

### Investment Objective

The objective of the Fund is to achieve long term capital and income growth through investment primarily in UK equities and convertible securities, with an above average yield. The Fund may also invest from time to time in other securities, including UK government securities, other fixed interest securities and cash.

### Investment Manager's Commentary

The FTSE All-Share index rose by 3.1% in the quarter. The FTSE 250 index underperformed this, with an increase of 1.2%, while the FTSE Higher Yield index outperformed with a gain of 4.5%. The major event in the quarter was Donald Trump's surprise victory in the US Presidential Election. Despite widespread predictions that there would be a stockmarket slump most markets rose after falling very briefly. In December the Federal Reserve raised interest rates for only the second time in a decade and forecast a faster pace of tightening in 2017.

The fund's total return of 2.0% was behind the FTSE All Share index which saw a total return of 3.9%. The outperformance of the FTSE 100 index relative to the FTSE 250 index exerted a negative impact on the relative performance of the fund. In addition our underweight positions in the Bank and Oil & Gas sectors were detrimental to performance. Also stock selection was weak in Chemicals (Croda -8%) and Travel & Leisure (Restaurant Group -16%). The fund's quarterly distribution was increased to 1.4p from 1.0p last year. For the year this meant a 10% increase in the declared distribution to 4.4p. Note that the unit price actually goes ex the 1.4p distribution on 1<sup>st</sup> January 2017.

For the year as a whole, the fund's total return of 7.8% was behind the FTSE All Share's total return of 16.8%. As in the quarter, the divergent total returns between the FTSE 100 index (+19.1%) and the FTSE 250 index (+6.7%) acted as a headwind to performance given our high exposure to mid-cap stocks. In addition there was a negative contribution to performance from the underweight positions in the Mining and Oil & Gas sectors. In addition stock selection was weak in Travel & Leisure (Restaurant Group -53%, Go-Ahead -16% and Marston's -18%) and Support Services (Carillion -22%). These negatives outweighed the strong stock selection in Pharmaceuticals (Dechra +23%).

### Performance

Total Return	3 Month	1 Year	3 Year	5 Year
<b>Charity Value and Income Fund</b>	2.0%	7.8%	17.4%	75.8%
<b>FTSE All Share Index</b>	3.9%	16.8%	19.3%	61.8%
<b>FTSE 350 Higher Yield Capital Only</b>	5.6%	25.2%	18.9%	55.1%
<b>Charity Value and Income Fund</b>	0.9%	3.2%	3.1%	40.1%
<b>FTSE All Share Index</b>	3.1%	12.5%	7.3%	35.5%
<b>FTSE 350 Higher Yield</b>	4.5%	18.8%	2.8%	22.0%

Source: OLIM. Bid to bid net income reinvested, after annual charges. Performance is quoted in sterling. Past performance is not a reliable indicator of future results. Figures as at 31/12/16

### Investment Team

**Simon Jaffé | Angela Lascelles | Andrew Impey**



## The Portfolio

Top Ten Holdings	%	Sector Breakdown	%
Unilever	5.0	Oil & Gas	10.0
GlaxoSmithKline	4.9	Basic Materials	7.2
BP	4.8	Industrials	14.2
Royal Dutch Shell	4.4	Consumer Goods	9.3
Vodafone	4.2	Health Care	8.7
Spectris	3.9	Consumer Services	19.4
Dechra Pharmaceuticals	3.8	Telecommunications	7.6
Conviviality	3.6	Utilities	6.0
Prudential	3.6	Financials	17.0
Legal & General	3.5	Technology	0.0
		Cash	0.6

## Key Details

<b>Investment Managers</b>	Simon Jaffé, Angela Lascelles, Andrew Impey				
<b>Benchmark</b>	FTSE All Share Index				
<b>Fund Size</b>	£21.5m				
<b>Launch Date</b>	07/06/2007				
<b>Fund Year End</b>	31 <sup>st</sup> December				
Unit Prices	Inc	Bid	98.58p	Offer	99.17p
As at 31/12/16	Acc	Bid	152.80p	Offer	153.70p
<b>Historic Yield (trailing 12 months)</b>	4.0%				
Distribution Dates	1 <sup>st</sup> Interim	31 <sup>st</sup> May	2 <sup>nd</sup> Interim	31 <sup>st</sup> August	
	3 <sup>rd</sup> Interim	30 <sup>th</sup> November	Final	28 <sup>th</sup> February	
<b>Initial Charge</b>	0%				
<b>Annual Management Charge</b>	0.5%*			* excluding VAT on AMC	
<b>Total Expense Ratio</b>	0.65%* - All normal running expenses capped at 0.15%				

## How to Invest

Investments can be made by: Lump Sum (min £1,000)  
 Manager: Smith & Williamson Fund Administration Limited  
 206 St Vincent Street, Glasgow, G2 5SG  
 Dealing Line: 0141-222-1150

## Important Information and Risks

This document is issued by OLIM Limited and should be read in conjunction with the scheme particulars which highlight details of the CIF structure and its suitability for charities only. Investors should carefully read the risk warnings contained in the scheme particulars and note there is no guarantee the Fund's investment objective will be achieved. The price of the units and income from them can go down as well as up and investors may not get back the full amount originally invested. Past performance is not a reliable indicator of future results. OLIM is authorised and regulated by the Financial Conduct Authority. The Charity Value and Income Fund is not authorised by the Financial Conduct Authority and is registered as a Common Investment Fund with the Charity Commission.