



LAWRENCE HOUSE FUND MANAGERS

Date of Launch

20/12/2004

Fund Managers

Mike Sargeant
Alan Stokes

Fund Size

£2,759,538

Benchmark

APCIMS Balance
Managed

NAV Price

A Class £1.002
B Class £1.005

Latest Yield

A Class 0.36%
B Class 0.36%

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%

All data as at 31/05/2005

Compliance Statement

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Sedol No

A Class B054QF3

B Class B054QG4

ISIN No

A Class

GB00B054QF32

B Class

GB00B054QG49

Lawrence House Balanced Managed Fund

June 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).

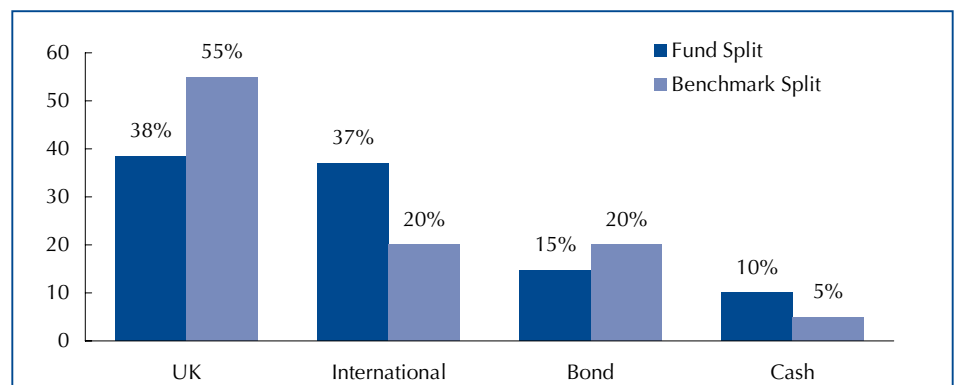
Investment Comment

The month of May has seen a sizable inflow of new money into the fund with the size increasing by over 36%. This money has been added to existing holdings and no new acquisitions have been made. The UK exposure has increased marginally although the main weighting remains overseas. This decision has already proved sensible, as Sterling has retreated against the US dollar.

The themes of China, resources and the pressure on global inflation are recurring topics of debate and look likely to remain with us for some time. The rapid growth in China as it moves from moribund state industries combined with an agrarian based economy to a newly industrialised nation is moving at a rapid pace. The most recent example for comparison is how Japan was rebuilt after the Second World War and its rise to dominance throughout the seventies and eighties. If we look at Japan as the blueprint for future growth then this illustrates all too clearly why positioning a portfolio to access the economic powerhouse that is China is essential for those who are a medium to long-term investors.

Having said that, it is essential not to lose sight of the fund's objective and approach to volatility. Consequently, our fixed interest exposure helps through its lack of correlation to the other funds in the portfolio to reduce volatility. By balancing this risk and reward we believe we will be able to offer a superior return over a rolling three-year period. Whilst it is early days we continue to view the future with a degree of optimism. The outlook for UK interest rates remain benign, whilst we do not fall into the camp that interest cuts are necessarily imminent nor do we believe that there remains a very strong argument to increase rates, given retail sales. The price of oil is going to remain higher than we have been used to but, after adjusting for inflation, its current level is not expensive. Therefore, we view the future as the glass being half full rather than half empty.

Asset Allocation



Portfolio Composition

Nucleus American Trust	9.01	Lazard UK Income	6.41
New Star European Growth	8.59	Schroder Tokyo	6.12
New Star UK Alpha	8.43	Lincoln Far East	5.31
Rensburg UK Select Growth	8.38	Framlington Emerging Markets	4.34
Artemis Income	7.60	M&G Global Basics	3.59
Schroder Income	7.55	Cash	9.99
Baring Directional Bond	7.41	TOTAL	100
Credit Suisse Target Return	7.27		