

Fund facts

| | |
|---------------------------------|--|
| Industry category | Domestic - Equity - General |
| Performance target | FTSE/JSE All Share Index |
| Inception date | 1 April 1991 |
| Fund size | R 1.5 billion |
| JSE code | ABSA |
| Fund manager | Errol Shear - B.Bus.Sc. (Finance) (Hons), CA (SA), CFA |
| Asset management company | Absa Asset Management (Pty) Ltd |

Fund details

| | |
|------------------------------------|-----------------------|
| Minimum lump sum investment | R 2 000 |
| Minimum monthly debit order | R 200 |
| Income declaration | 30 June & 31 December |
| Income distribution | 15 July & 15 January |

Top holdings (%)

| | |
|-----------------------------------|------|
| Adcock Ingram Holdings Ltd | 4.22 |
| Anglo American Plc | 6.07 |
| BHP Billiton Plc | 4.97 |
| British American Tobacco Plc | 7.47 |
| Compagnie Financiere Richemont SA | 3.90 |
| Naspers Ltd | 5.07 |
| Rengro Ltd | 3.89 |
| SAB Miller Ltd | 4.24 |
| Sasol Ltd | 6.06 |
| Standard Bank Group Ltd | 4.05 |

Performance: total returns to 31 December 2011 (%)

| Term | Absa General Fund | Benchmark | Sector Average | Rank |
|-----------------|-------------------|-----------|----------------|-------|
| Since inception | 14.06 | 12.91 | 13.15 | 42/86 |
| 1 year | 4.91 | -0.41 | 3.21 | 23/79 |
| 3 years | 16.15 | 14.14 | 15.47 | 32/73 |
| 5 years | 8.24 | 5.12 | 6.98 | 14/57 |

*Figures are annualised

Source: Morningstar

Risk statistics

| Additional information | Data since January 2000 |
|------------------------------|-------------------------|
| Number of positive months | 87/144 |
| Sharpe ratio* | 0.34 |
| Maximum rolling 3 month gain | 23.01% |
| Maximum rolling 3 month loss | -16.95% |

*Risk Free Rate used: 8.54%

Income distributions

| | |
|--|------------|
| Income distribution for the 6 months ended 31 Dec 2011 | 5.09 c.p.u |
| Income distribution for the 6 months ended 30 Jun 2011 | 5.88 c.p.u |

Fund objectives

The fund aims to offer investors medium to long-term capital growth by delivering a higher rate of return than the FTSE/JSE All Share Index through investments in selected JSE listed companies. Exposure to shares will exceed 75% of the fund at all times.

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

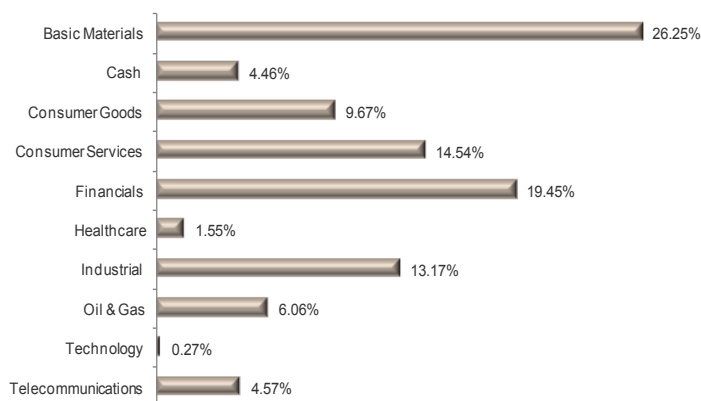
Initial fees: Absa Fund Managers: 2.28% (VAT incl.)

Adviser: 0 - 3.42% (VAT incl.)

