

GARTMORE Cautious Managed (OEIC)

OBSR Fund Rating
AA

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Key Information

| | | |
|----------------------------------|-------------------------------------------------|-------|
| Launch Date | 31 January 2003 | |
| Fund Size | £841.2m | |
| Type of Shares Available | Income & Accumulation | |
| Distribution Dates | 31 March, 30 June, 30 September, 31 December | |
| Yield | 3.99% | |
| ISA | Yes | |
| ISA Transfer | Yes | |
| Standard Fund Management Charges | Initial | 5.00% |
| | Annual | 1.25% |

Classification

| | |
|-----------------|------------------------------------------------------------------|
| Sector | Cautious Managed |
| Benchmark/Index | 50% FTSE All-Share Index 50% Merrill Lynch GBP Non Gilt Index |

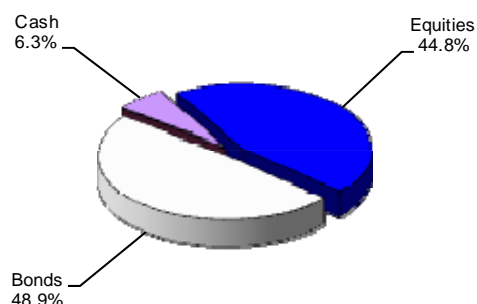
Management/Investment Style

| | |
|--------------|------------------------------|
| Fund Manager | Chris Burvill (January 2003) |
|--------------|------------------------------|

Offers a predominantly UK portfolio of equities and bonds, where the equities will not exceed 60% of total assets. The equity portion is managed using a contrarian, value approach and will include stocks throughout the cap range; the bond portion is managed in line with the top-down house view within a fixed duration range.

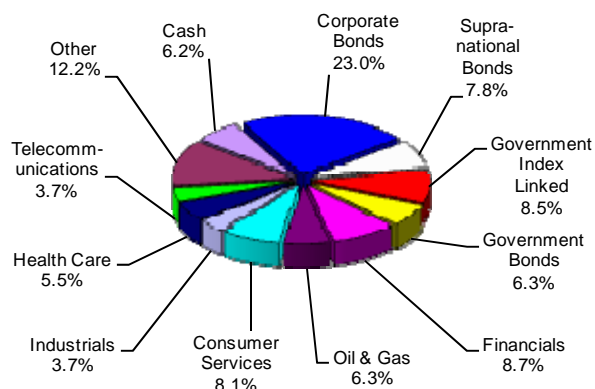
Asset Distribution

Source: Gartmore



Asset Distribution - Sector

Source: Gartmore



Top Ten Holdings

| Top Ten Holdings | % |
|------------------------------------------|-----|
| European Investment Bank 4.375% 8/7/2015 | 5.1 |
| UK Treasury 1.875% IL 22/11/2022 | 4.5 |
| UK Treasury 2.5% IL 23/8/2011 | 3.2 |
| GlaxoSmithKline | 3.0 |
| Royal Dutch Shell - B Shares | 2.9 |
| UK Treasury 5% 7/9/2014 | 2.9 |
| HSBC Holdings | 2.6 |
| AstraZeneca | 2.5 |
| Vodafone Group | 2.5 |
| UK Treasury 4.75% 7/3/2011 | 2.2 |

| | |
|--------------------------|------|
| Concentration (Top 10) | 31.4 |
| Total Number of Holdings | 147 |

Source: Gartmore

Investment Objective & Methodology

The fund aims to provide a combination of income and long-term capital growth through investment in a diversified portfolio of equities, bonds and other related investments.

Chris Burvill has managed the fund since launch. He established a credible track record with the Investec Cautious Managed Fund from its launch in June 1993 until July 2002, at which time he left Investec to join Gartmore. He is able to draw upon the twelve-strong team of pan-European analysts for additional in-depth company analysis. The fixed interest portion is managed by Karl Bergqvist and Simon Surtees.

The manager has a contrarian approach to equity investment. He assesses key factors such as a company's trading background, its market position, its balance sheet and the value of its assets. He then looks at longer-term valuation yardsticks such as price to sales, believing that sales are less variable than earnings. However, he also seeks those companies being ignored by the market as he believes value can be present in those stocks being overlooked. He overlays this with his top-down view of the economy, using both internal and external inputs. He has complete autonomy within Gartmore and therefore this portfolio will not necessarily reflect the in-house view in terms of construction. The portfolio has a core of longer-term holdings but he will take short-term views in certain areas if his analysis shows there is value to be found. The manager has full discretion over the asset allocation of the portfolio and meets with the fixed income manager weekly to discuss the bond holdings. The bond portion will be managed in line with Gartmore's policy and aims for steady, stable growth with duration fixed at between five and eight years. The fixed income manager seeks arbitrage opportunities within the fixed interest market to add further value, although the portfolio is tightly controlled and low risk in nature.

The equity portion is limited to a maximum 60% of the portfolio and will comprise between 70 and 75 names. Individual stock weightings are restricted in accordance with their weighting in the FTSE All-Share Index: FTSE 100 stocks at +/-3%, mid caps at +/-2% and small caps at +/-1%. At a sector level, the sum of all overweight positions cannot exceed 25% and individual sectors are limited to +/-10% compared with the Index. The bond portion will be diversified, containing between 70-75 names. Holdings will usually be in investment grade or government issues, however, the fund has the ability to include some sub-investment grade names. Cash can be used as a tactical asset up to 10% and the manager will make use of this when appropriate.

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Data as at 30 June 2010
Last Updated July 2010