

Cartesian Capital Partners



Traditional values, independent thinking



Quarterly Update

Cartesian UK Opportunities Fund and Cartesian Enhanced Alpha Fund

13 July 2010 10.00am

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Contents

- Review of the quarter
- Cartesian Views
- Positioning
- Q&A



Review of the quarter

- Consecutive monthly declines (last Sep-Nov 2008)
- Negative micro and macro influences
- Bid activity – but some talks terminated
- Quality companies begin relative recovery



Cumulative performance (% growth)

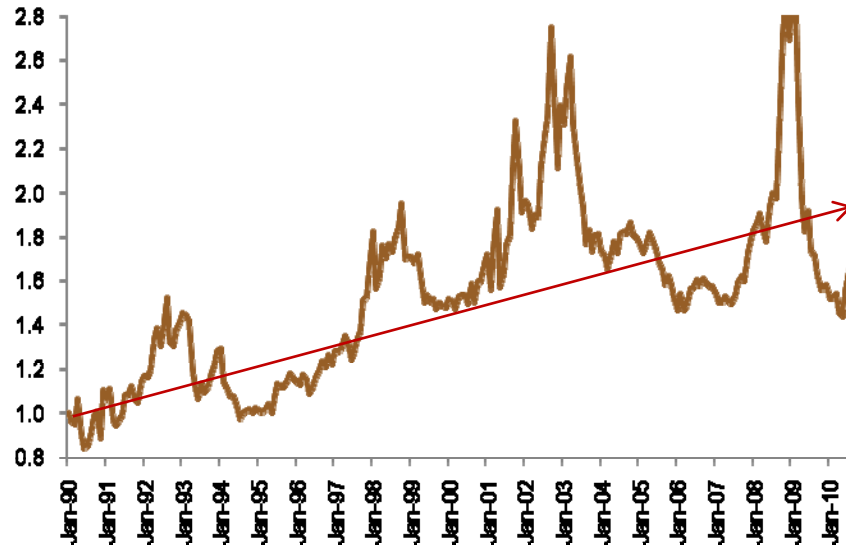
| | Q2 2010* | Year to Date 2010* | Calendar Year 2009** | Calendar Year 2008** | Calendar Year 2007** | Calendar Year 2006** | Since Launch # |
|--------------------------------------|-------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------|
| Cartesian UK Opps Fund | -8.0 | -1.7 | 11.3 | -29.5 | 4.6 | 27.9 | 3.4 |
| Relative to FTSE All Share | +3.8 | +4.5 | -18.8 | +0.4 | -0.7 | +11.1 | -1.5 |
| Percentile Rank (IMA) | 25 | 19 | 100 | 39 | 39 | 8 | 40 |
| Cartesian Enhanced Alpha Fund | 2.2 | 6.8 | 1.6 | -20.0 | - | - | -7.2 |
| Relative to FTSE All Share | +14.0 | +13 | -28.5 | +9.9 | - | - | +6.8 |
| Percentile Rank (IMA) | 1 | 2 | 100 | 4 | - | - | 15 |

*Source : Lipper, bid to bid/NAV to NAV, income reinvested, to 30 June 2010. # The UK Opportunities Fund was launched on 29th December 2005 , the Enhanced Alpha Fund was launched 8 November 2007.

**Source : Lipper, bid to bid, net income reinvested, as at 31 December each year. Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise and is not guaranteed.



