



# REAL INCOME FUND

31 August 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.

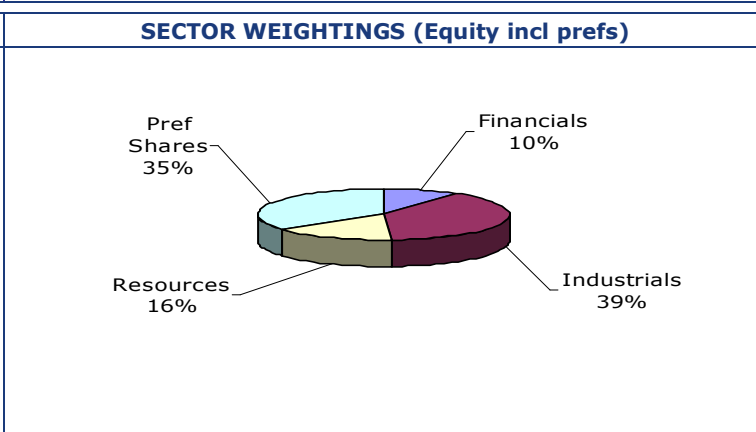
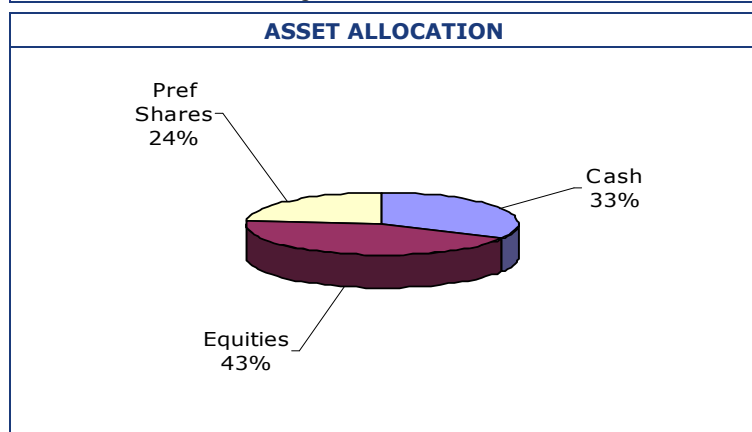
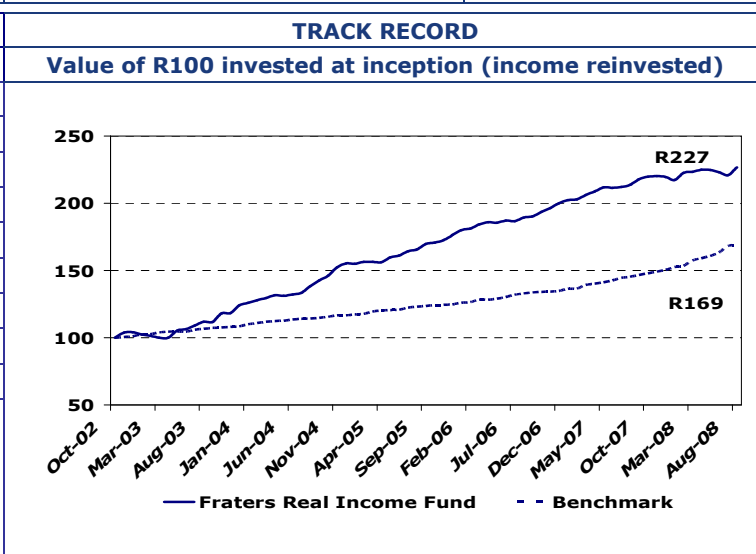
Sector	Domestic Asset Allocation Targeted Absolute and Real Return	Minimum lump sum / debit order	R10 000 / R1 000
Portfolio manager	Fraters Asset Management – Terence Craig and Matthew Kreeve		
Launch date	October 2002	Maximum initial advisor fee	3.42% (incl. VAT)
Current size	R743 million	Annual management fee	1.37% (incl. VAT)
Benchmark	CPIX + 3%	NAV price (cents)	165.82

PORTFOLIO		
Performance and risk statistics		
	Fund	Benchmark
Since inception (un-annualised)	126.7%	69.1%
Year to date	3.2%	12.3%
Last 12 months	6.0%	16.3%
3 year (annualised)	11.0%	11.1%
5 year (annualised)	15.1%	9.7%
5 year volatility	4.6%	2.0%
Maximum drawdown	-3.8%	-0.2%
5 year Sortino Ratio	3.38	7.14

Source: Frater Asset Management

**TER: 1.38%**

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 should be regarded as an indication of future TER's.



TOP 10 HOLDINGS (% of Equity incl prefs)			
	%		%
NEDBANK PREFS	19.8	MEDI-CLINIC	3.7
STD BANK PREFS	10.0	HOWDEN	3.4
TELKOM	5.4	BUSINESS CONNEXION	3.2
HCI	4.6	INVESTEC PREFS	3.0
SASOL	4.1	ILLOVO	2.4
		<b>TOTAL</b>	<b>59.6</b>

INCOME DISTRIBUTION			
Date	Distribution (cpu)	Dividend (cpu)	Interest (cpu)
Mar 2008	4.48	1.20	3.28
Jun 2008	2.99	1.01	1.98

The Fraters Real Income Fund declares a distribution quarterly.

**STATUTORY INFORMATION**

- Performance figures include income distributions and are calculated after management fees.
- FRATER ASSET MANAGEMENT is approved by the Financial Services Board as a Discretionary Financial Services Provider (licence number 663).

**CONTACT DETAILS**

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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).