



# IM Matterley Regular High Income Fund

Matterley

## September 2011

### 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

The volatility in World Markets continued through September and as a result the fund lost 1.1% in value compared to a fall of 1.6% which was the average recorded by our peers in the (IMA) Cautious Managed Sector. (Source – Financial Express Analytics as at 30<sup>th</sup> September 2011, total return, £Sterling, net income reinvested).

Once again the month was punctuated by disappointing economic statistics both in the UK and the US and the ever present Greek crisis. The latter prompted a sharp fall in value in the leading French banks when it was realised they were large holders of Greek government debt. The Greek prime minister cancelled his planned trip to the United States so that he could stay at home and sort out the crisis. To economic historians this was reminiscent of Dennis Healey staying in the UK to negotiate with the IMF nearly 40 years before. Deadlines have continued to come and go and European leaders meet with increasing urgency but there is still no decisive policy action in sight. Against this background we have seen UK government bonds and good quality corporate bonds continue to rise as they are deemed a safe haven.

We decided to switch our holding in Vodafone 4.625% Bonds which yielded 4.3% into the ordinary shares which yield 5.5% net and where there is the prospect of increasing dividend payments in the years to come. Following sharp falls in the market we managed to add to Legal and General ordinary shares and also take out a new position in Inmarsat, the satellite communication business where the yield is over 5% and management have promised dividend increases of 10% for the next three years. As we now consider that a Greek default is a question of when rather than if we continue to reduce exposure to any bank debt and as a result managed to sell the small holding of Barclays 5.75% Bonds during the month.

### Fund Facts at 30/09/11

#### 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 119.15p

Retail Income 91.81p

#### Yield :

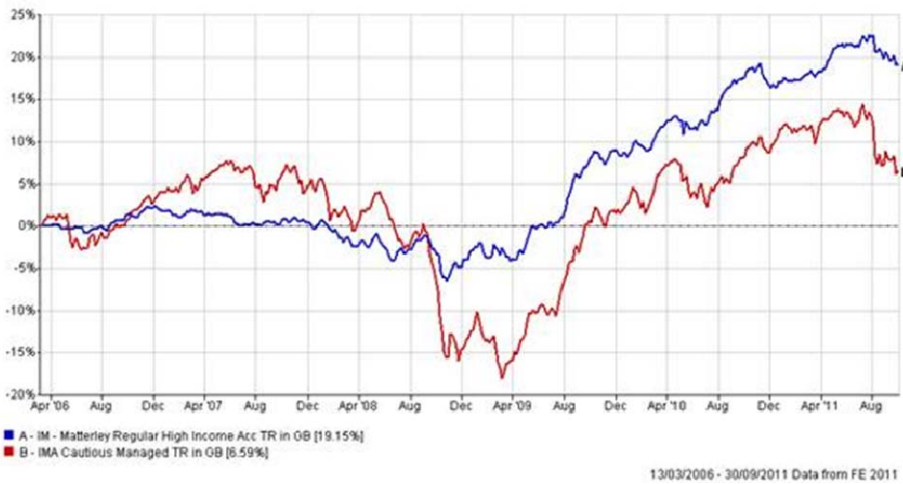
Retail Acc 5.0%

Retail Income 5.3%

<b>Launched</b>	13/03/2006
<b>IMA Sector</b>	UK Cautious Managed
<b>Base Currency</b>	GBP
<b>Benchmark</b>	None
<b>Fund Size</b>	£41.0m
<b>ACD</b>	IFDS Managers Limited
<b>Depository</b>	State Street Trustees Limited
<b>Auditors</b>	Deloitte LLP

Performance	6 mth	3 yr	30/09/10-30/09/11	30/09/09-30/09/10	30/09/08-30/09/09	30/09/07-30/09/08	30/09/06-30/09/07	Since inception*
IM Matterley Regular High Income	0.5	22.5	1.2	9.1	11.0	-2.9	-1.1	19.2
Quartile Ranking	1	1	1	2	2	1	4	1
(IMA) Cautious Managed	-5.1	13.7	-1.6	7.4	7.6	-11.4	4.7	6.6

# IM Matterley Regular High Income Fund



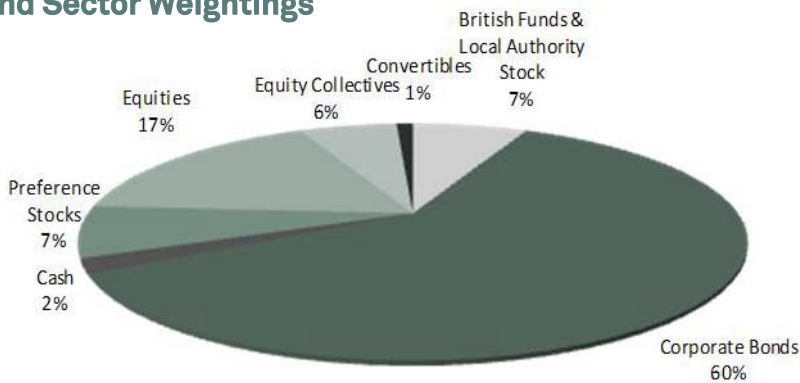
## Portfolio Statistics

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

### Top 10 Holdings

	(%)
Motability 6.625% 2019	2.1
British Telecom 8.625% 2020	1.9
Allied Domecq 6.625% 2014	1.9
B.A.T. Int 6.375% 2019	1.7
Vodafone Group Plc	1.6
UK Treasury 5% 2025	1.5
Rolls Royce 7.375% 2016	1.5
Kraft Foods 7.25% N2018	1.5
Rolls Royce 6.75% 2019	1.5
UK Treasury 8% 2021	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](http://www.matterley.com)

Matterley is a division of Charles Stanley

## 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.

The IM Matterley Regular High Income Fund is managed by Charles Stanley & Co. Limited. This document has been issued and approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Charles Stanley & Co. Limited, which is authorised and regulated by the Financial Services Authority. Unless a specific source is given, the source of all information within this document is Charles Stanley & Co. Limited. This document may also contain the fund managers' personal views and opinions and does not necessarily reflect the views of Charles Stanley & Co. Limited.

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