

Global Income Fund Fact Sheet

December 2011



Giant steps?

The fund returned 2.2% on the month, comfortably ahead of the 1% gain in the MSCI ACWI index, ending 2011 with outperformance of nearly 3%. There were two main factors responsible for December's gains: overweight sector positioning in healthcare and consumer staples; and stock selection within several sectors, notably energy and materials. Remarkably, energy and materials were the worst performing sectors in the market, but the fund's holdings in these areas - **Fugro** and **Royal Dutch Shell** in energy, **Yara** and **Syngenta** in materials - were actually positives. This was largely due to the fund's preference for companies with reliable cash flows and sustainably high dividend yields, even in times of economic uncertainty.

Economic developments were less significant than the media suggested. The EU summit, which led to David Cameron applying the UK's veto on a treaty in support of the euro, ended without meaningfully accelerating a eurozone rescue package. Fears over a collapse in Christmas spending in the US and UK were predictably unfounded, as last-minute bargain-hunting boosted many retailers' figures near to record levels. Indeed, possibly the biggest surprise was the re-emergence of consumer confidence in the US, a major factor which helped the S&P500 post the best equity market performance amongst major economies in 2011. Global indices were dragged into negative territory for the year by emerging markets (down c. 20%) and European bourses (down more than 12%). The fund's 3% outperformance for 2011, in spite of an underweight exposure to US stocks, was thus very respectable.

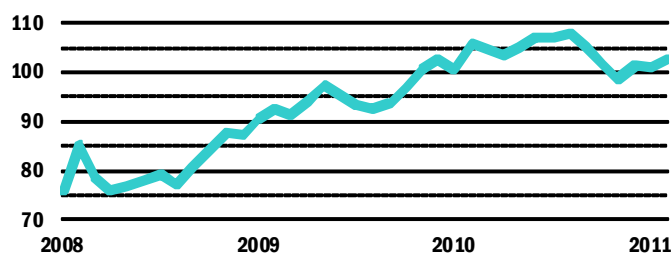
Corporate news was scant, but generally pleasing. Two of the top contributors, **Pfizer** and **Bristol Myers**, rose 9% after their jointly owned heart drug, **Eliquis**, received a prioritised schedule for review by the US FDA for its use in preventing strokes. **Giant Manufacturing** released buoyant November sales figures for its bicycles, provoking a 10% jump in the share price. **Medtronic** has rebounded strongly since the new CEO announced his intent to capture an increasing share of emerging markets, whilst simultaneously slashing the overall costs of its medical device business. **Bunzl's** trading statement reiterated the potential for continued growth through acquisitions and penetration of global markets for disposable products - the stock gained 6%. **France Tel** was the biggest detractor, mainly because of difficult trading in its domestic business, with the threat of increasing mobile competition. Whilst there is likely to be pressure on profit margins from this factor, the 9% dividend yield is well covered and ongoing cost savings should boost cash generation in 2012. **Pearson** was amongst several UK holdings which made headway, with the announcement of the disposal of its stake in FTSE International, the index provider, for a very good price. If acquisition targets are unavailable, the proceeds should be returned to shareholders over the next few months.

No transactions were necessary during the month. This unusual fact demonstrates our confidence in the prospects of the fund's holdings and the stability which the investment process is designed to foster in the portfolio.

Key Data

Fund Size	£9.6m	Fund Managers	Felicity Smith
NAV	£82.75		Richard Greenwood
Launch Date/Price	May 2006/£100	Change to global mandate	Nov 2008
Initial Charge	Zero	Target Yield	4.5%
AMC	1.25%	Current Yield	4.5%
Investment Strategy	Unconstrained investment in listed global equities with a quarterly income target, using Bedlam's proprietary single investment process		

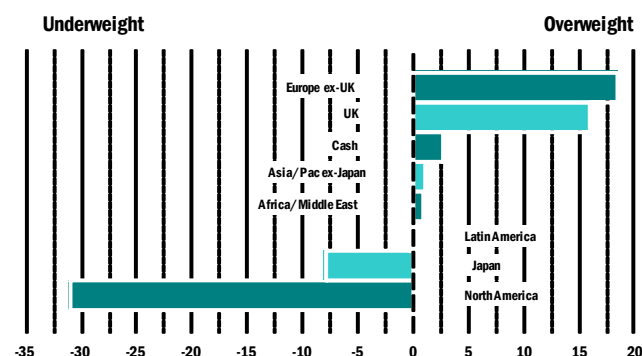
Total return since global income mandate*



