



# Investec Cautious Managed Fund

As at end December 2010

## Summary of investment objective

The Fund aims to provide a combination of income and long term capital growth by investing conservatively in a diversified portfolio of equities, bonds and other fixed interest securities of high quality and marketability. At all times the Fund's equity exposure will be limited to a maximum of 60% of the portfolio value.

## Fund overview

The Cautious Managed Fund is designed to provide exposure to quality equities and bonds. By holding equities and bonds together, the Fund will typically demonstrate less volatility than a direct investment in the UK equity market. Active management of the balance between the asset classes may also help to produce steady capital appreciation over the longer term. However, it is not possible to eliminate risk entirely, and there is always the possibility that you may not make a profit, or you may lose money.

For the equity holdings in the portfolio we use a contrarian approach. We target out of favour stocks, aiming to understand why conventional wisdom might be wrong. Rather than focusing on short-term performance concerns, the Fund concentrates instead on the long-term potential of undervalued stocks. By approaching stocks in this manner, we can focus on the potential upside in the belief that many of the negatives are already discounted in the share price.

The range of securities available is reduced on a preliminary basis through a screening process which highlights the stocks that have underperformed the wider market. These stocks are then further scrutinised to identify attractive investment opportunities. We do not follow short-term trends; rather, we look for good underlying fundamental values such as company assets, cashflows and profits.

The equity component of the Fund is supplemented with a selection of highly marketable bonds, which will always represent at least 35% of the Fund's value. The Fund does not invest in high yield bonds.

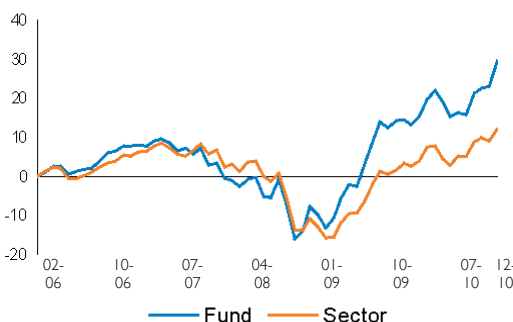
## Monthly and annual average returns (%)

	1 month	1 year	3 years annualised	5 years annualised	10 years annualised
Cautious Managed Share Class A Series i	5.1	12.9	7.8	5.5	6.2
IMA Cautious Managed	2.9	8.7	1.7	2.6	3.3
Fund / sector rank	4/169	10/155	3/118	8/79	3/25

## Calendar year performance (%)

	YTD	2009	2008	2007	2006	2005
Cautious Managed Share Class A Series i	12.9	24.2	-10.8	-4.0	8.6	12.7
IMA Cautious Managed	8.7	15.8	-16.4	1.2	6.8	12.3
Fund / sector rank	10/155	9/142	33/118	95/98	35/79	35/64

## Comparative performance (%)



## Fund statistics - vs benchmark

	1 year	2 years	3 years
Annualised alpha	2.4	4.5	3.6
Beta	0.9	0.9	1.1
Annualised information ratio	0.2	0.8	0.7
Annualised tracking error	5.6	4.9	5.0
Annualised volatility	9.0	10.3	13.0

For an explanation of statistical terms, please see: [www.investecassetmanagement.com/glossary](http://www.investecassetmanagement.com/glossary)

## Ratings

**OBSR** **AA**  
Fund ratings may be provided by independent rating agencies based on a range of investment criteria. For a full description of the ratings please see [www.investecassetmanagement.com/ratings](http://www.investecassetmanagement.com/ratings)

## Key facts

**Fund manager:** Alastair Mundy  
**Fund size:** £1764.8m  
**Fund launch date:** 7.6.93  
**'A' Share class launch date:** 2.3.98  
**Domicile:** United Kingdom  
**IMA sector:** IMA Cautious Managed  
**Benchmark:** 50% FTSE AllShare & 50% ML GBP Broad Market  
**'A' Share class dealing currency:** GBP  
**ISA status:** Yes  
**Historic yield:** 1.40%

## 'A' Share class charges

**Maximum initial charge:** 4.50%  
**Annual management fee:** 1.50%  
**Est. total expense ratio:** 1.36%

The annual management charge changed to be 1.50% on 1 October 2010. The TER above includes periods before this date and so the TER can therefore be expected to increase over time to an estimated 1.61%.

