



## LAWRENCE HOUSE FUND MANAGERS

### Date of Launch

20/12/2004

### Fund Managers

Mike Sargeant  
Alan Stokes

### Fund Size

£4,279,552

### Benchmark

APCIMS Balance  
Managed

### NAV Price

A Class £1.06  
B Class £1.064

### Latest Yield

A Class 2.05%  
B Class 2.05%

### 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%

All data as at 31/08/2005

### Compliance Statement

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Elite Fund

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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 September 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

Last month saw Political and Economic considerations upset markets around the globe.

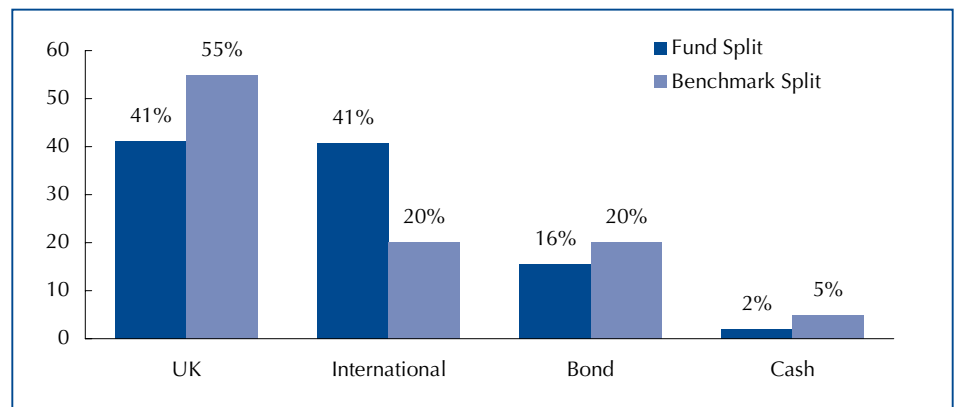
In the UK, the Bank of England Monetary Policy Committee reduced interest rates by the expected 25 basis points due to the continuing signs of a slowdown in manufacturing and the housing market, whilst in the US, Alan Greenspan, the chairman of the Federal Reserve Bank (Fed), increased interest rates to 3.50% by announcing a further 25 basis point rise, to bring a torrid housing market under control amid signs that high oil prices could boost inflation.

In addition to the destruction of large parts of Louisiana and Mississippi, the aftermath of Hurricane Katrina prompted closure of a number of oilrigs and refineries in the Gulf of Mexico, forcing oil prices to a high of \$70.85. This resulted in the US Government announcing they would release oil from the country's Strategic Petroleum Reserve to offset production cuts. With approximately 95% of the Gulf of Mexico's oil output now out of service, the effect of this release remains to be seen.

Meanwhile the Japanese Prime Minister, Junichiro Koizumi lost a crucial vote on plans to reform the huge postal system, which would have seen Japan Post with its \$3 trillion assets turn in to the world's largest bank. As Mr Koizumi had staked his reputation on this issue, he called a snap election for September 11th. It is our belief that Mr Koizumi will be returned with a stronger mandate.

Finally, at this stage it is too early to state the inflationary pressures Hurricane Katrina will have on the western world as the cut backs in oil production and refining is yet to be seen. Therefore we continue to favour a balanced approach to investment on both asset classes and geographic regions.

## 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	-0.19%	3.91%	5.87%	9.25%	6.63%	4.83%	6.40%

Source: Micropal 01.09.05, Lump, % Chg, Init £100, B/B, Basic Rate Tax

## Portfolio Composition

Nucleus American Trust	9.39	New Star European Growth	6.16
New Star UK Alpha	8.78	Lincoln Far East	4.36
Rensburg UK Select Growth	8.62	Framlington Emerging Markets	4.36
Artemis Income	7.98	M&G Global Basics	3.71
Lazard UK Income	7.94	Britannic Argonaut European Alpha	3.49
Schroder Income	7.90	Legg Mason Japan Equity	2.31
Credit Suisse Target Return	7.84	Cash	2.55
Baring Directional Bond	7.74	<b>TOTAL</b>	<b>100</b>
Schroder Tokyo	6.87		