



Matterley

## Fund Managers

**Chris Evans**— Chris has over 40 years of experience in private client stockbroking and fund management. He has spent the last 25 years at Charles Stanley and has been running the Equity fund in both its current and original form since 1996.

**Chris Harris**— Chris graduated from Southampton University in 1998 and joined Charles Stanley as a graduate trainee. He has worked alongside Chris Evans for more than 10 years.

## Commentary

During October the U.K. equity market rallied strongly despite a shaky start. The net result was the FTSE 350 Share Index appreciated by 8% and the Matterley U.K. Equity Fund returned 8.6%. (Source: Financial Express Analytics, as at 31<sup>st</sup> October 2011, total return, £pounds sterling, net income reinvested)

At the beginning of the month it looked as though the Greek crisis would stumble from bad to worse as EU rescue talks broke down and a collection of finance ministers concluded that they had not done enough to convince markets that Europe's banks could withstand the debt crisis. Dexia Bank in Belgium and the smaller Max Bank in Denmark sought help from their respective Governments. However, as the month progressed we saw that for the first time in many months there was a strong political will to seek a solution and in the early hours of the 27<sup>th</sup> of October, EU leaders announced a bail-out package for Greece with a fund of €1trillion and a 50% haircut on Greek debt. Equity markets had been improving in the second half of the month and this sent markets up to levels not seen since mid July. In the U.K., the Bank of England surprised the market with a second dose of quantitative easing and this was good for both bond and equity markets.

At the start of the month we took advantage of the steep falls to buy Weir Group and Renishaw. As the month progressed and markets gained strength we made partial sales of two of our largest holdings, NEXT and Royal Dutch, and having seen a 43% gain in Weir Group on what can only be described as a turbocharged rally, we decided to take our profit. The stock remains on our radar for a future purchase.

Although a temporary solution to the Greek crisis appears to have cheered markets we remain cautious as serious problems still exist for the Italian economy, which is the fourth largest in Europe and a much bigger problem than Greece.

## Fund Facts at 31/10/11

### Fund Objective & Policy

The investment objective of the IM Matterley Equity Fund is to generate capital growth from a portfolio consisting predominantly of companies which form the FTSE 350 Index. There may be occasions when we choose to hold collective investment schemes and a high level of bonds, government securities, cash and money market instruments.

#### Price :

Retail Acc	140.84p
Retail Income	126.77p

#### Yield :

Retail Acc	1.6%
Retail Income	1.7%

<b>Launched</b>	13/03/2006
<b>IMA Sector</b>	UK All Companies
<b>Base Currency</b>	GBP
<b>Benchmark</b>	FTSE 350
<b>Fund Size</b>	£7.6m
<b>ACD</b>	IFDS Managers Limited
<b>Depository</b>	State Street Trustees Limited
<b>Auditors</b>	Deloitte LLP

Performance	6 mth	3 yr	31/10/10-31/10/11	31/10/09-31/10/10	31/10/08-31/10/09	31/10/07-31/10/08	31/10/06-31/10/07	Since inception*
IM Matterley Equity	-1.7	59.6	9.7	18.9	22.4	-25.9	13.1	40.8
Quartile Ranking	1	1	1	1	4	1	2	1
(IMA) UK All Companies	-7.8	52.5	0.9	15.6	30.8	-38.1	11.8	11.0
FTSE 350 Index	-7.6	45.7	0.8	17.6	23.0	-33.9	13.8	15.9

Source: Financial Express Analytics at 31st October 2011. Total Return, Sterling, net income reinvested. \*Fund inception date 13/03/2006. The figures refer to the past. Past performance is not a reliable indicator to future results.

# IM Matterley Equity Fund

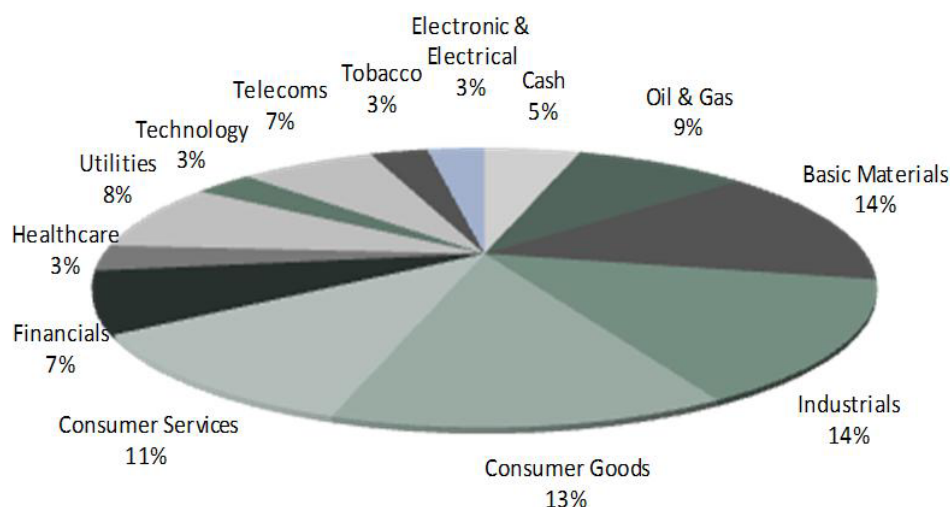
## Portfolio Statistics

As at 31st October 2011. Source: Matterley. Figures subject to rounding.

### Top 10 Holdings

	(%)
Unilever	3.2
British American Tobacco	3.1
BG Group	3.0
BHP Billiton	2.9
Inmarsat	2.8
Vodafone Group	2.8
GlaxoSmithKline	2.8
Pearson	2.8
Royal Dutch Shell 'B'	2.7
Tate & Lyle plc	2.7

### Fund Sector Weightings



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

**Annual Management Charge** 1.25%

**Minimum Initial Investment** £1,000

#### Identification

SEDOL  
Retail Accumulation B09DHH5  
Retail Income B09CC44

#### Dealing Information

Dealing Time Daily at 12 noon  
Main Dealing Desk IFDS (UK) Ltd  
Address IFDS Managers Ltd – Matterley  
PO BOX 10818  
Chelmsford  
CM99 2BL  
Telephone 0844 9310031

#### ISA and SIPP Applications

Contact the Matterley team

Tel: 0207 149 6129

Email: [info@matterley.com](mailto:info@matterley.com)

#### Fund Availability

Please see [www.matterley.com](http://www.matterley.com)

Matterley is a division of Charles Stanley

## Disclaimer

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