

ATLANTIC ENHANCED INCOME FUND

Monthly Fund Fact Sheet
March 2008



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 maximised.

PERFORMANCE OBJECTIVE

The objective of the Atlantic Enhanced Income Fund is to preserve capital and to maximise 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.

RISK PROFILE:

Low - Moderate

BENCHMARK:

ALBI 1-3 Year Total Return Index

ACI FUND CLASSIFICATION:

Domestic-Fixed Interest-Variied Specialist Portfolio

LAUNCH DATE:

1 November 2007

DISTRIBUTION FREQUENCY:

Quarterly

FUND SIZE AT 31 MARCH 2008

R651.5m

DISTRIBUTION PER UNIT:

Nov '07 0.71 cents per unit

Feb '08 2.17 cents per unit

May '08 -

Aug '08 -

FEES:

Initial: 0.00%

Annual: 1.00% per annum excluding VAT.

MONTH END NAV PRICE:

100.37c

TER: N/A

The Total Expense Ratio (TER) for this portfolio/ class of participatory interest cannot be accurately determined. The TER of this class of participatory interest/ portfolio will be higher than the quoted service charge of the manager.

MINIMUM INVESTMENT AMOUNT:

Monthly debit order R250 pm, Single premium R2000

MANAGEMENT COMPANY:

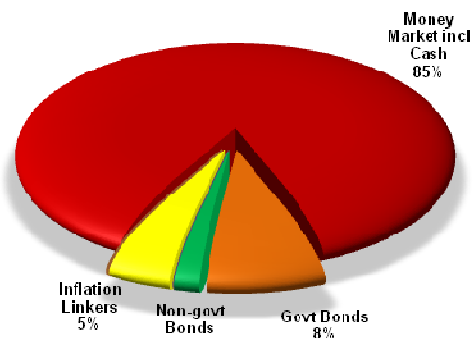
PSG Collective Investments Limited

MARKET OUTLOOK

Another month of higher than expected inflation produced the expected result – higher bond yields and heightened worries about prospects for further rate hikes in South Africa. (Although we do not expect further hikes.) Counterbalanced to that has been the reflationary moves by the US Fed to stave off the effects of the continuing credit and liquidity crunch in the US. We do believe that ultimately the Fed has enough weapons at its disposal to avoid the worst outcomes, but increasingly over the next few months, the markets will have to come to terms with the price to be paid for avoiding systemic meltdown.

In the short to medium term we expect markets to recover confidence in between periods of risk aversion and likely further bank or credit failures. In addition, locally, we do expect inflation to finally start peaking and begin a probably painful path downwards. However, South Africa remains particularly vulnerable to shifts in sentiment and in spite of some recovery in sentiment, there are still underlying trends and dynamics that will worry investors. This includes the state of flux that remains in the political arena, locally as well as across the border in Zimbabwe.

Atlantic Enhanced Income Fund
Asset Allocation 31 March 2008



PORTFOLIO POSITIONING AND ACTIVITY

Unless further upwards move in either food or oil prices becomes apparent, the inflationary forces that have driven inflation to close to 10% will start to lose impetus soon. As such our position in inflation linked bonds will benefit in the short term from the peaking process. However, being able to lock in returns of above 12% in the money market still looks attractive. Longer term bond yields may well provide moderate capital gains in the short term, while property may well have its day again in the medium term. An increase in the risk exposures of the fund is warranted in the short term but we do not believe that we have entered a new long term bull market in interest rates yet.

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