



IM Matterley Regular High Income Fund

November 2011

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 Regular High Income fund in both its current and original form since 1997.

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 November the Fund recorded a fall in value of 1% compared to an average fall of 2% recorded by our peers in the (IMA) Cautious Managed sector. (Source: Financial Express Analytics, as at 30th November 2011, total return, £pounds sterling, net income reinvested).

November was a particularly volatile month with plenty of news to digest especially in the Eurozone where the sovereign debt crisis continued to take centre stage. Both the Greek and Italian Prime Ministers were defeated on votes of confidence and replaced by well respected economists, and at the same time a new President was elected at the European Central Bank. His first action was to cut European base rates by 0.25%. At various points in the month the fears of default spread to Spain and Portugal, and the latter saw their government debt downgraded to junk status.

In the U.K. George Osborne's autumn statement saw him reduce the growth forecast for the U.K. economy from the 2.5% he had forecast in March to a much more modest 0.7%. Equity markets had been in sharp retreat for the second half of the month, but on the final day there was a reversal of fortunes as the Chinese government cut the reserve requirements that it had imposed on banks, and this was seen as an encouraging sign of freeing up international funds which in turn would help the beleaguered euro.

Having built up a cash position in excess of £1m we went ahead and invested most of these funds by topping up existing holdings. The bulk of our activity was in government and corporate bonds while in equities we added to the holding of Imperial Tobacco following better than expected results. The comparatively small holding of a Thomas Cook bond was sold when news broke of their trading problems.

All eyes are now on the December Summit of European leaders. This will be the seventh meeting in the last twelve months which has attempted to solve the mounting crisis.

Fund Facts at 30/11/11

Fund Objective & Policy

The objective of the IM Matterley Regular High Income Fund (RHI) is to generate a high income with the potential for capital growth from a portfolio consisting predominantly of UK bonds, government securities, high yielding equities and preference shares. There may be occasions when we choose to hold collective investment schemes and a high level of cash and money market instruments.

Price :

Retail Acc	120.68p
Retail Income	91.93p

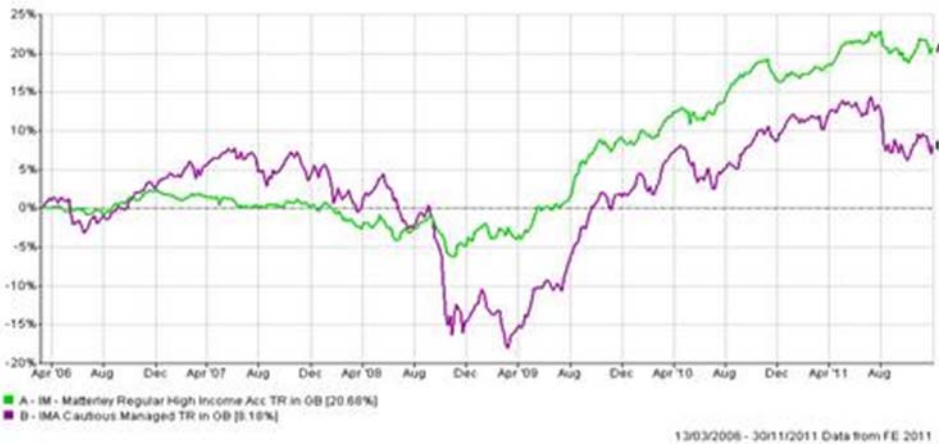
Yield :

Retail Acc	5.0%
Retail Income	5.1%

Launched	13/03/2006
IMA Sector	UK Cautious Managed
Base Currency	GBP
Benchmark	None
Fund Size	£40.4m
ACD	IFDS Managers Limited
Depository	State Street Trustees Limited
Auditors	Deloitte LLP

Performance	6 mth	3 yr	30/11/10-30/11/11	30/11/09-30/11/10	30/11/08-30/11/09	30/11/07-30/11/08	30/11/06-30/11/07	Since inception*
IM Matterley Regular High Income	-0.7	26.9	3.6	6.9	14.6	-5.3	-1.5	20.7
Quartile Ranking	1	3	1	3	4	1	4	1
(IMA) Cautious Managed	-4.7	26.2	-0.4	7.2	18.1	-18.1	1.8	8.2

IM Matterley Regular High Income Fund



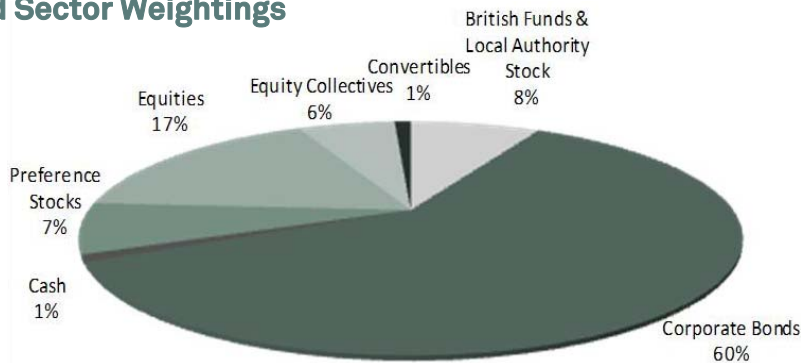
Portfolio Statistics

As at 30th November 2011. Source: Matterley. Figures subject to rounding.

Top 10 Holdings

	(%)
Motability 6.625% 2019	2.1
UK Treasury 5% 2025	1.9
British Telecom 8.625% 2020	1.9
Allied Domecq 6.625% 2014	1.9
UK Treasury 6% 2028	1.8
B.A.T. Int 6.375% 2019	1.8
Vodafone Group Plc	1.7
Rolls Royce 7.375% 2016	1.5
Rolls Royce 6.75% 2019	1.5
Kraft Foods 7.25% N2018	1.5

Fund Sector Weightings



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

Annual Management Charge 1%

Minimum Initial Investment £1,000

Identification

SEDOL
Retail Accumulation B09CC33
Retail Income B09CC11

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

Fund Availability

Please see www.matterley.com

Matterley is a division of Charles Stanley

Disclaimer

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