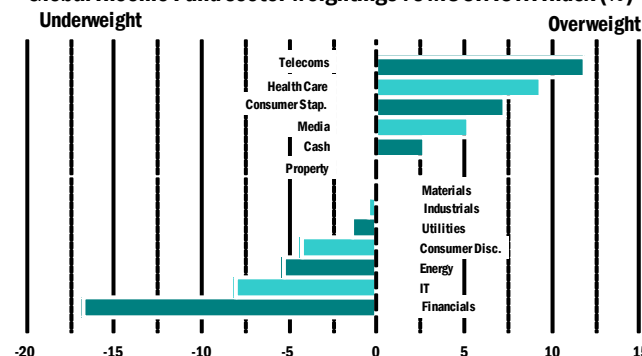
% Total Return	Month	QTR	YTD	1 Year	Since mandate change* (annualised)
Global Income Fund	2.2	5.4	-3.7	-3.7	11.9
MSCI ACWI TR (£)	1.1	8.3	-6.4	-6.4	13.2

*From end November 2008, the fund's strategy changed from a minimum 50% UK exposure requirement to a global equity mandate with no minimum UK exposure. The performance chart above shows performance since this key mandate change. The table overleaf† shows performance since the fund's launch date, not taking account of this mandate change.

Global Income Fund regional weightings vs MSCI ACWI Index (%)



Global Income Fund sector weightings vs MSCI ACWI Index (%)



Fund Analysis

December 2011

BEDLAM
ASSET MANAGEMENT

Top 10 Holdings (%)

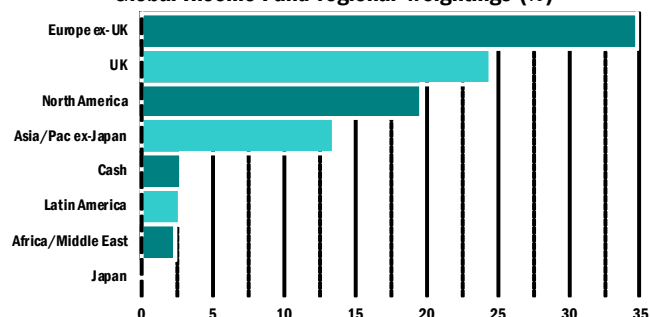
Pfizer	4.4	Buys New weighting (%)
Sara Lee	4.2	
Sanofi	4.2	
Hutchison Telecomm	3.6	
Giant Manufacturing	3.6	
Royal Dutch Shell	3.4	Sells New weighting (%)
Fugro	3.3	
Vodafone	3.2	
Medtronic	3.1	
Tele2	3.0	

Transactions

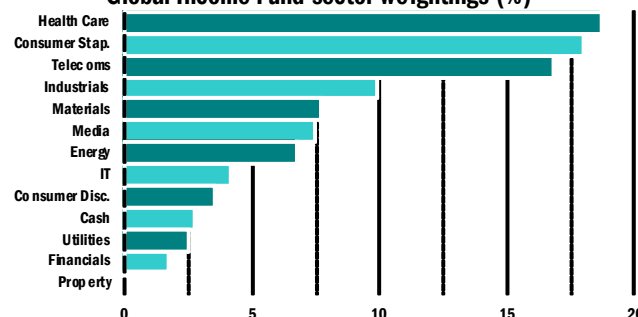
Performance Attribution

Positive (%)		Negative (%)	
Region & Sector	+	Region & Sector	-
North America	0.8	Information Technology	-0.2
UK	0.6	Industrials	-0.1
Health Care	1.2		
Energy	0.4		
Stock +		Stock -	
Pfizer	0.4	France Telecom	-0.2
Giant Manufacturing	0.3	Britvic	-0.1
Sanofi	0.3	Lem Holding	-0.1

Global Income Fund regional weightings (%)



Global Income Fund sector weightings (%)



Total return since launch

% Total Return	Month	QTR	YTD	1 Year	3 Years (annualised)	Since inception (annualised)
Global Income Fund	2.2	5.4	-3.7	-3.7	7.6	0.7

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 Central Bank of Ireland 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 a base management fee of 1.25% p.a., and any accrued quarterly performance fee due based on two absolute return criteria. Both fees are accrued daily.

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	B15CCB2	Dividends	Distributor status
ISIN	IE00B15CCB29	Ex-dividend dates	30 September
ISA	Yes		31 December / 31 March / 30 June
SIPP/SASS	Yes	Pay/reinvest dates	October / January
Minimum investment	£3,000		April / July

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.

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