

Investment update



Out of the Ordinary®

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Investec Global Strategy Fund**Registered office:**

49 Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Postal address:

Investec Asset Management Asia Limited
Suites 2604-06 Tower 2
The Gateway, Harbour City
Tsimshatsui, Kowloon
Hong Kong

30 April 2012

Dear Shareholder,

We would like to thank you for your continued investment. Whilst recent times have been challenging, our aim continues to be to achieve performance over the longer term. Our investment teams are committed to managing your money to the highest possible standard.

In this investment update, you'll find the following:

- An explanation of changes to the Investec Global Strategy Fund
- Notice of the Annual General Meeting (AGM)
- Details on the adoption of UK Reporting Fund Status
- A market overview to explain how global markets have performed over the 12 month period to 31 March 2012
- A statement showing the transactions on your account for the period from 1 August 2011 to 30 March 2012 and your account value as at 30 March 2012

Changes to the Investec Global Strategy Fund (GSF)

We would like to notify you of the following changes to the Fund which will be effective from 30 May 2012:

- Changes regarding the distribution frequencies for the Emerging Markets Currency Fund¹ and the Global Strategic Managed Fund
- Change in the name of the Global Dynamic Resources Fund to the Global Natural Resources Fund

Please note that these changes do not require the approval of shareholders. More information is provided on pages 3 to 5 of this booklet.

Notice of the Annual General Meeting (AGM)

The Notice of the AGM of the shareholders to be held on 14 June 2012 is on page 6 of this booklet. You are entitled to attend and vote if you are a shareholder on the register (as at 4pm on 12 June 2012). If you cannot be present at the AGM, you are strongly urged to complete the enclosed proxy form in accordance with the instructions printed on it as soon as possible and return it in the enclosed business reply envelope or by facsimile to (+352) 464 010 413.

Change to your statement period

Please note that in future your statement will cover a 6 month period. Your next statement will be mailed at the end of October 2012 and will cover the period from 1 April 2012 – 30 September 2012.

Adoption of UK Reporting Fund Status (relevant to UK taxpayers)

As previously communicated, a new tax regime was recently introduced to replace the distributor status regime in the UK. Offshore funds which previously applied for UK distributor status must now instead apply for UK reporting fund status. The new UK tax regime also applies to Accumulation Shares, (previously UK distributor status was only available to Income Shares). Shareholders who invested on or after 1 January 2011 will automatically be subject to the new reporting fund status regime rules. Further details can be found on page 7 of this booklet.

Key Investor Information Document (KIID) (relevant to EU-domiciled investors)

Due to new EU regulations, the Simplified Prospectus has been replaced by the Key Investor Information Document (KIID).

The KIID is limited to two sides of A4 paper, written in plain language and covers the essential characteristics of a fund, such as its investment objective, risks, charges and past performance.

A separate KIID will be published for each share class. The full Prospectus will remain in force following the introduction of KIIDs.

As a result of the new regulations, instructions to purchase new shares will only be accepted if you have completed an application form containing a declaration that you have received and read the latest available KIID. (Application forms can be downloaded from www.investecassetmanagement.com/isaapplicationform.)

¹ This Sub-Fund is not authorised by the SFC.

We will no longer be able to accept direct applications on an old application form which does not contain the declaration. We will still accept instructions by letter provided that you confirm in writing that you have read the latest KIID covering the fund share class(es) in which you wish to invest.

If you are a Regular Saver, please ensure you obtain a copy of the relevant KIID for your records.

If you would like more information on how to obtain our KIIDs, please contact us using the contact details at the back of this booklet. Further information on our funds (including fund literature) is available at www.investecassetmanagement.com².

Annual Report & Accounts

Copies of both the Annual and Semi-Annual Report & Accounts can be found on our website, www.investecassetmanagement.com/GSFRandAannual. If you would like to request a physical copy of the Annual Report, please contact us on +852 2861 6888 or by email, to investec.asia@investecmail.com. Copies are available free of charge.

