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Matterley

IM Matterley UK & International Growth Fund

Fund Manager

Paul Gibson, Fund Manager – Paul has over 14 years of market experience in asset management. He joined Charles Stanley in 2007 and is responsible for asset allocation and portfolio construction on the Court of Protection team. Paul is a member of the firm's Investment Strategy Committee and is a personally Chartered Fellow of the Securities & Investment Institute.

Commentary

Equity markets reacted with relief as Cyprus reached agreement on a £10bn bailout for its failing banks, avoiding a default on its debts and suffering a potential euro exit. The Cypriot government capitulated to German demands for a levy on domestic bank deposits marking a watershed moment, setting a very alarming precedent in the drawn out saga of the European Union project. Growing investor optimism over the recovery in the US economy helped push world markets close to their all-time peaks as the FTSE All Share added 1.4%, and the FTSE World ex-UK finished up 2.1%, with both recording a tenth consecutive month of positive returns.

The Fund ended March up 2.5% driven by strong performances from a number of defensive stocks and the life insurance sector. The top performer was mobile telecommunications company Vodafone on reports that the group had been in merger talks with Verizon Communications towards the end of the last year. Although these discussions subsequently failed, the stock rallied 12.6% during the month on renewed press speculation that Vodafone was now exploring ways to dispose its profitable 45% stake in the Verizon Wireless partnership, which has a potential valuation in excess of \$100bn.

Life insurers Prudential and Legal & General advanced 10.7% and 7.9% respectively after both companies reported a strong set of full year results, beating analyst's forecasts and raising their final dividends. Elsewhere, Reckitt Benckiser hit a record high, up 6.5%, following reports that it is considering putting its pharmaceutical business up for sale. Publisher Reed Elsevier gained 10.2% as the company reported good profit growth in all business segments, prompting a number of analyst upgrades.

Global markets have now been in a bull trend for four years, propelled by investors seeking a reliable source of income in an ultra low interest rate environment. The injection of vast amounts of liquidity by the worlds' central banks has had a pivotal effect on equity markets. With the Bank of Japan now on the verge of unleashing further Quantitative Easing, in the latest effort to boost domestic inflation, the rally in risk assets could continue through the summer months. Geo-political tensions between North Korea and the US could add to the additional uncertainty; however, sovereign credit downgrades and relentlessly gloomy economic forecasts in the western economies continue to be ignored for the time being as any weakness in the equity markets continues to be seen as a buying opportunity.

(Source: Financial Express Analytics, Total Return, GBP, as at 31st March 2013)

Performance

Name	3 month	6 month	3 year	31/03/12 31/03/13	31/03/11 31/03/12	31/03/10 31/03/11	31/03/09 31/03/10	Since Inception
IM Matterley UK & International Growth Fund (%)	12.5	14.6	24.0	14.7	1.9	6.1	47.2	68.5
(IMA) Global Sector Average (%)	13.6	16.0	20.8	14.6	-2.2	7.7	44.7	67.0
Quartile Ranking	3	3	2	3	1	3	2	3
Fund Rank	215 / 248	210 / 245	83 / 208	174 / 243	42 / 223	101 / 208	92 / 193	109 / 192

Source: Financial Express Analytics at 31/03/2013. Total Return, Sterling, net income reinvested. *Fund inception date 11/12/2008. The figures refer to the past. Past performance is not a reliable indicator to future results.

Fund Facts at 31/03/13

Fund Objective & Policy

To provide long-term capital growth through investment in a diversified portfolio of global equities with a focus on UK Blue-Chip companies.

Launched 11/12/08

Price (Acc): **168.53p**

IMA Sector Global
Base Currency GBP
Benchmark None
Fund Size £62.8m
No. of Holdings 66
Yield (acc) 1.62%
Share Type Accumulation

Minimum Investment £1,000

Annual Management Charge 1.00%

Initial Charge 0%

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MORNINGSTAR RATING™



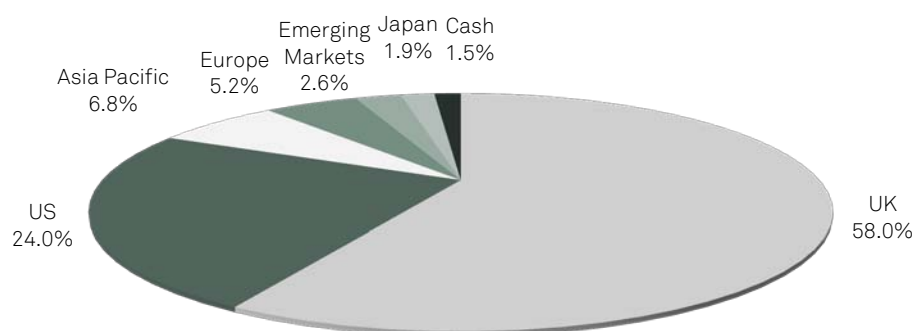
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Portfolio Statistics

Source: State Street, as at 31st March 2013. Figures are subject to rounding.

Top 10 Holdings	(%)
JPMorgan US Equity Income	4.43
Henderson US Growth	4.33
Royal Dutch Shell plc	4.14
Vodafone Group plc	3.33
AVIVA US Equity Income	3.24
Jupiter North American Income	3.24
BP plc	3.01
BG Group plc	2.88
GlaxoSmithKline plc	2.59
Threadneedle American Smaller Companies	2.47

Fund Sector Weightings



Source: State Street, as at 31st March 2013. Figures are subject to rounding.

Dealing Information

Dealing Time

Daily at 12 noon

Main Dealing Desk

Tel: 0844 931 0031

IFDS Managers Ltd - Matterley

PO Box 10818

Chelmsford

CM99 2BL

ISA and SIPP Applications

Contact the Matterley team

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Fund availability

For information on fund availability, please see www.matterley.com.

Disclaimer

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Morningstar Rating is sourced from Morningstar.

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