

**INVESTEC  
American (OEIC)**

**OBSR Fund Rating  
AA**



**Key Information**

|   |                        |       |
|---|------------------------|-------|
| <b>Launch Date</b>                      | 23 September 2002      |       |
| <b>Fund Size</b>                        | £416.2m                |       |
| <b>Type of Shares Available</b>         | Accumulation           |       |
| <b>Distribution Dates</b>               | 28 February, 31 August |       |
| <b>Yield</b>                            | Nil                    |       |
| <b>ISA</b>                              | Yes                    |       |
| <b>PEP Transfer</b>                     | Yes                    |       |
| <b>Standard Fund Management Charges</b> | <b>Initial</b>         | 4.50% |
|   | <b>Annual</b>          | 1.50% |

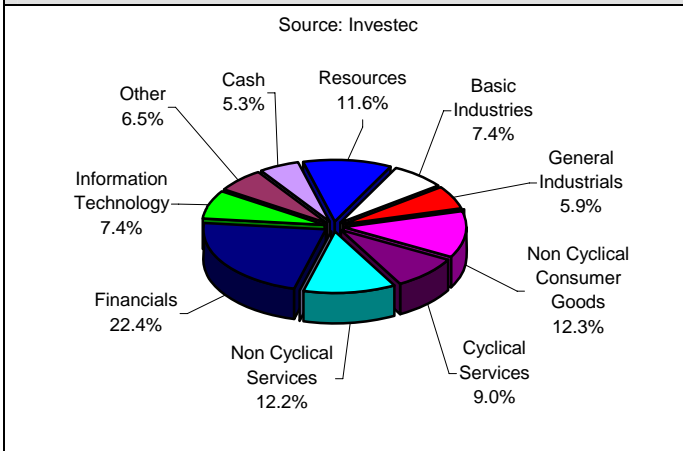
**Classification**

|                        |               |
|------------------------|---------------|
| <b>Sector</b>          | North America |
| <b>Benchmark/Index</b> | S&P 500       |

**Management/Investment Style**

|  |                             |
|--|-----------------------------|
| <b>Fund Manager</b>  | Bill Fries (September 2002) |
| <p>Outsourced to Thornburg Investment Management in Santa Fe, the fund offers a balance between growth and value stocks through an investment process incorporating quantitative screening and fundamental analysis. Investment focuses on companies with sound business fundamentals, which are trading at a discount to their intrinsic value.</p> |                             |

**Asset Distribution - Sector**



**Investment Objective & Methodology**

The fund aims to achieve long-term capital growth primarily through investment in large-cap American equities. The fund is benchmarked against the S&P 500 Index.

Outsourced to Thornburg in Santa Fe, the fund is managed by their seven-person Value Team, under the guidance of Bill Fries. He joined Thornburg in 1995 after a career with the USAA Investment Management Company, where he was senior manager of equity portfolios. He began his investment career as a securities analyst after qualifying as a CFA in 1974. He was one of the founders of Thornburg's US Equity team and is the lead manager of their flagship Value Fund.

The team seeks to invest in companies with sound business fundamentals whose shares are trading at a discount to their intrinsic value, focusing on where it finds value or where it believes companies are out of favour. Acknowledging that different valuation methods work better for different types of company, the team breaks the list of possible investible stocks into three groups from which it constructs the portfolio, as follows: basic value, which it defines as financially sound companies with well established businesses that are trading at low valuations relative to their net assets or potential earnings power; consistent earners, which are companies with steady earnings and dividend growth that are selling at attractive values and are priced below historical norms; and emerging franchises, which are attractively valued companies in the process of establishing a leading position in a product, service or market that is expected to grow at an above average rate. The investment process comprises quantitative and qualitative analysis. The former is driven by a monthly screen that focuses on traditional financial ratios in order to narrow the search to a short-list of 100-150 of the most attractive stocks, which are typically out-of-favour. This short-list tends to focus on attractively-priced large caps (>US\$1 billion) with above average dividend yields. The latter includes financial and market analysis, seeking to assess the competitive landscape and identify key drivers through in-house primary research, in-depth company visits and liaison with external brokers, the result of which is an estimate of the intrinsic value of each stock.

The portfolio will feature 35-45 stocks, diversified by sector and economic sensitivity. As a risk control, the fund offers a balance between growth and value stocks, the latter in turn being split between basic value and consistent earners, with no more than 25% of portfolio assets in emerging franchise. Although the fund is not constrained by any index, a maximum 25% weight can be held in any one industry and 5% in any one stock.

**Top Ten Holdings**

|                          | <b>%</b> |
|--------------------------|----------|
| Comcast                  | 3.8      |
| Hertz                    | 3.6      |
| Wellpoint Inc            | 3.3      |
| General Electric         | 3.2      |
| Freeport C&G             | 3.2      |
| ConocoPhillips           | 3.1      |
| Wyeth                    | 3.0      |
| Las Vegas Sands          | 3.0      |
| Entergy                  | 3.0      |
| Freddie Mac              | 2.9      |
| Concentration (Top 10)   | 32.1     |
| Total Number of Holdings | 43       |

Source: Investec

[www.obsrfundratings.co.uk](http://www.obsrfundratings.co.uk)

Data as at 30 June 2007  
Last Updated July 2007