Summary of action required by you

- The changes to the Sub-Funds do not require the approval of shareholders. You do not need to take any action. These details are for information purposes only.
- If you cannot be present at the AGM, please complete the enclosed proxy form and return it in the business reply envelope supplied or by facsimile to (+352) 464 010 413.

Further information

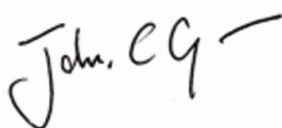
If you would like to increase your investments or change the Sub-Funds you are invested in, please contact your financial adviser in the first instance or your local Investec contact centre. If you have any queries relating to this booklet, please contact us using the contact details at the back of this booklet.

We thank you for your continued investment in the Fund.

Yours faithfully,



Grant Cameron
Director



John Green
Director

Telephone calls may be recorded for training and quality assurance purposes.

The Fund is domiciled in Luxembourg with the registered number B139420.

² The website has not been reviewed by the SFC and may contain information with respect to non-SFC authorized funds which are not available for public offer in Hong Kong.

Investec Global Strategy Fund
Registered office:
49 Avenue J.F. Kennedy
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Postal address:
Investec Asset Management Asia Limited
Suites 2604-06 Tower 2
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Tsimshatsui, Kowloon
Hong Kong

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

30 April 2012

Dear Shareholder,

Changes to the Investec Global Strategy Fund

We are writing to you as an investor in the Investec Global Strategy Fund (the "Company").

We would like to advise you that the Directors have decided to make a number of changes to the Company. The proposed changes are summarised below:

- Changes regarding the distribution frequencies for the Emerging Markets Currency Fund¹ and the Global Strategic Managed Fund
- Change in the name of the Global Dynamic Resources Fund to the Global Natural Resources Fund

Full details of these changes may be found in the appendix to this letter.

These changes will take effect on 30 May 2012 and the Company's Prospectus will be updated accordingly.

If you are uncertain as to whether these changes (with the exception of the name change) suit your investment requirements you have until 29 May 2012 to switch your investment into an alternate SFC authorised Sub-Fund within the Investec range of funds or to redeem your investment². Neither the Company nor Investec Asset Management will make any charges for any such redemption or switch. You can do this by contacting either your usual financial adviser or your local Investec Asset Management office as detailed at the beginning of this letter.

Further information

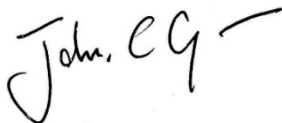
If you would like additional information regarding these changes or wish to discuss any of our funds, please contact your financial adviser in the first instance or your local Investec Asset Management office using the contact details at the beginning of this letter. For further information on our funds, visit our website, www.investecassetmanagement.com³.

We thank you for your investment in the Company.

Yours faithfully,



Grant Cameron
Director



John Green
Director

¹ This Sub-Fund is not authorised by the SFC.

² SFC authorization is not a recommendation or endorsement of a scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ The website has not been reviewed by the SFC and may contain information with respect to non-SFC authorized funds which are not available for public offer in Hong Kong.

Investec Asset Management Fund Centre

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www.investecassetmanagement.com

Telephone calls may be recorded for training and quality assurance purposes.

All defined terms in this letter shall have the same meaning as those defined terms as set out in the Company's Prospectus. Copies of the Company's Prospectus, the Key Investor Information Documents and the Articles of Incorporation may be obtained free of charge during normal office hours at the registered office of the Company in Luxembourg or via Investec Asset Management's website (www.investecassetmanagement.com⁴).

The Directors of the Company are responsible for the accuracy of the contents of this letter. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

⁴ The website has not been reviewed by the SFC and may contain information with respect to non-SFC authorized funds which are not available for public offer in Hong Kong.

Appendix

1. Changes regarding frequency of income distribution for the Emerging Markets Currency Fund[^] and the Global Strategic Managed Fund

The Directors advise that they have decided to change the frequency of income distribution for certain share classes of the Emerging Markets Currency Fund[^] and the Global Strategic Managed Fund.

