



LAWRENCE HOUSE FUND MANAGERS

Date of Launch	Investment Advisers
20/12/2004	Lawrence House Fund Managers
Fund Managers	Lawrence House Summer Hill Harbledown Canterbury Kent CT2 8GT
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Fund Size	W: www.lhfm.co.uk
£4,753,298	
Benchmark	Authorised Corporate Director
APCIMS Income	Elite Fund
NAV Price	Administration
A Class £1.098	Cedar House
B Class £1.115	Cobham Road
Latest Yield	Wimbourne
A Class 3.99%	Dorset BH21 7SB
B Class 3.88%	T: 01202 855850
Dividend Dates	Sedol No
A Class 31/07, 31/01	A Class B054QL9
B Class 31/07, 31/01	B Class B054QN1
Minimum Investment	ISIN No
A Class £50,000.00	A Class
B Class £2,500.00	GB00B054QL91
Initial Charge	B Class
A Class 1.0%	GB00B054QN16
B Class 5.0%	
Annual Management Charge	
A Class 1.0%	
B Class 1.5%	

All data as at 28/02/2006

Compliance Statement

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Lawrence House Cautious Managed Fund

March 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

During February, volatility remained the dominant theme in the equity markets, as the FTSE reached a new 4-½ year high of 5888 on the back of continuing M&A activity.

The demand for bonds and particularly the long dated gilts, continued unabated, driven by pension funds and the accounting incentive to comply with the International Accounting Standards. Further support has come from concerns over the Pension Protection Fund levy and more interestingly, overseas investors.

The trend is expected to continue for the foreseeable future, especially as the corporate sector still prefers to rebuild balance sheets rather than pursue new issues in preparation for the acquisition trail. Therefore it falls on the shoulders of the Government's Debt Management Office to issue more long dated bonds at a higher frequency than of present to help reduce the demand driven volatility.

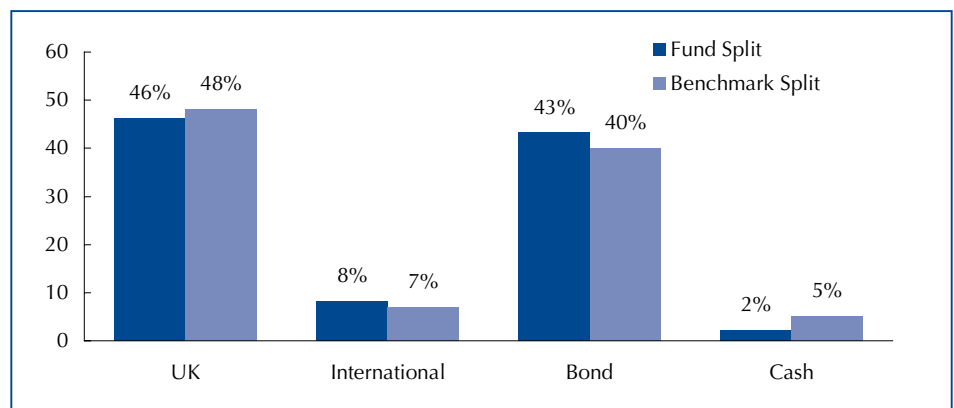
However, corporate bonds still provide reasonable returns, although yields are now broadening, which may lead to a reduction in capital value. Returns from bonds are not expected to collapse as the year progresses but it is likely that capital growth will become harder to find.

In summary, although bonds continue to be attractive, their appeal is waning and the majority of returns in this asset class are expected to come from those benefiting as a result of M&A activity.

As commented in last month's factsheet, the position has been reviewed regarding fixed interest holdings and the future potential of bonds. As a result, profits were taken across the board with proceeds used to increase the weightings in our existing equity income funds.

The aim of this portfolio is to provide a balance between risk and reward and with this in mind, Equity income funds are considered to offer more potential for the provision of capital appreciation and at the same time a growing the income stream.

Asset Allocation



Fund Performance

	01/03/2005 to 28/02/2006	1 Month Return	3 Months Return	6 Months Return	Since Launch
Lawrence House Cautious Managed Fund	13.52%	1.83%	5.31%	8.53%	13.63%

Source: Source: Lipper/ARC 01.03.06, Lump, % Chg, B/B, Net Income Reinvested

Portfolio Composition

Rathbone Income	9.39	Royal London Income	6.19
Invesco Perpetual High Income	9.33	Aliaz PIMCO Sterling Total Return	6.16
Jupiter Income	9.33	Schroder Strategic Bond	6.16
Standard UK Equity High Income	9.25	Lincoln Corporate Bond	6.15
Rensburg UK Equity Income	8.96	L&G High Income Trust	5.94
Mellon Newton Global Higher Income	8.23	Cash	2.32
Old Mutual Corporate Bond	6.35	TOTAL	100
Gartmore High Yield Corporate Bond	6.24		