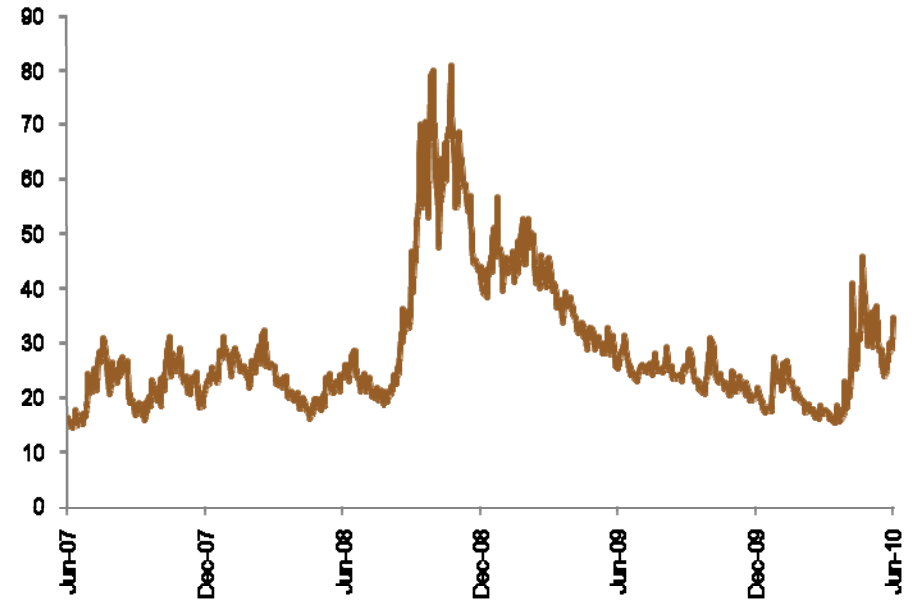
High quality vs low quality stocks



- Return to quality companies
- Long term trend supports sound fundamentals

Source: SocGen as at 30 June 2010

VIX

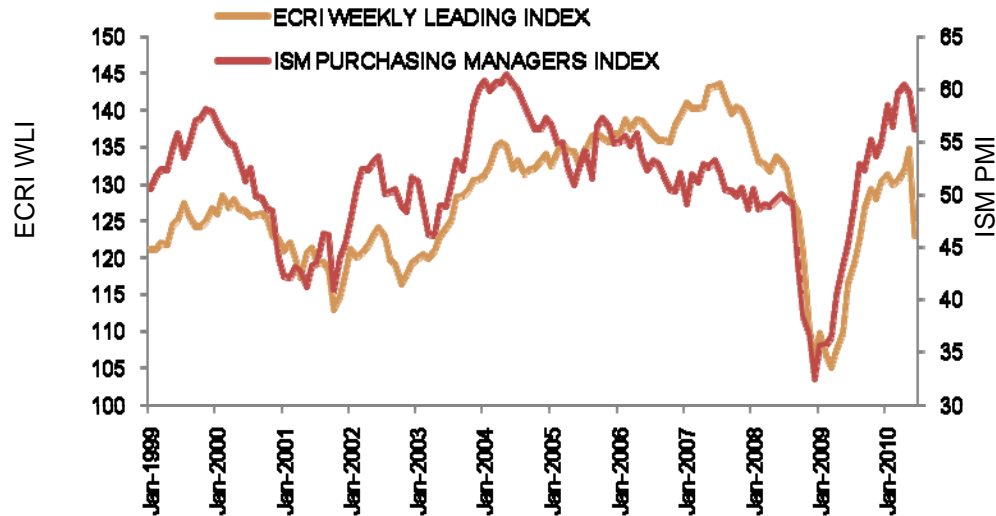


- Spike in volatility
- Increased risk aversion

Source: Datastream as at 30 June 2010



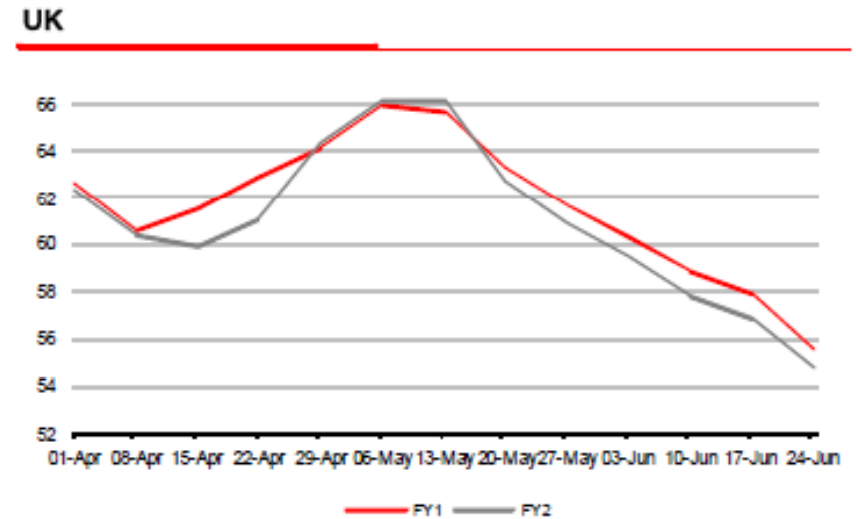
Leading indicators



- Economic Cycle Research Institute typically leads the US ISM