The changes are as follows:

Sub-Fund and Share Class	ISIN Code	Current Distribution Frequency	Proposed Distribution Frequency	First Distribution Date Following the Change
Emerging Markets Currency Fund F Inc (USD) [^]	LU0565902425	Monthly	Quarterly	15 July 2012
Global Strategic Managed Fund A Inc (USD)	LU0345768740	Semi-Annually	Annually	15 January 2013
Global Strategic Managed Fund C Inc (USD)	LU0345768823	Semi-Annually	Annually	15 January 2013
Global Strategic Managed Fund D Inc (USD)*	LU0345769045	Semi-Annually	Annually	15 January 2013
Global Strategic Managed Fund F Inc (USD)	LU0430080720	Semi-Annually	Annually	15 January 2013
Global Strategic Managed Fund F Inc (Euro Hedged)*	LU0430080563	Semi-Annually	Annually	15 January 2013
Global Strategic Managed Fund F Inc (GBP Hedged)*	LU0430080647	Semi-Annually	Annually	15 January 2013

[^]This Sub-Fund is not authorised by the SFC.

*These share classes are not available to the public of Hong Kong.

We believe that these changes are necessary as the above share classes have relatively low distribution yields per annum. While these changes will reduce the number of distributions made per annum, the size of each distribution (if any) should increase in the future. These changes should reduce the Company's operating costs for the affected share classes, which will be in the best interests of Shareholders.

These changes will become effective on 30 May 2012 and the Prospectus will be updated accordingly.

2. Change in the name of the Global Dynamic Resources Fund to the Global Natural Resources Fund

The Directors advise that the name of the Global Dynamic Resources Fund will change to the Global Natural Resources Fund with effect from 30 May 2012.

This change is being made to better reflect the investment focus of the re-named Global Natural Resources Fund. The change in name is the only change being made to the re-named Global Natural Resources Fund and this change does not require any action from you. The Sub-Fund's investment objective and policy, risk profile and the way it is managed will not change. The number of shares you hold in the Sub-Fund is also unaffected by the change of name. The ISIN code for each share class is shown below and will remain unchanged.

Sub-Fund and Share Class	ISIN Code
Global Dynamic Resources A Inc Gross (USD)	LU0345781412
Global Dynamic Resources A Inc Gross (HKD)	LU0630314614
Global Dynamic Resources A Acc Gross (USD)	LU0345780950
Global Dynamic Resources A Acc Gross (HKD)	LU0630314457
Global Dynamic Resources A Acc Gross (SGD Hedged)*	LU0638888429
Global Dynamic Resources C Inc Gross (USD)	LU0345781503
Global Dynamic Resources F Acc Gross (USD)	LU0345781099
Global Dynamic Resources F Acc Gross (SGD Hedged)*	LU0631981023
Global Dynamic Resources I Acc Gross (USD)*	LU0345781172
Global Dynamic Resources I Acc Gross (EUR)*	LU0386384167
Global Dynamic Resources S Acc Gross (USD)*	LU0345781255

*These share classes are not available to the public of Hong Kong.

This change will become effective on 30 May 2012 and the Prospectus will be updated accordingly.

Notice of the Annual General Meeting (AGM)

Convening notice

The Board of Directors of the Company has the pleasure of inviting you to attend the **Annual General Meeting** of shareholders of the Company which will be held at 4pm at 49 Avenue J.F. Kennedy L-1855 Luxembourg, on 14 June 2012, with the following agenda:

