

IFDS Brown Shipley Sterling Bond Fund

BROWN SHIPLEY FUNDS

Factsheet to 31 January 2010

COMMENTARY

Within bond markets, the early action of 2010 was dominated by moves in credit. For gilt markets, moves were somewhat more pedestrian. Though, initially, strong inflation data originally pushed up gilt yields, weaker than anticipated GDP data for Q4 coupled with some increased risk aversion as a consequence of the Obama banking proposals ultimately led to the gilt yields dropping c.6/7 bps during the month.

From a credit perspective, it seems that the process of setting fireworks off from Sydney Harbour Bridge created additional fireworks in the corporate bond sector as many investors adopted the New Years resolution to build up positions.

Within the Fund, we took advantage of the heightened demand, lightening the load on positions in Segro, Glencore and M&S, whilst replacing FirstGroup with Enterprise Inns within the "Super 7" element of the portfolio. We envisage continued issuance of corporate debt during Q1 and would expect to utilise additional funds through selective participation in new issues.

Source: Brown Shipley

KEVIN DORAN, FUND MANAGER



FUND AIMS & DETAILS

citywire **AA**

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	£106.6m	Payment date	30 Jun, 30 Sep, 31 Dec, 31 Mar	Annual management charge	1.0%
Number of holdings	56	Minimum initial investment	£3,000	Distribution Yield*	6.4%
Price	102.66p	Minimum monthly DD	£250	Underlying Yield	5.4%
Benchmark	IMA £ Corporate Bond Sector			SEDOL	693035

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

* The Distribution Yield reflects the 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.

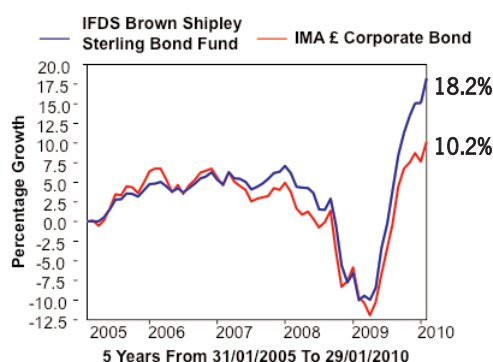
TOP 10 SECTORS

Banks	13.90%
Real Estate	11.36%
General Financial	9.78%
Nonlife Insurance	8.35%
Travel & Leisure	6.41%
Fixed Line Telecommunications	5.93%
Industrial Engineering	5.61%
Media	5.59%
Tobacco	3.07%
General Retailers	2.96%

TOP 10 ISSUERS

Amlin	5.15%
BNP Paribas	5.10%
Provident Financial	4.90%
General Electric	3.17%
Westfield Finance	3.14%
Enterprise Inns	3.09%
Standard Chartered	2.95%
BAA	2.10%
BT	2.03%
Stockland	2.02%

PERFORMANCE



Source: Lipper. Percentage growth total return, mid to mid in UK Sterling with net income reinvested.

CREDIT QUALITY

AAA	0.00%
AA	3.17%
A	16.34%
BBB	38.06%
<BBB	7.03%
Not rated	27.08%
Cash	8.08%
Futures	
Margin	0.24%

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

ROLLING 12 MONTH PERFORMANCE RECORD

	From 30/01/2009 To 29/01/2010	31/01/2008 To 30/01/2009	31/01/2007 To 31/01/2008	31/01/2006 To 31/01/2007	31/01/2005 To 31/01/2006
Sterling Bond Fund	31.03%	-14.91%	1.42%	-0.06%	4.88%
IMA £ Corporate Bond Sector	21.93%	-12.98%	-0.72%	-2.01%	6.73%

Source: Lipper. Percentage growth total return, mid to mid in UK Sterling with net income reinvested.

Past performance is no guarantee of future performance.

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