

Please refer to the Important Warning at the end of this Fund Fact Sheet, this fund is not for sale to USA and South African residents, other than existing Warwick Investment Clients via an asset swap.

WARWICK

GLOBAL

January 2011

Investment Objective

The aim of the Warwick Global Balanced Fund is to achieve long-term capital growth by investing in open-ended investment funds and other pooled products which have been approved by the Financial Services Board for distribution in South Africa. These funds shall have as their investment objective, investments in either equity or debt securities, property or commodities. The Warwick Global Balanced Fund is suited to investors who seek long-term asset growth but are willing to accept a lower degree of risk within their portfolio.

Investment Advisor

Old Broad Street Research specialise in dedicated qualitative research and analysis of investment funds and products wrappers. Old Broad Street Research provides The Warwick Global Balanced Fund with independent investment advice on asset allocation, underlying fund selection and construction and forward looking market analysis.

Top Ten Holdings

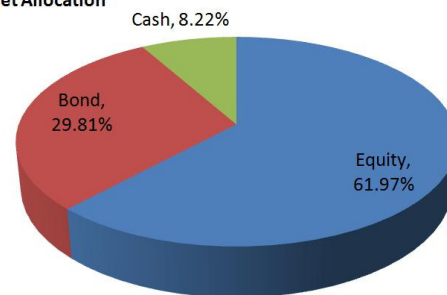
M&G Global Basics Fund US\$ A Class	10.45%
M&G Global Leaders Fund US\$ A Class	10.31%
Orbis Global Equity Fund US\$	10.25%
Fidelity Emerging Markets Fund \$Y Class	10.21%
Sarasin EquiSar Global Thematic ADV	10.11%
Investec GSF Global Bond A Inc USD	9.98%
M&G Int'l Sovereign Bond Fund £A Class	9.94%
Franklin US Government	9.89%
Templeton Asian Growth Fund CL A AC	5.33%
M&G Recovery Fund £A Class	5.31%

Warwick Global Balanced Fund

Fund Information

Fund Advisor	OBSR Limited
Fund Manager	Lancelot Management Limited
Fund Administrator	Fund Corporation of Channel Islands Ltd
Dealing Frequency	Weekly: Monday
Initial Fee	2% - 5%
Annual Management Fee	2.5%
Performance Fee	10%
Minimum Investment	£15,000/\$15,000
Status	Open-ended
Listing	N/A
Dividends	Roll Up
Sedol Codes	USD Share Class: B577KG4 GBP Share Class: B568CM8
ISIN Numbers	USD Share Class: G00B577KG42 GBP Share Class: GG00B568CM86
Bloomberg Numbers	USD: GMFWGUS GU GBP: GMFWGBG GU

Asset Allocation



Performance

	NAV/ Price % Performance (since launch)												USD Year	ZAR Year
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
2009										(2.13)	(0.18)	(1.54)	(3.85)	(4.28)
2010	(1.57)	(1.46)	1.09	1.03	(6.80)	1.55	1.88	(1.13)	3.05	2.04	(1.59)	2.09	0.18	(10.52)
2011	1.67	0.26	(0.30)	3.20	(1.93)	(2.70)	1.67	(5.74)	(3.45)	6.23	(7.11)	0.45	(7.75)	12.97
2012	3.24												3.24	(0.69)

Asset Allocation

The wheel appears to have turned once again with the main risk assets commodities and equities to the fore. Perhaps the biggest surprise is that main government bond yields have remained so close to all time lows given the scale of changes to risk asset prices elsewhere. US 10 year yield Treasuries ended the month at 1.80%, even lower than when equity market bottomed on 4/10 and US recession probability was around 30% compared to virtually zero now. Over that period, US equities have surged nearly 25% from intraday lows, Italian and Spanish bond yields are 150bp below their November peaks, European bank CDS's are

generally back to the levels when the crisis unfolded in early August (and the US 10 year yield was 2.5%) and the Euro Stoxx banks index is up nearly 40% from its November lows (US 10 year yield was 1.90%). Do bond investors know something equity investors have missed, or is the safe-haven premium about to disappear from the main government bonds? The latter looks the better bet.

It is also worth noting that UK commercial property values fell in December for the second month in a row although yield remains a strong support to overall returns. Hedge funds reportedly rose 2% in January following a poor Q4. The following table shows total returns for the main asset classes:

Total Return (%)	Jan		3m	
	LC	£	LC	£
MSCI Dev.World Equity (ex UK)	4.6	3.6	3.8	5.2
MSCI EM Equity	7.4	9.7	3.3	5.2
FTSE All Share	2.7	2.7	3.2	3.2
UK Govt. All Stocks>1yr.	0.4	0.4	4.4	4.4
UK Corporate Bonds	2.7	2.7	3.0	3.0
UK Index Linked	0.5	0.5	8.9	8.9
S&P500	4.5	2.9	5.3	7.9
US Govt. All Stocks>1yr.	0.5	-1.1	1.9	4.3
US Investment Grade Bonds	2.2	0.6	2.0	4.4
US High Yield Bonds	2.7	1.2	2.6	5.1
Commodities (CMCI)	4.0	2.5	-0.1	2.3
Property (IPD All Property)*	0.5	0.5	1.5	1.5
Cash	0.0	0.0	0.1	0.1
FTSE APCIMS Balanced	2.3	2.3	3.5	3.5

*Estimated

Our latest asset allocation views are:

- An improvement in the cyclical economic background and the alleviation of euro area banking sector and Italian and Spanish deficits funding concerns have combined to greatly reduce tail risks in **equity** markets. Investors had begun to price in a growing probability of a negative spiral for risky assets, particularly equities, and were generally positioned for further bad news. The actuality of a veritable surfeit of good news came as a major surprise and equity markets have swiftly adjusted to the changes in cyclical fundamentals and a lessening of perceived risks. Last month we noted that “it is very tempting to overweight equities” but decided to “stay neutral on equities for now” in expectation of a period of consolidation that has yet to arrive. In general, even after their strong rally, stockmarkets are still 5%-10% below our year end total return forecasts although timing entry is now very difficult given the scale of recent gains and buying equity markets that are at their most overbought for a year is not an edifying prospect. There is still more to go for in higher beta sectors and stocks and the main overweights remain Asia Pacific and emerging economies and longer term the US, if the dollar is hedged. Given that a low growth, low inflation, low interest rate environment will persist the preference is for strong companies with exposure to growth markets and higher yielding stocks with growing dividends, irrespective of sector.
- with main market government **bond** yields still at such low levels, it would only seem to make sense to even be neutrally positioned if a US recession and/or a eurozone financial collapse is still expected. In recent weeks US and UK yields have remained close to generational lows and on fundamentals the massive bond rally appears to be overdone, especially with the scale of US and UK government debt and deficits. Given still sizeable attempts at monetary stimulus via bond purchases (QE), yields could stay at lower levels than appear justified by fundamentals but the likely outcome is they will be heading higher. Risks appear greater in the US and UK and the main European markets look likely to outperform. Investment grade corporates offer far better value while emerging market debt should continue to perform well.
- after a strong yield impact-led rebound in prime capital values, the advance in the UK **property** market had slowed to a crawl for over a year but in the latest month reported a second consecutive capital value decline. The weight of money chasing high quality properties generated a near boom and prime yields seem fairly fully priced. With banks becoming ever keener to reduce risk assets they will increasingly supply the market with portfolios of properties from involuntarily built, mainly secondary property stockpiles. With secondary yields set to move out and lower levels of investor interest in prime properties at current yield levels, capital values are forecast to decline this year. Selectivity is important and Central London remains favoured. With yields still in excess of 4% above ten-year gilts for even some prime properties, the sector should outperform cash and government bonds from current levels although it is no longer such a certainty.

- predicting **commodity** returns is difficult enough given the very broad spread, high volatility and problems associated with rolling over futures contracts on returns. Commodities such as crude oil and industrial metals have rallied smartly from recent lows and as long as the Chinese economy avoids a hard landing and the US economy experiences nothing worse than a modest recovery, the pace of world economic growth should be sufficient to ensure that the prices of supply constrained industrial materials, such as oil and copper, will hold up next year. Gold reached a new closing peak of \$1900/oz before its recent downturn but remains favoured by many investors worried that a far worse fate awaits the global economy. Scarce supply and strong demand will keep prices elevated until sentiment turns and real interest rates rise.
- **currencies** remain as volatile and as difficult to predict as ever and near term trends will largely depend on investors' response to euro area developments. The yen is unlikely to strengthen too much further against the dollar given probable counteracting flows from the central bank while the Swiss franc remains pegged to the euro. In recent months the euro has lost all interest rate differential support but, with sentiment towards the euro area improving it may now hold its own against the yen. The dollar's safe-haven status is only ever valid during periods of financial turmoil and as this recedes the dollar generally weakens. Asian/EM currencies remain preferred with risk appetite improving and favourable interest rate spreads versus most of the major currencies.

Important Warning

In relation to United States and South African residents, the Warwick Global Balanced Fund (WGBF) is only available to existing South African clients of Warwick Invest, it is not available to South Africans who have no other product or existing relationship with Warwick Invest. This fund may form part of their overall asset allocation or financial plan, but only once they are an existing Warwick Invest client. Warwick Invest utilise the WGBF via asset swaps undertaken by Warwick Invest, Asset Management. The fund cannot be sold as an introductory product to Warwick Invest. A clear existing relationship and South African investment product position must exist between the client and Warwick Invest, prior to the client utilising this product. WGBF are cells of the Global Mutual PCC Limited (the Fund) which is a fully regulated product, being authorised and approved by the Guernsey Financial Supervision Commission (GFSC), but not a product authorised by the FSB in South Africa for sale directly to the public, for example where the client seeks to transfer monies directly to the fund from existing offshore funds or from monies they are seeking to move offshore, via their legal foreign exchange allowance.

The Fund is authorised as a Class "B" Scheme by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987 and the rules made there under. Shares in the Fund are not available for sale and may not be offered for sale, directly or indirectly, in any state or jurisdiction in which such offer or sale would be prohibited. Please note, the Fund has not been registered, nor will be registered, under the United States Investment Company Act of 1940 and the shares have not been registered, nor will be registered, under the United States of America Securities Act of 1933 (as amended). None of the shares may be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico or to any resident thereof (including any corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof) or any estate or trust that is subject to United States federal income taxation regardless of the source of income. Subscriptions will only be received and shares issued on the basis of the current prospectus for the Fund. It is intended solely for the use of the person to whom it is sent. It is not an invitation to subscribe and is for information purposes only. Please note that the value of funds and assets (and the income from them) may go down as well as up and may be affected by, amongst other things, changes in rates of exchange. Past performance is not indicative of future performance. An investor may not get back, on redemption or otherwise, the amount invested. Performance is calculated on a total return basis in the currency of the Fund. The Fund size quoted is a total of all classes in the Fund. Risk characteristics (or name of measure) are calculated on the basis of monthly investment returns. Performance figures, graphs and compound growth p.a. are calculated on the basis of unit price returns in US Dollar terms. This document is intended for the use of professional clients only and is issued by Warwick Global.