

IFDS Brown Shipley Sterling Bond Fund

BROWN SHIPLEY FUNDS

Factsheet to 30 June 2010

COMMENTARY

Gilt markets spent much of the month unchanged, with 10-year yields hovering around the 3.5% level. That was until the new coalition government unveiled its maiden budget statement which heralded an acceleration in the pace of the deficit reduction. With investors increasingly subscribing to the “double-dip” outlook scenario, credit spreads widened further during June. Finishing the month at a 3.0% yield premium over Gilts, BBB-rated issues have now reverted back to the spread levels last witnessed in December 2009. Within the Fund, we continued to protect against an increase in Government bonds yields in the belief that current yields offer insufficient compensation for the associated risks. In terms of dealing activity we disposed of our exposure to Morrisons, whilst adding to our position in Bank of Ireland.

KEVIN DORAN, FUND MANAGER

Source: Brown Shipley, Bloomberg



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	£116.0m	Payment date	30 Jun, 30 Sep, 31 Dec, 31 Mar	Annual management charge	1.0%
Number of holdings	59	Minimum initial investment	£3,000	Distribution Yield*	6.5%
Price	101.00p	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

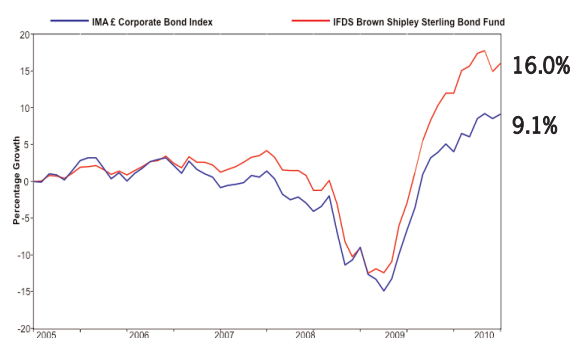
Banks	19.07%
Real Estate	11.27%
General Financial	9.68%
Nonlife Insurance	8.57%
Fixed Line Telecommunications	5.37%
Travel & Leisure	4.99%
Mining	4.40%
Media	4.36%
Industrial Engineering	4.20%
General Retailers	3.71%

TOP 10 ISSUERS

Amlin	5.41%
BNP Paribas	4.96%
Provident Financial	3.33%
Goodman Australia	3.27%
Tullett Prebon	3.22%
Standard Chartered	3.21%
Coventry Building Society	3.02%
Enterprise Inns	2.27%
BAA	1.95%
Stockland	1.94%

PERFORMANCE

5 Years from 30/06/2005 to 30/06/2010



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

CREDIT QUALITY

AAA	0.00%
AA	1.47%
A	14.95%
BBB	40.47%
<BBB	9.35%
Not rated	29.54%
Cash	4.83%
Futures	-0.62%

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

ROLLING 12 MONTH PERFORMANCE RECORD

	From 30/06/2009 To 30/06/2010	From 30/06/2008 To 30/06/2009	From 29/06/2007 To 30/06/2008	From 30/06/2006 To 29/06/2007	From 30/06/2005 To 30/06/2006
Sterling Bond Fund	18.15%	-1.67%	-2.41%	0.39%	0.92%
IMA £ Corporate Bond Sector	16.90%	-2.65%	-3.24%	-0.95%	0.07%

Source: Lipper. Accumulation 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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