Agenda

1. Presentation of the Report of Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the audited financial statement for the year ended 31 December 2011.
4. Allocation of the net results for the year ended 31 December 2011.
5. Discharge of Directors with respect to the performance of their duties during the year ended 31 December 2011.
6. Re-election as Directors for a term ending at the next Annual General Meeting of the Company to be held in 2013:
 - Mr. Hendrik Jacobus du Toit;
 - Mr. Grant David Cameron;
 - Mr. Gregory David Cremen;
 - Mr. John Conrad Green;
 - Ms. Kim Mary McFarland;
 - Mr. Claude Niedner;
 - Mr. Michael Edward Charles Ryder Richardson.
7. Re-election of KPMG Luxembourg S.à r.l. as Auditor of the Company for a term ending at the next Annual General Meeting of the Company to be held in 2013.
8. To vote upon payment of total combined remuneration of the Directors up to but not exceeding US\$200,000 to be apportioned between the re-elected Directors, with no single Director receiving more than US\$35,000, for the period from this Annual General Meeting to the next Annual General Meeting of the Company to be held in 2013.
9. Miscellaneous.

Shareholders are informed that the Annual General Meeting may validly deliberate on the items of the agenda without any quorum requirement and the resolution on each item of the agenda may validly be passed at the majority of the votes validly cast at such Annual General Meeting. Each share is entitled to one vote. A Shareholder may act at the Annual General Meeting by proxy.

Please be advised that only Shareholders on record by 4pm on 12 June 2012 may be entitled to vote at this Annual General Meeting.

Should you not be able to attend this Annual General Meeting, you are kindly requested to date, sign and return the form of proxy by fax or by mail by 4pm on 12 June 2012 to 49 Avenue J.F. Kennedy L-1855 Luxembourg, fax number (+352) 464 010 413.

By order of the Board of Directors

Adoption of UK Reporting Fund Status (relevant to UK tax payers)

As previously communicated, a new UK tax regime was recently introduced to replace the UK distributor status regime. Offshore funds which previously applied for UK distributor status must now instead apply for UK reporting fund status. The new UK tax regime also applies to Accumulation Shares, (previously UK distributor status was only available to Income Shares).

Shareholders who invested on or after 1 January 2011 will automatically be subject to the new reporting fund status regime rules.

Investec Asset Management will aim to make available details of reportable income (which are required by UK Shareholders to complete their UK tax returns) on our website at the following web address www.investecassetmanagement.com/ukreportingfundstatus by 30 June 2012, and by 30 June each year thereafter for all subsequent accounting periods. Details of any equalisation rates (for new investors or additional acquisitions on or after 1 January 2011) will be provided with the contract note at the date of acquisition. Likewise, the equalisation rates attributable to disposals will be provided with the contract note at the date of disposal.

Holders of Income Shares who are UK taxpayers

The Directors have applied to the UK tax authorities for UK reporting fund status to apply to all Income Shares in the Investec Global Strategy Fund, with effect from 1 January 2011. The impact on UK shareholders remains broadly the same as under the old UK tax regime; a gain on the sale of an investment in a reporting fund will be treated as a capital gain and taxed currently at a lower rate (18% for basic rate taxpayers and 28% for higher and additional rate taxpayers) than if it was treated as income and taxed under UK income tax rates (up to 50% for the current tax year). Where reported amounts of income are greater than distributed amounts, a UK holder of Income Shares will be taxed on the amount actually distributed and any excess of the reportable income which is not distributed.

We will continue to provide holders of Income Shares with a dividend voucher disclosing the amount of income actually distributed and, in addition, we will make available to investors the excess reported income for the year over distributions which should be used by investors to complete their UK tax returns.

Holders of Accumulation Shares who are UK taxpayers

The Directors also decided to apply for UK reporting fund status for all Accumulation Shares in the Investec Global Strategy Fund, with effect from 1 January 2011.

Previously, all gains made by UK holders of Accumulation Shares were taxed at the time of disposal of the Shares at the holder's UK income tax rate. UK holders of Accumulation Shares had the option of benefiting from the change to UK reporting fund status if they had elected to make a deemed disposal of their Shares for UK tax purposes to crystallise any gains made from the point that the Shares were purchased to the date of deemed disposal i.e. on 31 December 2010 (where there would be a deemed loss on disposal no election is required). Going forward, the UK income tax liability will be limited to that arising on the amount of "reported income" and UK capital gains tax will be paid on the capital appreciation from 1 January 2011 if an election was made or from the date of acquisition.

