

# PSigma Income (UT)

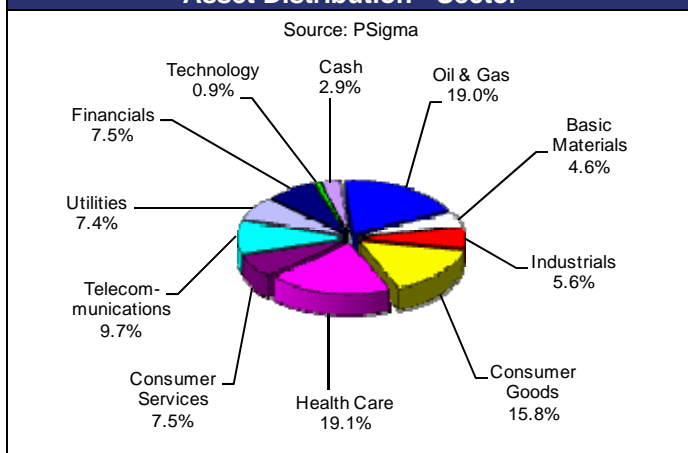
**OBSR Fund Rating**  
**AA / Silver**

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RATINGS

## Key Information

<b>Launch Date</b>	5 April 2007	
<b>Fund Size</b>	£377.5m	
<b>Type of Units Available</b>	Income & Accumulation	
<b>Distribution Dates</b>	31 May, 30 November	
<b>Historic Yield</b>	4.43%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	5.25%
	<b>Annual</b>	1.50%

## Asset Distribution - Sector



## Top Ten Holdings

	%
Vodafone Group	7.1
Royal Dutch Shell - B Shares	6.9
GlaxoSmithKline	6.9
BP	5.1
British American Tobacco	4.4
AstraZeneca	3.8
BG Group	3.2
Tesco	3.0
Centrica	2.4
Unilever	2.3
Concentration (Top 10)	45.1
Total Number of Holdings	85

Source: PSigma

## Classification

<b>Sector</b>	UK Equity Income
<b>Market Cap / Style</b>	Large Cap Bias / Blend
<b>Benchmark/Index</b>	FTSE All-Share

## Management/Investment Style

<b>Fund Manager</b>	Bill Mott (April 2007)
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Offers investors an equity income portfolio managed by a very experienced manager using a combination of a thematic top-down approach and considered stock picking. The fund will invest in large and medium-sized companies and has no-predetermined style bias.

## Investment Objective & Methodology

The fund aims to provide an above average dividend yield which will rise faster than inflation over time. In addition, the fund aims to achieve long term capital appreciation in excess of the market. The fund manager expects this to deliver overall returns in excess of the market over the longer term.

The fund is managed by Bill Mott who is a very experienced income fund manager and is supported by Dr David Hallam who is an experienced analyst. Dr Mott is one of three partners in Psigma Asset Management. The investment team also comprises of two other fund managers, Neil Cumming and Eric Moore.

The manager believes that that investor psychology and sentiment overshoots on the upside and downside at market, sector and stock levels and that the long-term out-performance in income funds is delivered by investing in companies at below their long-term valuation averages. He therefore combines a top-down thematic investment approach with bottom-up stock selection depending on the opportunities he believes exist in the market in order to meet the fund's objectives. The thematic approach focuses on economic and market analysis to highlight trends in the economy so that he can weight the portfolio to benefit from these themes. He also seeks to identify inflection points that will drive the market. These may occur at the style, sector or macro-economic level as well as at the individual stock level. At times, this may result in a contrarian stance being adopted. At other times, when there are no strong top-down views, the manager will focus more on stock selection seeking a combination of core income stocks and some growth stocks. Ideally the preferred stocks will have strong cash flow characteristics and strong balance sheets, offer good value relative to the perceived growth prospects for the company and occupy strong market positions.

The main source of risk control is the weighting to each company and the choice of holdings. This will largely depend on the market capitalisation profile of the portfolio. When the fund is weighted towards larger, more liquid companies the number of stocks is likely to be between 30 and 40. When exposure to medium-sized and smaller companies increases, the number of stocks will typically be closer to 70. Exposure to individual stocks will be limited to a maximum overweight of 3% relative to their index weightings. There will also be a maximum underweight of 3% relative unless the income requirement of the fund is compromised, in which case there would be no limit.

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Data as at 31 December 2011  
Last Updated January 2012