



Matterley

## IM Matterley UK & International Growth Fund

### Fund Manager

**Paul Gibson, Fund Manager** – Paul has over 13 years of market experience in asset management. He joined Charles Stanley in 2007 and is responsible for asset allocation and portfolio construction on the Court of Protection team. Paul is a member of the firm's Investment Strategy Committee and is a personally Chartered Fellow of the Securities & Investment Institute.

### Commentary

Equity markets finished 2011 in a cautious mood concluding a challenging year in which uncertainty dominated investors' minds as most governments resorted to austerity measures to cull their mounting debt piles. The markets remained relatively stable throughout an eventful first half surrounded by geopolitical incidents and a natural disaster. This encompassed the Arab uprisings, a "selective default" by Greece, the resignation of the Portuguese Prime Minister Jose Socrates and a magnitude 9.0 earthquake and tsunami that devastated the northeast of Japan.

The FTSE All Share and FTSE World ex-UK struggled though to recover from the sharp falls seen during the summer. The lack of effective decisions by policy-makers in the US and European Union to find appropriate solutions to their high debt burdens caused growing anxiety as investors began to question the future of the Eurozone. America was consequently downgraded by the Credit Rating agencies. The indices ended the year down 3.5% and 6.1% respectively, in what has been an eventful twelve months for investors.

Volumes were thin during the last few weeks of the month, as is usually the case over the festive season. The Fund ended the month up 2.7%, compared to a rise of 2.5% for the IMA Global Growth Index, following good gains in the more defensive equities and outperformance from the US Equity Income sector. The Swiss pharmaceutical giant Novartis was the biggest contributor to performance rising 9.2% after independent research showed that their drug Afinitor slowed the progression of cancerous tumours. Elsewhere, the share price of Imperial Tobacco gained 6.4% closing at an all time record high and oil major Royal Dutch Shell, the biggest constituent in the FTSE 100, climbed 7.4% following the announcement of a further share-buyback program and a rising oil price amid tensions in Iran.

During the month we purchased the Aviva US Equity Income fund to increase the weighting to the defensive qualities of income yielding equities and complement the current American funds held in that space. The managers introduce a different investment perspective, being based outside of New York, and offer a bottom-up deep value approach with the emphasis on low volatile returns.

As we begin 2012 the Fund continues to maintain its large underweight position in Europe and Japan, in favour of the UK, Germany, Asia and Emerging Markets. Worries will persist over slowing global growth and the potential break-up and deterioration of the Eurozone. The year will be subject to further policy intervention by the central banks, US and European elections, increased global protectionism and outbreaks of social unrest. In this low interest rate environment, we will continue to favour investment in large cap, high quality equities which provide a secure dividend yield and potential for earnings growth.

(Source: Financial Express Analytics, Total Return, GBP, as at 31<sup>st</sup> December 2011)

### Performance

Name	3 month	6 month	3 year	31/12/10 31/12/11	31/12/09 31/12/10	31/12/08 31/12/09	Since Inception*
IM Matterley UK & International Growth Fund (%)	7.1	-5.4	34.3	-4.9	12.6	25.4	36.9
(IMA) Global Sector Average (%)	5.4	-9.5	29.2	-9.3	15.8	23.0	34.3
Quartile Ranking	1	1	2	1	3	2	2
Fund Rank	63/250	32/249	66/207	48/236	164/220	70/207	85/206

Source: Financial Express Analytics at 31/12/2011. Total Return, Sterling, net income reinvested. \*Fund inception date 11/12/2008. The figures refer to the past. Past performance is not a reliable indicator to future results.

### Fund Facts at 31/12/11

#### Fund Objective & Policy

To provide long-term capital growth through investment in a diversified portfolio of global equities with a focus on UK Blue-Chip companies.

**Launched** 11/12/08

**Price (Acc):** 136.90p

**IMA Sector** Global  
**Base Currency** GBP  
**Benchmark** None  
**Fund Size** £43.0m  
**No. of Holdings** 62  
**Yield (acc)** 1.44%  
**Share Type** Accumulation

**Minimum Investment** £1,000

**Annual Management Charge** 1.00%

**Initial Charge** Up to 5%  
0% charge for Charles Stanley clients

**SEDOL** B3F2K23  
**ISIN** GB00B3F2K236

**MORNINGSTAR RATING™**



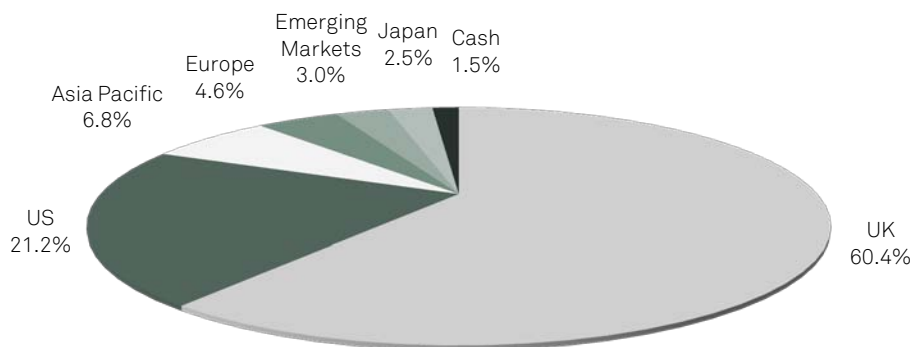
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## Portfolio Statistics

Source: State Street, as at 31<sup>st</sup> December 2011. Figures are subject to rounding.

Top 10 Holdings	(%)
Royal Dutch Shell plc	5.05
Vodafone Group plc	4.11
BG Group plc	3.86
JPMorgan US Equity Income	3.77
Henderson US Growth	3.70
Legal & General US Index Trust	3.03
Jupiter North American Income	2.95
BP plc	2.82
Aberdeen Emerging Markets	2.78
AstraZeneca plc	2.71

## Fund Sector Weightings



Source: State Street, as at 31<sup>st</sup> December 2011. Figures are subject to rounding.

## Dealing Information

### Dealing Time

Daily at 12 noon

### Main Dealing Desk

Tel: 0844 931 0031

### IFDS Managers Ltd - Matterley

PO Box 10818

Chelmsford

CM99 2BL

### ISA and SIPP Applications

Contact the Matterley team

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### Fund availability

For information on fund availability, please see [www.matterley.com](http://www.matterley.com).

## Disclaimer

The information contained in this document does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units. Investment should be made on the basis of the Prospectus and Simplified Prospectus, available on request. You are recommended to seek advice concerning suitability from your investment adviser. The information in this document is based upon sources we believe to be reliable, but its accuracy cannot be guaranteed. Please note past performance is not a reliable indicator of future returns. The value of investments, and the income from them, can go down as well as up and may be affected by exchange rate variations. The levels of taxation and their respective treatment depend on your individual circumstances and the applicable law, which may be subject to change in the future. The authorised corporate director of IM Matterley Investment Funds is IFDS Managers Ltd which is authorised and regulated by the Financial Services Authority, Registered Office: IFDS House, St Nicholas Lane, Basildon, Essex, SS15 5FS.

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Morningstar Rating is sourced from Morningstar.

16.04 Issued and approved by Charles Stanley & Co. Limited.