% (period 1 Oct 2010 to 30 Sep 2011)
Income Declaration Dates	Last day of each month
Income Price Date	1st working day of new month
Valuation Time of Fund	17:00
Trading Closing Time	11:00
Minimum Investment	Lump sum R100 000 Monthly R10 000

Portfolio Performance

	Fund	Benchmark
Latest 3 Years	5.09%	4.18%
Latest 1 Year	4.27%	3.25%
Latest Month	4.21%	3.23%

- The return comprised of approximately 81% tax free dividend income and 19% taxable interest income for the month.
- The yield quoted for the latest month is the actual annualised effective yield for the month.
- The yield published in the press is the average yield calculated over a seven day rolling period.

Important Information

- Investors are advised to familiarize themselves with the unique risks pertaining to their investment choices.
- Investors should seek the advice of a properly qualified financial advisor before investing.
- Income tax status is subject to current income tax legislation and may change in future.

Manager Information

Sanlam Collective Investments Ltd

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Mandatory Disclosure

A constant unit price of 100 cents is targeted, as a result of daily distributions. Losses made on any particular instrument can in extreme circumstances have the effect of reducing the capital value of the Fund. The Fund can be closed for new investments at any time. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Past performance is not necessarily a guide to the future. Unit Trusts can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the manager/scheme. Total Expense Ratio (TER): The percentage of the average net asset value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include transaction costs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Commission and incentives may be paid and if so, would be included in the overall costs. Performance: Annualised Growth Rate. The source is Morningstar. Actual investment performance will differ based on the fees applicable, the actual investment date and the date of reinvestment of income. The following charges are levied against the portfolio: Brokerage, auditor's fees, bank charges and trustee fees. Sanlam Collective Investments is a full member of the Association for Savings & Investment SA.

Fund Characteristics

- Capital preservation .
- Fund Credit Rating of AA-(zaf) by Fitch Ratings.
- Diversified investment in high quality assets with credit risk to major SA banking groups and institutions.
- Return mainly in the form of tax free dividends.
- Corporate investors receive STC credits (in accordance with current legislation).
- 48 hour liquidity.
- Returns track short-term interest rate movements, ensuring protection against interest rate exposure.
- Monthly income distributions.
- Unit price targeted at a constant value of 100c and consequently there are no CGT implications.

Portfolio Managers



Dawie de Villiers
BSc (Statistics), FIA, FASSA

Dawie de Villiers was appointed CEO of Sanlam Structured Solutions in 2007 to oversee derivative solutions, capital protection strategies and other alternative solutions for the Sanlam Group. A member of the Sanlam Asset Liability

Matching Committee since its inception in 2003. He is also part of the Sanlam Employee Benefits Executive Committee.



Ockert Goosen
BCom (Hons) (Accounting), MBA (Wits), CA (SA)

Ockert began his career in investment banking at Barclays Merchant Bank in 1986. He became a director of RAD Bank in 1996 and joined Gensec Bank in 2002. In 2004 Ockert became a founding director of Ora Fund

Managers' group. He has extensive experience in asset management, structured and corporate finance, securitisation, treasury and credit management.