



# SANLAM OPTIMISED INCOME FUND

## Fund Objective

The objective of the Fund is to offer an optimised total return by focusing on maximising after tax income and capital returns, while actively managing downside risk.

## Fund Information

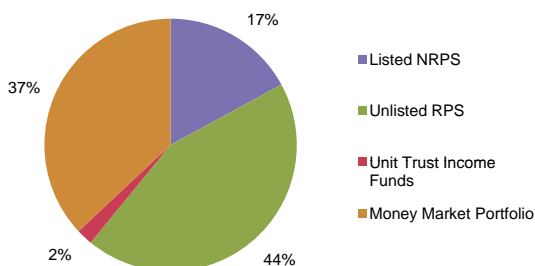
<b>Type</b>	Unit Trust established in terms of the Collective Investment Schemes Control Act (CISCA).
<b>Classification</b>	Domestic - Fixed Interest - Varied Specialist <i>(will move to Domestic – Asset Allocation – Flexible end of January 2012)</i>
<b>Fund Size</b>	R253 million
<b>Risk Profile</b>	Cautious
<b>Benchmark</b>	60% of STeFI Composite Index
<b>Pricing</b>	Unit Trust pricing on net asset value (NAV) basis
<b>Launch Date</b>	3 October 2011
<b>Fund Manager</b>	Sanlam Collective Investments Ltd
<b>Investment Managers</b>	Sanlam Structured Solutions, a division of Sanlam Investments Management (Pty) Ltd, and Ora Fund Managers (Pty) Ltd
<b>Trustee</b>	Standard Bank of South Africa Ltd

## Portfolio Summary

Exposure	Investment Type	% of Portfolio
Cash		29.02%
Ned Investment Trust	RPS <sup>2</sup>	23.75%
Steinhoff Ltd <sup>1</sup>	RPS	10.06%
Nampak Ltd <sup>1</sup>	RPS	10.03%
SIM Money Market Fund	Unit Trust	7.96%
ABSA Bank Ltd	NRPS <sup>3</sup>	6.32%
Standard Bank Group Ltd	NRPS	5.66%
Nedbank Ltd	NRPS	4.06%
SIM Active Income Fund	Unit Trust	2.10%
First Rand Ltd	NRPS	1.04%

- Notes**
- Covered by listed shares.
  - Redeemable Preference Shares
  - Listed Non Redeemable Preference Shares

### Portfolio Composition



## Fund Detail

This Unit Trust has a cautious investment mandate that will follow a risk profile focused on capital preservation, whilst enhancing the total after tax returns for investors. The Fund will generate income predominantly in the form of tax free dividends, providing a higher after tax return than traditional Unit Trust Income Funds.

The deed allows for investment in a broad spectrum of securities. The Investment Managers' investment approach seeks a diversified exposure to security types, counterparties (with a bias towards SA banks) and maturities, focusing primarily on investment in listed non-redeemable preference shares (NRPS), redeemable preference shares (RPS), and Unit Trust Income and Money Market Funds.

This Fund has no offshore exposure. Capital profits and losses could be incidental as limited market and interest rate risk may be assumed.

As preference shares have both equity and fixed interest characteristics, the Investment Managers combine their fixed interest and equity analysis capabilities. The composition of securities is determined with the objective of minimising downside volatility and market risks; and of optimising investment returns, credit risk and the liquidity profile of the Fund.

The Fund may also invest in financial instruments allowed by CISCA, to hedge interest and credit exposures.

## Investor Profile

This is a specialised portfolio focused on institutional and high net worth investors.

The Fund is suitable for:

- Cautious investors seeking capital preservation and protection from equity and bond market volatility.
- Investors seeking a tax efficient total return mainly in the form of tax free dividends and incidental capital growth.



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## Fund Facts

<b>Initial Fee</b>	0.00%
<b>Annual Service Fee</b>	B1 Class: 1.31% (Including VAT)
<b>Total Expense Ratio</b>	B1 Class: N/A
<b>Income Declaration Dates</b>	Last day of each month
<b>Income Price Date</b>	2 <sup>nd</sup> working day of new month
<b>Valuation Time of Fund</b>	15:00
<b>Trading Closing Time</b>	11:00
<b>Minimum Investment</b>	Lump sum R500 000

## Liquidity

Due to the fact that the listed preference share market is less liquid, large unplanned withdrawals may prejudice investors in the Fund. We will manage this risk by contractually binding large investors to a notice period.

## Fund Risk

- The recommended investment term is one year or longer.
- The Fund has a higher risk of monetary loss than that of a Money Market Fund. The Fund is priced on a NAV basis.
- 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.

## 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

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. 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 and does not take any initial fees into account. Performance is an annualised growth rate assuming that income is reinvested on the ex-dividend date. The source is Morningstar. Actual investment performance will differ based on the initial fees applicable, 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. Total expense ratio (TER): The total expense ratio (TER) for this portfolio cannot be accurately determined as the history is less than 6 months for period mentioned. The TER of this portfolio will be higher than the quoted service charge of the manager. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. 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. Sanlam Collective Investments is a full member of the Association for Savings & Investment SA.