

## Fund facts

<b>Industry category</b>	Domestic - Fixed Interest -Varied Specialist
<b>Performance target</b>	1 year Fixed Deposit Index
<b>Inception date</b>	1 April 1993
<b>Fund size</b>	R 1,2 billion
<b>JSE code</b>	ABSC
<b>Fund manager</b>	Rehana Rungasamy - BCom, SAIFM
<b>Asset management company</b>	Absa Asset Management (Pty) Ltd

## Fund details

<b>Minimum lump sum investment</b>	R 2 000
<b>Minimum monthly debit order</b>	R 200
<b>Income declaration</b>	The last day of every month
<b>Income distribution</b>	The 2nd working day of the following month

## Performance: total returns to 31 December 2011 (%)

Term	Absa Income Enhancer Fund
Since inception	11.06
1 year	5.28*
3 years	7.26
5 years	8.57

\* Figures are annualised

Source: Morningstar

## Analysis of Absa Income Enhancer Fund's 1 year return

Date	c.p.u	Nominal distribution as a % of clean price	Monthly % clean price movement
Jan 2011	0.55	0.51%	-0.07%
Feb 2011	0.47	0.43%	-0.03%
Mar 2011	0.51	0.47%	-0.02%
Apr 2011	0.49	0.45%	0.00%
May 2011	0.51	0.47%	-0.05%
Jun 2011	0.47	0.43%	0.00%
Jul 2011	0.47	0.43%	0.03%
Aug 2011	0.48	0.43%	0.00%
Sep 2011	0.45	0.41%	0.03%
Oct 2011	0.47	0.43%	-0.01%
Nov 2011	0.45	0.41%	-0.03%
Dec 2011	0.47	0.43%	-0.07%
<b>Total</b>	<b>5.79</b>	<b>5.30%</b>	<b>-0.15%</b>

1 year income return on the reinvestment of monthly interest 5.43%

1 year capital return of the clean price -0.15%

**Absa Income Enhancer Fund 5.28\***

## Fund objectives

The Absa Income Enhancer aims to provide investors with a high interest income return over the short to medium term. The investable universe of the fund will include interest bearing and non-equity securities, including but not limited to bonds, cash deposits and money market instruments. Modified duration of the fund will not exceed 2 years.

## Risk profile and advisable minimum term

Low	Low-Medium	Medium	Medium-High	High
X				
3 Months +	6 Months +	2 Years +	3 Years +	5 Years +
	X			

## Fees and total expense ratio

**Initial fees:** Absa Fund Managers: 0% (VAT incl.)

Adviser: 0 - 1.14% (VAT incl.)

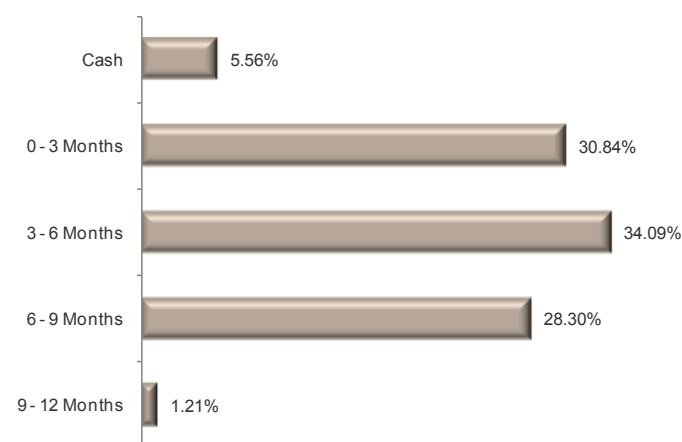
**Annual management fee\*\*:** 0.86% (VAT incl.)

**Total expense ratio:** 0.79%

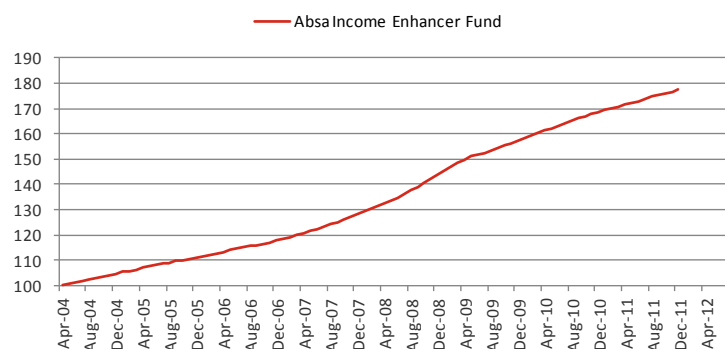
## Risk statistics

Modified duration	0.31
Weighted average duration	114 days

## Duration analysis



## Cumulative performance



\*Index performance of Fund & Benchmark based to 100 at April 2004

## Fund commentary

Consumer price inflation (CPI) for November breached the upper end of the 3%-6% target range in December. CPI printed at 6.1% from the previous 6.0% in October. The increase was once again attributed to higher food and fuel prices. Producer price inflation (PPI) unexpectedly slowed to 10.1% from a previous 10.6% in October.

The Rand remained under pressure over the month amid unabated risk aversion due to the uncertainty surrounding the Eurozone debt crisis.

The Fixed income market was marred by thin trade and liquidity, synonymous with the December month. Bond yields tracked the currency over the month and ended marginally lower. The benchmark R157 bond closed at 6.72% from a previous 6.77% in November and the longer dated R186 bond closed at 8.86%.

Money market yields were largely unchanged from the previous month. The shape of the curve also remained unchanged as the South African Reserve Bank is expected to keep the Repo on hold until the 4<sup>th</sup> quarter 2012. However higher than expected inflation figures and a weaker Rand could, increase expectations for an interest rate hike.

## DISCLAIMER

The Absa Income Enhancer Fund is a low risk fund. No initial charge is levied though investments through intermediaries could include a maximum of 1.14% (incl. VAT) payable for commissions and incentives. An annual service charge of 0.75% (incl.VAT) against the assets of the Fund will be calculated and accrued daily. \*\*The annual management fee includes the financial adviser's ongoing fee of 0.17% (incl. VAT). The investor may instruct Absa Fund Managers in writing at any time to stop the ongoing adviser fee. The Absa Income Enhancer Fund requires a minimum balance of R10 000. 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. The investment return is not guaranteed and is dependent on the performance of the underlying instruments. Forward pricing is used. 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 accrual and less any permissible deductions from the portfolio. Income is distributed monthly and any income may be paid out into an account as nominated by the investor or be represented by additional units. All requests for transactions received on or before 16:00 every day will be traded at ruling prices and valued after 16:00 on that day. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. This Fund may be closed to new investments. The Fund Manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Foreign interest and dividends as well as foreign currency movements affecting capital may be fully taxable under current legislation. Figures quoted are from Morningstar, for the period ending 31/12/2011, using NAV-NAV prices, with income distributions reinvested. This product is not for sale to USA persons. The Total Expense Ratio (TER) is expressed as an annualised percentage of the charges, levies and fees incurred by the portfolio related to its management, for the period from 1 October 2010 to 30 September 2011 against the average NAV of the portfolio over this period. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Consult the Management Company for details. Absa Fund Managers is a member of the Association for Savings and Investment SA.

## Contact details



### Absa Fund Managers Limited

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### Trustees

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