



LAWRENCE HOUSE FUND MANAGERS

Date of Launch

20/12/2004

Fund Managers

Mike Sargeant
Alan Stokes

Fund Size

£4,641,839

Benchmark

APCIMS Income

NAV Price

A Class £1.004

B Class £1.034

Latest Yield

A Class 4.17%

B Class 4.05%

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

Lawrence House
Summer Hill

Harbledown

Canterbury

Kent CT2 8GT

T: 01227 819820

E: info@lhfm.co.uk

W: www.lhfm.co.uk

Authorised Corporate Director

Elite Fund

Administration

Cedar House

Cobham Road

Wimbourne

Dorset BH21 7SB

T: 01202 855850

Sedol No

A Class B054QL9

B Class B054QN1

ISIN No

A Class

GB00B054QL91

B Class

GB00B054QN16

All data as at 31/10/2005

Compliance Statement

Issued by Lawrence House Fund Managers Limited, which is authorised and regulated by the Financial Services Authority.

This document is not intended as an offer to acquire or dispose of any security. Information given in it has been obtained from sources believed by us to be reliable and accurate although Lawrence House does not accept liability for the accuracy of the contents. This information is not intended to constitute a basis for any specific investment decision. The price of units/shares and the income from them may go down as well as up and you may get back less than you invested. Past performance is not necessarily a guide to the future to the future investment returns. Lawrence House does not offer investment advice or make recommendations regarding investments.

For Financial Advisers only, not for onward distribution. No other persons should rely on any information contained in this document.

Lawrence House Cautious Managed Fund November 2005

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).

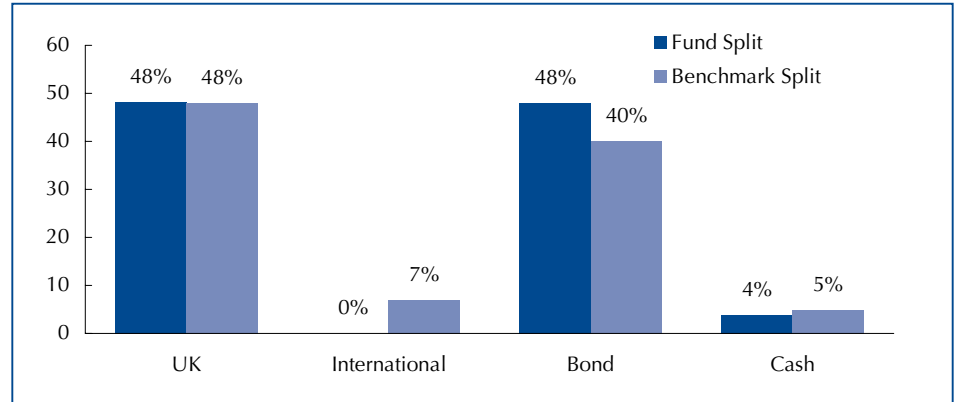
Investment Comment

Conscious of the need to maintain an attractive yield we have been investigating the potential for increasing the yield of this fund. After a detailed analysis of the fixed interest content we concluded that our international exposure to BB and single B rated paper was low when compared with our high weighting to BBB or better. Therefore this month we added the Legal & General High Income Trust to our portfolio.

David North, one of the most respected fixed income managers in the financial services industry, manages this fund and has a proven track record for identifying stocks in this potentially rewarding area. We were impressed by the fact that in the period under review he had no downgrades to CCC, which demonstrated the rigor of his research process. This fund has introduced a further level of diversification to the portfolio whilst helping to boost the running yield over 4%.

Elsewhere, no further changes were made, as we are happy with the overall make-up of the fund. However, we are investigating an increase in our equity exposure during the months to come by introducing a small exposure overseas. The Apcims benchmark has a 7% exposure to international markets although we have yet to decide just how much we are prepared to commit. We are limited by the IMA sector, which only permits a maximum equity exposure of 60 and therefore need to be mindful of these limitations. At the present time no decisions have been made but we believe that given the opportunities identified overseas, a small exposure could offer significant diversification, an attractive yield and growth potential.

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 Cautious Managed Fund	-2.82%	-1.24%	-0.10%	1.08%	2.99%	5.28%	3.40%

Source: Lipper/ARC 01.11.05, Lump, % Chg, Init £100, B/B, Basic Rate Tax

Portfolio Composition

Invesco Perpetual High Income	8.43
Standard Life UK Equity High Income	8.07
Jupiter Income	8.01
Rensburg UK Equity Income	7.94
Rathbone Income	7.84
Gartmore High Yield Corporate Bond	7.83
Mellon Newton Higher Income	7.82
Schroder Strategic Bond	7.49

Allianz PIMCO Sterling Total Return	7.48
Royal London Income	7.36
Lincoln Corporate Bond	7.32
Old Mutual Corporate Bond	7.32
Legal & General High Income Trust	3.18
Cash	3.91
TOTAL	100