

IFDS Brown Shipley Sterling Bond Fund

BROWN SHIPLEY FUNDS

Factsheet to 30 December 2011

COMMENTARY

After almost nine consecutive months of weak returns, December saw some respite for the corporate bond investor as spreads tightened moderately. As has been the case for much of 2011, the European sovereign debt situation continued to dominate the headlines, and though few concrete actions were taken to rectify the current malaise, developments at the European Central Bank acted as a stabilising force. On the whole, corporate balance sheets remain robust. The January/February reporting window will provide us with a fresh look at the health of the corporate sector from which to rebase our assessment, but for now, spread levels appear to over-compensate investors for the risks of default, suggesting that much of the rewards on offer are being provided for liquidity.

Source: Brown Shipley, Bloomberg



KEVIN DORAN, FUND MANAGER

Lipper Leader Rating* **5**
Preservation

FUND AIMS & DETAILS

HIGH, STABLE INCOME WITH PROSPECTS FOR CAPITAL GROWTH THROUGH A PORTFOLIO OF FIXED INTEREST SECURITIES PRIMARILY ISSUED BY UK COMPANIES

Date launched	July 1995	XD date	1 Apr, 1 Jul, 1 Oct, 1 Jan	Initial charge	3.5%
Fund size	£106.9m	Payment date	30 Jun, 30 Sep, 31 Dec, 31 Mar	Annual management charge	1.0%
Number of holdings	55	Minimum initial investment	£3,000	Distribution Yield*	7.1%
A Income Share Price	92.38p	Minimum monthly DD	£250	Underlying Yield	6.1%
Benchmark	IMA £ Corporate Bond Sector			SEDOL	0693035

The Annual Management Charge is levied against the capital property of the Fund which may constrain capital growth.

* The Distribution Yield reflects the gross amounts that may be expected to be distributed over the next 12 months. The Underlying Yield reflects the annualised income net of expenses of the Fund (calculated in accordance with relevant accounting standards). Both yields are as at the date shown, and are reflected as a percentage of the mid-market share price of the Fund. Both yields are based on a snapshot of the portfolio on that day and do not include a preliminary charge. Investors may be subject to tax on distributions. The Distribution Yield is higher than the Underlying Yield because the Fund distributes coupon income and 100% of the ACD and Depository expenses are charged to capital. This has the effect of increasing the distributions for the year and constraining the Fund's capital performance to an equivalent extent.

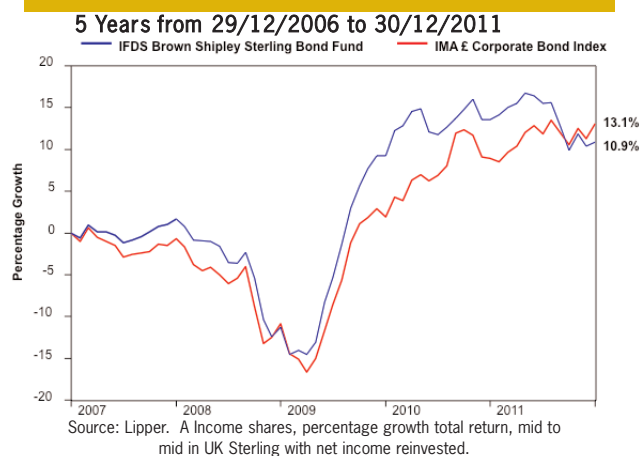
TOP 10 SECTORS

Banks	20.62%
General Financial	11.85%
Real Estate	7.51%
Electricity	7.37%
Nonlife Insurance	6.13%
Travel & Leisure	5.12%
General Retailers	5.00%
Media	4.81%
Fixed Line Telecommunications	4.11%
Mining	3.31%

TOP 10 ISSUERS

Coventry Building Society	5.24%
BNP Paribas	4.71%
Standard Chartered	3.62%
Tullet Prebon	3.47%
Provident Financial	3.19%
ESB	3.18%
Amlin	3.05%
Enterprise Inns	2.40%
EDP Finance	2.33%
Birmingham Airport	2.16%

PERFORMANCE



CREDIT QUALITY

AAA	1.53%
AA	1.42%
A	9.66%
BBB	50.74%
<BBB	6.47%
Not rated	24.53%
Cash	5.64%

Bonds not rated are considered of investment grade, but rating not sought by issuer.
Source: Bloomberg

ROLLING 12 MONTH PERFORMANCE RECORD

	From 31/12/2010 To 30/12/2011	31/12/2009 to 31/12/2010	31/12/2008 to 31/12/2009	31/12/2007 to 31/12/2008	29/12/2006 to 31/12/2007
Sterling Bond Fund	-2.40%	3.96%	23.10%	-12.70%	1.67%
IMA £ Corporate Bond Sector	3.80%	6.91%	14.33%	-10.26%	-0.68%

Source: Lipper. A Income shares, percentage growth total return, mid to mid in UK Sterling with net income reinvested.

Past performance is no guarantee of future performance.

Call: 0870 043 4830

Visit: www.brownshipleyfunds.com

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