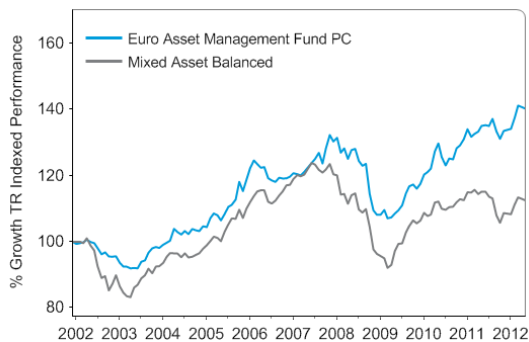


Euro Asset Management Fund PC

Investment objective

The investment objective is to achieve an increase in the value of the Fund in base currency terms whilst aiming to suppress volatility and risk, through a conservative allocation of assets between, primarily, international equities, fixed interest securities, cash or money market instruments and other investments. The maximum exposures are: bonds 70%, equities 50% and non-base currency 50%.

Performance



Annual average compound rate of return: **3.31%**

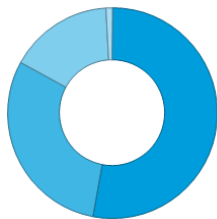
Growth (%)	Fund	*Sector Average
YTD	4.56	3.87
1 Yr	3.86	-2.21
3 Yr	29.27	15.83
5 Yr	14.55	-7.77
since launch	40.36	12.56
<hr/>		
Volatility (%)	Fund	*Sector Average
since launch	6.25	7.06

*Sector: Mixed Asset Balanced
Source: Morningstar

Strategy

Asset Allocation (%)

53	Bonds
30	Equities
16	Cash/Cash Equiv
1	Bonds - I/Linked

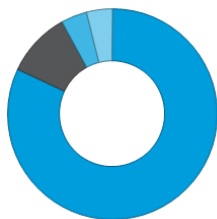


Geographical Weightings (%)

	EUR	US	UK	JPN	ASIA	OTHER
Bonds	9	24	7	-	-	13
Equities	2	13	4	4	6	1
Cash/Cash Equiv	16	-	-	-	-	-
Bonds - I/Linked	-	-	1	-	-	-

Currency Weightings (%)

82	Europe
10	Others
4	Asia
4	N America



Largest Holdings

Top 5 Bonds	%	Top 5 Equities	%
Mex Bonos Desarr 6.5% 10 Jun 2021	5.40	Sba Communications	1.07
Muzinich Fund America Yield Hedgd	4.10	Cerner Corp	0.96
South Africa(Rep Of) 5.250% 05/13	3.99	American Express Co	0.91
Republic Of Turkey 7.500% 07/17	3.33	Starbucks Corp	0.88
Malaysian Government 4.012 15/09/2017	3.09	Comp De Bebidas Amer	0.88

Fund Facts



Head of Asset Allocation
Tristan Hanson

Launch Date	03/12/01
Fund Size	€8.40m
Fund Currency	EUR
Sell Price	1.2147
Buy Price	1.2754
Yield	1.0800
Minimum Investment	£10,000 or foreign currency equivalent
Initial Charge	5%
Annual Mgmt Fee	1.5%
Total Expense Ratio	1.89%
Dealing Day	Daily
ISIN No	GB0031039174
Sedol No	3103917
Dividend Policy	Distributor
Dividend Distribution Dates	15 April and 15 October
Manager	Ashburton Fund Managers Limited
Investment Manager	Ashburton (Jersey) Limited
Custodian	RBC Fund Services (Jersey) Limited
Reporting Fund	Yes
FSA Recognised	Yes
ISA/PEP Eligible	Yes
Authorised For Public Sale In	Jersey, Guernsey, UK, Sweden, Australia and South Africa

Regulation:

Collective Investment Funds (Jersey) Law 1988 (as amended). Operated in accordance with C.I.F. (Recognised Funds) (Rules) (Jersey) Order 2003. (UK FSA Recognised under section 270 of the UK Financial Services & Markets Act 2000).

