Lawrence House Balanced Managed Fund

July 2005

LAWRENCE HOUSE
FUND MANAGERS

Date of Launch
20/12/2004

Fund Managers
Mike Sargeant
Alan Stokes

Fund Size
£3,600,809

Benchmark
APCIMS Balance Managed

NAV Price
A Class £1.021
B Class £1.024

Latest Yield
A Class 0.35%
B Class 0.35%

Dividend Dates
A Class 31.07, 31.01
B Class 31.07, 31.01

Minimum Investment
A Class £50,000.00
B Class £2,500.00

Initial Charge
A Class 1.0%
B Class 5.0%

Annual Management Charge
A Class 1.0%
B Class 1.5%

Investment Advisers
Lawrence House Fund Managers
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Authorised Corporate Director
Elite Fund Administration
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Dorset BH21 7SB
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Sedol No
A Class B054QF3
B Class B054QG4

ISIN No
A Class
GB00B054QF32
B Class
GB00B054QG49

All data as at 30/06/2005

Fund Objective
The Balanced Managed Fund aims to provide capital growth through investment in a diversified portfolio of collective investment schemes giving exposure to many of the world's stockmarkets. The Fund can hold significant amounts in fixed interest funds, should the manager feel the potential risk and reward of this asset class could add to the overall fund's performance. Income distribution is not a consideration in the structure and management of this fund. The fund's benchmark is the Financial Times/Association of Private Client Investment Managers and Stockbrokers Balanced Index (FT/APCIMS).

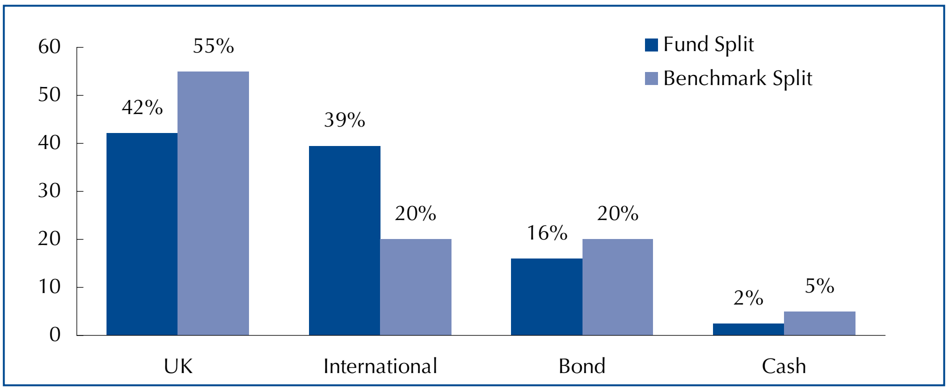
Investment Comment
Over the last month, world markets have seen both highs and lows. Initially, markets rallied as oil prices relaxed following the announcement by OPEC to raise production. This proved a short-lived respite in the relentless climb towards $60 per barrel as it became clear the increase would not result in extra flows, but only served to sanction the unofficial over production currently in place.

As figures continue to emerge from Asia and Eastern Europe showing strong oil consumption, the $60 per barrel (pb) mark was breached on the 23rd, with stock markets falling sharply in response. This sell off continued until a last minute fall in oil prices on the 28th caused shares to recover some of their lost ground.

We have continued to see inflows to the fund, with assets under management rising from £2.8m to £3.6m or some 28%. Since no new funds were added, the money was used to increase existing funds ensuring that the weightings remain reasonably neutral.

We have maintained our weighting in fixed interest funds around the 15% level and believe bonds still have much to offer, both in terms of portfolio diversification and performance. Following the fall in equity prices over recent years, Life and Pension companies increased their weightings to bonds, prioritising capital preservation over the generation of strong returns; thereby meeting known liabilities with minimal risk. The Government issued investment mandate of the Pension Protection Fund, which specifically includes equities, has recently reinforced this attitude.

Asset Allocation



Portfolio Composition

Nucleus American Trust	9.84
New Star European Growth	9.74
New Star UK Alpha	8.95
Rensburg UK Select Growth	8.89
Schroder Income	8.30
Artemis Income	8.26
Credit Suisse Target Return	8.14
Baring Directional Bond	7.82
Lazard UK Income	7.76
Schroder Tokyo	6.82
Lincoln Far East	4.77
Framlington Emerging Markets	4.59
M&G Global Basics	3.73
Cash	2.39
TOTAL	**100**