



LAWRENCE HOUSE FUND MANAGERS

Date of Launch 20/12/2004	Investment Advisers Lawrence House Fund Managers Lawrence House Summer Hill Harbledown Canterbury Kent CT2 8GT T: 01227 819820 E: info@lhfm.co.uk W: www.lhfm.co.uk
Fund Managers Mike Sargeant Alan Stokes	
Fund Size £1,268,090	
Benchmark FTSE All Share Index	
NAV Price A Class £1.071 B Class £1.082	
Latest Yield A Class 3.21% B Class 3.18%	Authorised Corporate Director Elite Fund Administration Cedar House Cobham Road Wimbourne Dorset BH21 7SB T: 01202 855850
Dividend Dates A Class 31/07, 31/01 B Class 31/07, 31/01	Sedol No A Class B054QH5 B Class B054QK8
Minimum Investment A Class £50,000.00 B Class £2,500.00	ISIN No A Class GB00B054QH55 B Class GB00B054QK84
Initial Charge A Class 1.0% B Class 5.0%	
Annual Management Charge A Class 1.0% B Class 1.5%	

All data as at 30/11/2005

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Lawrence House UK Equity Fund

December 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

Following the savage beating suffered by the markets in October, there was a noticeable feel good factor during November as the all Major UK indices added real value.

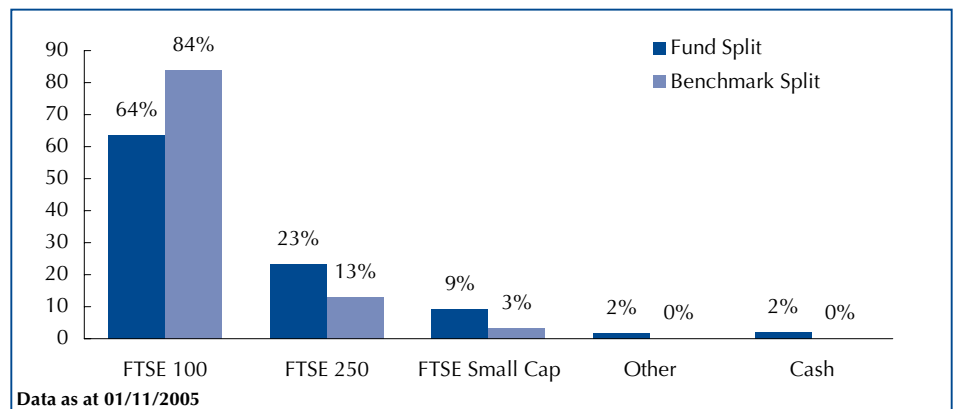
The best performing index during November was the FTSE 250, which rose 8% and set a new intraday high on the 29th of 8350.90, before settling back to close at a record 8347.50. The index continues to be driven by M&A activity, with respected fund managers stating that despite the rise in prices, UK companies still have embedded value and therefore M&A activity will continue to be a dominant theme.

The FTSE 100 has experienced mixed fortunes this month. Despite rising strongly at the beginning of the month and setting a new 4-year high of 5554.90, it ended only marginally higher due to the adverse effect of certain dominant sectors. This was most noticeable in the last week as BP and Royal Dutch Shell responded to the continuing fall in oil prices.

Other detracting sectors have been banks and telecommunications and in particular Vodafone. The banking sector was affected by the release of a trading update from Barclays, which despite being inline with analysts expectations, was overshadowed by concerns relating to bad debt levels at Barclaycard. Telecommunications suffered due to Vodafone's disappointing trading outlook, which resulted in a fall of almost 17% in its share price.

As a result of recent market developments, there has been one change to the portfolio in November, namely the Henderson UK Equity Income Fund which replaced the New Star Higher Income Fund. The management style employed by the latter has proved disappointing in the prevailing economic environment and consequently the decision was made to switch the proceeds to the Henderson UK Equity Income, which is believed to present better prospects due to its adaptable mandate and a higher weighting in mid and small cap stocks.

Asset Allocation



Fund Performance

	1 Mth Return	2 Mths Return	3 Mths Return	4 Mths Return	5 Mths Return	6 Mths Return	Since Launch
Lawrence House UK Equity Fund	6.71%	0.93%	3.15%	4.04%	7.34%	10.43%	8.20%

Source: Lipper/ARC 01.12.05, Lump, % Chg, Init £100, B/B, Basic Rate Tax

Portfolio Composition

Allianz UK Equity Income	10.29	Norwich Union UK Equity Income	8.27
Baring Equity Income	10.10	Axa UK Equity Income	8.25
Rathbone Income & Growth	10.06	J O Hambro UK Equity Income	8.04
Framlington Monthly Income	9.60	Merrill Lynch UK Income	7.95
Henderson UK Equity Income	8.69	Cash	2.02
Royal London Equity Income	8.41	TOTAL	100
Artemis Capital	8.32		