

Atlantic Enhanced Income Fund

Fund Factsheet

April 2012



Product

The Atlantic Enhanced Income Fund is an actively managed income-producing fund, which seeks to provide income levels in excess of that provided by money market funds, while at the same time providing moderate capital growth by careful risk-constrained investment into securities offering good trading opportunities. By actively allocating and diversifying between various interest-bearing asset classes and listed property, total returns are also maximized.

Portfolio Manager

Arno Lawrenz B.Sc (Hons), CFA

Investment Objective

The objective of the Atlantic Enhanced Income Fund is to preserve capital and to maximize income returns for investors. The performance objective of the fund is to achieve a total return in excess of the benchmark over rolling 36-month periods.

Portfolio Positioning and Activity

After the big move in March in the US Treasury market, up and then down again, the local bond market was dealt another (positive) surprise in the announcement of the impending inclusion of our major liquid government bonds into the Citi World Global Bond Index. Whilst by now it is old news in terms of the possible impacts, it gave an immediate spin to our bond yields.

“Our strategy for now is to manage position sizes, but we are likely to move back into a situation where growth concerns override those of inflation.”

Market Outlook

We did of course take the view that after the rapid move down, a lot of that good news was already priced in. Accordingly we opted to take our profits by selling out of our government bond exposure. We do however feel that this may not yet be the end of the bull market quite yet, but given the skittish nature of the market, as well as the continued rumblings from Europe, taking profits will never be a bad thing. As such and given our views on inflation, we may well venture back into the bond market for another dip into the waters. The perennial problem for all bond investors is that once you sell out, where do you go for yield? Cash only offers a meagre 5.3%, so it can only be viewed as a temporary parking spot. If one does not see a major trend reversal coming in yields, then it can only point to taking risk on again at some point. As far as linkers and listed property is concerned, both are showing signs of tiredness. Real yields on the linkers are very low – in particular by historical standards. However, positive carry remains albeit that will not be for much longer. Thereafter the picture becomes rather murky, although they will always offer the perfect hedge against an inflation shock. In the listed property segment we are also apt to see some wariness as a result of too much capital gain too early in the year, but if bond yields drop further we may yet still see more oomph from this segment. It is too early to say though, so we have not opted to increase our holdings here. It is very much a steady as she goes approach. The core of the portfolio continues to deliver good income uplift on track for our performance hurdles.

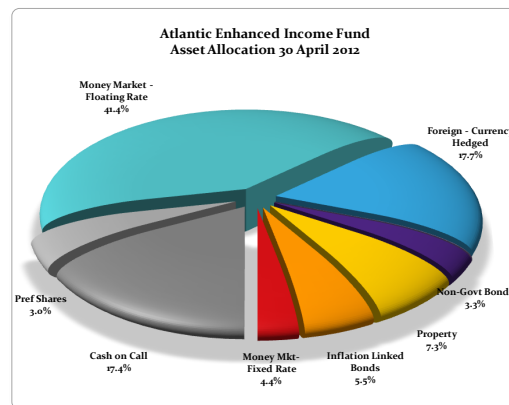
Investment Information

Risk Profile:	Low-Moderate
Benchmark:	ALBI 1-3 Year Total Return Index
ASISA Fund classification:	Domestic - Fixed Interest - Varied Specialist Portfolio
Launch Date:	1 November 2007
Distribution Frequency:	Quarterly
Fund Size at 30 April 2012:	R 1,121.3m
Distribution Per Unit (Class A):	Feb'12 1.65 cents per unit Nov'12 1.96 cents per unit Aug'12 1.47 cents per unit
Fees (Class A):	Initial: 0.00% Annual: 1.14% per annum including VAT.
Valuation time of fund:	15:00 (Quarter end: 17:00)
Trading Closing Time:	16:45
Month End Nav Price:	104.81c (class A)
TER:	Class A 1.15% Class C 2.39%
Minimum Investment amount:	Monthly debit order R250 pm, Single premium R2000 or subject to LISP minimums
Initial Max Broker Fee:	1.14% including VAT.
Management Company:	PSG Collective Investments Limited

The Atlantic Enhanced Income Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 January 2010 to 31 December 2011 the above TER of the average Net Asset Value of the portfolio were incurred as charges, levies and fees related to the management of the portfolio. The ration does not include transaction costs. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Asset Allocation April 2012

Atlantic Enhanced Income Fund



Performance (annualised)	1-Year	2-Year	3-Year	Inception
Atlantic Enhanced Income Fund	7.74%	7.32%	7.60%	8.66%
*Stefi Composite	5.70%	6.04%	6.66%	8.21%

* Figures Quoted are from @2012 Moneymate for the period ending April 2012 for a lumpsum using NAV to NAV prices with income distributions reinvested

Conflict of Interest Disclosure : The Fund may from time to time invest in a fund managed by a related party. A process is in place to ensure the same selection criteria apply to all funds when selecting the underlying portfolios. PSG Collective Investments or the Fund Manager may negotiate a discount on the fees charged by the underlying Fund Manager. All discounts negotiated are reinvested in the Fund for the benefit of the unit holder. Neither PSG Collective Investments or the Fund manager retain any portion of such discount for their own account



Atlantic Asset Management Pty (Ltd)

Address: 1st Floor Barinor's Vineyard North The Vineyards Office Estate 99 Jip de Jager Road Bellville 7530

Tel: +27 21 913 8941 Email: info@atlanticam.com Web: www.atlanticam.com



ASISA

Atlantic Asset Management (Pty) Ltd is a Registered Investment Services Provider. FSP Number 31756. Company Registration Number: 2007/005723/07

Collective Investment Schemes in Securities (Unit Trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not a guide as to future performance. Collective Investment Schemes are traded at ruling price and can engage in borrowing and scrip lending. The price of participatory interests (units) and the amount of income distributed or accumulated may go down as well as up. Commission and incentives must be paid and if so, included in the overall costs. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The portfolio may be capped at anytime in order for the fund to be managed in accordance with the mandate. Atlantic Asset Management is an associate member of the Association for Savings and Investment South Africa (ASISA). A schedule of fees and charges and maximum commissions is available on request from the company. Company Scheme PSG Collective Investments, 1st Floor PSG House, Alphen Park, Constantia Main Road, Constantia, 7806, Member of ASISA.