UK holders of Accumulation Shares who decide not to make this election will continue to be subject to UK income tax in respect of gains made on disposals of Shares. UK income tax will also be due on any income that is reported.

The above describes Investec Asset Management's understanding at the time of going to print. Shareholders are encouraged to speak to their financial or tax adviser about the impact of the introduction of UK reporting fund status on their investments.

Market overview

12 months to 31 March 2012

The period in brief

Markets were forced to contend with a series of alarming events during 2011, which provided additional hurdles for global policymakers battling to sustain 2010's nascent economic recovery. The revolutionary wave that spread across Middle East and North Africa (MENA) caused intermittent jitters on the potential for oil supply disruption, and the beginning of the period posed further headwinds following the tragic disasters that struck north-eastern Japan. Equity markets showed remarkable resilience to these set-backs.

The most pervasive and persistent issue, however, was the deepening crisis in the euro zone - which finally saw risk assets (typically equities and higher yielding bonds) capitulate. In turn, a series of weak responses from euro-zone politicians saw debt 'contagion' fears spread to the larger economies of Spain and Italy. Matters came to a head in August as concerns over Europe coincided with weakening global economic data and a downgrade to the US's credit rating. This caused a sharp sell-off in stock markets and assets with links to peripheral Europe, and led to market intervention from both the European Central Bank (ECB) and European regulators. Renewed anxiety over a faltering economic recovery triggered policy responses from the US Federal Reserve (Fed) and UK Monetary Policy Committee (MPC), namely 'open market operations' in the US (the Fed's buying and selling of treasuries) and more quantitative easing from the UK MPC.

Although the European Crisis Summit in October provided a substantial boost for markets through a three-point action plan (to further write down Greek debt, recapitalise European banks and increase the European Financial Stability Facility's firepower), a stock market rally was not ultimately enough to reverse the losses sustained across August and September. Market conditions stabilised somewhat after the ECB extended three-year lending operations to aid European banks in December.

The start of 2012 saw investment markets continue to be dominated by macroeconomic and political uncertainty. On 29 February, the ECB effectively injected €529.5 billion into the euro-zone financial system via its second long-term refinancing operation (LTRO). March was a dull month for equity markets as the gains from the first two months of the year were consolidated and the euro-zone crisis deteriorated once more. In aggregate, the outlook for global growth remains positive in 2012; however, this is likely to mask considerable divergence among regions. Strong growth is still forecast in emerging markets and expectations of pedestrian growth in the US are currently being well supported by a continual stream of positively surprising economic data.

Equity

US Equity

US macroeconomic data, although worryingly weak by August after strength earlier in 2011, appeared to stabilise again in the fourth quarter, reducing double-dip recessionary fears. US fourth quarter GDP growth figures came in at 3.0% (revised annualised rate), on businesses stockpiling goods they had produced, while unemployment continued to trend down and consumer expenditure rose to 2%. Despite the turbulent events of the past year, US equities delivered a positive return (the only major developed equity market to do so) of 1.4% in 2011 as

measured by the MSCI USA Index. The macroeconomic backdrop in 2012 continues to surprise positively - the US saw an improvement in January ISM (Institute of Supply Management) manufacturing and non-manufacturing indices, retail sales remain strong, and consumer sentiment is high. US banks performed particularly well in March, as the publication of the Federal Reserve's (Fed) annual stress tests has finally opened up the way for potential capital return.

UK Equity

The UK is under pressure from government spending cuts, a consumer that needs to deleverage, and poor credit availability. Although the weakness of sterling was helpful to exports, and corporate results provided some bright spots during 2011, a number of high street retailers were forced into administration during the period. Like the Fed, the MPC acknowledged that more must be done to support growth; it continues to hold interest rates at record low levels and introduced further quantitative easing measures.

