

As at 26th February 2010

IFDS Chartwell Open Ended Investment Company Cautious Fund

Investment Objective

The Cautious Growth Fund aims to provide steady returns over the medium to longer term by investing in a balanced and well diversified portfolio of asset classes. The Fund aims to deliver a return which is greater than the return provided by cash over the medium to longer term whilst maintaining a cautious approach to risk

From 01 June 2009 an Income share class was introduced to sit alongside the existing Accumulation share class. This will allow those shareholders who require a regular income to enjoy monthly distributions. Existing shareholders can switch between Accumulation shares and Income shares at no cost.

Investment Manager & Philosophy

Since inception on 18 September 2006 the investment management of the Fund has been provided by Berry Asset Management. On 01 May 2009 Sarasin and Partners LLP took on the responsibility for investment management. Sarasin & Partners believes in traditional techniques of investment applied in a modern way. They approach these and all other investment issues with three clear principles in mind. They believe that: Asset Allocation is the key to a balanced investment policy. A genuine understanding of any client's objectives is the key to setting the long-term "natural" mix of a portfolio - equities, bonds and cash - as well as some of the newer asset classes such as global real estate, quasi-public sector bonds and alternative assets. They are prepared to make substantial shifts in asset allocation away from this "natural mix" over time in the light of stock market conditions with the objective of securing competitive investment returns but dampening down volatility. Recurring income with a sustainable yield is the most important source of long-term investment return from all asset classes. Current income and future income growth is the key to successful long-term investment. Equity investment is best approached on a global basis. Sarasin's pioneering Global Thematic Equities investment process adds an important new dimension, selecting those companies on the world stage that have superior business models, superior cash flow, clear pricing power, strong research and development and a sharp focus on delivering attractive

Cumulative Performance (%) as at 26-02-2010

	1 mnth	3 mnths	6 mnths	1 year	Since Launch
Fund Return	2.15%	1.97%	4.77%	17.96%	-7.39%
IMA Cautious Sector	1.28%	2.12%	5.91%	23.27%	N/A

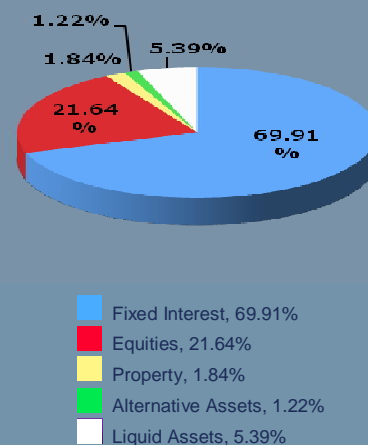
Sources: Financial Express, as at 26th February 2010, bid to bid total return

Discrete Performance (%) as at 26-02-2010

	27/02/2009 to 26/02/2010
Fund Performance	17.96%

Source: Financial Express, as at 26th February 2010, bid to bid total return

Breakdown by Asset Class



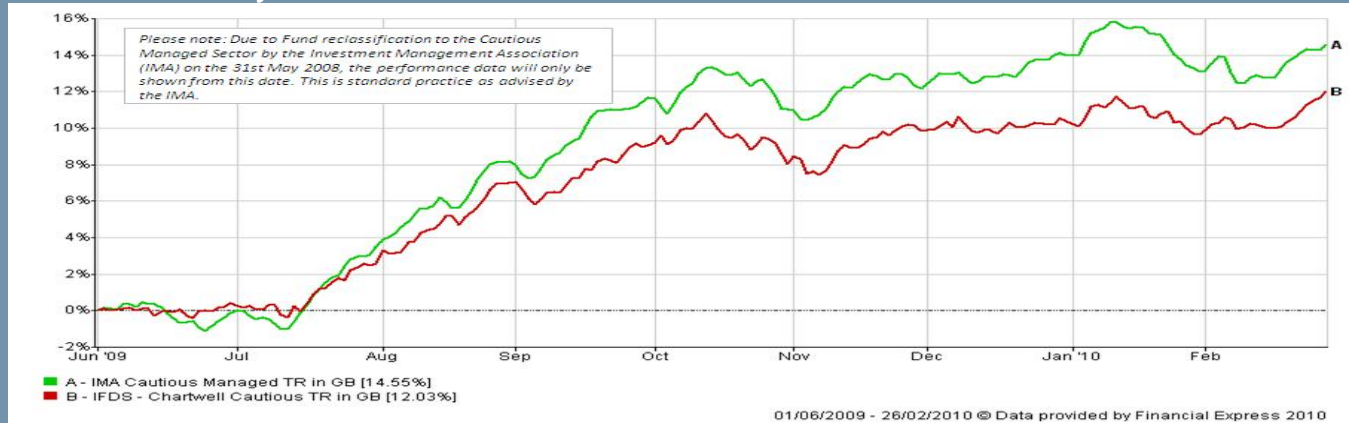
As at February 2010
Source: Chartwell Fund Management