- Lead indicators have topped out and are rolling over

Source: Datastream as at 30 June 2010

UK EPS momentum

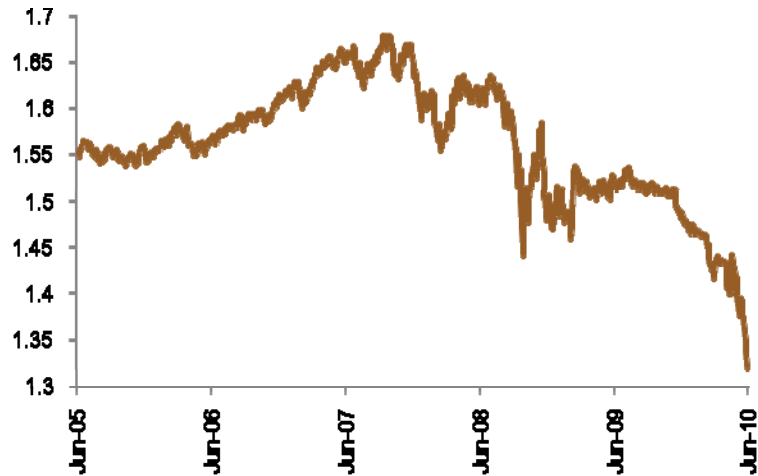


- Analyst enthusiasm responding to change in lead indicators
- Do confidence measures move next?

Source: SocGen as at 28 June 2010

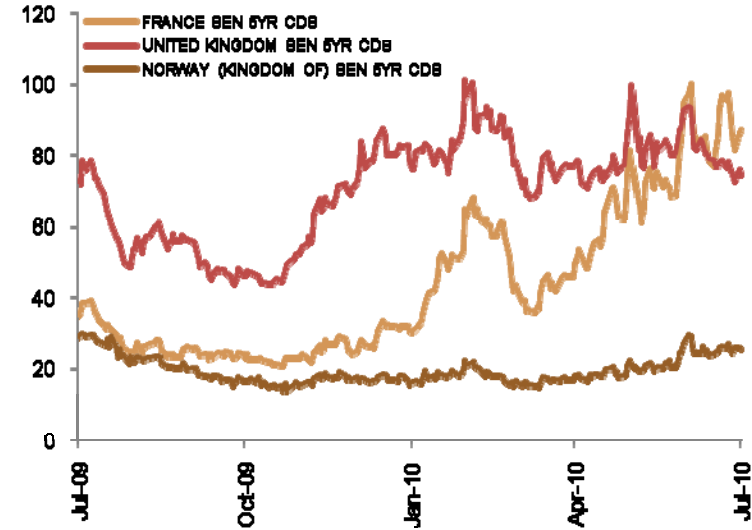


EUR- CHF exchange rate



- Recent stabilisation of Euro reflects sudden concerns about USD
- Relative to safe haven CHF, Euro continued to new lows

