

Global Bond Fund

Performance Review

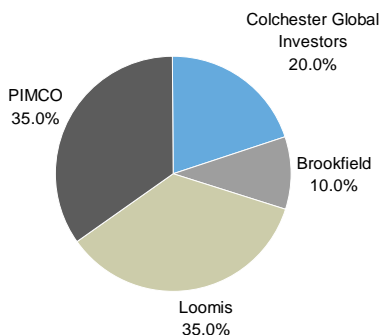
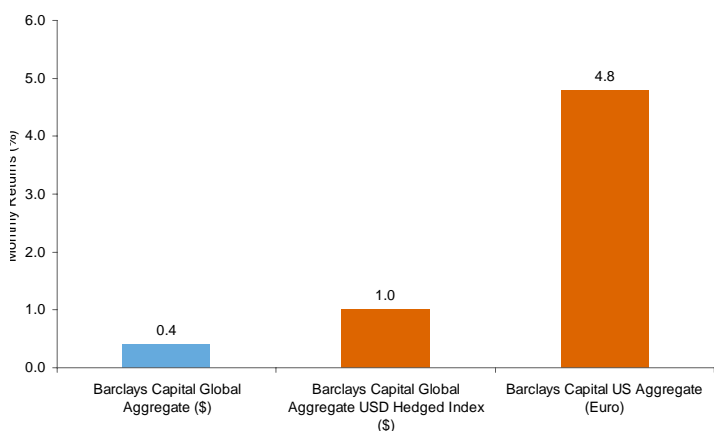
	One Month %	Three Months %	Year to Date %	One Year % ¹	Three Years	Five Years %	Ten Years %	Since Inception % ²
Global Bond Fund (USD) Gross of fees	1.0	0.3	1.0	19.2	7.9	5.2	6.7	6.4
Barclays Capital Global Aggregate Index (USD) ³	0.4	-0.9	0.4	11.0	7.6	4.9	6.4	6.2
Global Bond Fund (RAND) Gross of fees	3.5	-3.3	3.5	-11.8	9.3	10.3	8.6	11.7
Barclays Capital Global Aggregate Index (RAND) ³	2.9	-4.5	2.9	-17.9	9.0	9.9	8.3	11.5

¹ Returns greater than one year are annualised.

² Inception date 30/09/94. Performance is measured from 01/10/94. In order to enable accurate peer relative and total return benchmark relative performance comparisons, performance is calculated from the first full month following inception.

³ Global Bond Fund Benchmark prior to October 2001 was Citigroup WGBl.

Fund Highlights and Portfolio Management Activity



As at 31/01/2010

- The Barclays Capital Global Aggregate Index gained 0.4% in US dollar unhedged terms, as the dollar's renewed strength against most of its major trading partners pared back gains. The index advanced 1.0% in US dollar hedged terms. Credit assets continued to outperform in January as investment-grade spreads again tightened, reflecting the generally optimistic tone on recovery and expectations of a stabilisation in credit. This was also true in Europe, despite issuance and sales slowing amid concerns over the fiscal health of several smaller European economies, notably Greece. However, these concerns - together with a move to tighten monetary policy in China and the Obama administration's proposed crackdown on risk-taking at larger banks - helped the cost of protecting against a default on high yield bonds to rise relative to investment-grade debt for the first time since August. Emerging market debt underperformed, after spreads widened on speculation that Greece could not meet its debt obligations, prompting concerns over the outlook for emerging economies.
- Government bonds made a positive start to the year, with US Treasuries gaining on renewed demand amid speculation that a slowdown in lending in China would slow the country's economic growth. UK gilts also delivered positive returns, particularly at the longer end after confirmation that the country had emerged from recession was tempered by dismay at the disappointing level of GDP growth, prompting speculation the Bank of England would continue its asset purchase programme. European government bonds also advanced as concern over Greece's financial difficulties fuelled demand for the perceived safety of German bunds.
- The Fund outperformed over the month, continuing its strong run of the previous year. Brookfield's selection within the asset- and mortgage-backed securities sectors was again a key driver of returns, while PIMCO's sector positioning also proved beneficial. Loomis and Colchester both delivered positive absolute returns but finished broadly in line with the benchmark as their respective exposures to emerging market debt pared back gains.

Monthly Manager Performance

Manager	Approach / Process	*Manager Performance	Russell Analysis
Brookfield	Sector Specialist	++	Structured finance specialist Brookfield outperformed its benchmark and its peers in the Fund, driven by its selection within the strengthening asset - and mortgage-backed securities sectors. The index overlay added to returns, ensuring that overall returns were very strong versus the Fund benchmark.
Colchester Global Investors	Macro Value	-	Colchester finished modestly behind the benchmark as the positive effects of its country and currency positioning, notably the underweight to the euro, were offset by its sector positioning. The manager's structural bias to government issues weighed on returns, as did its emerging market debt selection.

Monthly Manager Performance (continued)

Manager	Approach / Process	*Manager Performance	Russell Analysis
Loomis	Security Selection	-	Loomis was the worst performer over the month as it finished modestly behind the benchmark. Returns were driven largely by its currency positioning, notably an underweight to the yen - the only major currency to outperform the US dollar over the period. In terms of sector positioning, the overweight to emerging markets and underweight to mortgage-backed securities detracted.
PIMCO	Sector Specialist	++	PIMCO also finished ahead of the benchmark, helped by its sector positioning, where the structural bias to credit and overweights to financials and asset-backed securities all added value. The manager's country positioning also proved beneficial, but gains were pared back by its overweight to emerging market debt.

*Manager Attribution Key	Relative Performance vs Fund Benchmark
++	>0.25
+	+0.05% to +0.25%
Flat	-0.05% to +0.05%
-	-0.25% to -0.05%
--	<-0.25%