

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

Strong share price gains in Q4 ended a turbulent year for equity markets. The FTSE All-Share index rose by 8% in the quarter, although it ended the year down 7%. The main laggard, in the quarter, was again mid-cap stocks with the FTSE 250 index rising by just 3%, to end the year with a decline of 13%. These quarterly gains were achieved on the back of growth in corporate profitability and moves by central banks to pump liquidity into the global financial system. In particular, the ECB announced unlimited lending to European banks for 3 years. For 2012, three major issues remain a concern for investors: the ongoing crisis in the Eurozone, the slowdown in Chinese economic growth and question marks over the strength of the US economic recovery. With regard to the Eurozone, further significant reforms are undoubtedly needed and only time will tell whether this is politically feasible. For China, the major challenge is to limit the impact from the collapse of the private sector housing bubble. The debate over US economic growth also continues to rumble on, and while more recent survey data has been positive, the US consumer faces significant tax headwinds in 2012.

During the quarter, the fund's total return of 6.4% was behind the FTSE All Share index which saw a total return of 8.4%. At the sector level, the positive contribution from the underweight position in Banks was offset by the overweight position in Utilities. At the stock level, there was a positive contribution from Insurance. However this was outweighed by negative stock selection in Support Services and General Retail. During the quarter, we added to the existing holding in the John Laing Infrastructure Fund. The fund's quarterly distribution was raised to 1.1p which compares to 0.9p in the same quarter last year. Over the year, the fund delivered a total return of -0.8 % which was ahead of the FTSE All Share index's total return of -3.5%. The main positives in the year include sector positioning (underweight on Banks and Mining) as well as strength in several individual holdings.

Performance

Total return	3 Month	1 Year	2 Year	4 Year
Charity Value and Income Fund	6.4%	-0.8%	14.5%	-1.8%
FTSE All Share Index	8.4%	-3.5%	10.6%	0.8%
FTSE 350 Higher Yield Capital Only	9.2%	5.5%	12.0%	-2.4%
Charity Value and Income Fund	4.9%	-5.5%	4.2%	-19.8%
FTSE All Share Index	7.7%	-6.9%	3.5%	-13.1%
FTSE 350 Higher Yield	8.2%	0.7%	2.3%	-20.1%

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. The Fund was launched on 07/06/2007 and therefore performance data does not exist for longer time periods. Figures as at 31/12/11

Investment Team

Simon Jaffé | Angela Lascelles | Andrew Impey



The Portfolio

Top Ten Holdings	%	Sector Breakdown	%
BP	6.4	Oil & Gas	11.8
Vodafone	5.5	Basic Materials	6.2
Royal Dutch Shell B	5.4	Industrials	19.7
GlaxoSmithKline	5.1	Consumer Goods	8.1
Unilever	4.8	Health Care	5.1
Spectris	3.8	Consumer Services	18.9
John Laing Infrastructure Fund	3.5	Telecommunications	7.4
United Utilities	3.4	Utilities	6.5
Tesco	3.3	Financials	15.1
Carillion	3.2	Technology	0.0
		Cash	1.2

Key Details

Investment Managers		Simon Jaffé, Angela Lascelles, Andrew Impey			
Benchmark		FTSE All Share Index			
Fund Size		£7.5m			
Launch Date		07/06/2007			
Fund Year End		31 st December			
Unit Prices	Inc	Bid	70.358p	Offer	71.157p
As at 31/12/11	Acc	Bid	86.931p	Offer	87.917p
Historic Yield		5.1%			
Distribution Dates		1 st Interim	31 st May	2 nd Interim	31 st July
		3 rd Interim	30 th November	Final	28 th February
Annual Charge		0.5%			
Initial Charge		0%			
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

Disclaimer

This document is issued by OLIM Limited ("OLIM") and should be read in conjunction with the scheme particulars which highlights 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 distributable income of the fund will vary and is not guaranteed and past performance is no guarantee of future performance. OLIM is authorised and regulated by the FSA.