

# Ignis Cartesian UK Opportunities

## Fund Factsheet

At 28 May 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	£64.4m
Unit Classes	Class A/Class I
No. of holdings	51
Sedol Codes	A (Acc) - BOV9SS9 I (Acc) - BOV9STO
Bloomberg Codes	A (Acc) - BRUCOAA I (Acc) - BRUCOIA
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 - 0.79%
Minimum investment	£500
Minimum top up	£250
Regular savings scheme	yes
ISA option available	yes

### Risk analysis

Information ratio**	3yrs: -0.67 - rank 240/279
Alpha***	-5.29
Tracking error***	6.66
Beta***	0.89

All information as at 28/05/10 unless otherwise stated.  
\*\*Source: Lipper, total return ex initial charges.  
\*\*\*Source: Lipper, annualised, 3 years.



### Fund commentary

Positive company sentiment in May gave way to major concerns in Europe surrounding sovereign debt, currency weakness and election instability – compounded by fears of a slowdown in emerging economies. This was enough to derail investor confidence and resulted in a sell-off across all sectors. Against this market decline, the fund fell 5.6% over the month\*.

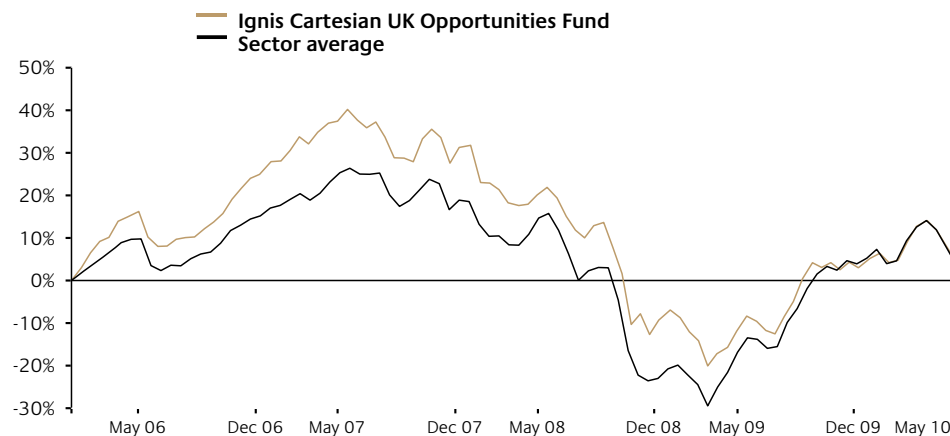
The best performing positions over the month were those long duration growth stories that managed to remain unaffected by recent market volatility. Oil producer, Cairn, continued to benefit from the success of its oil and gas developments in India. Similarly, Shire, the pharmaceutical major, was still in favour with growth prospects ahead of its peers. Conversely, sports retailer JJB, was the biggest underperformer in the portfolio after a cautious announcement about its timescale for turnaround, in spite of an improvement in underlying trading.

During the month, positions in Cable & Wireless Communications and RSA were sold. Communications have performed soundly since the group de-merger but part of the proceeds from this sale were used to increase exposure to Cable & Wireless Worldwide, which has underperformed and offers more robust growth potential. RSA, on the other hand, provided protection during periods of market weakness, but doesn't offer sufficient upside going forward. A new purchase was made of soft drinks manufacturer and supplier, Britvic.

In an environment where macroeconomic issues are likely to continue dominating, and investor risk appetite is correspondingly subdued, the fund remains conservatively positioned. The broader investment theme is still in place – seeking sustainable earnings from financially robust companies.

\*Source: Lipper, bid to bid, net income reinvested to 28/05/10

### Past Performance % growth



	Cumulative	3 months	YTD	1 year	3 years	Since Launch
<b>Ignis Cartesian UK Opportunities Fund (%)</b>	0.7	0.9	17.2	-23.8	6.1	
<b>Sector average (%)</b>	0.4	-0.3	22.0	-16.7	5.6	
<b>Fund rank</b>	121/316	80/314	273/309	242/287	131/255	
<b>Quartile rank</b>	2	2	4	4	3	
<b>Standardised</b>	<b>03/09 to 03/10</b>	<b>03/08 to 03/09</b>	<b>03/07 to 03/08</b>	<b>03/06 to 03/07</b>	<b>03/05 to 03/06</b>	
<b>Ignis Cartesian UK Opportunities Fund (%)</b>	% growth 37.1	% growth -30.2	% growth -13.0	% growth 18.4	% growth -	
<b>Sector average (%)</b>	51.0	-31.2	-10.1	10.6	27.4	

Source: Financial Express, bid to bid, net income reinvested to 28/05/10 or to end of March 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

	%
HSBC	4.4
ASTRAZENECA	4.0
BRITISH AMERICAN TOBACCO	3.9
VODAFONE	3.9
BARCLAYS	3.8
BP	3.7
BG GROUP	3.5
SHIRE	3.4
ROYAL DUTCH SHELL B	3.4
UNILEVER	3.2

### Portfolio Breakdown

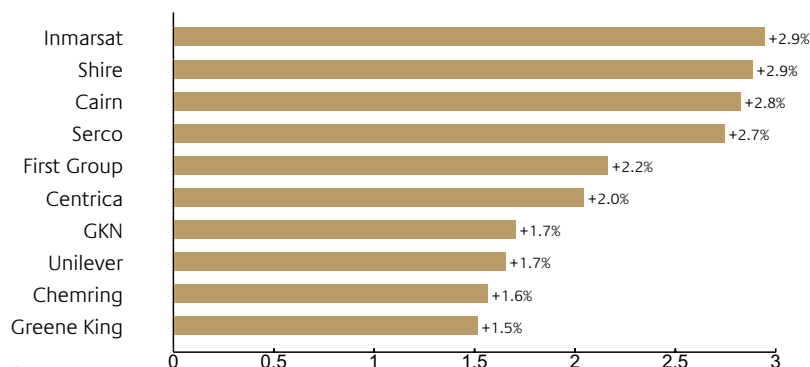
	%
Financials	17.9
Consumer Services	16.2
Oil & Gas	13.8
Consumer Goods	13.1
Industrials	11.1
Healthcare	8.7
Telecoms	8.4
Utilities	4.9
Cash	3.6
Technology	2.3

### Market Cap

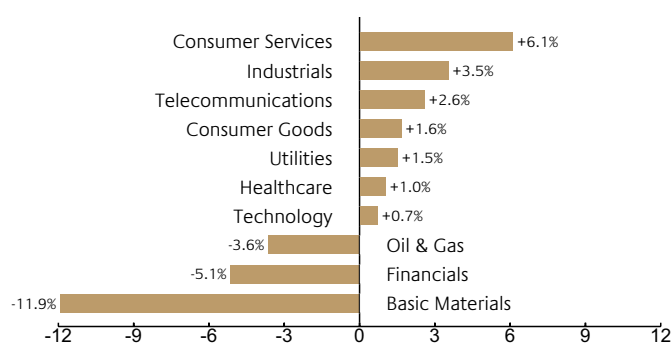
	%
FTSE 100	73.4
FTSE 250	26.2
Small Cap	0.4

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

#### Stock - top 10 active positions



#### Sector



Source: Internal, all figures at 28/05/10

## 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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