

# Ignis Cartesian UK Opportunities

## Fund Factsheet

At 31 August 2010



Cartesian Team

### Fund management

Cartesian is a specialist UK equity boutique, set up as a 50/50 joint venture with Ignis and David Stevenson, Andrew Kelly, Jeremy Hall and Susan Rafferty. Stevenson is lead manager of the fund. Cartesian have developed an intuitive understanding of how each works through their time together over the last decade, and this allows them to follow their convictions and construct portfolios representing their very best ideas. As bottom-up stock-pickers, their portfolios are managed independent of market sentiment.

### Fund aim

To achieve above average returns by investing predominately in UK listed companies. This will be achieved by investing in a concentrated portfolio of approximately 30-60 stocks selected from across the full UK company size range.

### Fund overview

Sector	UK All Companies
Launch Date	29 December 2005
Fund size	£65.4m
Unit Classes	Class A/Class I
No. of holdings	50
Sedol Codes	A (Acc) - BOV9SS9 I (Acc) - BOV9ST0
Bloomberg Codes	A (Acc) - BRCUOAA I (Acc) - BRCUOIA
ISIN	A (Acc) - GB00BOV9SS99 I (Acc) - GB00BOV9ST07
Initial charge	5.25%
Annual charge	A - 1.75% / I - 0.75%
Total expense ratio	A - 1.80% / I - 0.78%
Minimum investment	£500
Minimum top up	£250
Regular savings scheme	yes
ISA option available	yes

### Risk analysis

Information ratio**	3yrs: -0.67 - rank 237/280
Alpha***	-5.02
Tracking error***	6.64
Beta***	0.89

All information as at 31/08/10 unless otherwise stated and measured against the IMA sector average.  
\*\*Source: Lipper, total return ex initial charges.  
\*\*\*Source: Lipper, annualised, 3 years.



### Fund commentary

The UK market initially continued the previous month's gains, but then lost momentum and finished August slightly down. After a 12% rise from June's low point, it had been primed for some weakness, as investors locked-in recent gains among industrial and consumer cyclicals, while government-facing areas such as service and defence companies continued to suffer from negative sentiment. The fund fell 2.0%, outperforming its sector average\*.

Data centre operator Telecity, government outsourcer Serco and auto engineer GKN, all produced positive updates, while gas utility Centrica and food retailer Morrisons also rose on trading outlook. Inmarsat fell on the announcement of a £750m investment in satellite upgrades for broadband capability, as investors had been hopeful of a cash return. This reaction looks overdone against recent contract news and the prospect of sustained future growth for the business. Armaments manufacturer Chemring and defence services specialist Babcock continued to be hit by the threat of government cutbacks.

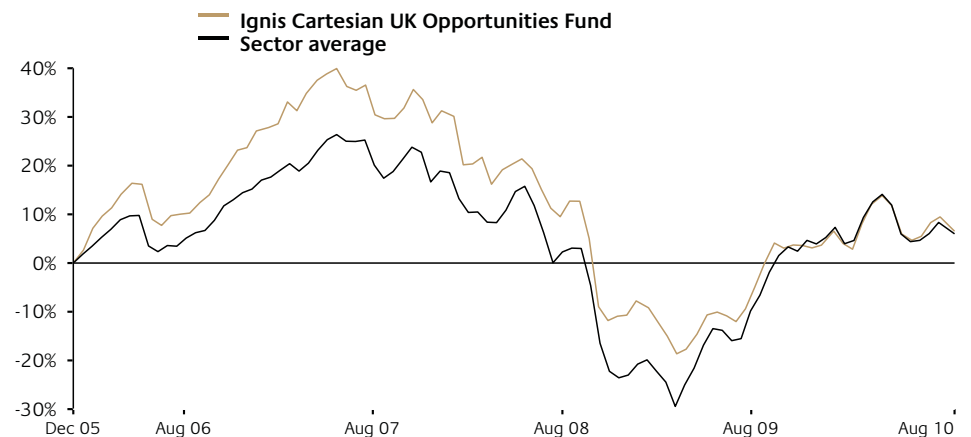
A new position was taken in drugs major GlaxoSmithKline. The stock represents an attractive international 'Growth at the Right Price' opportunity, with the greatest dividend security in the sector and improving visibility from earnings upgrades. A position in non-life insurer Amlin was sold after strong performance and the trading environment for the industry becoming more difficult.

The investment environment continues to be characterised by peaking macro indicators alongside more widespread management caution and in some cases profit warnings, although many companies continue to trade robustly. The fund's positioning remains conservative, comprising a blend of durable and recovery type investments.

