



## LAWRENCE HOUSE FUND MANAGERS

<b>Date of Launch</b>	<b>Investment Advisers</b>
20/12/2004	Lawrence House Fund Managers
<b>Fund Managers</b>	Lawrence House Summer Hill Harbledown Canterbury Kent CT2 8GT
Mike Sargeant	T: 01227 819820
Alan Stokes	E: info@lhfm.co.uk
<b>Fund Size</b>	W: www.lhfm.co.uk
£4,698,828	<b>Authorised Corporate Director</b>
<b>Benchmark</b>	Elite Fund Administration
APCIMS Income	Cedar House
<b>NAV Price</b>	Cobham Road
<b>A Class</b> £1.082	Wimbourne
<b>B Class</b> £1.095	Dorset BH21 7SB
<b>Latest Yield</b>	T: 01202 855850
<b>A Class</b> 3.99%	<b>Sedol No</b>
<b>B Class</b> 3.88%	<b>A Class</b> B054QL9
<b>Dividend Dates</b>	<b>B Class</b> B054QN1
<b>A Class</b> 31/07, 31/01	<b>ISIN No</b>
<b>B Class</b> 31/07, 31/01	<b>A Class</b>
<b>Minimum Investment</b>	GB00B054QL91
<b>A Class</b> £50,000.00	<b>B Class</b>
<b>B Class</b> £2,500.00	GB00B054QN16
<b>Initial Charge</b>	
<b>A Class</b> 1.0%	
<b>B Class</b> 5.0%	
<b>Annual Management Charge</b>	
<b>A Class</b> 1.0%	
<b>B Class</b> 1.5%	

All data as at 31/01/2006

### Compliance Statement

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# Lawrence House Cautious Managed Fund February 2006

## Fund Objective

The Cautious Managed 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 and fixed interest securities. The fund's benchmark is the Financial Times/Association of Private Client Investment Managers and Stockbrokers Income Index (FT/APCIMS).

## Investment Comment

January proved to be a positive month for the fund, which rose 1.2%, placing it comfortably in the 2nd quartile.

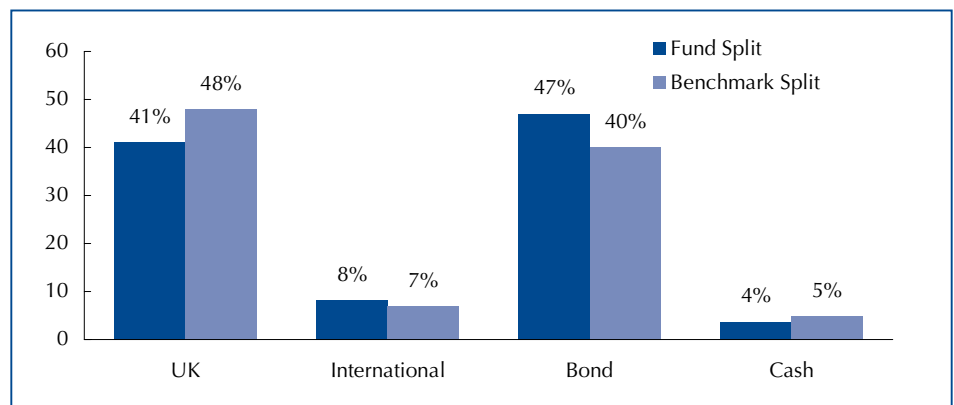
The decision in December to establish a position in the Newton Global Higher Income fund and thus broaden the geographic exposure of the equity content of the portfolio, has proved worthwhile, potentially reducing further risk. Although the Newton fund is yet to make a distribution, the capital return demonstrated a pleasing 8% rise since investment.

Whilst the fixed interest content remained consistent all equities made a contribution towards the capital performance. Most notably, the Rathbone Income Fund, rose 3.5%, reflecting the manager's ability to participate in the merger, acquisition and takeover activity which is fuelling parts of the UK equity stock market.

This month has seen bond yields widen slightly, especially amongst those of longer duration. Therefore, over the coming month, the fixed interest weighting may be reduced in favour of boosting equity income vehicles.

The aim remains to provide above average returns for below average risk. By increasing the equity income content of the fund, we expect to grow the dividend over the course of the year and maintain our policy of capital appreciation.

## Asset Allocation



## Fund Performance

	01/02/2005 to 31/01/2006	1 Month Return	3 Months Return	6 Months Return	Since Launch
Lawrence House Cautious Managed Fund	12.19%	1.20%	7.92%	7.82%	11.59%

Source: Lipper/ARC 01.02.06, Lump, % Chg, B/B, Net Income Reinvested

## Portfolio Composition

Rathbone Income	8.30	Old Mutual Corporate Bond	6.77
Jupiter Income	8.29	Royal London Income	6.76
Standard Life UK Equity High Income	8.28	Lincoln Corporate Bond	6.75
Invesco Perpetual High Income	8.21	Schroder Strategic Bond	6.72
Mellon Newton Global Higher	8.12	Legal & General High Income Trust	5.97
Rensburg UK Equity Income	7.94	Cash	3.76
Gartmore High Yield Corporate Bond	7.18	<b>TOTAL</b>	<b>100</b>
Allianz PIMCO Sterling Total Return	6.95		