

Atlantic Real Income Fund

Fund Factsheet

April 2011



Product

Atlantic's Real Income Fund is an actively managed fixed income fund which aims to deliver inflation beating returns over time. The fund will invest primarily in inflation linked bonds as well as other high yielding fixed income securities. The fund manager may also invest in listed property and a basket of selected equity securities to ensure the targeted return is achieved. The Fund aims to protect investors capital and at the same time generate an inflation beating income stream.

Portfolio Manager

Arno Lawrenz B.Sc (Hons), CFA

Investment Objective

The objective of the Atlantic Real Income Fund, as an inflation-themed income fund, is to provide a stable base of income, growing at least in line with inflation, whilst also providing capital appreciation opportunities linked to inflationary trends.

Portfolio Positioning and Activity

April has been a month that has seen some downside volatility in risky assets, which is a fair warning that, having run so far already, it is a time to start locking in profits on a prudent basis. Speculation in risky assets has run very far, and greed for more upside is starting to tilt the balance such that future returns are in actuality being frontloaded into the present. A lot of this is due to the low cost of speculation – both in absolute

"It is probably safe to say that we are now in the part of the economic cycle where the recovery starts to take hold and investors look for 'good growth' stories"

Market Outlook

terms being the cost of money, as well as in a risk sense via the cumulative effects of the QE programs.

As such we have opted to slowly cut back on our more volatile positions in the equity space, which have delivered returns well in excess of inflation rates, and have served their purpose well in the fund. We retain for now our ILB positions, although, due to valuations, we remain underweight relative to our long term averages. We would need to see a continuation of a global inflation surge and a spillover into the South African economy to seriously consider adding to this position.

We are still able to receive good low-risk positive real yield returns with low volatility in the money market space, and hence we remain overweight in this class. Investors are reminded that the Real Income Fund remains primarily an Income Fund, designed to deliver the most part of returns via income. Inflation hedging is intimately tied to that quest and this guides our investment decision making on a day to day basis.

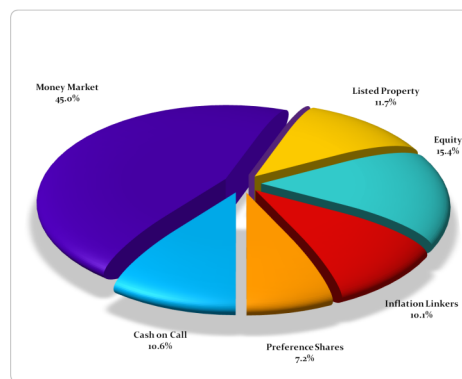
Investment Information

Risk Profile:	Low-Moderate
Benchmark:	CPI + 3% - Measured over a 1 year period
ASISA Fund classification:	Domestic - Asset Allocation - Targeted Absolute Real Return Portfolio
Launch Date:	1 January 2009
Distribution Frequency:	Quarterly
Fund Size at 30 April 2011:	R 37.6m
Distribution Per Unit:	Feb '11 1.12 cents per unit Nov '10 1.54 cents per unit Aug '10 1.12 cents per unit
Fees:	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:	102.24c
TER:	1.32%
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 Real Income Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2010 to 31 March 2011 1.32% 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 2011

Atlantic Real Income Fund



Performance (annualised)	1-Year	2-Year
Atlantic Real Income	9.94%	8.24%
CPI +3%*	6.72%	7.68%

* up to 31/03/2011 Figures Quoted are from @2011 Moneymate for the period ending March 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 and 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, Constanria, 7806, Member of ASISA.