

ELEMENT SPECIALIST INCOME FUND

31 January 2015

ELEMENT ABIL RETENTION FUNDS

Refer to the Element website www.elementim.co.za for details regarding the creation of Element ABIL Retention Funds as well as updates with respect to ABIL.

FUND OBJECTIVE:

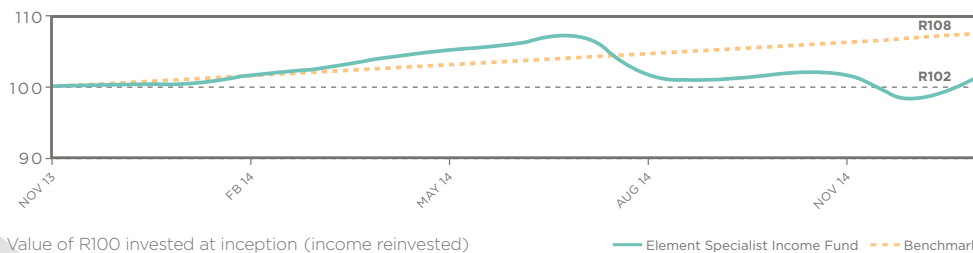
The Element Specialist Income fund aims to achieve consistent outperformance of the money market-related benchmark over rolling three year periods, whilst at the same preserving capital and keeping the volatility of fund returns acceptably low. There is no limit on the maturity of instruments in which the fund can invest and the duration of the fund will vary from time to time, depending on where the fund managers see market opportunities. This fund complies with the legislation governing retirement funds i.e. Regulation 28 of the Pension Funds Act (Act 24 of 1956). Along with the traditional income instruments, the Element Specialist Income Fund can also invest in listed property (max. 25%), ordinary and preference shares (max. 10%), and offshore instruments (max. 25%).

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:

- ✘ Seek actively managed exposure to income generating investments that aim to deliver enhanced money market returns.
- ✘ Wish to delegate the asset allocation function to an experienced investment management team.
- ✘ Are nearing retirement or who have already retired.
- ✘ Are risk averse.

TRACK RECORD:



Value of R100 invested at inception (income reinvested)

— Element Specialist Income Fund — Benchmark

PERFORMANCE (Net of fees)	Fund incl. ABIL Side Pocket ¹	Fund excl. ABIL Side Pocket	Benchmark
Since inception (un-annualised)	1.6%	4.9%	7.7%
Since inception (annualised)	1.4%	4.3%	6.8%
Last 12 months	1.3%	4.6%	6.6%

RISK STATISTICS

Maximum drawdown (since inception)	-8.3%	-5.8%	0.0%
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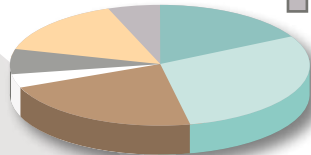
¹Performance has been calculated using a weighted average of the Element Specialist Income Fund Class A and the Element Specialist Income ABIL Retention Fund Class A.

TOP 10 HOLDINGS

	% OF FUND
NBK6A 9.68% 190415	6.6
AQUARIUS PLATINUM 4% 181215	6.1
CPV01 11.00% 300629	5.8
OML01 8.92% 271015	5.1
GRT04 7.583% 150916	4.8
SBS20 10.05% 150526	4.7
FORTRESS INCOME FUND LTD A	4.2
SBS15 7.35% 260416	3.9
BAW17 7.563% 051218	3.8
RDFB03 7.442% 220316	3.8
TOTAL	48.8

ASSET ALLOCATION

Short dated Money Market incl. Cash	18%	Inflation Linked Bonds	3%
Floating Rate Notes	27%	Preference Shares	6%
Fixed Interest Bonds	21%	Listed Property	19%
		Foreign Bonds	6%



INCOME DISTRIBUTION (Last 12 months)

Date	Distribution (cpu)	Local Dividend (cpu)	Foreign Dividend (cpu)	Local Interest (cpu)	Foreign Interest (cpu)
March 14	1.85	0.56	0.00	1.24	0.05
June 14	1.75	0.63	0.14	0.93	0.05
September 14	1.79	0.03	0.00	1.51	0.25
December 14	1.45	0.14	0.00	1.22	0.09

The Element Specialist Income Fund declares a distribution quarterly.

STATUTORY INFORMATION

Figures quoted are from Element Investment Managers (Pty) Limited, for the period ended January 2015, for a lump sum investment, using NAV-NAV with income distributions reinvested. 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. A schedule of fees, charges and maximum commissions is available on request from Element Unit Trusts Limited. 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 Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Element Unit Trusts Limited is a full member of the Association for Savings & Investment SA (ASISA).

CONTACT DETAILS

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RISK PROFILE



PORTFOLIO MANAGER

Terence Craig
Jeleze Hattingh
René Prinsloo

LAUNCH DATE

December 2013

CURRENT SIZE

R102 million

NAV PRICE

94.75 cents

BENCHMARK

110% STEFI

FUND CLASSIFICATION

South African Multi Asset Income

FUND INFORMATION

Minimum investment
R5 000 lump sum
R500 debit order

Maximum initial advisor fee
3.42% (incl. VAT)

Annual management fee
0.855% (incl. VAT)

TER

0.95%²

²The Element Specialist Income Fund Class A has a Total Expense Ratio (TER) of 0.95% pa. This means 0.95% 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.