



## REAL INCOME FUND

31 March 2008

# FRATER

UNIT TRUSTS

Fraters Real Income Fund is an actively managed domestic fund that will provide investors with the opportunity to achieve moderate capital appreciation with a high level of income. The Fraters Real Income Fund aims to achieve the highest sustainable income payout that is possible without eroding the fund's inflation adjusted capital base. The Fraters Real Income 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 unit trusts, listed property equities and other high yielding securities.

Sector	Domestic Targeted Absolute Real Return	Minimum lump sum/debit order	R10 000/R1 000
Portfolio manager	Frater Asset Management – Matthew Kreeve, Terence Craig		
Launch date	October 2002	Maximum initial advisor fee	3.42% (incl. VAT)
Current size	R941 million	Annual management fee	1.37% (incl. VAT)
Benchmark	CPIX Inflation + 3%	Unit price	170.73 c.p.u

PORTFOLIO			TRACK RECORD			
Performance and risk statistics			Value of R100 invested at inception (income reinvested)			
	Fund	Benchmark				
Since inception (un-annualised)	124.8%	57.3%	<p>— Fraters Real Income Fund    - - Benchmark</p>			
Year to date	1.7%	4.5%				
Last 12 months	8.4%	12.9%				
3 year (annualised)	10.1%	10.7%				
5 year (annualised)	17.6%	8.6%				
5 year volatility	4.8%	1.7%				
Maximum drawdown	-3.8%	-0.2%				
5 year Sortino Ratio	7.62	11.71				
<b>TER: 1.38%.</b> The 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 ratio 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 includes prefs)

TOP 10 HOLDINGS (% of holdings excluding bonds & cash)				INCOME DISTRIBUTION			
	%		%	Date	Distribution	Dividend	Interest
Nedbank Prefs	22.8	Illovo	2.9	The Real Income Fund declares a distribution at the end of every quarter.			
Std Bank Prefs	12.5	Mondi Ltd	2.8				
Howden	5.6	HCI	2.8	<b>Dec 2007</b>	2.76cpu	0.25cpu	2.51cpu
Sasol	3.8	ArcelorMittal	2.5	<b>Mar 2008</b>	4.48cpu	1.20cpu	3.28cpu
Investec Ltd Prefs	3.1	Goldfields	2.5				
		<b>Total</b>	<b>61.3</b>				

STATUTORY INFORMATION	CONTACT DETAILS	
1. Performance figures include income distributions and are calculated after management fees.	<a href="#">Kevin Macdonald</a>	e-mail: info@fraters.co.za
2. FRATER ASSET MANAGEMENT is approved by the Financial Services Board as a Discretionary Financial Services Provider (licence number 663).	Administration: Brenda Lambrick	Fax: 021 426 0999
	Tel: 021 426 1313	

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 necessarily a guide to the future. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Different classes of units may apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Marketable Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees, and the annual management fee) from the portfolio, divided by the number of units in issue. A schedule of fees, charges and maximum commissions is available on request from Fraters. Commission and incentives may be paid, and if so, are included in the overall costs. Portfolios may be closed. Forward pricing is used. Fraters' portfolios are valued daily at 3pm. Instructions must reach Fraters before 3pm to ensure same day value. Fraters is a member of the Association of Collective Investments.