

Global Fund Fact Sheet

December 2011

BEDLAM
ASSET MANAGEMENT

Central banks to the rescue

With all major central banks continuing to print money whilst holding short-term interest rates close to zero, equity returns in 2012 should be surprisingly good. Last year the indices for the 'virile, high-growth' BRICs fell by more than even Europe's shrinking PIIGS, but economic growth has no correlation with equity market returns. The fund had a frustrating year-end, especially as many common pitfalls - such as exposure to financials (just 2%), or to emerging markets (down to 5% by listing, 34% by earnings) - were avoided. Moreover, during the middle of 2011 the fund weathered market volatility well. This outperformance continued into November, only to be given up in December. There were two reasons: the 10% fall in the gold price (caused by hedge fund and commercial sales due to redemptions or a desperation for dollars); and weakness in the gas investments as gas prices fell, to a 10-year low in the case of America. Both are expected to recover rapidly - gold because of sovereign debt default and money-printing; gas shares because of its cost advantage versus all other energy sources, plus much takeover activity in the sector. Meanwhile, the fund's prospective gross dividend yield is 4%.

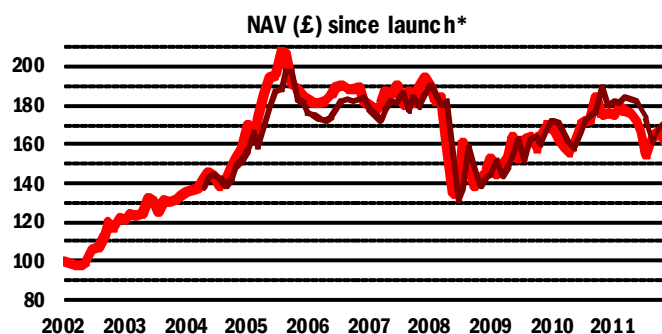
Despite three of the four precious metal investments being domiciled in North America, other holdings in the region shone. **Kansas City Southern**, with its unique US/Mexico rail link, made good gains, as did **Shuffle Master**, the global leader in electronic card-dealing machines, while **Celgene's** cancer drug pipeline is top of the class. Corporate news was thin. Consensus-beating results were reported just after the year-end by **Check Point** (cyber security), **Fresnillo** (silver) and Dutch/US retailer **Ahold**. **Cairn Energy** announced a large capital/dividend repayment to shareholders - equal to over half its share price - following the part-sale of its successful Indian operations.

Two emerging market holdings were sold profitably, particularly Hong Kong's **Television Broadcasts**; its near-monopoly in terrestrial TV will shortly disappear as the government is issuing new broadcasting licences. The other disposal was **Mills** (Brazil), a specialist cement construction company with a good order book; the gradual squeeze on government finances suggests demand will slow and margins contract. Two medical-related companies were added. In the US, **Medtronic** is a global leader in stents and pacemakers, with the latter having a technological edge as "MRI-scan friendly" (they neither stop nor explode, which patients like). The UK's **Smith & Nephew** is one of three companies controlling over 80% of the global hip and knee replacement market. It is winning market share from its two major American competitors. Despite pressure on medical budgets, the market continues to grow, partially because obesity is the cause for over 50% of all knee operations.

Key Data

Fund Size	£163.6m	Fund Managers	Jonathan Compton
NAV A Share	£161.78		Ian McCallum
NAV B Share	£167.31	Initial Charge	Zero
Launch Date/Price	Dec 2002/£100	AMC (B Share)	1.25%

Investment Strategy Unconstrained investment in listed global equities, using Bedlam's proprietary single investment process



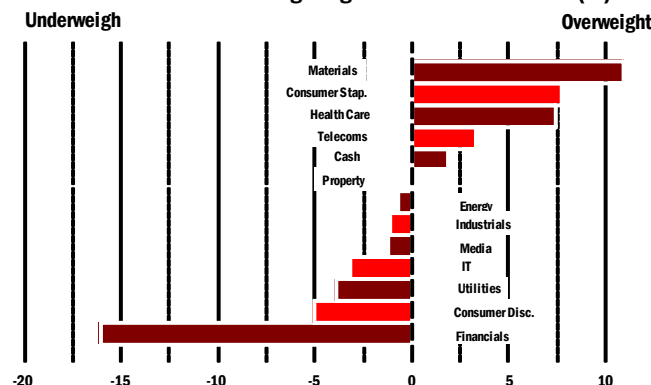
* A share launch 10 Dec 2002; B share launch 01 Jan 2005

% Total Return	Month	YTD	1 Year	3 Year (annualised)	5 Year (annualised)	Since Launch (annualised)
A share	-2.3	-12.3	-12.3	1.5	-1.4	6.9
B share	-2.0	-11.6	-11.6	3.0	0.1	N/A
MSCI ACWI TR	1.1	-6.4	-6.4	10.3	3.3	7.9

