



LAWRENCE HOUSE FUND MANAGERS

Date of Launch

20/12/2004

Fund Managers

Mike Sargeant
Alan Stokes

Fund Size

£4,970,093

Benchmark

APCIMS Balance
Managed

NAV Price

A Class £1.101
B Class £1.103

Latest Yield

A Class 1.97%
B Class 1.97%

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 30/09/2005

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 October 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

September saw the continuing after affects of Hurricane Katrina on consumers, as oil prices remained high. Having peaked at US\$70.85 per barrel, the price of crude dipped as refineries came back online. This situation was short lived, as the arrival of Hurricane Rita soon caused prices to spike back up as a consequence of further disruption to the crude oil refining capabilities in the Gulf of Mexico.

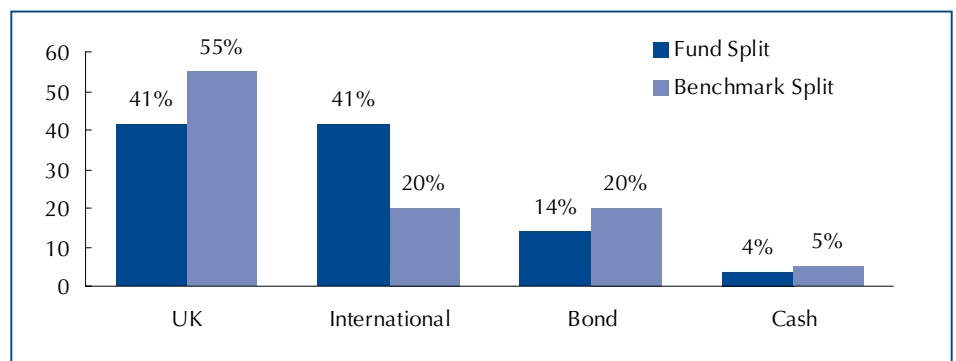
The Federal Reserve (Fed) raised interest rates by 0.25% for the 11th month in a row despite fears that the economy would slow after Hurricane Katrina. The resulting effects were highlighted in the reports issued by the US Labour Department and US Commerce Department. The Labour Department report showed that the number of people claiming weekly benefits had jumped to a ten-year high, whilst the Commerce Department report indicated that retail sales in August recorded their biggest monthly drop for four years. As consumer spending has recently driven the US economy, these figures are a concern, especially as retail sales were already slowing down before Katrina.

In Europe, the Central Bank decided to leave interest rates unchanged at 2%. This rate has prevailed for the past 26 months, despite further signs that some of the biggest eurozone economies were stalling. The German election did little to improve sentiment, ending in a stalemate with both parties claiming victory. This result influenced the euro, which was sold down due to the subsequently adverse effect on business/employment reform in Germany or Europe in general.

The Japanese election on the other hand cheered both the stockmarket and consumers as Prime Minister Koizumi not only won by a clear margin, but managed to increase his majority, giving further support to his reformist views for Japan. In China the central bank gave further freedom to the Yuan by announcing that it would be allowed to fluctuate more widely against non-dollar currencies.

Having increased our Japanese weighting last month ahead of the General Election we have not needed to make any further changes during September.

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 Balanced Managed Fund	3.67%	3.47%	7.71%	9.75%	13.26%	10.54%	10.30%

Source: Micropal 01.10.05, Lump, % Chg, Init £100, B/B, Basic Rate Tax

Portfolio Composition

Nucleus American Trust	9.29	New Star European Growth	5.49
New Star UK Alpha	8.88	Framlington Emerging Markets	4.57
Rensburg UK Select Growth	8.69	Lincoln Far East	4.37
Lazard UK Income	8.25	Britannic Argonaut European Alpha	4.22
Artemis Income	8.19	M&G Global Basics	3.89
Schroder Income	7.48	Legg Mason Japan Equity	2.94
Credit Suisse Target Return	6.81	Cash	3.65
Baring Directional Bond	6.67	TOTAL	100
Schroder Tokyo	6.61		