



T.BAILEY

Defensive Cautious Managed Fund January 2011

Information in this factsheet is at the last valuation point of the month of issue (except where indicated). Please ensure you read the important information / risk warnings section overleaf.

Investment Aims & Policy

The aim of the fund is to outperform the Investment Management Association (IMA) Cautious Managed* sector mean on a total return basis over the medium-to-long term.

The fund invests in a range of asset classes, predominately via underlying Regulated Collective Investment Schemes. In other words it is a fund of funds.

*As from 1 January 2012, this sector has been renamed IMA Mixed Investment 20%-60% shares.

Fund Manager Commentary

January was a strong month for equities as investors continued to look beyond the problems that had besieged markets through much of 2011.

Sterling returns of around 2.7% for the US and UK equity regions were certainly respectable for the month and continued a more positive trend that formed in early October of last year. However, the stronger equity regions this month were those of the Far East ex Japan and Emerging Markets, where the T. Bailey Defensive Cautious Managed Fund has a reasonable exposure, and which both achieved returns of 8-9% in Sterling terms.

We also noted a good deal of sector rotation taking place during the month with those areas that had struggled through 2011 and those of more cyclical nature coming back into favour at the expense of the more defensive areas. This was particularly notable for UK equity income investors which, although in the main still delivered positive absolute returns, lagged the broader market considerably. However, holdings in the Franklin Templeton UK Mid Cap Fund and Source Russell 2000 ETF were notable beneficiaries of this development.

The out-performance of risk assets continued in areas outside of equity markets with strong performance coming from our exposure to high yield bonds as well as generally from our selection of strategic bond funds.

During the month we introduced a small allocation to timber, through Phaunos Timber, an asset class with arguably defensive characteristics and low correlation with the other assets in the portfolio.

Elliot Farley

Fund Size

£15.2m

Fund Prices (pence)

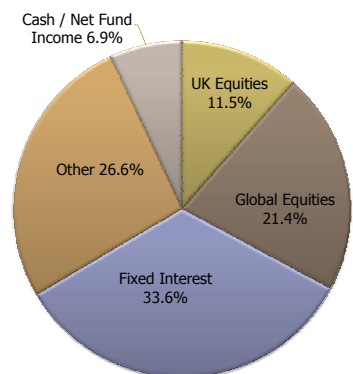
	Latest Price		Launch Price
Retail Unit Class	102.54	XD	100.00
Institutional Unit Class	103.65	XD	100.00

Prices shown are for income unit classes.
Prices are published daily on the website www.tbailey.co.uk

Top 10 Holdings

Fund	%
Thames River Global Bond	6.6
Fidelity Strategic Bond	6.6
iShares GBP Index-Linked Gilts	5.6
M&G Optimal Income	5.4
Henderson Strategic Bond	4.9
Aberdeen Emerging Markets	4.8
Standard Life GARS	4.7
Threadneedle High Yield Bond	4.5
Veritas Global Equity Income	4.5
Smith & Williamson Enterprise	4.5
Total	52.1

Asset Allocation



Cumulative Performance to last valuation point in January 2011

	1 month	3 months	6 months	1 year	From Launch
Retail Inc	3.62%	2.06%	0.42%	1.13%	5.72%
Institutional Inc	3.68%	2.22%	0.73%	1.75%	6.78%
IMA Mixed Investment 20%-60% Shares**	2.16%	1.43%	(0.74%)	0.80%	7.60%

Discrete Performance: 12 months ended last valuation point in December

	2007	2008	2009	2010	2011
Retail Inc	*	*	*	*	(3.77%)
Institutional Inc	*	*	*	*	(3.17%)
IMA Mixed Investment 20%-60% Shares**	1.39%	(15.84%)	15.90%	8.56%	(1.89%)

*Fund performance data does not exist for these periods.

** New name for IMA Cautious Managed sector from 1 January 2012.

Total Return, Bid to Bid (i.e. after all charges with exception of initial charges), Tax UK Net. Source: T. Bailey Asset Management Limited/ Financial Express Analytics. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested.

Performance Since Launch (20 July 2010)



— T. Bailey Defensive Cautious Managed Fund - Retail Income: 5.72%
— IMA Mixed Investment 20%-60% Shares: 7.60s%

Source: Financial Express.

For full details including the investment aims and policy, please refer to the Simplified Prospectus of the T. Bailey Funds.



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Fund Manager:

Elliot Farley



Elliot Farley is a Warwick University mathematics graduate with over a decade of experience in the fund management industry.

He has worked with the T. Bailey funds since 2000 having previously been an ACA with Deloitte and is currently Fund Manager.

Contact Details

Contact us to place a deal or to request literature.

To place a deal call: **0115 988 8213**

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Minimum Investment Levels

	All Unit Classes
Initial lump sum	£1,000
Subsequent	£500
Regular Saver scheme	✓

Key Facts

IMA Sector	Mixed Investment 20%-60% Shares (new name for Cautious Managed sector)
Launch Date	20 July 2010
Units	Income, Accumulation
Distribution Frequency	Quarterly
Net Yield*	2.18%
Benchmark	IMA Mixed Investment 20%-60% Shares Mean

* Previous 12 months' declared distributions as a percentage of current price (retail income class).

Fund Codes

Fund Codes	Retail Inc	Retail Acc	Inst Inc	Inst Acc
SEDOL	B63LRD3	B66BCS0	B623V50	B5P52B9
ISIN	GB00B63LRD33	GB00B66BCS08	GB00B623V505	GB00B5P52B91
FT MEXID	QESIVE	QENAGE	QEBDCM	QELEYD

Fund Charges

For full details on fund charges, including total expense ratios, see the simplified prospectus.

	Retail	Institutional
Initial Charge	Up to 5.0%	Nil
Annual Management Charge	1.50%	0.75%
Exit Charge	Nil	Nil

All classes can be held as a Unit Trust investment or within a stocks and shares ISA / JISA wrapper.

Important Information/Risk Warnings

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Past performance is not a reliable indicator of future results. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. All sources TBAM unless otherwise stated.

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