

IFDS Chartwell Open Ended Investment Company Balanced Income Fund

Investment Objective

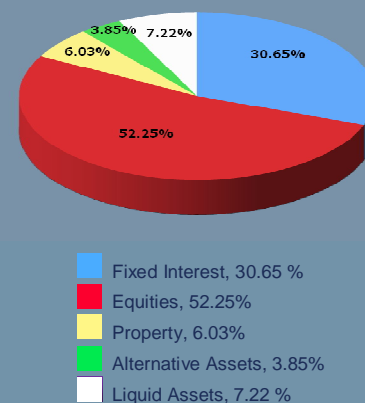
The Balanced Income Fund aims to provide a high level of growing income (target yield of 5% gross) together with capital growth by investing in a balanced and diversified portfolio of UK and international equities, fixed interest securities and commercial property. Investment will also be made into regulated collective investment schemes, money markets instruments, cash deposits and alternative assets to further diversify the fund. Since inception on 18 September 2006, Midas Capital held the investment manager mandate for the Fund. On 15 September 2008, Midas Capital were replaced and Sarasin & Partners now provides the management of the Fund. The managers adopt a balanced and diversified investment approach to obtain superior investment returns, whilst minimising risk, wherever possible. Exposure to equities and fixed interest is gained directly, with property and alternative asset exposure obtained through collective investment schemes.

Investment Manager & Philosophy

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 returns to their shareholders.

Breakdown by Asset Class



As at February 2010
Source: Chartwell Fund Management

Top 15 Holdings

Holder	%
YEN Denom Nikkei Mar 10	3.2
Council of Europ 3.3750% 08/12/14 GBP	2.5
RWC FD-RWC Global Convertibles B GBP	2.4
Treasury 5.0000% 07/03/12 GBP	2.0
Investec EM Markets DT-I-INC-N	1.9
3I Infrastructure PLC	1.8
Muzinich Enhanced Yield Short Duration Fund £	1.8
Sabmiller Plc 4.5000% 20/01/15 EUR	1.6
Roche Holding AG-Genusschein	1.6
Sarasin CI Real Estate Equity (GBP) INC Units	1.5
Scotland Gas net 4.75% 21/02/17 GBP	1.4
Intl Business Machines Corp	1.4
Tesco PLC 5.0000% 24/02/14 GBP	1.3
General Accident Plc-8 7/8% PF	1.3
Unilever PLC	1.3

Source: Chartwell Fund Management Limited

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

	1 mnth	3 mnths	6 mnths	1 year	Since Launch
Fund Return	2.23%	2.34%	5.40%	16.71%	-17.90%
IMA Cautious Sector	1.28%	2.12%	5.91%	23.27%	N/A

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

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

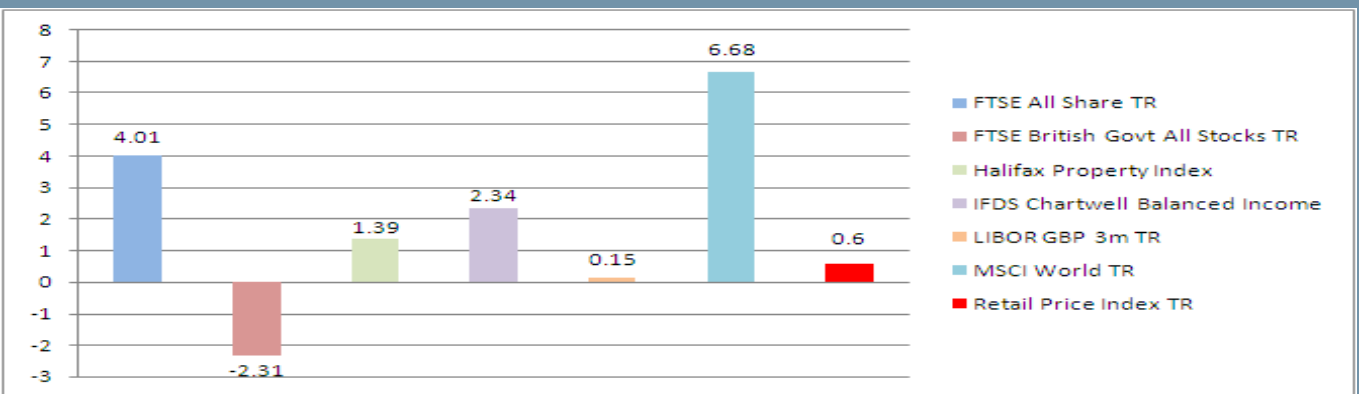
	27/02/09 -26/02/10
Fund Performance	16.71%

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

Performance History



3 Month Relative Return



Fund Manager Commentary

Source: Financial Express, as at 26th February 2010

Market Review

The weaker tone to equity markets in January followed through into early February before reversing in the middle of the month. Sovereign bonds also initially sold off as concerns intensified over Greece's fiscal position, especially in markets also exhibiting weak deficit and debt positions, but thereafter rallied from oversold levels. Currency markets were similarly skittish with the dollar and stronger resource-based currencies firming, while those exposed to weaker fundamentals and/or political and economic problems namely Sterling and the Euro fell sharply, the former by considerably more.

Fund Review and Activity

The significant equity and risk asset positions in fund proved a source of relative weakness at the start of the month, but latterly strength. And the fund finished up strongly on the month, our low sterling weighting contributing significantly to returns. Within equities our focus remains on large capitalisation companies with diversified global exposure particularly to non consumer cyclical growth areas (for example pharmaceuticals, staples, utilities and industrial capital expenditure) that have strong cash flow and progressive dividend potential. Novartis a Swiss pharmaceutical and consumer healthcare stock typifies this approach and hence we increased our position. Within fixed interest, we continue to look for attractive sovereign opportunities outside the UK those with relatively low indebtedness, strong primary surpluses, and income supported by resources and sustainable export trade (e.g. Norway and Canada or from the emerging world, Brazil and Indonesia).

Outlook and Positioning

We are cautiously optimistic about prospects for risk markets. We are heartened by the healthy and accelerating corporate earnings and revenues (for example, 85 pct 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. However we are mindful of headwinds, 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) £28.8 million Price: (as at 26 th Feb 2010) Class B Share Price Inc (NAV): 69.60 p 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

This document is issued by Chartwell Fund Management and should be read in conjunction with the Fund's Simplified Prospectus which will exclusively form the basis of any application. Past performance is not a guide to future performance. The price of shares and the income from them can go down as well as up. Investors may not get back the full amount originally invested. A comprehensive list of risk factors is detailed in the Simplified Prospectus and an investment should not be contemplated until the risks are considered fully. Current tax levels and relief are liable to change and their value will depend on individual investors' circumstances. If you are unsure about any information contained within this document you should take independent advice. Chartwell Fund Management is authorised and regulated by the Financial Services Authority. The company's registered office is: 73 New Bond Street, London, W1S 1RS. IFDS Managers Limited acts as Authorised Corporate Director of the Fund.