Top 15 Holdings

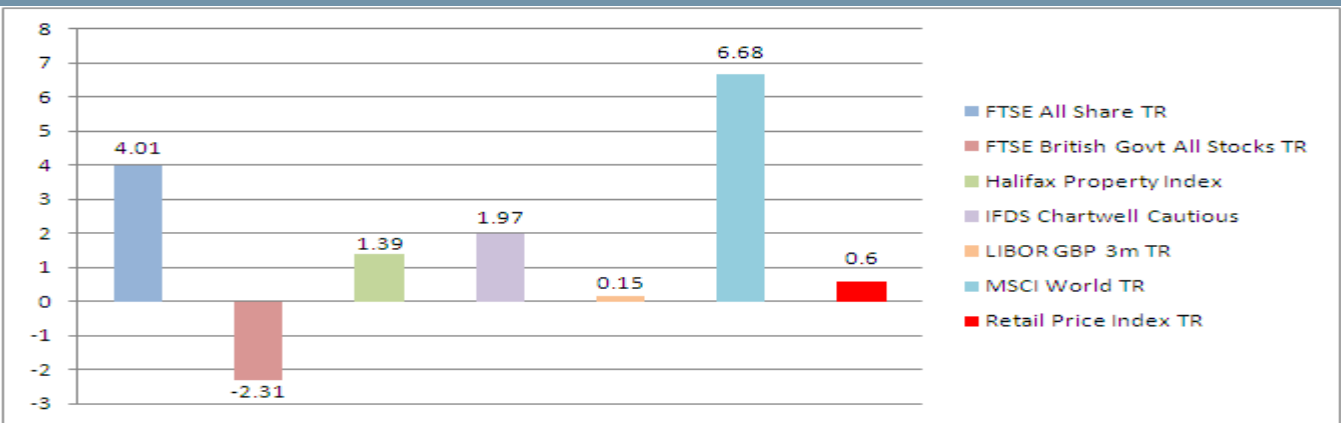
Holder	Percentage	%
Sarasin Int Equity Inc CLS "B" Inc	14.3	
Rensburg UK Equity Income Inc.	5.1	
iShares FTSE UK Gilt All Stocks	4.4	
Invesco Perpetual Monthly PL-Inc	2.2	
Treasury 4.7500% 07/09/15 GBP	2.1	
Norwegian Government 5.0000% 15/05/15 NOK	2.1	
Treasury 5.0000 07/03/18 GBP	1.9	
Sarasin CI Real Estate Equity (GBP) Inc Units	1.8	
Barclays Bank Plc 14.0000% 15/06/19 – Perp £	1.8	
GE Capital UK 4.6250% 18/01/16 GBP	1.7	
ENEL Fin Intl SA 4.0000% 14/09/16 EUR	1.6	
Anheuser-Busch Inbev SA 6.5000% 23/06/17 £	1.6	
Vattenfall AB 6.1250% 16/12/19 GBP	1.5	
Roche Holdings Inc 5.5000% 04/03/15 GBP	1.5	
Natl Australiabk 5.3750%08/12/14 GBP	1.5	

Source: Chartwell Fund Management Limited

Performance History



3 Month Relative Return



Fund Manager Commentary

Source: Financial Express, as at 26th February 2010

February was a strong month for equities but somewhat mixed for bonds. Prices were driven by economic news that was, on balance, stronger than expected.

The Monetary Policy Committee had elected to review Quantitative Easing in February in conjunction with the quarterly Inflation Report. In this, there were arguments that inflation would be below target after the current "blip" and more QE would alleviate this but others thought the risk was not overwhelming and suggested that too much easing might provoke an unwelcome rise in asset prices. Ultimately the Committee decided to suspend QE and monitor the situation. It was made clear that they would extend the £200bn programme if conditions were to deteriorate. In the Inflation Report the BoE's GDP forecast for calendar 2010 was revised down from +2.2% to +1.5%. Most notable in the accompanying press conference was the Governor's belief in the persistent spare capacity in the economy relative to an anticipated sustained weakness of demand.

By comparison, US economic data looked stronger. GDP growth for Q409 was revised up to 1.45% quarter-on-quarter (5.9% annualised). The Institute for Supply Management (ISM) monthly survey was strong and above expectations, as was retail sales, industrial production and housing starts. On the other hand employment was disappointing and construction spending was weak. Consumer confidence remains fragile.

The fund advanced strongly with a 2.15% absolute return over the last month largely due to the equity, credit and non-sterling exposure. The relative underperformance of blue-chip, large-cap stocks detracted from performance on the fund. In our view, these stocks are cheap on a historical and long-term basis. Furthermore, these companies, characterised by strong balance sheets, robust free cash flow, higher dividend yields, and access to capital markets throughout the economic cycle are precisely the types of out-of-favour corporates to which we are attracted.

We are cautiously optimistic about prospects for risk markets. We are heartened by the healthy and accelerating corporate earnings and revenues (for example, 85% of US companies' 4th quarter results were ahead of expectations), declining market volatility (The Vix index, often referred to as the 'fear index' retreated below 20, having risen to 27 in early February) and attractive equity risk valuations. It is conceivable we will experience a further market correction in response to a hiatus in growth as monetary stimuli are withdrawn, or higher long term rates, or a further leg to the financial crisis. But these risks are mitigated by rising growth momentum, the strength of the corporate sector and still accommodative interest rates, but there are headwinds too, with the initiation of US monetary tightening, variable levels of growth in the developed and developing countries and the threat of rising long term interest rates.

Contact Details	Fund Information	How to Invest	Applications
IFDS Managers Ltd - Chartwell PO Box 10077 Chelmsford CM99 2UW email: info@triinvestments.com	Launch Date: 18/09/2006 Fund Size: (as at 26 th Feb 2010) £17.7 million Price: (as at 26 th Feb 2010) Class B Share Price Acc (NAV): 92.60p Annual Management Charge: 1.50% Initial Charge: 5.00%	Investments can be made by: - Lump sum (min £4,000) - ISA's or ISA Transfer - Regular Saving Plan (min £50 per fund per month)	For an application form Telephone: 020 7290 9490 Or Email: info@triinvestments.com Or go to: www.triinvestments.com

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