

Investec UK Smaller Companies Fund

As at end December 2009



Summary of investment objective

The Fund aims to achieve long term capital growth primarily through investment in equities issued by UK smaller companies and in derivatives, the underlying assets of which are equities issued by UK smaller companies.

Fund overview

Investing in the smaller companies sector offers exposure to a group of businesses, many of which are driven by different dynamics than larger enterprises. The mix of industries and economic sensitivities is different, leading to performance that can be uncorrelated with the large capitalisation market. Smaller companies may be in new growth areas where earnings can grow rapidly, they may be cyclical and offer leveraged exposure to turns in the economy, or they may occupy a particular niche which could make them attractive for acquisition by a larger company. In consequence, smaller company investing offers the potential for superior returns from each of these different characteristics although it brings with it the risk of more volatile returns.

Using Investec Asset Management's proprietary 4Factor stock selection process, we look to target companies which are cash generative, with robust balance sheets and strong track records. They must also appear to be undervalued, have improving operating performance and, importantly, demonstrate positive share price trends.

Monthly and annual average returns (%)

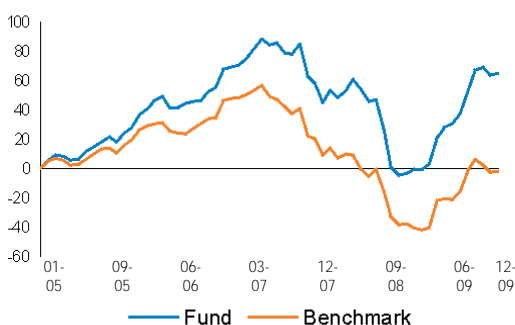
	1 month	1 year	3 years annualised	5 years annualised
UK Smaller Companies Fund Share Class A	0.6	70.8	-0.6	10.5
FTSE Small Cap (X It) TR	0.9	57.7	-12.6	-0.5
IMA UK Smaller Companies	1.9	50.1	-6.0	4.3
Fund / sector rank	48/59	6/59	5/53	3/47

Calendar year performance (%)

Dates to 31.12.09

	YTD	2008	2007	2006	2005	2004
UK Smaller Companies Fund Share Class A	70.8	-39.0	-5.6	31.4	27.5	25.2
FTSE Small Cap (X It) TR	57.7	-48.3	-17.9	22.9	19.0	13.1
IMA UK Smaller Companies	50.1	-40.7	-6.6	23.7	19.9	22.1
Fund / sector rank	6/59	27/57	21/53	10/48	9/47	19/45

Comparative performance (%)



Fund statistics - vs benchmark

	1 year	2 years	3 years
Alpha	2.4	0.8	0.8
Beta	0.5	0.8	0.8
Annualised information ratio	0.5	0.9	1.2
Annualised tracking error	17.1	13.4	11.1
Annualised volatility	19.9	27.7	24.1

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.

Ratings

Morningstar **★★★★★**

Key facts

Fund manager: Philip Rodrgs

Fund size: £117.1m

Fund launch date: 30.7.82

'A' Share class launch date: 30.7.82

Domicile: United Kingdom

IMA sector: UK Smaller Companies

Benchmark: FTSE Small Cap (X It) TR

'A' Share class dealing currency: GBP

ISA status: Yes

Historic yield: 0.62%

'A' Share class charges

Maximum initial charge: 4.50%

Annual management fee: 1.50%

Est. total expense ratio: 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:

30 Nov

'A' Share class codes: GBP (Acc, Net)

Sedol: 3107555

ISIN: GB0031075558

Valoren: 1352803

WKN: A0H0XL

Bloomberg: GUITECA

MEX ID: GMTBUA

For an explanation of statistical terms, please see:

www.investecassetmanagement.com/glossary.

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.

Out of the Ordinary™



Investec UK Smaller Companies Fund

Top holdings (%)

Intec Telecom Systems	3.4
BATM Advanced Communications	2.8
LSL Property Services Plc	2.5
Globeop Financial Services	2.2
Hill & Smith Holdings	2.1
Safestore Holdings Ltd	2.1
Immunodiagnostic Systems Holdi	2.1
Care UK Plc	2.0
Elementis	1.9
Delta	1.9
Total	23.1

Sector analysis (%)

Industrials	31.2
Technology	18.0
Financials	17.1
Consumer Services	12.3
Basic Materials	7.9
Health Care	6.8
Oil & Gas	2.9
Consumer Goods	1.5
Others	1.2
Cash	1.1
Total	100.0

Geographic allocation (%)

This Fund is primarily invested in securities that are listed in London. However, due to globalisation, the economic exposures of the investments will be to a range of countries.

Stock weightings vs benchmark - top 5 and bottom 5 (%)

Globeop Financial Services	2.2
Immunodiagnostic Systems Holdi	2.1
BATM Advanced Communications	2.0
LSL Property Services Plc	2.0
Pace Micro Technology	1.9
Workspace Group	-1.3
Development Securities	-1.3
Senior	-1.4
Mouchel Group	-1.4
ITE Group	-1.5

Sector weightings vs benchmark - top 5 and bottom 5 (%)

Technology Hardware & Equipment	5.1
Support Services	5.0
Financial Services	4.0
Software & Computer Services	2.7
Chemicals	2.3
Fixed Line Telecommunications	-1.8
Pharmaceuticals & Biotechnology	-2.6
Nonlife Insurance	-2.9
Real Estate Investment Trusts	-3.2
Industrial Transportation	-3.6

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 market and currency movements and by 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 document is believed to be reliable but may be inaccurate or incomplete. A full explanation of the characteristics of the investment is given in the prospectus. Any opinions stated are honestly held but are not guaranteed and should not be relied upon.

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Performance data source: Lipper, dates to 31.12.09, NAV based, total return, net of UK basic rate tax, no initial charges, in sterling. All other information is from Investec Fund Managers at 31.12.09. Sector breakdowns are based on Industry Classification Benchmark ('ICB') definitions. ICB is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use.

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