

## CF Charles Stanley Regular High Income Fund

Fact sheet at 31st January 2010

### Fund Information

Price:	Inc: 90.84p
	Acc: 109.34p
Fund size:	£35.5m
Yield	5.47% (income shares)

<b>Price at launch</b>	100.00p
<b>Sedol</b>	Inc: B09CC11 Acc: B09CC33
<b>Launch Date</b>	13th March 2006
<b>Annual Management Charge</b>	1%
<b>Share types</b>	Income/Accumulation
<b>Sector</b>	IMA UK Equity & Bond Income
<b>Benchmark</b>	None
<b>Standard Initial Charge</b>	up to 5% 0% charge for Charles Stanley clients
<b>Minimum Lump Sum Investment</b>	£1,000
<b>Fund Managers</b>	Chris Evans Chris Harris
<b>Dealing</b>	Capita Financial Managers 0845 9220044

### Investment objective

The objective of the CF Charles Stanley 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 and government securities, together with high yielding equities and preference shares. There may be occasions when we choose to hold a high level of collective investment schemes, cash and/or money market instruments. If units are held within the ISA RHI wrapper then income is currently paid at the rate of 0.5p per unit per month.

### TOP 10 HOLDINGS

FUND	% OF FUND
CASH	4.61
MOTABILITY 6.625% 2019	1.89
B.A.T. INT 6.375% 2019	1.83
BRITISH TELECOM 8.625% 2020	1.66
ROLLS ROYCE 7.375% 2016 BONDS	1.62
CADBURY 7.25% 2018	1.58
REED ELSEVIER 7% 2017	1.58
DEUTSCHE TELECOM 7.125% 2012	1.56
UK TREASURY 8% 2021	1.53
UK TREASURY 5.25% 2012	1.52

### HIGHLIGHTS

- Regular High Income Fund appreciated by 0.8%
- Fixed interest markets remained largely unmoved
- Greece debts proved beneficial to the UK Government

### Fund Manager's comment

During January the price of the units in the Regular High Income Fund appreciated by 0.8% and although we have no official benchmark, this compares to a rise of 0.7% in the FTSE All-Gilt Index and a decline of 4.3% in the FTSE 350 High Yield Index. (Source: Financial Express Analytics as at 31st January 2010, total return, bid-to-bid, pounds sterling.)

There was increasing caution in equity markets with disappointing news from China, and America, where Mr. Obama decided it was time to take a robust stance against the banking sector. In Europe Greece began to teeter on the edge of bankruptcy. Fixed interest markets in the UK remained largely unmoved, especially after the Bank of England met early in January but gave no hint about when they were likely to cease the practice of quantitative easing.

Towards the end of the month the confusion surrounding Greece and its debts actually proved beneficial to UK government stocks as investors once again sought safety in UK government bonds rather than riskier asset classes. An auction of £3.25bn Treasury 3.75% stock 2019 was covered nearly 2.4 times. During the month we continued to purchase issues by the European Investment Bank in preference to government bonds. The yield was higher and the investment status just as secure as the better sovereign bonds.

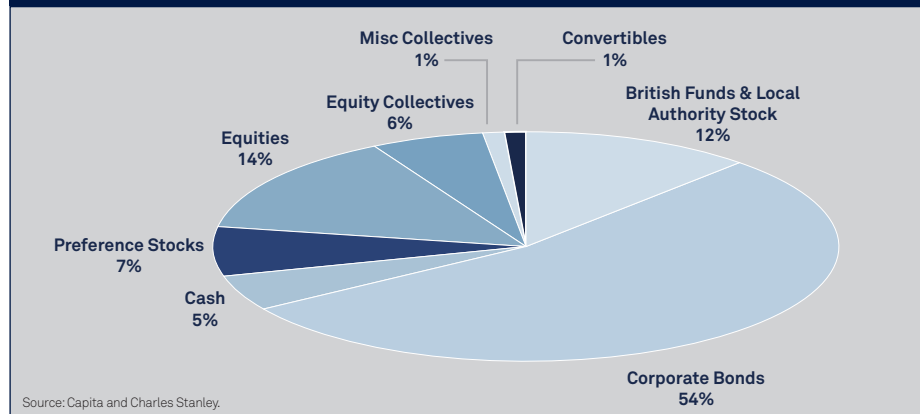
Our substantial holdings of Scottish Power 6.625% Bonds and Compass Group 7.125% Bonds were redeemed in the second part of January and it is no easy task looking for reinvestment opportunities which match the high yield and high qualities of these underlying companies.

### PERFORMANCE

Name	1mth	6mth	3year	31/01/09-31/01/10	31/01/08-31/01/09	31/01/07-31/01/08	Since Inception
CF Charles Stanley Regular High Income	0.78	7.57	8.07	13.52	-3.02	-1.83	9.26
IMA Cautious Managed	-0.78	9.25	-1.89	17.83	-14.59	-2.51	2.11
Quartile ranking	1	4	1	4	1	2	1

Source: Financial Express Analytics as at 31st January 2010. Total Return, bid to bid, Sterling net income re-invested.  
\*Fund inception date 13/03/2006. The figures refer to the past. Past performance is not a reliable indicator to future results.

### ASSET BREAKDOWN



**Risk Warning:** 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.

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