

CF Eclectica Absolute Macro Fund

MONTHLY FACTSHEET

31 December 2010

ELECTICA
ASSET MANAGEMENT

The Fund closed the year in positive fashion, returning 1.7% in December and 3.6% for the year. Returns proved lowly correlated to risk assets and NAV volatility was modest with just four days when the NAV moved greater than 1% and no daily draw downs exceeding 1%. Furthermore the Fund displayed positive optionality to periods of market stress, as evident in August when the Fund returned over 5%.

Returns were decidedly one-sided in December, with economically sensitive industrial and commodity related assets leading the market higher. The Fund benefitted from its commodity related holdings with direct exposure to corn, cocoa, soybeans and gold yielding over 60bps to performance.

Within the equity portfolio agricultural shares returned 50bps; over half of this came from exposure to the Canadian miner, Potash. In addition to the direct holding, the Fund purchased a January 2012 out-of-the-money call option on the day that BHP withdrew its offer for the business. This has proven a very timely purchase allowing the manager to remove the Fund's initial cost and providing a free option on any further appreciation.

The Fund's exposure to government and corporate bonds cost 30bps. However, the month produced strong gains from currency as the Australian dollar and Japanese yen both appreciated against the euro. The Fund continued to build positions in both crosses and they combined to return over 50bps for the month.

PERFORMANCE (%)—'A' £ shares



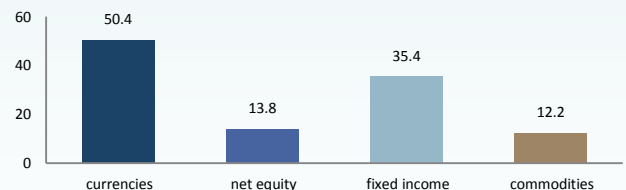
Past performance is not a guide to future returns.

NAV	₹	₤	€
A shares	143.46	92.43	107.16
C shares	143.87	93.43	107.47
AUM	€23.6m		

TOP 10 HOLDINGS (% NAV)

Short EUR / Long JPY	Currency	20.0
Short GBP / Long USD	Currency	12.2
Australian Govt Bond 2019	Fixed Income	9.6
UK Govt Bond 2020	Fixed Income	6.1
UK Govt Bond 2025	Fixed Income	5.9
Altria [10.2%] 02/06/39	Fixed Income	5.5
Short EUR / Long AUD	Currency	4.9
ETFs Physical Gold	Commodity	4.9
ETFs Corn	Commodity	3.3
Short HUF / Long CHF	Currency	3.1

ASSET ALLOCATION (% NAV)



GROSS INVESTED POSITION

113.9%

*Derivatives contracts are included on a net delta'd basis.

FUND FACTS

Launched	31 December 2009
Fund managers	Hugh Hendry & Espen Baardsen
IMA sector	absolute return
Target return	annualised 10% on a rolling 3-year basis

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KEY POINTS

- Absolute return: independent of benchmarks
- Multiple-asset class selection: dynamic asset allocation
- Uncorrelated returns: long established track record of uncorrelated and positive returns
- Competitive fee structure: no performance fee
- UCITS III: affords greater flexibility within investment mandate along with daily dealing

FUND AIM

The Fund seeks to achieve positive returns through strategically allocating capital across multiple asset classes on a global basis.

FUND STRATEGY

The Fund makes full use of the UCITS III directive to maximise its ability to generate superior risk adjusted absolute performance. It dynamically allocates across multi-asset classes to preserve capital and generate absolute returns in all market and economic conditions. The manager pays particular attention to protecting assets.

The Fund can invest in the following asset classes:

- global equities
- commodities (ETCs)
- global fixed income
- currencies
- credit

FUND MANAGER: HUGH HENDRY



Hugh graduated from Strathclyde University in 1990 and, after eight years with Baillie Gifford and one year at Credit Suisse Asset Management, he joined Odey Asset Management in 1999. As a partner at Odey, Hugh was responsible for \$1bn of long-only European equity mandates and launched the Eclectica Fund in 2002. In 2005, along with four other colleagues, he established Eclectica Asset Management.

MANAGER DETAILS

Investment manager	Eclectica Asset Management LLP
ACD	Capita Financial Managers Ltd
Administrator	Capita Financial Administrators Ltd

FUND DETAILS

Share classes	£/€//\$
Structure	UCITS III sub fund of CF Eclectica Funds
Dividends	Accumulated
Isa/Pepp eligible	Yes

FUND IDENTIFIERS

	ISIN	SEDOL	Bloomberg
A share (£)	GB00B2PJSV25	B2PJSV2	CFEGASA LN
A share (€)	GB00B2PJWD21	B2PJWD2	CFEGAEA LN
A share (\$)	GB00B39WZQ85	B39WZQ8	CFEGADA LN
C share (£)	GB00B3B1NB814	B3B1NB81	CFEGCSA LN
C share (€)	GB00B3B1NB48	B3B1NB4	CFEGCEA LN
C share (\$)	GB00B39WZY69	B39WZY6	CFEGCDA LN

FEES, COSTS AND REDEMPTION STRUCTURE

Initial charges	up to 5% (class A); up to 1% (class C)
Anti-dilution levy	up to 0.75% on subs/reds over 5% of NAV
Annual charges	1.75% (class A); 1.25% (class C)
Performance fee	none
Minimum investment	£5,000 (class A); £2m (class C) (equivalent for € and \$)
Dealing	daily at 12pm
Dealing line	0845 608 0941

SERVICE PROVIDERS

Depository	BNY Mellon
Auditors	Ernst & Young
Accounts date	Financial year-end 31 December

SALES AND MARKETING

HarringtonCooper

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