



LAWRENCE HOUSE FUND MANAGERS

Date of Launch

20.12.2004

Fund Managers

Mike Sargeant
Alan Stokes

Fund Size

£209,518

Benchmark

FTSE All Share Index

NAV Price

A Class £1.0000

B Class £0.9836

Latest Yield

A Class 1.390%

B Class 1.410%

Dividend Dates

A Class 31.07, 31.01

B Class 31.07, 31.01

Minimum Investment

A Class £50,000

B Class £2,500

Initial Charge

A Class 1%

B Class 5%

Annual Management Charge

A Class 1%

B Class 1.5%

All data as at 31.03.2005

Compliance Statement

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Sedol No

A Class B054QH5

B Class B054QK8

ISIN No

A Class

GB00B054QH55

B Class

GB00B054QK84

Lawrence House UK Equity Fund

April 2005

Fund Objective

The UK Equity Fund aims to provide a combination of income and capital growth through investment in a diversified portfolio of collective investment schemes investing in UK Equities. The fund's benchmark is the FTSE All Share Index.

Investment Comment

The UK equity market, as represented by the FTSE 100 Share Index, experienced a significant reversal over the past thirty days. The index tumbled 2% due to rising oil prices and worries over the course of interest rates. This fall toned down much of the euphoria built into UK equity prices at the beginning of March. However, we felt that large cap UK equities offered good value then and still do today.

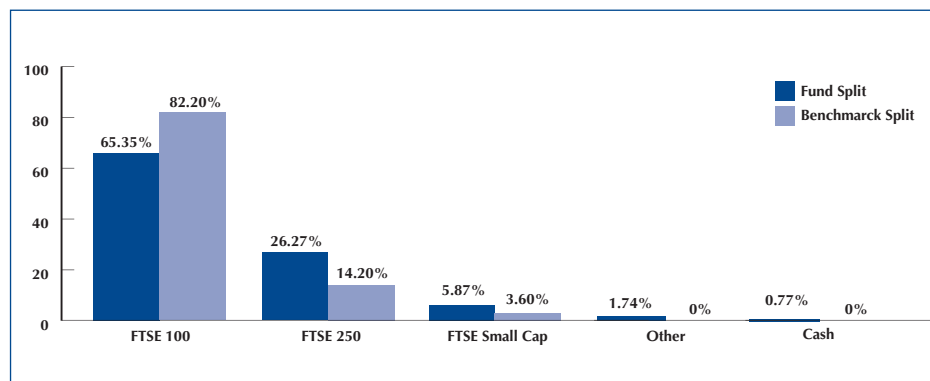
From a valuation perspective, based on historical data, the FTSE 100 Share Index looks attractive when compared with the All Share and the Mid 250 Index. As a consequence, we focused recent cash inflows towards stock-picking managers who we believe can take advantage of this buying opportunity, in particular, Gartmore UK Focus, Merrill Lynch UK Dynamic and Lazard UK Alpha.

As this fund aims to offer a yield as well as capital growth we also considered the 'income' aspect of the portfolio. History has demonstrated that equity income funds have often been the best way to access the UK stock market. Not only have they produced an attractive income but the capital growth has been impressive producing on a total return basis one of the most consistent returns of any sector over the medium to longer term.

Once again we have selected funds that are managed by proven fund managers, such as Julian Chillingworth, manager of the Rathbone Income & Growth Fund. Whilst not attracting as much press coverage as its better known stable mate managed by Carl Stick, Chillingworth has an impressive unbroken dividend track record stretching back over 8 years. Additionally, this fund has comfortably consistently beaten its benchmark, FTSE All Share Index.

With the financial year coming to a close and an announcement of a General Election just round the corner, we expect the stock market to remain volatile.

Asset Allocation



Portfolio Composition

Lazard UK Alpha	11.39	Axa UK Equity Income	9.37
Artemis Capital	11.04	Norwich Union UK Equity Income	8.67
Merrill Lynch UK Dynamic	10.93	Framlington Equity Income	8.53
Gartmore UK Focus	10.71	New Star Higher Income	8.44
Rathbone Income & Growth	10.71	Cash	0.77
Royal London Equity Income	9.44	TOTAL	100