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Commentary highlights

- US treasuries rallied 1.5% and German bonds, 1.1% on flight to safety. In currency markets, the Yen (+3.8%) and Sterling (+1.4%) were notable outperformers versus the dollar, while the Euro dropped 0.8%.
- There was no major change to equity strategy during the month, having reduced equity exposure by around 5% across the funds in late March. There were very modest changes within fixed income holdings.
- We continue to be positioned somewhat cautiously, but, in our view, the growing sense of pessimism may create buying opportunities in several markets in the weeks ahead.

A member of the FirstRand Group

Euro Asset Management Fund PC

Commentary

Review

Global equity markets started to correct in April as better loan growth and manufacturing data from China and a strong earnings season in the US was not enough to push markets higher. The MSCI AC World index closed down 1.4% on the month. Europe (particularly Spain and Italy) and Japan underperformed (the latter reversing recent outperformance); while Chinese equities were notable outperformers after a weak March.

In the US, the economic data took on a softer tone, which unsettled markets, with March job gains lower than expected and durable goods orders and Q1 GDP data also below expectations. The European sovereign debt crisis remained a major concern, with Spain increasingly the focus. The Spanish 10-year yield closed the month at 5.77% up from 5.35% in March. Rising Spanish unemployment and negative ratings action – S&P downgraded both Spanish sovereign debt and the credit ratings of its major banks – added to the pessimism. This, together with election polls that indicated Socialist candidate Hollande was likely to win the French presidential elections (which was confirmed at the time of writing) did little to help sentiment.

US treasuries rallied 1.5% and German bunds, 1.1% on flight to safety. In currency markets, the yen (+3.8%) and sterling (+1.4%) were notable outperformers versus the dollar, while the euro dropped 0.8%. The Brazilian real and Indian rupee continued to underperform.

Activity

There was no major change to equity strategy during the month, having reduced equity exposure by around 5% across the funds in late March. There were very modest changes within fixed income holdings, including a small addition to our holdings of Qatar sovereign debt which we believe offers an attractive yield for minimal fundamental risk.

Outlook

At the time of writing, concerns over the European sovereign debt crisis are once again very elevated following elections over the weekend, with Francois Hollande assuming the French presidency and a Greek election result failing to support a coalition between the two traditional parties that agreed the latest EU bailout. Moreover, the outlook for Spain appears bleak as unemployment and loan losses increase. In the US, sentiment with regard to the growth outlook has deteriorated following two months of jobs data that disappointed the market and concerns are rising over fiscal consolidation in 2013. In China, investors continue to wait for signs that the worst of the growth slowdown is over.

Our views have not changed, as reflected in very limited trading activity. We believe US growth is sustainable in the range of 2% to 2.5%, although the fiscal situation poses a material risk. As we wrote last month, we believe the recent fears over Chinese growth will subside over the coming 6 months or so, if not sooner. In Europe, conditions will remain very difficult but equity markets are now trading materially lower than at the end of March.

Generally, we view equities as attractively priced and also retain a preference for corporate and emerging market bonds within fixed income markets. We also think a number of emerging market currencies should strengthen against the majors (including interest rate return). We continue to be positioned somewhat cautiously, but, in our view, the growing sense of pessimism may create buying opportunities in several markets in the weeks ahead.

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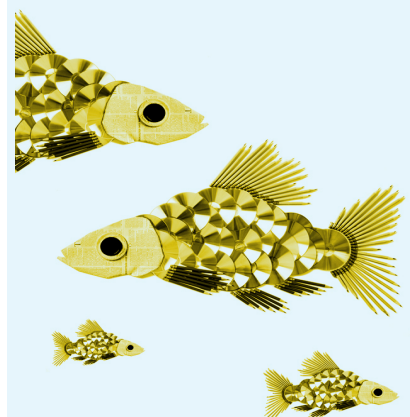
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The way we see things



Euro Asset Management Fund PC

Carp created using 249 pencils, 99 CDs, The Financial Times newspaper, 4 gold chocolate coins, 4 lens caps.

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