

Atlantic Enhanced Income Fund

Fund Factsheet

October

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

October started with a flourish, as the September sell-off appeared a little over done, and yields retraced rapidly downwards. It was the return of the ubiquitous foreign investors that made all the difference, and the continued search for yield plays into the hands of the local bond market. Nonetheless, we are keen to point out that it is not over yet in Europe, and there will surely be more drama to come. That points again to bouts of capital flight as money seeks a safe haven from time to time.

“With Greece appearing on the brink of collapse (and its politicians doing their level best to expedite the process) it would take a brave person to call the end of volatility in global markets.”

Market Outlook

That will inevitably impact on our bond yields and we are likely to suffer from such periodic episodes. As such, preservation of capital remains an all-important investment objective. It does of course mean then that when we are presented with profit opportunities that we take them. During October then we opted to cut our listed property positions significantly, with many of the property counters having a great run.

We remain of the opinion that in a low yield world, income investors will find a home in the (relatively) high yields found in listed property, and they are likely to be well supported over the medium to longer term – even in these times of trouble. However, we cannot ignore in the short term the change in sentiment, and hence the caution we apply in our exposure here. Bond yields closer to 9% will again present itself as attractive, and we would expect that should yield approach such levels we would be prepared to extend our exposure here. As far as ILB's are concerned we believe that a nominal bond yield selloff presents itself as a better opportunity to introduce risk into the portfolio.

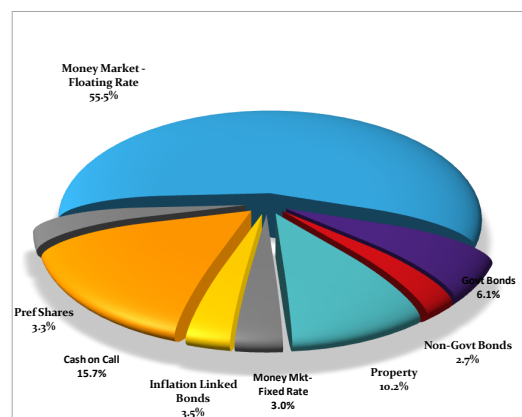
Investment Information

| | |
|-----------------------------------------|----------------------------------------------------------------------------------------|
| 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 31 October 2011: | R 1,388,30m |
| Distribution Per Unit (Class A): | Aug'11 1.47 cents per unit May'11 2.00 cents per unit Feb'11 1.55 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: | 102.06c (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 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 October 2011

Atlantic Enhanced Income Fund



| Performance (annualised) | 1-Year | 2-Year | 3-Year | Inception |
|-------------------------------|--------|--------|--------|-----------|
| Atlantic Enhanced Income Fund | 5.90% | 7.59% | 8.46% | 8.76% |
| *ALBI 1-3 Total Return | 9.12% | 9.03% | 9.97% | 9.45% |

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