



## LAWRENCE HOUSE FUND MANAGERS

### Date of Launch

February 1999

### Portfolio Managers

Alan Stokes  
Mike Sargeant

### Funds Under Management

£3,950,926

### Latest Estimated Yield

1.33%

### Minimum Investment

£50,000.00\*

### Initial Charge

4.00% + VAT

### Annual Management Charge

1.25% + VAT

### Fund Managers

Lawrence House Fund Managers Ltd  
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### Administrators and Custodians

BNP Paribas Fund Services UK Ltd  
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London EC2R 6PA

### All data as at 30<sup>th</sup> September 2008

\*Minimum portfolio investment can be £25,000, when part of a total investment of £50,000.

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# Lawrence House Portfolio Management Service

## Growth Portfolio

October 2008

### Portfolio Objective

This portfolio aims to provide investors with the potential for capital growth by investing globally in both established and emerging markets. The portfolio is able to invest in specialist funds that aim to exploit opportunities in a particular sector or geographic region, which can include commodity and country specific funds.

The portfolio is benchmarked against the IMA Active Managed Sector and may be considered suitable for an investor with a medium to higher risk profile.

### Portfolio Commentary

Throughout September, the extreme turmoil of recent months continued unabated, resulting in the dominance of cash and sovereign debt.

The direction of global stock markets was, without exception, determined by events relating to the US banking system. As the contagion progressed, the global investment banking landscape changed forever, following a series of high profile nationalisations and regulatory authority seizures. Three key players in the US fell victim, as both Goldman Sachs and Morgan Stanley renounced their investment bank status, converting to bank holding companies in order to gain access to Federal Reserve funds, while Lehman brothers were forced to file for chapter 11 protection.

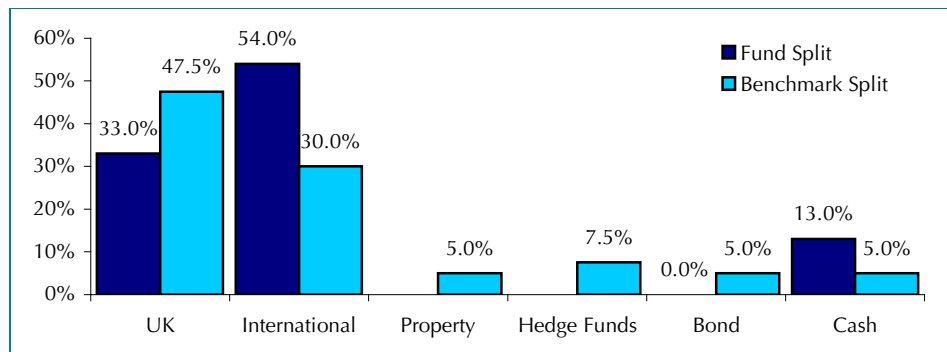
Drastic times called for drastic measures, and so towards the end of the month, US Treasury Secretary Henry Paulson, proposed the "Troubled Asset Rescue Plan", a \$700bn bailout package for financial institutions, later referred to as the "TARPPaulson", reflecting its aim to provide shelter from further fallout.

Events in Europe were less dramatic, but similarly revolved around banking concerns and consolidation. In the UK, Bradford and Bingley became the latest casualty of the credit crisis, joining Northern Rock under the protection of the government. In mainland Europe, Fortis, Dexia and Hypo banks all received support from one or more governments to prevent their collapse, whilst the Irish government took the unprecedented step of guaranteeing all bank deposits.

Emerging Markets were also adversely affected by global events, as commodity prices fell with the declining economic outlook. The Russian stock market was particularly hard hit, experiencing its worst selloff in a decade.

This month, cash in the portfolio was increased by reducing the weighting in each of the UK funds held, as well as in the Baring European Growth.

### Asset Allocation



### Portfolio Performance

#### Discrete

Lawrence House Growth Portfolio	01/10/07 to 30/09/08	01/10/06 to 30/09/07	01/10/05 to 30/09/06	01/10/04 to 30/09/05	01/10/03 to 30/09/04
	-23.20	15.02	11.86	24.25	10.81

#### Cumulative

Lawrence House Growth Portfolio	1 Month Return	3 Months Return	6 Months Return	1 Year Return	3 Year Return	5 Year Return
	-12.84	-14.68	-14.38	-23.20	-1.19	36.04

Source: Lawrence House Fund Managers 30/09/08, Lump, % Chg, B/B, Net Income Reinvested

### Model Portfolio Composition %

L&G Growth	10.00	Blackrock UK Dynamic	7.00
Baring European Growth	8.00	Investec Enhanced Natural Resources	7.00
EEA UK Equity	8.00	Axa Framlington Emerging Markets	5.00
Fidelity South East Asia	8.00	Allianz Global EcoTrends	5.00
Investec Japan	8.00	M&G Global Basics	5.00
New Star UK Alpha	8.00	Cash	13.00
Smith & Williamson North America	8.00	<b>Total</b>	<b>100.00</b>