

IGNIS ASSET MANAGEMENT

Cartesian UK Opportunities (UT)

OBSR Fund Rating
A

obsr FUND
RATINGS

Key Information

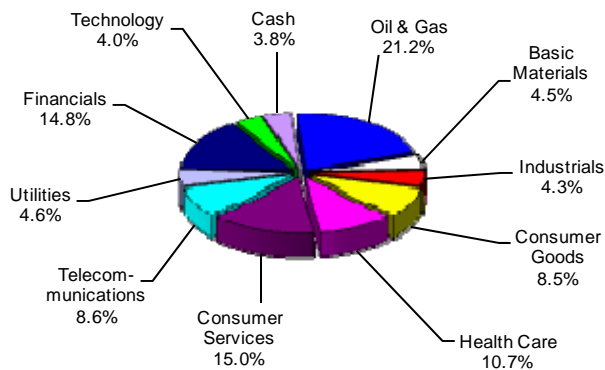
Launch Date	29 December 2005	
Fund Size	£72.5m	
Type of Units Available	Income & Accumulation	
Distribution Date	n/a	
Historic Yield	1.30%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.25%
	Annual	1.75%

Classification

Sector	UK All Companies
Market Cap / Style	Large Cap Bias / Blend
Benchmark/Index	FTSE All-Share
Management/Investment Style	
Fund Managers	David Stevenson (December 2005) Andrew Kelly (December 2005) Jeremy Hall (December 2007)
Offers investors an actively-managed, best ideas UK equity portfolio. The fund will be concentrated in nature and invested across the market-cap spectrum, with a bias to mid and large cap companies and with no predetermined style bias.	

Asset Distribution - Sector

Source: Ignis Asset Management



Investment Objective & Methodology

The fund aims to achieve long term capital growth by investing in companies comprised from the managers' 'must own' ideas. Stocks will be picked selectively, predominantly from UK listed companies, where the managers believe they can achieve an absolute return. In practice, the managers expect to outperform the FTSE All-Share Index by at least 3% per annum after fees on a rolling one-year basis.

David Stevenson and Andrew Kelly established Cartesian Capital in 2005 in a joint venture with Resolution Asset Management (then Britannic Asset Management). Since then Resolution Asset Management has been rebranded as Ignis Asset Management. They have worked together since 1996, where they were both employed at SVM. Jeremy Hall joined Cartesian Capital in 2007 and became a partner in 2008. Cartesian Capital is fully supported by the resources of Ignis Asset Management.

The managers' investment philosophy is that by adopting a business ownership mindset in assessing the growth prospects and valuation of a business, they are able to identify good investments. In order to achieve this, they focus on analysing business models. The managers screen the UK universe, taking into account market capitalisation and liquidity, before conducting their own financial analysis. Their primary aim is to identify undervalued stocks and, in order to fully understand the business in which they are investing, they seek to analyse such factors as the growth prospects for the company, the market position, the free cashflow, the financial strength, corporate activity and any restructuring or recovery that is or has occurred. They also seek to identify strong management and catalysts within the corporate entity that the managers believe will underpin the inherent value, for example ongoing earnings surprises, re-rating by institutions, sum of the parts, break-up valuations, the potential for trade sales and the potential for buy-backs and special dividends. These help them to avoid value traps. The end result is a high conviction portfolio constructed from the managers' foremost ideas.

The portfolio will typically be concentrated, comprising 30-60 stocks. It will be unconstrained and, whilst there are no formal constraints in reference to the index, the managers seek to spread risk across a range of sectors. The fund must hold at least 80% of its assets in UK equities. New holdings in the portfolio are typically introduced at around a 2-4% weighting for large and mid caps and around 1-2% for small caps and AIM stocks.

Top Ten Holdings

	%
Vodafone Group	5.6
Royal Dutch Shell	5.1
BG Group	5.0
HSBC Holdings	4.9
British American Tobacco	4.8
Rio Tinto	4.5
GlaxoSmithKline	4.1
AstraZeneca	3.7
Centrica	3.5
BP	3.0
Concentration (Top 10)	44.0
Total Number of Holdings	51

Source: Ignis Asset Management

www.obsrfundratings.co.uk

Data as at 31 March 2011
Last Updated April 2011