



Adviser Choice

Investec Absolute Balanced Fund

As at 28 February 2011

Investment objective

The Investec Absolute Balanced Fund targets inflation-beating returns measured over three year periods, while actively managing downside risk.

Strategy

The fund invests in a mix of South African equities, bonds and money market instruments. Equity exposure is currently limited to 75%. Significant portions of the fund are however protected from negative returns using financial instruments such as equity and bond index futures. The aim is to preserve capital from a downward move in the market.

Fund features

- Strong focus on capital preservation and absolute returns
- Low probability of negative returns over 12 month periods
- Preserves wealth in real terms, regardless of whether markets are rising or falling

Performance

Monthly performance % (A Class, net of fees)

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2003	-	-	-	-	-	-	0.8	1.0	0.5	1.4	2.2	0.9	7.0
2004	-0.5	0.4	1.1	-0.3	0.6	1.1	0.8	1.1	0.6	1.3	1.6	0.2	8.3
2005	0.5	0.9	-0.4	0.7	0.9	0.7	1.4	0.3	1.9	0.3	0.3	1.7	7.6
2006	1.7	-0.1	0.5	0.7	-0.1	-1.0	0.5	0.5	-0.1	0.7	1.3	1.2	6.0
2007	1.4	0.6	0.7	0.5	0.6	0.6	0.6	0.9	0.6	1.5	0.2	0.9	9.7
2008	-0.3	1.8	0.1	0.8	1.1	0.0	0.8	1.2	1.7	0.1	1.0	0.9	9.6
2009	1.0	-0.3	0.5	1.6	0.9	0.0	2.2	0.5	0.3	1.0	0.3	1.3	9.7
2010	-0.1	0.4	0.7	0.5	-0.1	0.6	0.1	0.4	0.7	0.7	1.1	0.9	6.0
2011	-0.3	0.6											0.3

Risk and return

Historic performance

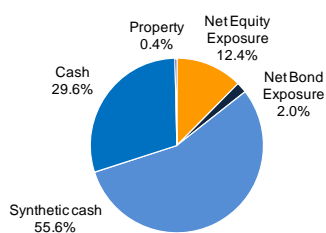
Cumulative returns	1 year	3 years	5 years	Since Incep.
Investec Absolute Balanced A	6.1%	26.0%	46.4%	88.3%
Investec Absolute Balanced B	6.1%	26.3%	47.6%	91.2%
Headline CPI [#]	3.7%	19.7%	38.6%	47.1%

Annualised returns	3 years	5 years	Since incep.
Investec Absolute Balanced A	8.0%	7.9%	8.6%
Investec Absolute Balanced B	8.1%	8.1%	8.8%

Source: Investec Asset Management, Morningstar, NAV-NAV, Gross Income Reinvested.# Headline CPI (for all urban areas) but CPIX for periods before 1/1/2009, lagged by a month. ¹Standard Deviation: Measures the volatility of investment return. The higher the standard deviation, the more volatile the fund's returns are. ²Sharpe ratio: Measure the risk adjusted return of a unit trust fund compared to the risk-free rate of return (money market return).

Asset allocation

Effective asset allocation



Breakdown of asset allocation

Equity (excl property)	66.4%
Equity derivatives	-54.0%
Net equity exposure	12.4%
Property	0.4%
Bonds	3.6%
Bond derivatives	-1.6%
Net bond exposure	2.0%
Equities (synthetic cash)	54.0%
Bonds (synthetic cash)	1.6%
Cash & money market assets	29.6%
Total	100%

Fund and risk statistics

3 Year Volatility (std dev) ¹	2.0%
3 Year Sharpe ratio ²	-0.57
Max. drawdown (3 yrs)	-0.32%
Nr of negatives months	10/92
Positive months (since launch)	89.1%

Risk profile



Key Facts

Portfolio manager: Clyde Rossouw
Launch date: 1 July 2003
Sector: Domestic AA Targeted Absolute & Real Return
Size of fund: R1.9 billion
Target Return: Headline CPI +4% pa (under current market conditions) measured net of fees over 3 year periods
Minimum investment: R10 000 lump sum or R500 monthly debit order

Fees

	A Class	B Class
Initial fund fee	0%	0%
Initial Adviser fee	3.00%*	0%
Annual management fee	1.20%	1.20%

* Negotiable

Fees are shown excluding VAT

Important notice:

The annual management fee for A and B class reduced on 1 April 2010 from 1.50% to 1.20%. The corresponding TERs include periods before 1 April 2010, and can therefore be expected to reduce over time.

Total expense ratio (TER)

The TERs for this fund are listed below.

	A Class	B Class
TER	1.43%	1.46%

TERs shown are including VAT

Income distribution

Income distribution dates

March & September

Previous income distribution for 6 months to 30 September 2010

A Class: Net dividend 0.74 cpu
 B Class: Net dividend 0.70 cpu
 A Class: Interest distribution 1.20 cpu
 B Class: Interest distribution 1.24 cpu

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