CDS premium

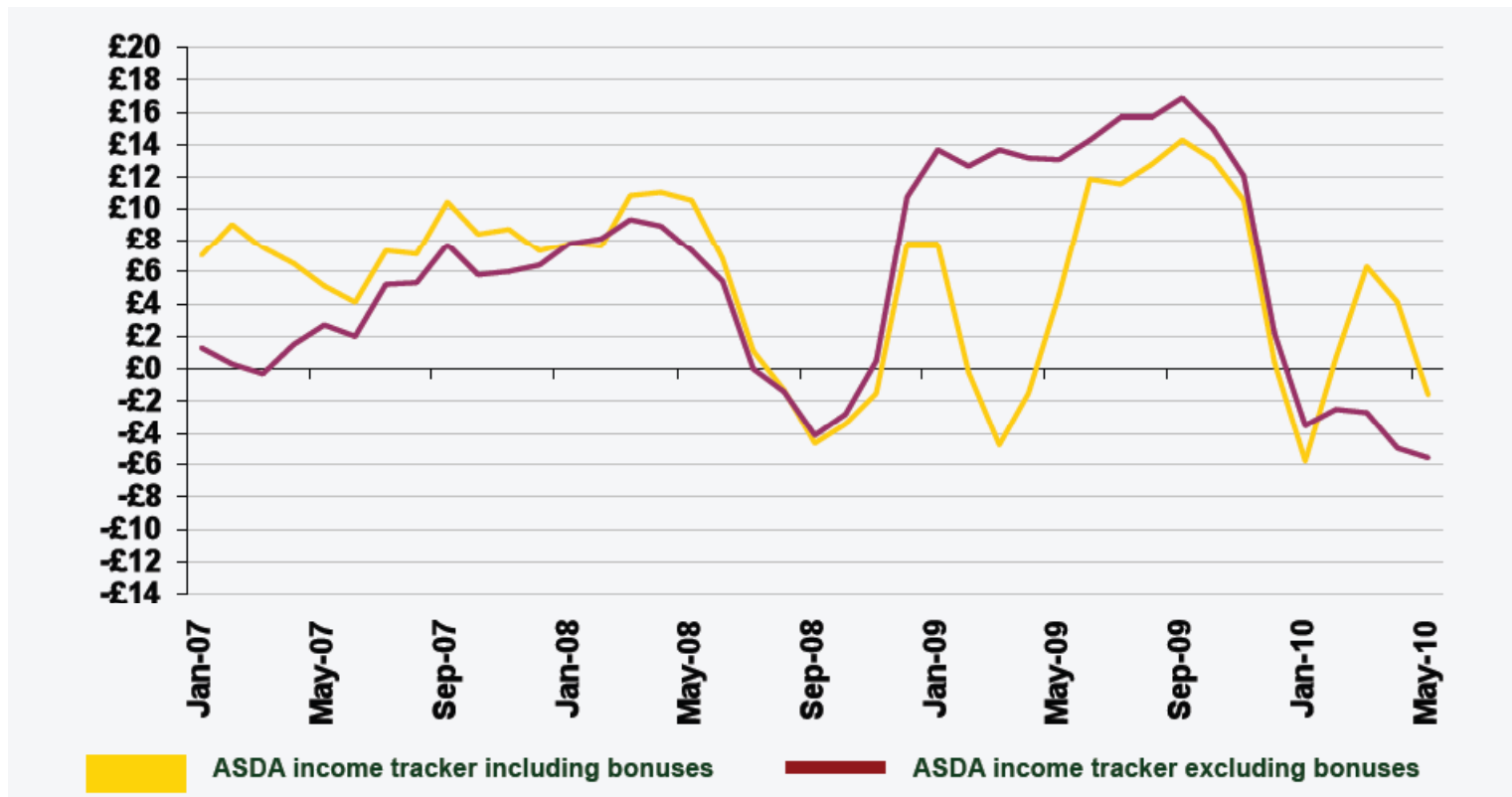


- European sovereign debt concerns spread beyond “PIGS”
- UK deemed relatively more “secure”



Monthly ASDA income tracker

Comparison of year on year change in ASDA income tracker including and excluding bonuses





Fund Positioning

Long

- Attainable recovery
- Value creation
- GARP
- Secure yield
- International bias

Short

- Recovery risk
- Value destruction
- Special situations
- Strained balance sheet
- Domestic spend (incl. govt.)



