

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 1.2% in the quarter. The FTSE 250 index outperformed this, with an increase of 2.8%, while the FTSE Higher Yield index underperformed with a rise of 0.1%. This divergence in performance reflected sterling's appreciation on the foreign exchange market given the Higher Yield index's greater overseas currency exposure. The strength in the pound reflected expectations that the Bank of England would respond to recent inflationary pressures, CPI rose from 2.6% in July to 2.9% in August, by raising interest rates. In the US, the Federal Reserve indicated that it would begin the "normalisation" of US monetary policy by gradually reducing the value of its balance sheet (built up through quantitative easing). Investors also had to digest the increasingly aggressive rhetoric that was exchanged between Pyongyang and Washington on the back of N.Korea's ongoing nuclear programme. As Professor John Delury, of Yonsei University in Seoul, put it, "Trying to out-threaten North Korea is like trying to out-pray the Pope." Elsewhere Standard & Poor's cut China's credit rating, from AA- to A+, for the first time since 1999, citing the risks from soaring debt levels.

The fund's total return of 3.2% was ahead of the FTSE All Share index which saw a total return of 2.1%. A positive contribution came from the underweight position in Tobacco (no holdings). In addition stock selection was strong in Food Retail (Conviviality +34%) and Pharmaceuticals (Dechra +20%). These positives were more than enough to offset negative factors which included the underweight positions in Mining and Oil & Gas. In addition stock selection was weak in Support Services where Carillion (-34%) was hit by a profits warning. We quickly decided to sell the stock due to our concerns over the company's balance sheet. Since our sale the share price has more than halved. The fund's quarterly distribution was maintained at 1.1p which compares to 1.0p in the same quarter last year.

Performance

Total Return	3 Month	1 Year	3 Year	5 Year
Charity Value and Income Fund	+3.2%	+14.6%	+33.5%	+75.2%
FTSE All Share Index	+2.1%	+11.9%	+27.8%	+61.2%
FTSE 350 Higher Yield Capital Only	+0.6%	+9.6%	+21.6%	+51.7%
Charity Value and Income Fund	+2.1%	+9.5%	+16.8%	+40.4%
FTSE All Share Index	+1.2%	+7.8%	+14.6%	+35.0%
FTSE 350 Higher Yield	+0.1%	+5.0%	+5.4%	+19.8%

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 30/09/17.

Investment Team

Simon Jaffé | Angela Lascelles | Andrew Impey



The Portfolio

Top Ten Holdings	%	Sector Breakdown	%
Conviviality	6.3	Oil & Gas	8.4
Unilever	6.0	Basic Materials	6.8
Dechra Pharmaceuticals	5.2	Industrials	13.9
GlaxoSmithKline	4.2	Consumer Goods	11.0
BP	4.1	Health Care	9.4
Vodafone	4.0	Consumer Services	20.0
Halma	3.9	Telecommunications	6.3
HSBC	3.6	Utilities	4.9
Prudential	3.5	Financials	18.8
Beazley	3.5	Technology	0.0
		Cash	0.4

Key Details

Investment Managers	Simon Jaffé, Angela Lascelles, Andrew Impey				
Benchmark	FTSE All Share Index				
Fund Size	£23.5m				
Launch Date	07/06/2007				
Fund Year End	31 st December				
Unit Prices	Inc	Bid	106.9p	Offer	107.5p
As at 30/09/17	Acc	Bid	171.7p	Offer	172.8p
Historic Yield (trailing 12 months)	4.3%				
Distribution Dates	1 st Interim	31 st May	2 nd Interim	31 st August	
	3 rd Interim	30 th November	Final	28 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.