

Absa Euro Income Fund 31 July 2010

Fund Description / Objective

Absa Euro Income Fund is a Rand denominated income type fund with its primary objective to provide the investor with a consistent foreign income that is higher than Euro deposit rates. Both capital and interest will be exposed to currency fluctuations.

Fund Facts

Inception Date	20 November 2006
JSE Code	ABEI
Fund Size	R 81 million
Industry Category	Foreign - Fixed Income - Varied Specialist
Minimum Investment	R 2 000 lump sum R 200 debit order
Initial Fee	1,14% (VAT incl.)
Total Expense Ratio	0,89%
Annual Service Fee	0,86% (VAT incl.)
Income Declaration	31 March, 30 June, 30 September & 31 December
Income Distribution	15 April, 15 July, 15 October & 15 January
Performance target	Euro 90 Day Deposit Rate
Risk Rating	Low - Medium

Income Distribution

Distribution for the 3 months ended 31 December 2009	0,00 c.p.u
Distribution for the 3 months ended 31 March 2010	0,00 c.p.u
Distribution for the 3 months ended 30 June 2010	0,00 c.p.u

Credit Exposure

▪ AAA	50,95%
▪ A+	0,08%
▪ A	39,08%
▪ No rating	9,90%

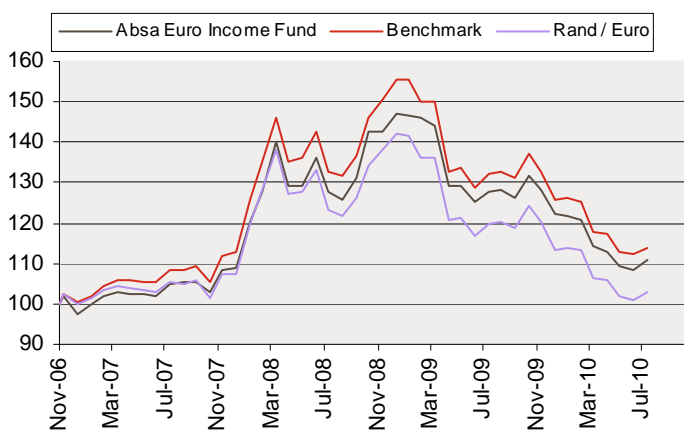
Historic Performance

	Absa Euro Income Fund	Benchmark	ZAR/EURO
1 Year	-13,13%	-13,72%	-14,19%
3 Years*	1,09%	1,75%	-0,88%
5 Years*	N/A	N/A	N/A

* Figures are annualised

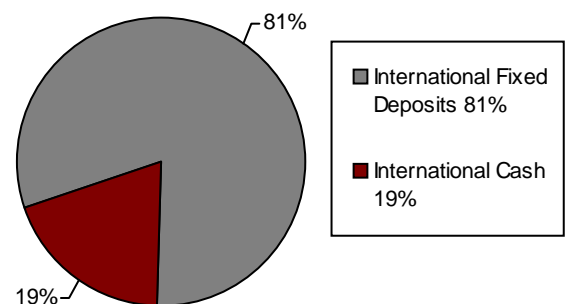
Source: Morningstar

Performance of the fund against its benchmark and the performance of the SA Rand against the Euro



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

Asset Allocation



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Fund Commentary

Following two months of decline, global equity markets bounced back strongly during the month of July, buoyed by reported improvements in the fiscal status of the indebted Eurozone countries. The weaker than expected economic data emanating from the USA and the dovish stance adopted by most central banks were largely ignored by global equity markets. Global bond markets followed the same cues as yields rose over the month. The outlook for inflation remains unclear with views being divided as to whether it is inflation or deflation that lies ahead. The Rand weakened slightly against the Euro over the month, closing at R9.51/EUR at the end of July 2010 from R9.37/EUR at the end of June 2010.

Short term yields rose again during the month, having remained fairly flat during the course of 2010.

The effective interest yield earned on the fund as at end of the month was 1.25%.

Investments will continue to be concentrated as close to the benchmark as possible, keeping duration at the short end of the mandated range.

Asset Management Co:

Absa Asset Management (Pty) Ltd

Portfolio Manager

Greg Kettles
B Com (Hons),
CA(SA), CFA



Contact Details

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To find out more about this fund and
Absa's unit trust range visit :
www.absainvestments.co.za

Absa Fund Managers,
Reg no 1991/000881/06
Authorised Financial Services Provider

Trustees:

Standard Bank Trustee Services
PO Box 54, Cape Town, 8000

DISCLAIMER

The Absa Euro Income 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 0,86% (incl. VAT) payable for commissions and incentives. An annual service charge of 0,86% (incl. VAT) against the assets of the fund will be calculated and accrued daily. The Absa Euro Income 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. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. 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 31/07/2010, 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 July 2009 to 30 June 2010 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.

ASSET MANAGEMENT

PRIVATE CLIENT ASSET MANAGEMENT

MULTI MANAGEMENT

UNIT TRUSTS

STOCKBROKING

PARTICIPATION BONDS

LINKED INVESTMENTS

ABSA
Investments