

# 200 Fund Fact Sheet

January 2010

## Smelling the coffee

Despite a decline in world markets of 3.5%, the Fund's NAV dropped by just 1.9% in January, boosted by its positions in Japan, the Middle East and Latin America as well as its low exposure to cyclical or highly geared stocks.

Fourth quarter GDP figures released this month showed that most economies emerged from recession, albeit by a hair's breadth in the case of the UK (quarter-on-quarter growth of just 0.1%). World markets sold down on the realisation that recovery has come at enormous cost to government finances, which will take decades to repay. Europe was by far the worst hit. The travails of Greece - which totters on the brink of bankruptcy - caused panic selling of the euro, to the benefit of sterling as well as the dollar. Most vulnerable to the effects of a Greek default are banks (none held) and companies exposed to discretionary spending in the weakest economies of Europe. Of the underlying earnings in companies held, none are exposed to domestic Greece, and less than 3% are exposed to Spain and Italy. The vast majority of the Fund's European stocks are global market leaders in defensive sectors, whose earnings will actually be boosted by euro weakness.

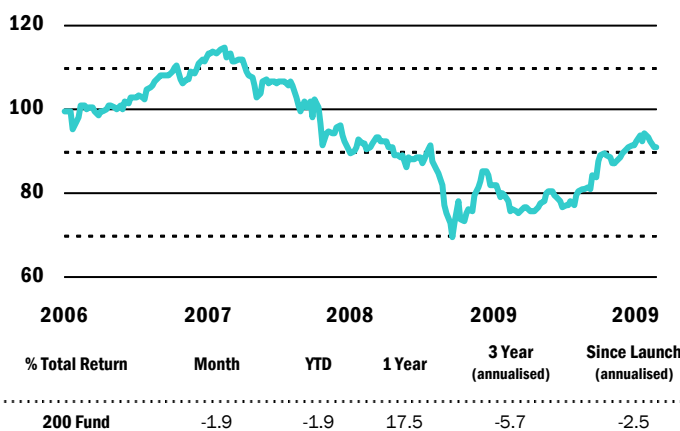
The reporting season started well. In the health care sector, AstraZeneca and Novartis beat expectations, helped by good sales growth and cost cutting. Both companies raised their dividends and are showing an improving pipeline of new products. While the years 2010-2014 will be difficult for the whole industry as major patents expire, Novartis in particular now expects sales and earnings to grow through this period. Long-standing CEO and Chairman Daniel Vassella has bowed to market pressure and will in March cede the CEO role to Jim Jimenez (currently head of the pharmaceutical division), to be joined by a new Finance Director (ex Goldman Sachs and AstraZeneca). KPN - the first of the major telecom holdings to report - produced a respectable set of results, with cash flow slightly ahead of expectations, although revenue was a little weaker in Germany. The dividend has been raised 15% to €0.69, putting the stock on a yield of 6%. There is a further commitment to pay out €0.8 per share next year.

Vodafone was added to the portfolio; after a long period of underperformance, the stock is now attractively valued, with scope for above-average dividend increases over time. Also in the UK, Cineworld, the country's largest cinema operator, was purchased. The group benefits from a strong release schedule and the move toward 3D film. Sanofi-Aventis was an addition to the health care position. The company's very strong emerging market franchise is undervalued. Meanwhile holdings in the agrochemical sector were trimmed after some very strong performance.

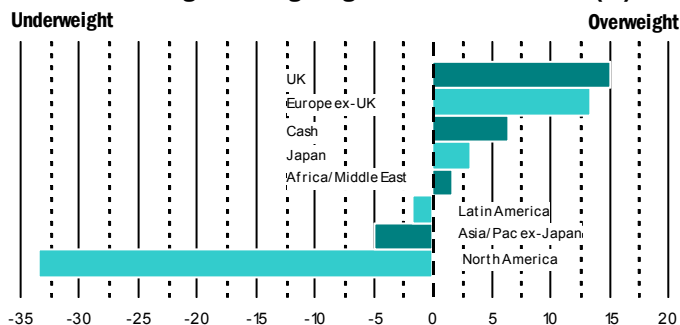
## Key Data

<b>Fund Size</b>	£7.9m	<b>Fund Managers</b>	Felicity Smith
<b>NAV</b>	£77.85		Richard Greenwood
<b>Launch Date/Price</b>	May 2006/£100	<b>Target Yield</b>	4.5%
<b>Initial Charge</b>	Zero	<b>Current Yield</b>	4.4%
<b>AMC</b>	0.75%		
<b>Investment Strategy</b>	Unconstrained investment in listed global equities with a quarterly income target, using Bedlam's proprietary single investment process		

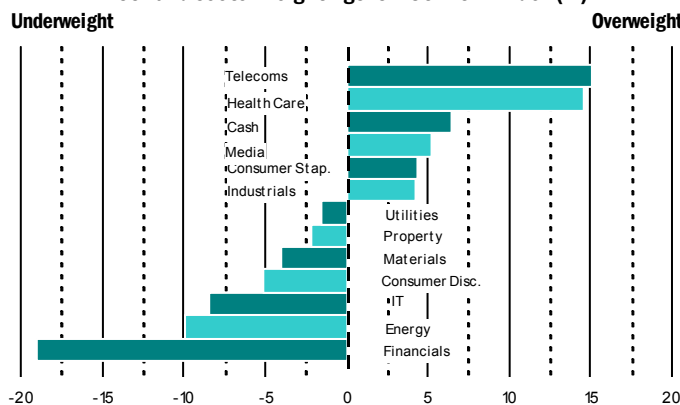
## Total return since launch



## 200 Fund regional weightings vs MSCI ACWI Index (%)



## 200 Fund sector weightings vs MSCI ACWI Index (%)



### Top 10 Holdings (%)

KPN	5.3
Bristol-Myers Squibb	4.3
France Telecom	4.3
Britvic	3.5
Bezeq	3.4
Television Broadcasts	3.3
Prismian	3.2
Pfizer	3.1
Syngenta	3.0
Sara Lee	3.0