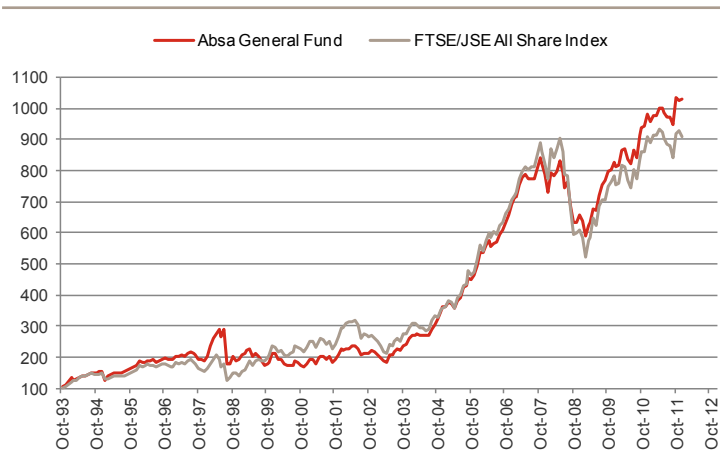
Annual management fee:** 1.71% (VAT incl.)

Total expense ratio: 1.70%

Sector allocation



Cumulative performance since inception*



*Index performance of Fund & Benchmark based to 100 at inception of fund

Fund commentary

The All Share Index (Alsi) lost almost 2.5% in December, which means that the Index ended the year a meager 2.6% up. In December 2011, the best performing sectors were Technology (+4.5%) and Financials (+1.9%). The worst sectors were Basic Materials (-5.7%), which was dragged lower in particular by Gold Mining (-11.1%) and Coal Mining (-5.8%); Consumer Goods lost 3.6% in the month. We constantly stress the importance of investing with a longer-term perspective, and over the last 3 and 5 years, the Absa General Fund has returned 16.2% p.a. and 8.2% p.a. respectively.

Over the last couple of years, there has been dramatic stimulus by central banks and governments worldwide, and there is increasing recognition in various circles that fiscal consolidation will be required for years to come. On 5 August, S&P made the historic decision to downgrade US sovereign debt to a rating of AA+; furthermore the Japanese fiscal position continues to look dire. The rolling debt crisis amongst peripheral European nations is increasing feelings of nervousness amongst various market participants. Events in the Eurozone are changing on an almost daily basis at the moment, so it is virtually impossible to predict the ultimate choices that European politicians will ultimately make. At a "main street" level, the global economic recovery continues to be somewhat anaemic, and the lack of job creation around the world is casting doubt on the extent to which a real business recovery will be able to "carry the baton" once governmental stimulus programmes start to wane.

After plummeting against other major currencies in September, the Rand has stabilized somewhat. Although the local currency weakened slightly against the Dollar in December (from 8.08 at the beginning of the month to 8.15 at the end of the month), it strengthened against the Euro (from 10.88 to 10.58) and against the Pound (from 12.75 to 12.58). As we have previously pointed out, history has shown that the Rand can both strengthen beyond consensus expectations, and also sell off strongly in a short space of time, particularly when sentiment of foreign investors towards South African financial assets turns negative. We have been cautioning that the significant capital inflows experienced by South Africa over the past 18 months could easily experience sudden reversals.

In aggregate the Monetary Policy Committee of the South African Reserve Bank (SARB) has cut interest rates by 650 basis points since their peak. However, inflation is now running above 6%. Furthermore there is still some uncertainty surrounding the economic fundamentals within South Africa, and the outlook for company earnings is quite uncertain. The Fund remains cautiously positioned, and we have tried to keep our equity exposures to companies where we are comfortable with future earnings prospects.

We remind you that we are long term investors and short term fluctuations in share prices neither excite nor depress us. All the stocks in the portfolio are held because they offer long term value, and we expect that value to be unlocked over time.

DISCLAIMER

The Absa General Fund is a high risk fund. The maximum initial charge is 5.70% (incl. VAT) of consideration received and will include a maximum of 3.42% (incl. VAT) payable for commissions and incentives. An annual service charge of 1.71% (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 0.285% (incl. VAT). The investor may instruct Absa Fund Managers in writing at any time to stop the ongoing adviser fee. The Absa General Fund requires a minimum balance of R2000. 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 half yearly 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. 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. The Fund Manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. 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

Reg no 1991/000881/06

Authorised Financial Services Provider - Reg No 330

Absa Investment Campus, 65 Empire Road, Parktown, 2193

PO Box 6115, Johannesburg, 2000



Contact Centre: 0860 111 456 / **Fax:** (011) 480 5440



Email: unittrust@absa.co.za / **Website:** www.absainvestments.co.za



Trustees

Standard Bank Trustees Services

PO Box 54, Cape Town, 8000