## Other information

**Pricing:** 12 noon (forward pricing)  
**Minimum investment:**  
£1,000 lump sum  
£100 per month  
**Type of shares:** Inc - Net  
Acc - Net  
**Dividend payment dates:**  
28 Feb, 31 May, 31 Aug, 30 Nov  
**'A' Share class codes:** GBP (Acc, Net)  
**Sedol:** 3107481  
**ISIN:** GB0031074817  
**Valoren:** I352784  
**WKN:** A0H0XB  
**Bloomberg:** GUICPTA  
**MEX ID:** YFECA

Past performance should not be taken as a guide to the future and there is no guarantee that this investment will make profits. Returns will vary with market action, fee levels and taxes and in certain market conditions losses may be exaggerated.

Please see over for performance data and other sources.



# Investec Cautious Managed Fund

## Top 10 bond holdings (%)

United States Treas 1.25 Apr 15 14 Tips	4.7
Norway(Kingdom Of) 5.0 May 15 15	4.4
Norway(Kingdom Of) 6.5 May 15 13	4.2
United States Treas 0.625 Apr 15 13 Tips	3.4
Norway(Kingdom Of) 6.0 May 15 11	3.4
UK Treasury 4.25 Mar 07 11	3.2
United States Treas 2.375 Jan 15 27 Tips	1.6
United States Treas 2.5 Jan 15 29 Tips	1.6
United States Treas 1.75 Jan 15 28 Tips	1.6
Provident Finl. 8.0 Oct 23 19	0.7
<b>Total</b>	<b>28.9</b>

## Top 10 equity holdings (%)

HSBC Holdings	3.6
Signet Jewelers Ltd	3.5
BP	3.4
Royal Dutch Shell	3.3
Glaxosmithkline	3.3
Kingspan Group Plc	2.3
CF Morant Wright Japan Fund	2.1
Unilever	2.0
UK Commercial Property Trust L	1.8
Travis Perkins	1.8
<b>Total</b>	<b>26.9</b>

## Sector analysis (%)

Industrials	20.7
Oil & Gas	16.9
Financials	15.5
Consumer Services	14.1
Health Care	11.9
Consumer Goods	9.6
Technology	4.8
Telecommunications	3.8
Utilities	2.5
Basic Materials	0.3
<b>Total</b>	<b>100.0</b>

based on equity % of portfolio excluding investment trusts

## Asset split (%)

UK Equities	42.4
US Index-Linked Government bonds	13.1
Norwegian Government Bonds	12.0
Corporate Bonds	9.3
Cash & short dated UK Government Bonds	7.7
Gold Shares	7.1
Japanese Equities	6.1
US Equities	2.4
<b>Total</b>	<b>100.0</b>

## Important information

### Risk factors you should consider before making an investment:

The value of this investment, and any income generated from it, will be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which it invests. Investors are not certain to make profits; losses may be made.

All the information contained in this communication is believed to be reliable but may be inaccurate or incomplete. Any opinions stated are honestly held but are not guaranteed and should not be relied upon.

This communication is provided for general information only. It is not an invitation to make an investment nor does it constitute an offer for sale. The full documentation that should be considered before making an investment, including the prospectus and simplified prospectus, which set out the fund specific risks, is available from Investec Asset Management. The information contained herein is not a substitute for independent advice. A rating is not a recommendation to buy, sell or hold a fund.

This communication should not be distributed to private customers who are resident in countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful. Please visit [www.investecassetmanagement.com/registrations](http://www.investecassetmanagement.com/registrations) to check registrations by country.

Performance data source: Lipper; dates to 31.12.10, NAV based, total return, net of UK basic rate tax, no initial charges, in sterling. All other information is from Investec Fund Managers at 31.12.10.

In the USA, this communication should only be read by institutional investors, professional financial advisers and, at their exclusive discretion, their eligible clients, but must not be distributed to US Persons. THIS INVESTMENT IS NOT FOR SALE TO US PERSONS.

Telephone calls may be recorded for training and quality assurance purposes.

### Contacting us

UK/Europe: +44 (0)20 7597 1800  
If calling within the UK: 0800 389 2299  
[broker@investecmail.com](mailto:broker@investecmail.com)  
[www.investecassetmanagement.com](http://www.investecassetmanagement.com)

Americas: +1 212 259 5617  
US toll free: +1 800 434 5623  
[usbroskrsupport@investecmail.com](mailto:usbroskrsupport@investecmail.com)  
[www.investecassetmanagement.com](http://www.investecassetmanagement.com)