Global Fund regional weightings vs MSCI ACWI Index (%)



Global Fund sector weightings vs MSCI ACWI Index (%)



Top 10 Holdings (%)

Sara Lee	4.3
Yamana Gold	4.1
Hutchison Telecomm	3.6
Pfizer	3.6
Celgene	3.0
Fresnillo	3.0
Carlsberg	2.8
Henkel	2.7
BG Group	2.7
Check Point	2.6

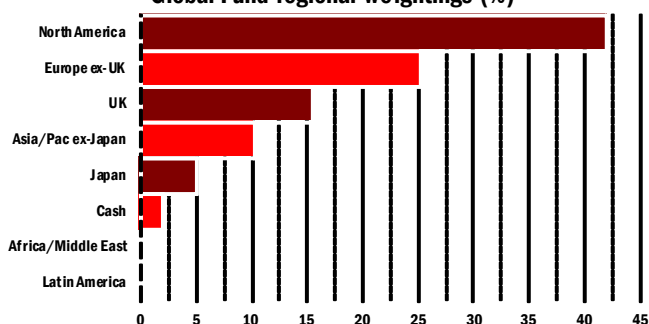
Transactions

Buys		New weighting (%)
Medtronic		2.6
Smith & Nephew		1.0
Sells		New weighting (%)
Kansas City Southern		2.2
Mills		0.0
TVB		0.0

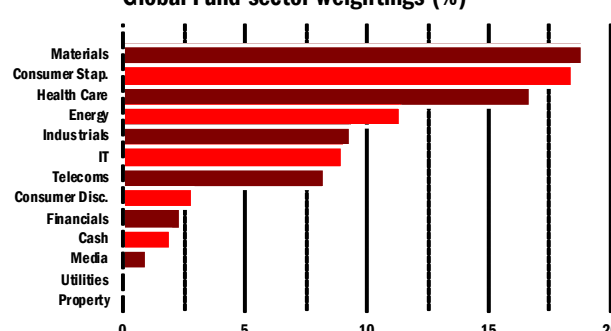
Performance Attribution

Positive (%)		Negative (%)	
Region & Sector	+	Region & Sector	-
Europe ex-UK	0.2	Precious Metals	-1.7
Health Care	1.2	Energy	-0.9
Consumer Discretionary	0.1		
Stock		+	
Pfizer	0.3	Yamana Gold	-0.5
Celgene	0.3	Goldcorp	-0.4
Bristol-Myers Squibb	0.2	Agnico-Eagle Mines	-0.4

Global Fund regional weightings (%)



Global Fund sector weightings (%)



Policy and Objectives

The twin investment objectives are the preservation of capital and the generation of an absolute total return which is significantly in excess of those available from bank deposits and government bonds. These are to be achieved through investment primarily in listed equities meeting Bedlam's proprietary single investment process, which is focused on identifying the best businesses globally and is unconstrained by indices. The investment universe comprises all G10, EU, Australasian and other developed countries, and up to 20% in companies listed in emerging markets. The fund will hold a concentrated portfolio of normally 25 to 50 securities and aims always to be fully invested, although it can default up to 60% in cash/near-cash instruments in the event that sufficient stocks cannot be found which meet the strict 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 Central Bank of Ireland and fully authorised by the Financial Services Authority (FSA). It has single pricing, in Sterling or Euros, with the option to receive income, or to re-invest. There are three share classes available. 'A' and 'B' shares differ only in their management fees. The A share NAV ('No Gain, No Fee') is net of the daily accrued management fee of up to 1.25% per quarter; this is rebated to the fund post each quarter-end if the quarterly absolute return is less than 1.25%. The B share NAV is after a daily accrued management fee of 1.25% p.a. and any accrued quarterly performance fee based on two absolute return criteria. 'C' shares are € denominated and carry an annual management fee of 1%.

Dealing & Administration (via Northern Trust)

Pricing	Daily, 12 midday	Telephone	00 353 1 542 2907
Dealing cut-off point	5pm	Fax	00 353 1 434 5231
SEDOL 'A' shares	3203895	Dividends	Distributor status
ISIN 'A' shares	IE0032038956	Ex-dividend dates	31 March / 30 September
SEDOL 'B' shares	B02YS83	Pay/reinvest dates	April / October
ISIN 'B' shares	IE00B02YS832	Minimum investment	£3,000 (A & B Share)
ISA	Yes		€500,000 (C Share)
SIPP/SASS	Yes		

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

Bedlam Funds plc is regulated by the Central Bank of Ireland 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.

This document is not investment advice or a recommendation to purchase, hold or sell a security. Past performance is not a reliable indicator of future results.