

# Atlantic Enhanced Income Fund

## Fund Factsheet

December  
2011



### 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 provide 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 all the volatility within currency, bond and equity markets over the course of the last few months of 2011, markets finally (we would want to say mercifully!) went to sleep in the last few trading days of the month, allowing market participants the opportunity to breathe again. We ended 2011 with Europe on the edge, but still not capitulating to the whims of the panic-mongers.

*“Europe remains in more than just a spot of bother. With the clocks ticking over from 31 December 2011 to 01 January 2012, there is nothing that happened magically to fix what is now clearly morphing into a full-blown sovereign debt crisis (and on a global scale).”*

Market Outlook

Given all the uncertainty and binary risks to event scenarios, we had opted for a lower risk approach to our portfolio. This had entailed selling out of bond positions and reducing the listed property component to below 10%. This left the portfolio with a core of high yielding money market assets, and the return for the month showed this, with a distinct lack of volatility in the unit price.

The questions now to be faced looking forward are the following : which income asset class will produce the best risk-adjusted returns during the course of 2012, and at what levels do we re-introduce exposure to these assets. It may well be that the traditional year-beginning lull we experience is only a short pause before the volatility begins again. Or perhaps the market fatigue we experienced at the end of 2011 means the focus will shift away from the potential pitfalls to the potential solutions. There will no doubt be concerns about inflation going forward into 2012, and this will lend itself to some concern within the bond market, but it would appear that the global trends are still disinflationary, and South Africa will not ultimately escape this.

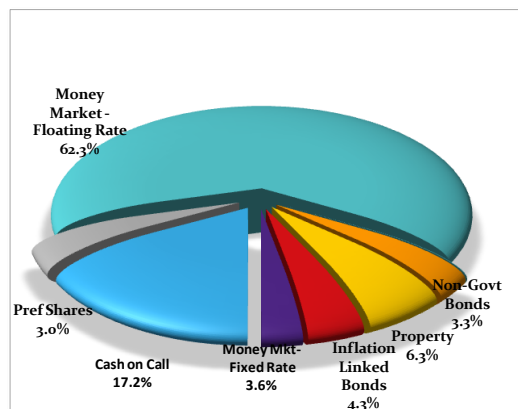
### Investment Information

<b>Risk Profile:</b>	Low-Moderate
<b>Benchmark:</b>	ALBI 1-3 Year Total Return Index
<b>ASISA Fund classification:</b>	Domestic - Fixed Interest - Varied Specialist Portfolio
<b>Launch Date:</b>	1 November 2007
<b>Distribution Frequency:</b>	Quarterly
<b>Fund Size at 31 December 2011:</b>	R 1,143.40m
<b>Distribution Per Unit (Class A):</b>	Nov'11 1.96 cents per unit Aug'11 1.47 cents per unit May'11 2.00 cents per unit
<b>Fees (Class A):</b>	Initial: 0.00% Annual: 1.14% per annum including VAT.
<b>Valuation time of fund:</b>	15:00 (Quarter end: 17:00)
<b>Trading Closing Time:</b>	16:45
<b>Month End Nav Price:</b>	103.14c (class A)
<b>TER:</b>	Class A 1.15% Class C 2.39%
<b>Minimum Investment amount:</b>	Monthly debit order R250 pm, Single premium R2000 or subject to LISP minimums
<b>Initial Max Broker Fee:</b>	1.14% including VAT.
<b>Management Company:</b>	PSG Collective Investments Limited

The Atlantic Enhanced Income Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 October 2010 to 30 September 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 December 2011

#### Atlantic Enhanced Income Fund



Performance (annualised)	1-Year	2-Year	3-Year	Inception
Atlantic Enhanced Income Fund	5.73%	7.46%	7.53%	8.61%
*ALBI 1-3 Total Return	8.86%	8.86%	8.46%	9.28%

\* Figures Quoted are from @2011 Moneymate for the period ending December 2011 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 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



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ASISA

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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, onstantia Main Road, Constrantia, 7806, Member of ASISA.