

# ELEMENT REAL INCOME FUND

31 March 2012

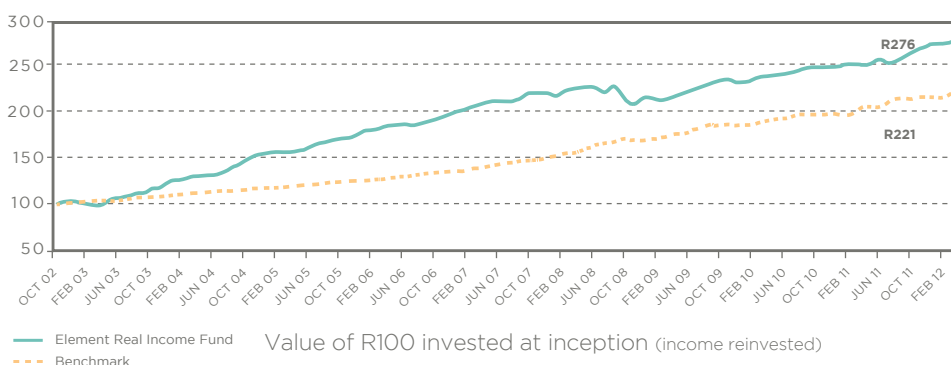
## FUND OBJECTIVE:

The Element Real Income Fund is a domestic asset allocation fund that will provide investors with the opportunity to achieve moderate capital appreciation with a high level of income. The fund is actively managed and aims to achieve the highest sustainable income payout that is possible without eroding the fund's inflation adjusted capital base. The fund aims to grow this income and the underlying capital of the fund in line with inflation (CPI). The fund complies with the legislation governing retirement funds i.e. Regulation 28 of the Pension Funds Act (Act 24 of 1956). Element Investment Managers signed the United Nations Principles for Responsible Investment (PRI) in May 2006. In signing the PRI, we have committed to adopt and implement them where consistent with our fiduciary responsibilities. We believe that this improves our ability to meet commitments to investors as well as better align our investment activities with the broader interests of society. Element Investment Managers is the first South African investment manager to sign the PRI.

## SUITABLE FOR INVESTORS WHO:

- ✘ Are nearing retirement or who have already retired
- ✘ Seek a reasonable income with some capital growth
- ✘ Are risk averse
- ✘ Require the preservation of capital over any rolling three-year period

## TRACK RECORD

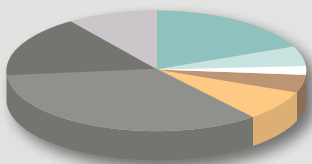


## PERFORMANCE (Net of fees)

	Fund	Benchmark
Since inception (un-annualised)	176.0%	121.5%
Since inception (annualised)	11.4%	8.8%
5 year (annualised)	6.0%	9.8%
3 year (annualised)	8.8%	8.2%
Last 12 months	10.7%	9.3%

## ASSET ALLOCATION

Net Equity	18%	Inflation-linked Bonds	8%
Hedged Equity	2%	Money Market incl. Cash	38%
Listed Property	5%	Foreign Equity	18%
Nominal Bonds	4%	Foreign Income	7%



## RISK STATISTICS

	Fund
Maximum drawdown (since inception)	-7.6%
5 year Sortino Ratio	-0.26
5 year volatility	4.2%

## SECTOR ALLOCATION (% of equities, excl. pref shares)

Index	Element Real Income Fund
FTSE/JSE All Share Index	20%
REAL ESTATE	4%
RESOURCES	35%
INDUSTRIALS	24%
FINANCIALS	17%
INDUSTRIALS	44%
FINANCIALS	31%
FINANCIALS	25%

## INCOME DISTRIBUTION (Last 12 months)

Date	Distribution (cpu)	Local Dividend (cpu)	Foreign Dividend (cpu)	Local interest (cpu)	Foreign interest (cpu)
June 11	1.33	0.23	0.00	1.03	0.07
September 11	1.56	0.31	0.00	1.06	0.19
December 11	1.57	0.23	0.04	1.11	0.19
March 12	2.33	1.05	0.00	1.03	0.25

The Element Real Income Fund declares a distribution quarterly.

## STATUTORY INFORMATION

Figures quoted are from Element Investment Managers (Pty) Limited, for the period ended March 2012, for a lump sum investment, using NAV-NAV with income distributions reinvested. Stats SA replaced CPI-X with CPI from January 2009. Benchmark figures quoted are CPI-X+3% up to December 2008 and CPI+3% thereafter. Collective Investment Schemes in Securities (CIS) are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS prices are calculated on a Net Asset Value (NAV) basis, which is the total value of all assets in the portfolio, including any income accrual and less all permissible deductions from the portfolio. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of participatory interests apply to this portfolio and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. This portfolio is valued daily at 15h00 and forward pricing is used. The portfolio may be closed. Element Unit Trusts Limited is a full member of the Association for Savings & Investment SA (ASISA).

## CONTACT DETAILS

NATALIE SMITH MICHAEL MUIRHEAD  
TEL +27 21 426 1313 FAX +27 21 426 1000 info@elementim.co.za www.elementim.co.za  
8TH FLOOR 125 BUITENGRACHT ST CAPE TOWN 8001 PO BOX 13 CAPE TOWN 8000 REPUBLIC OF SOUTH AFRICA

## PORTFOLIO MANAGERS

Terence Craig  
Matthew Kreeve

## LAUNCH DATE

October 2002

## CURRENT SIZE

R321 million

## NAV PRICE

171.10 cents

## BENCHMARK

CPI+3%

## FUND CLASSIFICATION

Domestic Asset Allocation  
- Targeted Absolute  
and Real Return

## FUND INFORMATION

Minimum investment  
R5 000 lump sum  
R500 debit order

Maximum initial advisor fee  
3.42% (incl. VAT)

Annual management fee  
1.37% (incl. VAT)

## TER

1.40%\*

## TOP TEN SHARE HOLDINGS

(% of equities, excl. pref shares)

SHARE	% OF EQUITY
OLD MUTUAL PLC	7.6
GRAND PARADE	6.6
ANGLOGOLD	6.6
ANGLOS	6.1
SASOL	6.1
MTN GROUP	5.6
GOLD FIELDS	4.6
TONGAAT	4.5
REINET	3.9
HCI	3.7
<b>TOTAL</b>	<b>55.3</b>

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\*The Element Real Income Fund Class A has a Total Expense Ratio (TER) of 1.40% pa. This means 1.40% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.