Cartesian UK Opportunities current portfolio

| Stock | Active % |
|------------------|----------|
| Inmarsat | +2.8 |
| Shire | +2.8 |
| Serco Group | +2.7 |
| Centrica | +2.6 |
| Cairn Energy | +2.6 |
| First Group | +2.1 |
| GKN | +1.6 |
| Unilever | +1.6 |
| Greene King | +1.5 |
| Chemring Group | +1.5 |
| Greggs | +1.5 |
| WPP | +1.5 |
| Astrazeneca | +1.4 |
| De La Rue | +1.4 |
| United Bus Media | +1.4 |

| Sector | Weighting % | Active % |
|--------------------|-------------|----------|
| Financials | 17.8 | -5.5 |
| Consumer Services | 15.7 | +5.5 |
| Consumer Goods | 13.1 | +1.1 |
| Oil & Gas | 13.0 | -2.4 |
| Industrials | 10.9 | +3.8 |
| Healthcare | 9.1 | +1.0 |
| Telecommunications | 8.5 | +2.4 |
| Utilities | 5.3 | +1.5 |
| Technology | 2.5 | +0.8 |
| Basic Materials | 0 | -11.5 |
| Cash | 4.0 | +4.0 |

| Market Cap | Weighting % |
|-----------------|-------------|
| FTSE 100 | 69.2 |
| Mid Cap | 25.5 |
| Small Cap/Other | 1.3 |
| Cash | 4.0 |



Cartesian Enhanced Alpha current portfolio

| Stock | Active % |
|----------------|----------|
| Rockhopper | +9.0 |
| Supergroup | +4.6 |
| Britvic | +3.8 |
| AstraZeneca | +3.5 |
| Shire | +2.8 |
| Smith & Nephew | +2.7 |
| BAT | +2.7 |
| Inmarsat | +2.6 |
| Cairn Energy | +2.6 |
| Morrison | +2.5 |
| Greggs | +2.4 |
| Centrica | +2.3 |
| Unilever | +2.2 |
| Greene King | +2.1 |
| Stagecoach | +1.8 |

