



SANLAM DIVIDEND INCOME FUND OF FUNDS

Fund Objective

The objective of the Fund is to offer a low risk, liquid, mainly dividend yielding investment that will substantially 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 Fund of Funds established in terms of the Collective Investment Schemes Control Act (CISCA).
Classification	Domestic - Fixed Interest - Varied Specialist
Fund Size	R694.1 million
Risk Profile	Conservative
Benchmark	After tax return on the SIM Money Market Fund (individual tax rate of 40%)
Pricing	Unit Trust pricing on NAV basis.
Launch Date	Retail Classes: 01/07/2009
Fund Manager	Sanlam Collective Investments Ltd
Investment Manager	Sanlam Structured Solutions, a division of Sanlam Investments Management (Pty) Ltd, and Ora Fund Managers (Pty) Ltd
Trustee	Standard Bank of South Africa Ltd

Portfolio Summary

Unit Trust Fund	% of Portfolio
Sanlam Alternative Income Fund	73.77%
SIM Money Market Fund	9.26%
Coronation Money Market Fund	5.79%
Standard Bank Corporate MMF	5.79%
Coronation Strategic Income Fund	1.60%
SIM Active Income Fund	1.50%
Stanlib Income Fund	1.50%
Cash	0.80%

Portfolio Mix

Underlying Investments	% of Portfolio
Preference Shares	51.80%
Money Market Instruments	45.45%
Bonds	2.62%
Other	0.13%

Fund Detail

The Fund has a conservative investment mandate that will follow a risk profile focused on capital preservation. The Fund invests in a diversified portfolio consisting of liquid instruments and low risk Unit Trust funds primarily investing in:

- o redeemable preference shares, and
- o fixed interest and money market instruments.

Capital risk is restricted as the Fund has no exposure to equity portfolios or listed equity preference shares. This Fund has no offshore exposure.

The Fund focuses on capital preservation and on enhancing the after tax returns for investors to provide a higher total after tax return than traditional money market or pure income funds. The Fund will generate income predominantly in the form of tax free dividends.

Portfolio Performance

A3 class	Fund	Benchmark
Latest 1 Year	4.86%	3.25%
Latest Month	4.64%	3.23%

Last Two Distributions	A3:	30/11/11	0.24 cents per unit
		31/12/11	0.32 cents per unit

The return quoted for the latest month is the actual annualised total return for the month.

Who Should Invest

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



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Fund Facts

Liquidity	2 working days (subject to provisions of CISCA and deed)
Initial Fee	0.00%
Annual Service Fee (Including VAT)	A3 Class: 0.85% (This fee class includes an on-going 0.25% trailer fee for intermediaries.)
Total Expense Ratio	A3 Class: 1.16% (period 01 October 2010 to 30 September 2011)
Income Declaration Dates	Last day of each month
Income Price Date	2 nd Working day of new month (distributed on the following working day)
Valuation Time of Fund	17:00
Trading Closing Time	15:00
Minimum Investment	A3 Class: Lump sum R100 000

Fund Characteristics

- Capital preservation.
- Return mainly in the form of tax free dividends but also including incidental capital growth and some interest.
- Returns track short-term interest rate movements, ensuring protection against interest rate exposure.
- Monthly income distributions.

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.

Manager Information

Sanlam Collective Investments Ltd

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Mandatory Disclosure

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. The fund can be closed for investments at any time. A Fund of Fund Unit Trust only invests in other Unit Trusts, which levy their own charges, which could result in a higher fee structure for these funds. Unit Trusts are generally medium to long term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit Trusts are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Unit Trusts are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Portfolio performance is calculated on a NAV to NAV basis. Performance: Annualised Growth Rate. 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. Income is reinvested on the ex-dividend date. The source is Morningstar. Actual investment performance will differ based on the actual investment date and the date of reinvestment of income. A schedule of fees and charges and maximum commissions is available from the manager/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. The following charges are levied against the portfolio: Brokerage, auditor's fees, bank charges and trustee fees. A full member of the Association for Savings & Investment SA.