\*Source: Lipper, bid to bid, net income reinvested to 31/08/10

### Past Performance

% growth



	3 months	YTD	1 year	3 years	Since Launch				
<b>Cumulative</b>									
Ignis Cartesian UK Opportunities Fund (%)	0.4	1.3	5.3	-18.9	6.5				
Sector average (%)	0.4	0.1	8.7	-11.1	6.0				
<b>Fund rank</b>	135/318	86/314	251/313	251/291	128/255				
<b>Quartile rank</b>	2	2	4	4	3				
<b>Standardised</b>									
06/09 to 06/10 % growth	16.7	06/08 to 06/09 % growth	-22.2	06/07 to 06/08 % growth	-15.1	06/06 to 06/07 % growth	21.9	06/05 to 06/06 % growth	-
Ignis Cartesian UK Opportunities Fund (%)	19.8	-20.0	-14.6	17.7	18.9				
Sector average (%)									

Source: Financial Express, bid to bid, net income reinvested to 31/08/10 or to end of June for each year, excluding initial charge. **Past performance is not a guide to the future.** The value of units and any income from them can fall as well as rise and is not guaranteed.



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### Top 10 holdings

	%
VODAFONE	4.8
ASTRAZENECA	4.6
HSBC	4.6
GLAXOSMITHKLINE	4.5
BRITISH AMERICAN TOBACCO	4.2
CENTRICA	3.8
ROYAL DUTCH SHELL B	3.6
BARCLAYS	3.5
BG GROUP	3.4
STANDARD CHARTERED	3.3

### Portfolio Breakdown

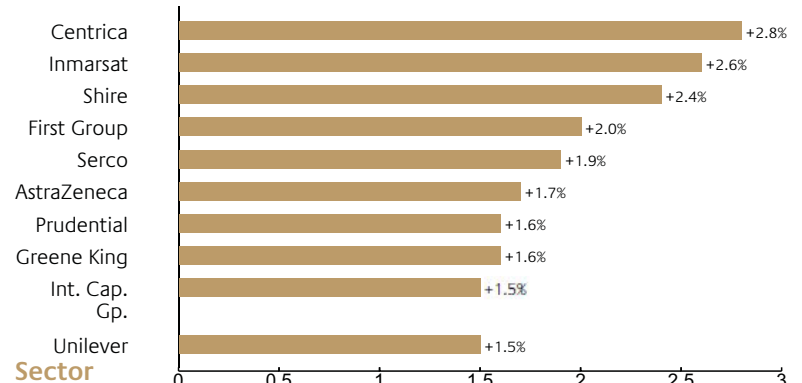
	%
Financials	17.7
Consumer Services	16.1
Healthcare	12.8
Oil & Gas	12.5
Consumer Goods	12.2
Telecoms	8.7
Industrials	7.7
Utilities	5.7
Other	4.1
Cash	2.5

### Market Cap

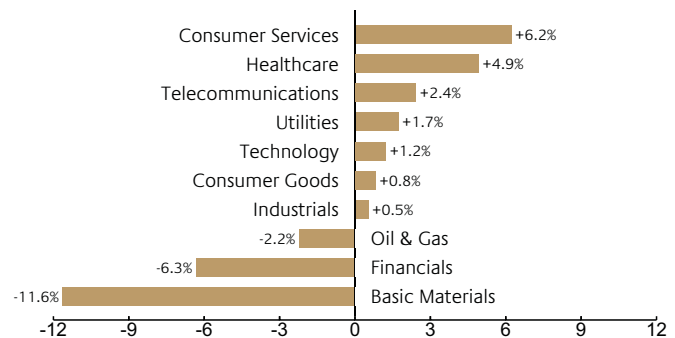
	%
FTSE 100	71.8
FTSE 250	24.3
Small Cap	0.3
Non FTSE	1.1
Cash	2.5

### Active positions – top over / underweights Fund vs Benchmark

#### Stock - top 10 active positions



#### Sector



Source: Internal, all figures at 31/08/10

## Glossary

**Information Ratio:** a risk adjusted measure of fund performance relative to a benchmark; the higher the number, the more risk-adjusted outperformance the fund has generated.

**Alpha:** a measure of a fund's outperformance of a benchmark over a given period. Alpha is used to evaluate the contribution of active management – higher alpha means better fund performance.

**Tracking error:** measures the deviation of fund performance from benchmark performance. Funds with a high tracking error have historically deviated more from their benchmark, and vice versa.

**Beta:** a measure of the sensitivity of fund performance relative to changes in the market. A fund with a beta of one tends to experience movement in line with the market. A beta higher than one suggests the fund will go up by more than the market when it rises, but go down more when the market falls. A beta less than one will go up by less than a rising market, but fall less when the market is down.

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Telephone calls may be monitored and/or recorded for the purpose of security, internal training, accurate account operation, internal customer monitoring and to improve the quality of service.

Please note both the Simplified Prospectus and full Prospectus are available free of charge. For a copy, phone our Investor Support Department on 0800 317 749 or visit [ignisasset.com](http://ignisasset.com)

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