That said, corporate UK remains in relatively good shape and having managed the downturn well, benefits from strong balance sheets, high levels of profitability and robust cash flows. More positive earnings, while still deteriorating, have seen the rate of those downgrades notably slow. Whether this marks a change in trend or just a seasonal lull remains to be seen in light of the 9% earnings growth still forecast for 2012. In this environment equity markets continued to perform strongly, March saw the strong equity market momentum of the first two months of 2012 fade slightly, with the UK FTSE All-Share Index falling 0.9%; however this still leaves a first quarter return of 9.1%, which is one of the best starts to the year since 1998.

European Equity

Europe significantly underperformed other developed equity markets in 2011 as policymakers increasingly struggled to restore confidence in the euro-zone, especially as Greece battled to meet its deficit reduction targets and avoid a default scenario. Financial stocks were particularly damaged by speculation over their exposure to European peripheral debt. Forecasts for countries in the euro zone are being revised down in 2012 as the sovereign debt crisis is increasingly draining both credit and confidence from the system, and there must be a risk of a return to recession. The MSCI Europe ex-UK Index declined 11.7% in the 12 months to 31 March 2012.

Asian Equity

Returns from Asian markets lagged the main western markets in 2011, mainly on fears that policy-tightening measures in faster-growing emerging economies such as China could lead to future problems if growth in the West stalled. Many Asian indices were hard hit as macroeconomic data from Europe and the US softened into last autumn (MSCI All Country Asia ex Japan Index -17.3%; MSCI China Free Index -18.4% in 2011).

In 2012, with the caveat of the possible distortions caused by the timing of Chinese New Year (this year it was in January; last year in February), macroeconomic momentum appears to be gathering pace, with Chinese manufacturing PMIs (Purchasing Managers Index) rising slightly and export momentum picking up across the region. Asian equity markets continued to rise in February, but their performance faltered versus global developed markets on fears of a China 'hard landing'. The

MSCI All Country Asia ex Japan Index fell 3.1% in March 2012 in comparison with the MSCI World NR Index, rising 1.3%.

In Japan, whilst supply chain disruptions arising from the March 2011 earthquake have widely been restored, severe flooding in Thailand during October last year has since impacted Japanese production levels. Although Japanese gross domestic product (GDP) turned positive after three successive quarters in decline, yen strength continued to be a worry, especially for the country's export market. This saw the Ministry of Finance/Bank of Japan intervene in the foreign exchange markets in March and October 2011, selling yen in an attempt to weaken the currency. Economic activity remains more or less flat in 2012, which led to the Bank of Japan cutting its growth forecasts for fiscal year 2012. The MSCI Japan Index rose 0.3% in the twelve months to 31 March 2012.

Fixed Income

Government bonds

Over the period, the divergence between the performance of core and peripheral government bond markets became more pronounced, as market participants took fright at developments within the euro-zone, and as evidence became clearer that the global economic recovery had weakened. In September, as yields on UK, US, and German 10-year government bonds dropped to lows of between 1.6% and 2.1% (extremely high prices) as investors sought less risky assets, yields on Greek sovereign debt rocketed (the bonds sold off heavily) resulting in private bondholders having to accept a further 'voluntary' writedown. Similarly, in late November, yields on Italian and Spanish sovereign bonds rose sharply. However, towards the end of the period, activity from several central banks around the world, including the ECB's long-term refinancing operations (LTRO) in December and February, led to a significant rally in government bond markets.

The US and UK continued to hold interest rates across the period, with the US signalling that rates will stay low into mid2013. The ECB, having tightened interest rates earlier in the year on inflation concerns reversed their policy in November with a 25 basis point (bp) cut, announcing a further 25bp reduction in early December, then kept rates on hold for the remainder of the period. Inflation expectations have generally fallen as commodity prices have eased, in anticipation of a weaker world economy. The Citigroup World Government Bond Total Return Index (All Maturities) gained 5.1% over the 12 months to 31 March 2012.

