

Fund facts

Industry category	Domestic - Equity - Large Cap
Performance target	FTSE/JSE Top 40 Index
Inception date	28 September 2001
Fund size	R 300 million
JSE code	ABRF
Fund manager	Stephen Arthur - B.Sc. Eng Mining, CFA
Asset management company	Absa Asset Management (Pty) Ltd

Fund details

Minimum lump sum investment	R 2 000
Minimum monthly debit order	R 200
Income declaration	30 June & 31 December
Income distribution	15 July & 15 January

Top holdings (%)

Anglo American Plc	9.92
Anglogold Ashanti Ltd	3.42
BHP Billiton Plc	9.35
British American Tobacco Plc	3.82
Compagnie Financiere Richemont SA	6.03
MTN Group	7.50
Naspers Ltd	4.70
Old Mutual Plc	4.23
SAB Miller Plc	9.21
Sasol Ltd	7.56

Performance: total returns to 31 December 2011 (%)

Term	Absa Rand Protector Fund	Benchmark	Sector Average	Rank
Since inception	17.82	16.37	12.42	2/9
1 year	4.14	2.20	2.30	2/8
3 years	17.70	16.43	16.40	2/7
5 years	10.63	7.49	7.90	2/7

*Figures are annualised

Source: Morningstar

Risk statistics

Additional information	Fund since inception
Number of positive months	75/123
Sharpe ratio*	0.52
Maximum rolling 3 month gain	25.62%
Maximum rolling 3 month loss	-21.31%

*Risk Free Rate used: 8.30%

Income distributions

Income distribution for the 6 months ended 30 Jun 2011	1.71 c.p.u
Income distribution for the 6 months ended 31 Dec 2011	3.71c.p.u

Fund objectives

The Absa Rand Protector Fund aims to offers investors long-term capital growth as well as hedging against a depreciating rand by investing in approximately 20 large capitalisation shares that derive a significant part of their earnings in foreign currencies. Exposure to shares will exceed 75% at all times.

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

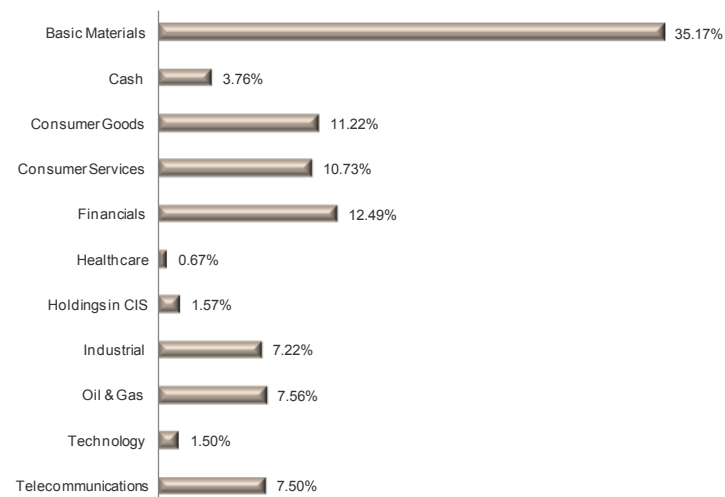
Fees and total expense ratio

Initial fees: Absa Fund Managers: 0%
Adviser: 0 - 3.42% (VAT incl.)

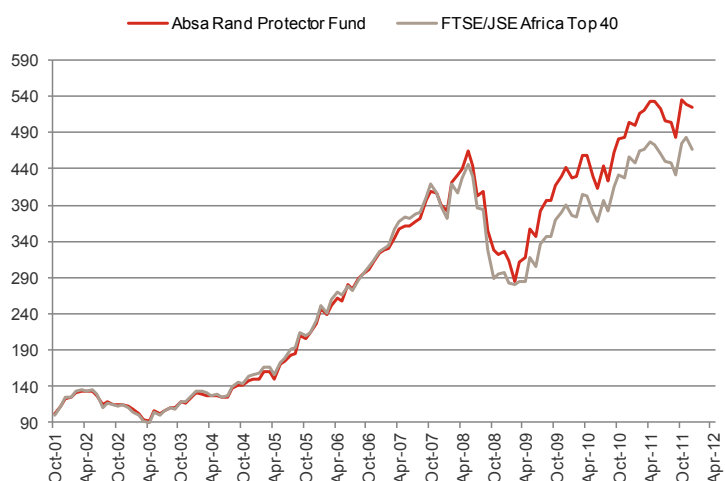
Annual management fee:** 1.14% (VAT incl.)

Total expense ratio: 1.13%

Sector allocation



Cumulative performance since inception*



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

Fund commentary

The year has started off reasonably well. Economic data out of the US is surprising on the up, and the mood is slowly improving. It is an election year after all. The most recent data out of China has also been very encouraging. Inflation printed in line with expectation. Meanwhile Chinese GDP growth came in higher than expectation at 8.9%. Industrial Production was also particularly strong at 12.8%. However, the investment focus is still directed towards Europe. The summit yielded a mixed bag but certainly not a complete solution. The rating agencies are also contemplating investment downgrades for the Euro region. France has been the first of the majors. Disturbingly, European bond yields continue to remain at high levels. The ECB did react by reducing interest rates, but the market believes that more has to be done. Europe's economic solution unfortunately lies with the politicians. The Chinese have started the easing process but reducing reserve requirements for the banks. This is a very welcome development. The other major policy development is that most central banks in the emerging markets countries are placing interest rate hikes on hold or reducing rates, depending on the outcome of growth in the developed countries. Australia is also considering a more accommodative monetary stance and recently reduced their interest rates. Recent data out of China suggests that both import and export volumes are slowing. Commodity prices have corrected sharply. However concerns about the EU periphery economies still lingers.

The above move in sentiment is creating a better environment for equities in the short term. Thus, despite the uncertainty equity markets have moved off their lows, with good returns recorded over the past three month. Certain commodity prices have also started to strengthen. The consensus seems to be suggesting that the developed economies especially the US are faring better, but economic growth will be below trend.

The Rand's has been very volatile since the beginning of the year. Our base case is that the Rand will trade in a range of R8/\$ to R8.5/\$ ending 2012 and 2013 at R8.25/\$.

Our resources weighting is 44%. This is below our benchmark. On a long-term basis resource shares are offering value. We are likely to be accumulating resource shares over the next few months – on weakness.

In comparing the performance of this Trust with other funds, investors should be aware that this Trust is listed under the domestic large capitalization category. The Rand Protector is managed against a benchmark that consists of 25 shares from the Alsi 40 with good Rand hedge qualities, and will have lower weightings in financials and domestic industrial companies relative to the other funds in this category.

DISCLAIMER

The Absa Rand Protector Fund is a high risk fund. No initial charge is levied, though investments through intermediaries could include a maximum of 3.42% (incl. VAT) payable for commissions and incentives. An annual service charge of 1.14% (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 0.285% (incl. VAT). The investor may instruct Absa Fund Managers in writing at any time to stop the ongoing adviser fee. The Absa Rand Protector 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 half yearly 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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