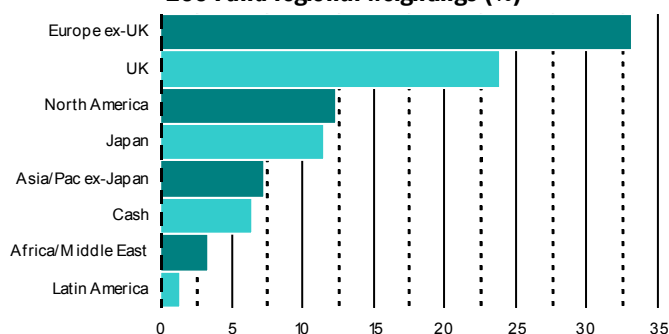
### Transactions

Buy	New weighting (%)
Sanofi-Aventis	1.9
Vodafone	1.5
Cineworld	1.0
<b>Sells</b>	
Syngenta	3.0
Smiths Group	2.0
Yara	1.4

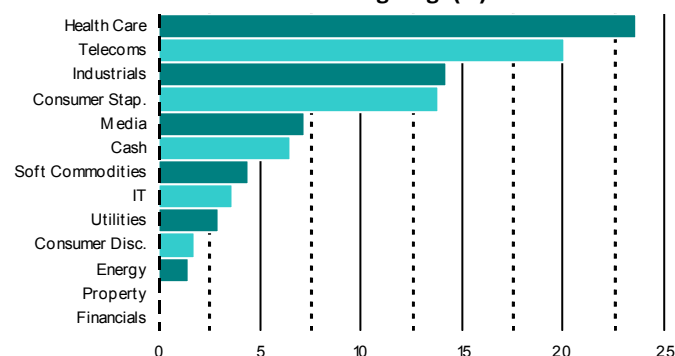
### Performance Attribution

Positive (%)		Negative (%)	
Region & Sector	+	Region & Sector	-
Japan	0.5	Europe ex-UK	-1.3
Africa/Middle East	0.1	United Kingdom	-0.7
Consumer Staples	0.1	Health Care	-0.4
Energy	0.1	Soft Commodities	-0.4
Stock	+	Stock	-
Takeda	0.2	Bayer	-0.4
Okinawa Cellular	0.2	France Telecom	-0.3
Prismian	0.2	Syngenta	-0.2

### 200 Fund regional weightings (%)



### 200 Fund sector weightings (%)



### Policy and Objectives

The three investment objectives are: the preservation of capital, a targeted annual dividend yield of 4.5% (paid quarterly), and a target return of 1.5 to 3 times the hurdle rate (the 3-month sterling money market deposit rate of Lloyds TSB). The fund will hold 25 to 50 listed equities on recognised exchanges globally (including in emerging markets) which meet the strict criteria of Bedlam's investment process, subject to internal risk constraints but unconstrained by indices. Various yield measures of investable securities are in place to help the fund meet its dividend intentions (please refer to the explanatory and supplemental prospectus for details). The fund can default up to 60% in cash/near-cash instruments in the event that sufficient stocks cannot be found which meet the investment criteria. Simple index put options can be utilised in the interests of capital preservation as part of efficient portfolio management.

### Fund Structure

The Fund is an Open Ended Investment Company (OEIC) regulated by the Irish Financial Services Regulatory Authority (IFSRA) and fully authorised by the Financial Services Authority (FSA). It has single pricing, in Sterling, with the option to receive income, or to re-invest. The NAV is net of an 'at cost' base management fee of 1.0% p.a., and any accrued quarterly performance fee due based on two absolute return criteria. Both fees are accrued weekly.

### Dealing & Administration (via Northern Trust)

<b>Pricing</b>	Weekly, 12 midday Wednesday	<b>Telephone</b>	00 353 1 542 2907
		<b>Fax</b>	00 353 1 434 5231
<b>Dealing cut-off point</b>	5pm	<b>Dividends</b>	Distributor status
<b>SEDOL</b>	B15CCB2	<b>Ex-dividend dates</b>	30 September
<b>ISIN</b>	IE00B15CCB29		31 December / 31 March / 30 June
<b>ISA</b>	Yes	<b>Pay/reinvest dates</b>	October / January
<b>SIPP/SASS</b>	Yes		April / July
		<b>Minimum investment</b>	£100,000

Bedlam Asset Management plc is authorised and regulated by the Financial Services Authority (212757).

Bedlam Funds plc is regulated by the Irish Financial Services Regulatory Authority pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2003 (the "UCITs Regulations") and is a recognised collective investment scheme for the purposes of section 264 of the United Kingdom Financial Services and Markets Act, 2000. Shares in Bedlam Funds plc may only be sold on the terms of, and pursuant to, its most recent prospectus.

Past performance is not a reliable indicator of future results.