Bonds and credit

Although corporate bonds were supported as core government bonds rallied, performance was mixed across the higher- and lower-rated areas of the market, and also at the sector level. European high yield bonds underperformed, not only as investors reduced their exposure to European companies, but also as some of these firms became more cautious about earnings growth. Bonds from financial institutions lost ground on fears over their exposure to European sovereign debt, over whether they were sufficiently capitalised, and on the threat of changes to bank legislation. Over the reporting period, the BofA Merrill Lynch Global Broad Corporate Total Return Index

(Hedged) gained 7.8%, while the BofA Merrill Lynch Global High Yield Total Return Index rose 5.1%.

Emerging markets debt

Emerging market (EM) debt has proven to be a resilient asset class over the reporting period, despite the significant headwinds stemming from the developed world. Although taming inflationary pressures was of utmost importance for the majority of emerging markets at the beginning of the period, fears of a slowdown in the developed world began to take precedence, with policymakers becoming more cognisant of moderating growth rates. Having held up well for most of the year, supported by improving inflows, the continued stresses in the financial markets finally took their toll on the asset class in September; spreads widened and EM currencies experienced their worst sell-off since 2008. Since this low point, however, EM markets stabilised, supported by relatively benign US economic data, concerted action by central banks to support banking system liquidity, and the first signs of policy easing in China. Nevertheless, geopolitical risks remain, and the impact of the latest uptick in the price of oil has yet to be felt. Over the 12 months, the JP Morgan EM Bond Total Return Index rose 12.6%.

Commodities

Commodity and resource equity markets experienced some difficult trading conditions during 2011. Always sensitive to changes in the outlook for the global economy and political developments, investors were faced with difficulty in assessing how potential world imbalances (caused by MENA unrest and then slowing growth) would affect pricing and input costs. The result of this dynamic was that, in hard commodities, both Brent crude oil and gold bullion ended the period up higher, supported for most of the period by safe-haven buying by investors, and on purchases by central banks (allegedly at a 40-year high), despite some profit taking by investors in September and December. Copper lost considerable ground in comparison, suffering on concerns that any potential worsening in the sovereign debt crisis will threaten global demand. The metal edged up in 2012 as the market saw supply and demand fundamentals tightening.

In soft commodities, although the outlook on demand from fast-growing countries remains supportive over the longer term, cotton, coffee and wheat prices fell as nearer-term demand expectations were scaled back, mainly owing to a supply increase (a combination of better harvests, increased output, and ideal growing conditions). Resource equities are still quite adrift from their 2011 highs; however, 2012 has thus far shown the MSCI AC World Energy Index returning 5.0% and MSCI AC World Materials Index up 10.5%. However over the reporting period as a whole, the MSCI AC World Energy Index returned -10.2%, while MSCI AC World Materials Index returned -15.3%.

So far in 2012, Brent crude oil has reached the highest levels since 2007. With demand exceeding expectations this year, together with supply side concerns from Iran, Syria and Yemen, the market has tightened up fundamentally, resulting in these higher prices. Geopolitical tensions between Iran and the West, arising from Iran's nuclear programme, further support oil prices.

Investec web tools & Indicator

Keep up to date with the latest information on our funds by visiting our website, www.investecassetmanagement.com.hk. Here you can source fund prices and dividend information and download fund literatures.

In addition, you can also access Indicator, our free online valuation service, by visiting www.investecassetmanagement.com/indicator.

Indicator gives you 24-hour access to your portfolio valuations and transaction histories within a secure environment.

To register for Indicator, please access our website via the above link and select Indicator Registration on the left-hand side of your computer screen.

How to keep in contact with us

If you need to speak to us, we are available Monday to Friday 9.00am – 6.00pm.

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Important information

This document is provided for general information only. It is not an invitation to make an investment nor does it constitute an offer for sale. Any opinions stated are honestly held but are not guarantees and should not be relied upon.

Telephone calls may be recorded for training and quality assurance purposes.

Issued by Investec Asset Management Asia Limited, April 2012.