

# WHITECHURCH SECURITIES



## Monthly High Income Quarterly Factsheet - Q2 2010

### Key Objectives

Whitechurch Securities Ltd will be responsible for the day to day management and administration of monies held in the portfolio. The investment managers will pursue a strategy aimed at long-term investors to optimise income generation whilst aiming to preserve and potentially provide moderate capital growth. The underlying holdings within the portfolio will be UK authorised unit trusts, OEICs and/or investment trusts. This strategy will invest significantly in fixed interest investment, but will also use equity and property funds if deemed suitable. There is also the facility to receive fixed regular withdrawals.

### Whitechurch Risk Rating

This strategy has a Whitechurch Risk Rating of 5 out of 10. This means it is suitable for a balanced investor prepared to accept the potential of a fluctuation in the value of capital in order to potentially generate above average returns over the medium to long-term.

### Investment Manager's Comment

The recovery in corporate bond markets continued in the first quarter of 2010 albeit at a more subdued pace. It is now evident that most of the exceptional opportunities seen in 2009 have been realised, and that fixed-interest assets are starting to resort to type. The portfolio remains orientated towards areas of the fixed-interest market that are still offering enticing returns, such as financials and high yielding bonds. Over the quarter the portfolio performed well with all of the holdings showing a gain. Of the bond holdings, the Invesco Perpetual fund had the best performance as it can be boosted by up to 20% in equities for a growth kicker and has positive fixed interest exposure in our favoured areas. The strategy's equity income holding was also very positive for the portfolio over the period, providing strong capital gain on the back of a resumed rally in the equity markets in addition to enhanced income.

Towards the end of the quarter, we moved out of the relatively defensive M&G corporate bond and took up a new position in the Investec Emerging Market Debt fund. This sector is increasingly gaining traction as a significant asset class as emerging economies, with strong balance sheets, become increasingly fiscally responsible and offer attractive yields as well as the potential for currency appreciation.

### Key Facts

at 1 April 2010

### Launch Date

14 January 2004

### Strategy Aim

To produce a high income and preserve capital over the long-term

### Minimum Investment

Direct Portfolio - £10,000

ISA - £3,000 (including transfers)

### Initial Fee\*

Up to 5% of amount invested

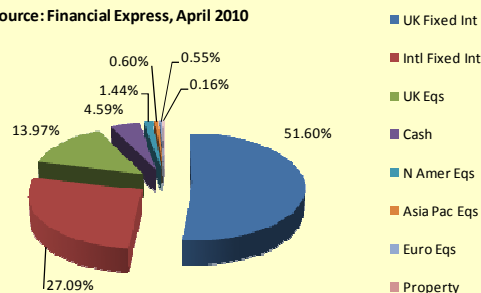
### Annual Fee\*

1.5% of the portfolio value (+VAT)

### Income

Current target yield of 5% gross, distributed monthly or reinvested

Source: Financial Express, April 2010



### Current Holdings

Artemis Strategic Bond  
Invesco Perpetual Monthly Income Plus  
Investec Emerging Market Debt  
Jupiter Strategic Bond  
L&G Dynamic Bond  
Legg Mason Global Multi Strategy Bond  
Schroder Income Maximiser  
Standard Life Higher Income

Performance %	Launch 14/01/04	1yr to 31/03/10	1yr to 31/03/09	1yr to 31/03/08	1yr to 31/03/07	1yr to 31/03/06
<b>Monthly High Income</b>	<b>15.4</b>	<b>35.5</b>	<b>-22.0</b>	<b>-7.5</b>	<b>5.2</b>	<b>6.9</b>
<b>IMA £ Strategic Bond*</b>	<b>25.7</b>	<b>33.1</b>	<b>-15.8</b>	<b>-6.6</b>	<b>4.0</b>	<b>7.9</b>

Figures provide a guide to past performance and are based on the first portfolio invested into the strategy. All performance figures are calculated on a bid-to-bid basis not including initial charge and are based on capital return and income generated. Source: Whitechurch Securities & Lipper Hindsight.

\* Sector benchmark changed as of 1 September 2008. Annual benchmark performance figures prior to this date refer to IMA UK Other Bond.

**Whitechurch Securities Ltd is Authorised and Regulated by the Financial Services Authority**

**Produced April 2010 by Whitechurch Securities Ltd, Kings Weston House, Kings Weston Lane, Bristol BS11 0UR**

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