

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 6.8% in the quarter. The FTSE 250 index outperformed this, with an increase of 9.8%, while the FTSE Higher Yield index underperformed with a gain of 5.8%. Investor confidence was boosted by the apparent resilience of the UK economy despite predictions of disaster should the UK vote to leave the EU. The Bank of England cut interest rates from 0.50% to 0.25% and expanded its QE programme of bond purchases. The OECD, who had previously warned of a "large negative shock" were the UK to vote to leave the EU, increased its GDP growth forecast for 2016 from 1.7% in June to 1.8% in September. Just before the quarter end, concerns over the resilience of the European banking system resurfaced with Deutsche Bank's balance sheet under scrutiny as it faced a potentially large fine from the US Department of Justice.

The fund's total return of 7.9% was just ahead of the FTSE All Share index which saw a total return of 7.8%. There was a positive contribution to performance from the underweight position in the Oil & Gas sector. In addition stock selection was strong in Food Retail (Conviviality +17%) and Household Goods (Crest Nicholson +27%). These positives were just enough to offset negative factors for performance which included the underweight positions in the Bank, Technology Hardware and Mining sectors as well as the overweight position in Utilities. The fund's quarterly distribution was unchanged at 1.0p.

Performance

| Total return | 3 Month | 1 Year | 3 Year | 5 Year |
|-------------------------------------------|---------|--------|--------|--------|
| Charity Value and Income Fund | 7.9% | 12.2% | 22.8% | 83.3% |
| FTSE All Share Index | 7.8% | 16.8% | 22.1% | 68.9% |
| FTSE 350 Higher Yield Capital Only | 7.0% | 22.8% | 18.4% | 60.5% |
| Charity Value and Income Fund | 6.7% | 7.4% | 7.9% | 45.6% |
| FTSE All Share Index | 6.8% | 12.6% | 9.0% | 41.5% |
| FTSE 350 Higher Yield | 5.8% | 16.6% | 2.5% | 26.3% |

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 30/09/16

Investment Team

Simon Jaffé | Angela Lascelles | Andrew Impey



The Portfolio

| Top Ten Holdings | % | Sector Breakdown | % |
|------------------------|-----|--------------------|------|
| Unilever | 5.5 | Oil & Gas | 8.8 |
| GlaxoSmithKline | 5.4 | Basic Materials | 7.2 |
| Halma | 4.7 | Industrials | 15.0 |
| Vodafone | 4.6 | Consumer Goods | 9.3 |
| BP | 4.2 | Health Care | 9.2 |
| Dechra Pharmaceuticals | 3.9 | Consumer Services | 19.5 |
| Royal Dutch 'B' | 3.6 | Telecommunications | 8.1 |
| Conviviality | 3.5 | Utilities | 6.9 |
| Beazley | 3.4 | Financials | 15.6 |
| Cineworld | 3.4 | Technology | 0.0 |
| | | Cash | 0.4 |

Key Details

| | | | | | |
|--------------------------------------------|------------------------------------------------------|---------------------------|-------------------------|---------------------------|---------|
| Investment Managers | Simon Jaffé, Angela Lascelles, Andrew Impey | | | | |
| Benchmark | FTSE All Share Index | | | | |
| Fund Size | £21.1m | | | | |
| Launch Date | 07/06/2007 | | | | |
| Fund Year End | 31 st December | | | | |
| Unit Prices | Inc | Bid | 97.66p | Offer | 98.32p |
| As at 30/09/16 | Acc | Bid | 149.80p | Offer | 150.80p |
| Historic Yield (trailing 12 months) | 4.2% | | | | |
| Distribution Dates | 1 st Interim | 31 st May | 2 nd Interim | 31 st August | |
| | 3 rd Interim | 30 th November | Final | 29 th February | |
| Initial Charge | 0% | | | | |
| Annual Management Charge | 0.5%* | | | * excluding VAT on AMC | |
| Total Expense Ratio | 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.