

Fund facts

Industry category	Foreign - Fixed Interest - Bond
Performance target	Citigroup World Government Bond 3-7 years
Inception date	1 November 2000
Fund size	R 31 million
JSE code	ABDB
Fund manager	Greg Kettles - B Com (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 500
Income declaration	31 March, 30 June, 30 September & 31 December
Income distribution	15 April, 15 July, 15 October & 15 January

Top holdings (%)

Astrazeneca Plc	14.14
Commerzbank AG	10.40
EDF Energy Networks	4.38
France Telecom SA	6.88
GE Capital Australia	8.44
Germany (Federal Rep)	4.51
Gilts United Kingdom	9.62
Lloyds TSB Bank	3.85
Mcdonalds Corp	12.48
United States of AM	6.97

Performance: total returns to 31 December 2011 (%)

Term	Absa Global Bond Fund	Sector Average	Rank
Since inception	6.40	6.80	5/6
1 year	24.13	25.85	5/6
3 years	-0.78	2.52	5/6
5 years	8.28	8.86	5/6

* Figures are annualised

Source: Morningstar

Income distributions

Distribution for the 3 months ended 31 Mar 2011	0.00 c.p.u
Distribution for the 3 months ended 30 Jun 2011	0.00 c.p.u
Distribution for the 3 months ended 30 Sep 2011	0.52 c.p.u
Distribution for the 3 months ended 31 Dec 2011	1.00 c.p.u

Fund objectives

This rand denominated fund offers investors medium to long-term income growth while at the same time displaying rand-hedge qualities. The full spectrum of investments includes interest bearing securities of differing terms to maturity, taking into account changes in international interest rates, credit risk and liquidity.

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

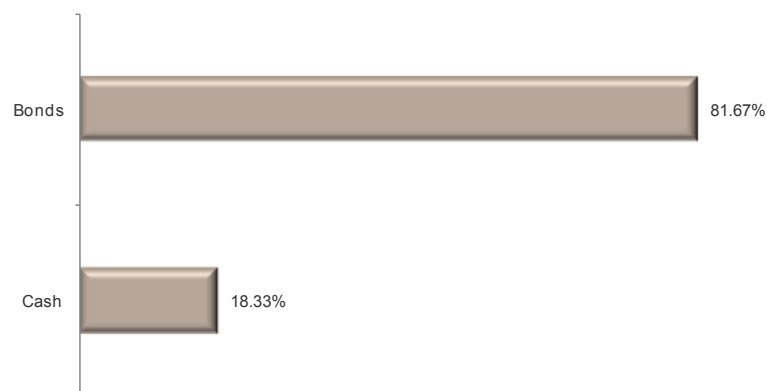
Initial fees: Absa Fund Managers: 0.57% (VAT incl.)

Adviser: 0 - 0.57% (VAT incl.)

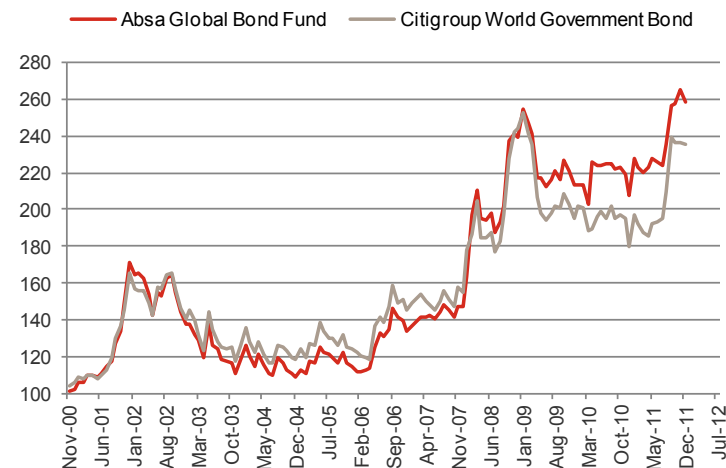
Annual management fee:** 1.43% (VAT incl.)

Total expense ratio: 1.44%

Asset allocation



Cumulative performance since inception*



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

Fund commentary

The last month of the year continued the pattern of volatility that has been seen pretty much since May, with the MSCI World Index closing at levels very much unchanged from the opening levels for the month, although well off the low point seen during December. Despite numerous meetings, little headway seems to have been made in the task of finding a solution to the precarious debt situation in which many Eurozone countries find themselves. The USA remains of concern, although good corporate earnings and better than expected employment numbers may herald the prospect of a better 2012. Food prices remain on an upward trajectory, which will obviously be negative for inflation, but it is unlikely that this measure will run rampant in the medium term.

The uncertainties emanating from Europe and the USA again led to the “risk off” trade, causing a marked decline in yields on government bonds as investors rushed to this perceived safe haven.

Rising inflation (although contained) as a result of higher oil and food prices combined with extremely low bond yields leads us to believe that, despite short term rates remaining extremely low, yields will resume an upward trajectory in the near future. Barring any surprises, the duration of the fund will remain short at this time.

DISCLAIMER

The Absa Global Bond Fund is a low to medium risk fund. The maximum initial charge is 1.14% (incl. VAT) of consideration received and will include a maximum of 0.57% (incl. VAT) payable for commissions and incentives. An annual service charge of 1.43% (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 Global Bond 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 quarterly 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



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