



Stephen Bailey  
Jan Luthman

## KEY FACTS

### Launch Date

31 October 2002

### Fund Size

£21M

### Historic Gross Yield

5.3%

### Unit Types

Income

Accumulation

### Distribution Dates

31 March & 30 September

### Initial Charge

4.0%

### Annual Management Fee

1.0%

### ISA Status

Eligible

### Minimum Investment

£1,000

### Monthly Investment

£100

### Minimum CTF Investment

£250

Note: CTF - Child Trust Fund

### Regulatory Status

Authorised and Regulated by the  
Financial Services Authority

A Fund managed by Walker Crips Asset Managers Limited. Please refer to the disclaimer and/or visit our website at [wcwb.co.uk](http://wcwb.co.uk) for our policy regarding conflict of interest. This marketing communication has not been prepared in accordance with legal requirements to promote the independence of investment research and is not subject to prohibitions on dealing ahead of the distribution of research.

## CF Walker Crips Corporate Bond Fund

Factsheet | March 2010

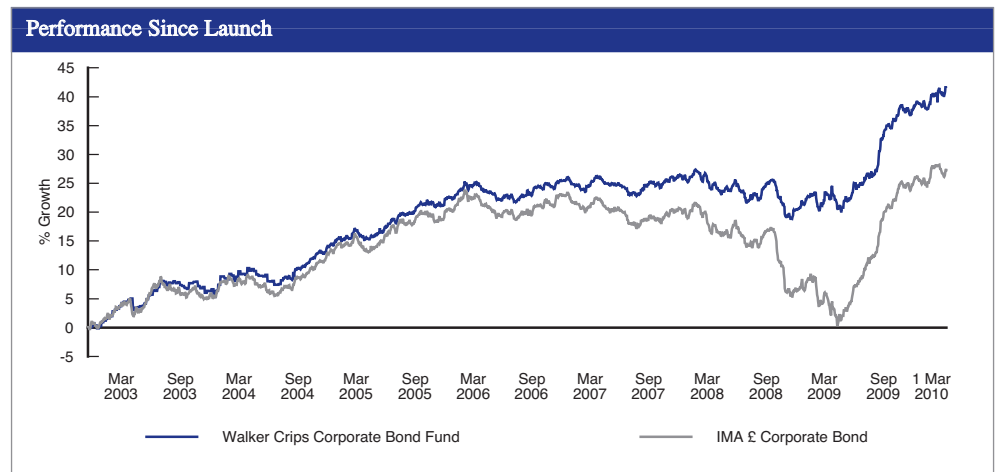
### Investment Objective

To provide unitholders with a high income level, giving attention to capital preservation, from a portfolio of predominantly UK listed corporate bonds and fixed interest securities.

### Investment Philosophy and Portfolio Structure

A risk-averse style of management that is not intended to either "shoot the lights out" on performance or generate income at the expense of capital. Fund structure is based upon our assessment of likely UK and global monetary policy, with investment selection based upon criteria that include corporate financial health and earnings outlook.

### Performance and Statistical Information



Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to 01/03/2010

Cumulative Performance	3 Months	6 Months	1 Year	3 Years	5 Years	Since Launch
<b>Fund</b>	<b>1.68</b>	<b>4.85</b>	<b>15.61</b>	<b>12.25</b>	<b>21.78</b>	<b>41.51</b>
<b>Sector Average</b>	<b>1.02</b>	<b>5.58</b>	<b>23.87</b>	<b>7.08</b>	<b>16.80</b>	<b>37.66</b>
<b>Position in Sector</b>	<b>26</b>	<b>47</b>	<b>68</b>	<b>16</b>	<b>19</b>	<b>20</b>
<b>No of Funds in Sector</b>	<b>84</b>	<b>83</b>	<b>81</b>	<b>76</b>	<b>70</b>	<b>56</b>
<b>Quartile Ranking</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>2</b>

Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to 01/03/2010

Discrete Annual Performance	31/12/08	31/12/07	29/12/06	30/12/05	31/12/04
<b>Fund</b>	<b>12.06</b>	<b>-2.70</b>	<b>1.54</b>	<b>0.71</b>	<b>7.41</b>
<b>Sector Average</b>	<b>16.14</b>	<b>-9.03</b>	<b>0.64</b>	<b>0.53</b>	<b>8.01</b>

Source: Lipper Hindsight, TR, no initial charge, income reinvested, gross, to last quarter end 31/12/2009

**Please remember that past performance is not a guide to the future.**

## TOP TWENTY HOLDINGS (%)

Vodafone	2.7
4.625% 2014	
Tesco	2.0
5.5% 13/12/2019	
Reed Elsevier Investments	2.0
5.625% 05/10/2016	
GlaxoSmithKline	1.8
5.52% 19/12/2033	
Australia & NZ Bank	1.8
4.75% 12/2018	
Roche Holdings	1.8
5.5% 04/03/2015	
Imperial Tobacco Finance	1.8
9% 17/02/2022	
GE Capital	1.8
5.25% 10/12/2013	
GDF Suez	1.5
6.125% 11/02/2021	
Tesco	1.5
4% 8/9/2016	
Scottish & Southern	1.5
5.75% 05/02/2014	
Southern Water	1.5
6.125% 31/03/2019	
British Telecom	1.4
3.5% 25/04/2025	
Vodafone Group	1.3
5.9% 26/11/2032	
JTI (UK) Finance	1.3
5.75% 06/02/2013	
Pearson FDG One	1.3
6% 15/12/2015	
Vattenfall	1.3
6.125% 16/12/19	
Marks & Spencer	1.3
5.875% 29/05/2012	
British Telecom	1.3
6.625% 23/06/2017	
Land Securities	1.3
5.292% 11/2015	
<b>Total</b>	<b>32.2</b>