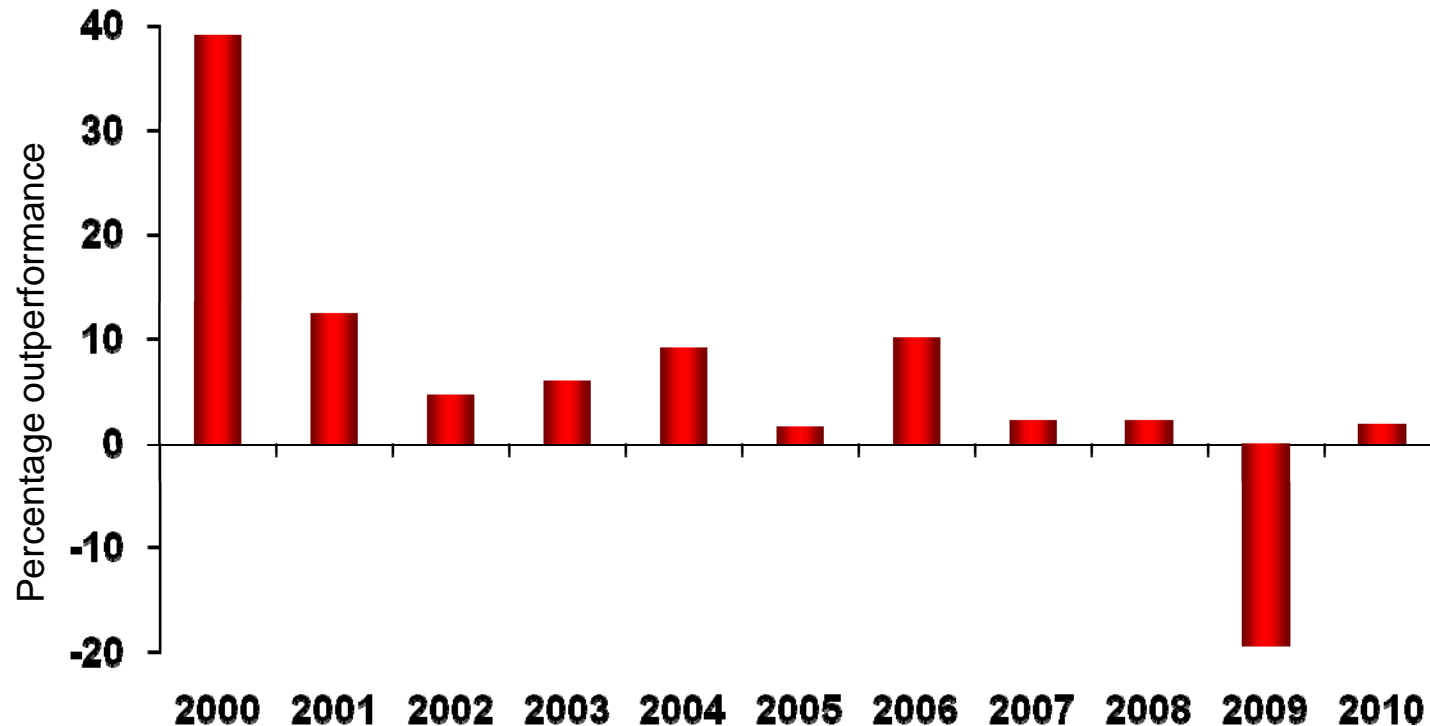
| Sector | Long % | Short % | Net Active % |
|--------------------|--------|---------|--------------|
| Financials | 15.1 | -2.2 | +10.5 |
| Consumer Services | 23.6 | -1.7 | +11.8 |
| Consumer Goods | 17.3 | -1.7 | +3.6 |
| Oil & Gas | 21.9 | 0.0 | +7.6 |
| Industrials | 9.4 | -8.2 | -7.5 |
| Healthcare | 14.6 | -0.5 | +5.9 |
| Telecommunications | 8.3 | 0.0 | +2.2 |
| Utilities | 3.3 | 0.0 | -0.5 |
| Technology | 0.5 | -1 | -2.3 |
| Basic Materials | 0 | -2.0 | -13.6 |
| Cash | 4.0 | 0.0 | +4.0 |



Q&A



UK Opportunities performance relative to IMA UK All Companies sector



Source: Lipper bid to bid net income reinvested. 2000- 2005 are in respect of SVM UK Opportunities managed by David Stevenson. 2000 is 9 months to 31/12/00 and 2005 is in respect of 11 months to 30/11/05. 2006-2009 shows performance in respect of the Cartesian UK Opportunities Fund with 2010 showing performance in respect of the period to 30 June 2010. Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise and is not guaranteed.



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The value of the investments and any income from them can fall as well as rise and is therefore not guaranteed.

Exchange rate movements may cause the value of overseas investments to fluctuate.

The Ignis Cartesian UK Opportunities Fund was launched on 29/12/05 and is a UK authorised unit trust.

The Ignis International Cartesian Enhanced Alpha Fund was launched on 08/11/2007 and is a sub-fund of Ignis International Funds plc which is an open-ended investment company with variable capital incorporated in Ireland with registered number 410033. It is established in Ireland with the purpose of providing a range of UCITS compliant investment funds for distribution to investors across Europe. Registered Office: 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. Authorised and regulated by the Irish Financial Regulator

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