

# Absa Pound Sterling Income Fund 31 December 2009

## Fund Description / Objective

Absa Pound Sterling 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 Pound Sterling deposit rates. Both capital and interest will be exposed to currency fluctuations.

### Fund Facts

<b>Inception Date</b>	20 November 2006
<b>JSE Code</b>	ABPS
<b>Fund Size</b>	R 62 million
<b>Industry Category</b>	Foreign - Fixed Income - Varied Specialist
<b>Minimum Investment</b>	R 2 000 lump sum R 200 debit order
<b>Initial Fee</b>	1,14% (VAT incl.)
<b>Total Expense Ratio</b>	0,84%
<b>Annual Service Fee</b>	0,86% (VAT incl.)
<b>Income Declaration</b>	31 March, 30 June, 30 September & 31 December
<b>Income Distribution</b>	15 April, 15 July, 15 October & 15 January
<b>Performance target</b>	Pound Sterling 90 Day Deposit Rate
<b>Risk Rating</b>	Low - Medium

### Income Distribution

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

### Credit Exposure

▪ AAA	13,53%
▪ A+	29,81%
▪ A	31,29%
▪ No Rating	25,37%

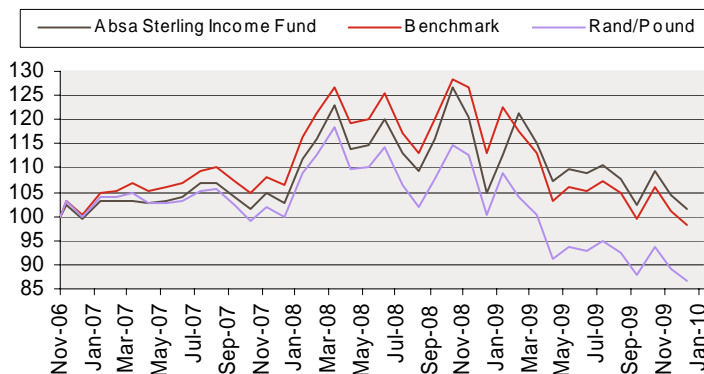
### Historic Performance

	Absa Pound Sterling	Benchmark	ZAR/GBP
1 Year	-11,47%	-12,97%	-13,55%
3 Years*	-2,22%	-0,72%	-4,60%
5 Years*	N/A	N/A	N/A

\* Figures are annualized

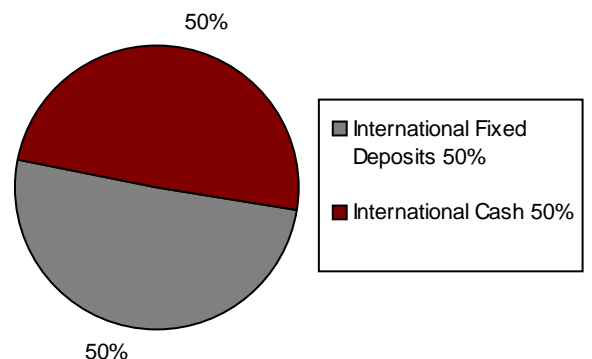
Source: Morningstar

### Performance of the fund against its benchmark and the performance of the SA Rand against the Pound



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

### Asset Allocation



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## Fund Commentary

Global equities ended the year with another “up” month as market sentiment remained positive. By 31 December 2009, the MSCI World Index had risen some 70% from its March 2009 low, and current stock prices are discounting a successful resumption of economic growth. High unemployment, however, does remain an inhibiting factor. Bond yields rose quite sharply during the month in the USA and the UK, while the rise in the Eurozone was more muted. The Rand continued to strengthen against Sterling over the month, closing R11.87/GBP at the end of December from R12.20/GBP at the end of November 2009.

For the third month in a row, short term yields rose marginally, giving a strong indication that rates have bottomed out.

The effective interest yield earned on the fund as at end of the month was 0.80%.

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

#### Absa Fund Managers Limited:

Absa Investments Campus,  
65 Empire Road, Parktown, 2193  
PO Box 6115, Johannesburg, 2000

Contact Centre : 0860 111 456  
Fax : (011) 480 5440  
unittrusts@absa.co.za

To find out more about this and  
Absa's unit trust range visit :  
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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 Pound Sterling 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 Pound Sterling 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 31/12/2009, 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 2008 to 30 June 2009 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.

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