



## REAL INCOME FUND

30 September 2008

# FRATER

UNIT TRUSTS

The Fraters 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 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 (CPIX). The fund is actively managed and is able to invest in high yielding equities, bonds, fixed deposits, money market instruments, listed debentures, property collective investments, listed property equities and other high yielding securities.

Sector	Domestic Asset Allocation Targeted Absolute and Real Return	Minimum lump sum / debit order	R10 000 / R1 000
Portfolio manager	Frater Asset Management – Terence Craig and Matthew Kreeve		
Launch date	October 2002	Maximum initial advisor fee	3.42% (incl. VAT)
Current size	R694 million	Annual management fee	1.37% (incl. VAT)
Benchmark	CPIX + 3%	NAV price (cents)	160.17

PORTFOLIO			TRACK RECORD	
Performance and risk statistics			Value of R100 invested at inception (income reinvested)	
	Fund	Benchmark		
Since inception (un-annualised)	118.7%	70.4%		
Year to date	-0.5%	13.2%		
Last 12 months	0.3%	16.1%		
3 year (annualised)	8.8%	11.2%		
5 year (annualised)	14.4%	9.7%		
5 year volatility	5.0%	1.9%		
Maximum drawdown	-3.8%	-0.2%		
5 year Sortino Ratio	2.61	6.68		
Source: Frater Asset Management				
<b>TER: 1.38%</b>				
The Fraters Real Income Fund Class A has a Total Expense Ratio (TER) of 1.38% p.a. This means 1.38% 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 TER's.				

ASSET ALLOCATION	SECTOR WEIGHTINGS (Equity incl prefs)

TOP 10 HOLDINGS (% of Equity incl prefs)				INCOME DISTRIBUTION			
	%		%	Date	Distribution (cpu)	Dividend (cpu)	Interest (cpu)
NEDBANK PREFS	18.0	HOWDEN	4.1	<b>Jun 2008</b>	2.99	1.01	1.98
STD BANK PREFS	8.3	MEDI-CLINIC	4.0				
HCI	5.0	SASOL	3.8	<b>Sep 2008</b>	4.20	2.58	1.62
TELKOM	4.8	INVESTEC LTD PREF	3.0				
ENVIROSERV	4.7	BUSINESS CONNEXION	2.9				
		<b>TOTAL</b>	<b>58.6</b>	The Fraters Real Income Fund declares a distribution quarterly.			

STATUTORY INFORMATION	CONTACT DETAILS	
1. Performance figures include income distributions and are calculated after management fees.	Ian Jones	e-mail: <a href="mailto:info@fraters.co.za">info@fraters.co.za</a>
2. FRATER ASSET MANAGEMENT is approved by the Financial Services Board as a Discretionary Financial Services Provider (licence number 663).	Brenda Lambrick - Administration	
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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 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 these portfolios 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. Forward pricing is used. The funds are valued daily at 15h00. The portfolios may be closed. Frater Unit Trust Management Company Limited is a member of the Association of Collective Investments (ACI).