Source: Internal

## CONTACT US

**Paul Hyde**

DDI: 020 3100 8293

Mob: 07748 185 530

**Dealing:** 0845 602 2401

**Website:** [www.wcgplc.co.uk](http://www.wcgplc.co.uk)



## CF Walker Crips Corporate Bond Fund

Factsheet | March 2010

### Investment Commentary (as at 01 March 2010)

Concerns over 'Sovereign Debt', which have been growing for some months, have suddenly moved centre-stage.

For the moment, these concerns are focused overwhelmingly on Greece, with associated worries about contagion amongst other heavily indebted 'peripheral' euro states. Greece has many attributes, but possesses neither the economic infrastructure, accumulated intellectual property nor disciplined work ethic with which to compete unaided against euro powerhouses such as Germany. To insist otherwise, and lock Greece within the Eurozone, is to condemn the country to a rising tide of corporate insolvencies and unemployment, along with declining wages and an even greater need to borrow, as tax revenues plummet and social security costs soar.

A major objective of the European Union is political harmony - but such harmony is unlikely to be fostered by begging economically weaker members in a futile bid to sustain euro membership.

Debt forgiveness on its own would not undo the fundamental folly of locking incompatible economic structures within a single currency and, in our view, it seems likely that we will eventually see some form of "euro-style pre-pack" - simultaneous exit from the Eurozone, devaluation, and partial debt forgiveness in the form of re-denomination of debt (national, commercial and retail) in drachma at the exit exchange rate. Greece would be reborn, with its original currency and commercial competitiveness restored, and membership of the European Union intact, while opening the door to EU aid presently precluded by Eurozone membership.

Such a scenario has not yet been priced in to valuations for either peripheral Europe's sovereign debt or other emerging market and higher-risk bonds.

Meantime, however, the political importance attached to euro-integrity suggests that we may see a period of 'lending & pretending', during which Eurozone member states (even if limited to Germany and France on their own) keep Greece afloat through loans, although none other than the hopelessly naïve would expect these ever to be repaid.

A bailout in the form of grants rather than loans by Euro members states, apart from being politically explosive in Germany, would risk triggering a stream of me-too claims for assistance by fiscally lax members of the euro, and would therefore have to be accompanied by conditions so alarmingly stringent, intrusive and onerous as to instantly persuade any euro states tempted to profligacy to instead mend their ways forthwith. Such demands on Greece, by already deeply unpopular, unelected foreign politicians, would almost certainly bring down the present Greek government, and open the doors to the election of a party committed to renegotiation (downwards) of the National debt and/or exit from the euro.

Meanwhile, in the UK, the Bank of England appears to be setting the stage for a resumption of Quantitative Easing (QE). Indeed, with tax revenues collapsing and the government's need to borrow ballooning, there is no realistic prospect of bridging the government's yawning fiscal chasm other than by huge new issuance of gilts - some £213bn, according to latest estimates, for the coming financial year. Despite this, gilt prices have not collapsed, but have merely weakened, suggesting that financial markets have already decided that the BoE will indeed conjure up yet more new electronic pounds and resume its huge purchases of gilts.

Amidst all this angst and confusion, our fund continues to avoid both UK and foreign national debt paper, as well as higher-risk, high-yield issues. The Fund remains skewed towards good quality corporate issuers, which have become the safe haven of choice amongst investors who view the leadership skills and financial prudence of directors of major multinational corporations as superior to those of politicians.

With Sterling continuing to weaken against all major global currencies, it seems to us likely that imported 'cost-push' inflation will eventually make its presence felt. In addition to weighting the fund towards the short end of the market, we have introduced selected corporate index-linked bonds to the portfolio.

**DISCLAIMER:** Walker Crips Asset Managers Limited (WCAM) and Capita Financial Managers are authorized and regulated by the Financial Services Authority. It is important to remember that the value of investments and the income from them can go down as well as up and investors may not realise the value of their initial investment.

Recommendations may or may not be suitable for all recipients of this publication and, if you have any doubts, you should seek advice from your investment adviser. We cannot, however, accept responsibility for any losses which may be incurred by a client acting on such recommendations. The value in sterling terms of foreign investments may rise and fall due to currency fluctuations. It must be noted that information concerning past performance is not a guide to future performance, and performance comparisons are provided for information purposes only. Principals and associates of WCAM may have a position in the fund and/or the trusts, stocks or shares mentioned herein. Details of the significant conflicts of interest relating to companies that we research are set out on our website [wcwb.co.uk](http://wcwb.co.uk). WCAM research in these areas cannot be classified as impartial within the FSA's definition and it should not be relied upon as independent or objective. Prices and factual details are deemed to be correct at the time of publication but may change subsequently.

The publication has been prepared with all reasonable care and is not knowingly misleading in whole or in part. Expressions of opinion are subject to change without notice.

Walker Crips Asset Managers Limited, Finsbury Tower, 103-105 Bunhill Row, London, EC1Y 8LZ. Registered in England No. 3790292.