

# Investec UK Special Situations Fund

As at end May 2009



## Summary of investment objective

The Fund aims to provide a combination of income and long term capital growth, primarily through the application of a contrarian approach to investment in UK equities and in derivatives, the underlying assets of which are UK equities.

## Fund overview

The UK Special Situations Fund is run on an investment approach based on a contrarian view on the timing of buy and sell decisions. We assess whether or not the company and its stock appears to be out of favour with the market and therefore appears to be undervalued.

The range of securities available is reduced on a preliminary basis by passing those companies with a market capitalisation above £100 million through a screening process which highlights the poorest performing stocks. This isolates opportunities with attractive characteristics which are then, in turn, scrutinised in greater detail to identify investment opportunities. We aim to disprove the conventional wisdom surrounding an out of favour stock and look for good underlying fundamental values such as the company's assets, current cashflows or profits.

We avoid the most popular market sectors, believing that these stocks could be overvalued. We believe that this strategy focuses on lower risk shares, as each new holding will typically have fallen significantly in price, yet have a combination of valuation factors which suggests that the shares are trading at a discount. As each share is generally out of favour for a unique reason and is expected to come back into favour in its own cycle, there is potential for smoother returns over a longer-term horizon.

## Monthly and annual average returns (%)

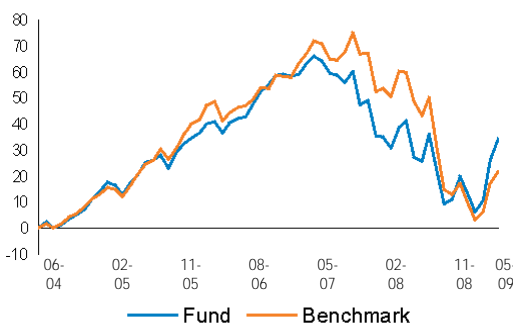
	1 month	1 year	3 years annualised	5 years annualised
UK Special Situations Fund Share Class A	6.5	-4.9	-0.6	6.1
FTSE All Share TR	4.2	-23.7	-4.8	4.1
IMA UK All Companies	3.5	-24.9	-6.1	2.8
Fund / sector rank	22/327	1/315	20/284	30/250

## Calendar year performance (%)

Dates to 31.5.09

	YTD	2008	2007	2006	2005	2004
UK Special Situations Fund Share Class A	12.0	-19.6	-6.1	19.8	18.9	14.7
FTSE All Share TR	4.2	-29.9	5.3	16.8	22.0	12.8
IMA UK All Companies	6.3	-32.3	1.8	17.2	20.7	12.5
Fund / sector rank	57/324	8/313	273/295	74/277	192/256	70/246

## Comparative performance (%)



## Fund statistics - vs benchmark

	1 year	2 years	3 years
Alpha	2.1	0.6	0.4
Beta	1.1	1.0	1.0
Annualised information ratio	3.3	0.9	0.6
Annualised tracking error	6.7	7.6	6.7
Annualised volatility	28.8	22.4	18.7

## Ratings

Standard & Poor's	A
OBSR	AA

## Key facts

**Fund manager:** Alastair Mundy  
**Fund size:** £202.8m  
**Fund launch date:** 2.10.78  
**'A' Share class launch date:** 2.10.78  
**Domicile:** United Kingdom  
**Lipper IMA sector:** UK All Companies  
**Benchmark:** FTSE All Share TR  
**'A' Share class dealing currency:** GBP  
**ISA status:** Yes  
**Historic yield:** 3.78%

## '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 (Inc, Net)  
**Sedol:** 3107878  
**ISIN:** GB0031078784  
**Valoren:** 1340520  
**WKN:** 800103  
**Bloomberg:** GUIEQII  
**MEX ID:** GMHI

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

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.



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## Top holdings (%)

Royal Dutch Shell	8.2
HSBC Holdings	7.5
BP	7.3
Glaxosmithkline	6.1
Vodafone Group	4.6
Unilever	3.9
Astrazeneca	3.8
Signet Jewelers LT	3.6
Travis Perkins	2.8
British American Tobacco	2.6
<b>Total</b>	<b>50.4</b>

## Sector analysis (%)

Oil & Gas	15.9
Health Care	12.1
Industrials	10.8
Consumer Services	10.5
Consumer Goods	10.3
Financials	9.5
Telecommunications	6.1
Basic Materials	5.4
Technology	4.1
Utilities	1.0
Cash	10.8
Unclassified	3.5
<b>Total</b>	<b>100.0</b>

## 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 (%)

Signet Jewelers LT	3.6
Travis Perkins	2.7
Unilever	2.4
Kingspan Group	2.3
Invensys	2.1
Standard Chartered	-1.9
Barclays	-2.0
Rio Tinto	-2.2
BHP Billiton	-2.6
BG Group	-3.0

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

Health Care	4.0
Technology	2.7
Construction & Materials	2.1
Industrial Goods & Services	2.0
Retail	1.6
Utilities	-3.1
Basic Resources	-4.1
Oil & Gas	-4.8
Financial Services	-4.8
Banks	-4.9

## 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 29.5.09, bid to bid, total return, net of UK basic rate tax, no initial charges, in sterling. All other information is from Investec Fund Managers at 29.5.09. 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.

Telephone calls may be recorded to confirm your instructions.

## Contacting us

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