April 2009

Perspective

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Will you join the dance?

Now might be the time for investors to put on their dancing shoes.

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ASHBURTON

insights

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Contributors

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Tristan Hanson is Ashburton's Manager of Asset Allocation and Strategy and has responsibility for Multi Asset Funds and related research. He recently joined Ashburton in December 2008 and has 7 years experience in the investment industry.

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Jonathan Schiessl is Ashburton's Investment Manager responsible for the Asia Pacific and Chindia Equity Funds. He joined Ashburton in 2000 and has 15 years experience in the investment industry. He obtained a Social Science honours degree, specialising in Economics, at the University of Hertfordshire.

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Philip Childs is responsible for driving Ashburton's business development strategy in the UK market. Philip has almost 30 years experience in the financial services industry in the UK, principally in London.

Welcome

*"The spring has sprung,
the grass is rizz.
I wonder where them birdies is?"*

- Anon

As I write this introduction, the sun is shining brightly here in the northern hemisphere after an unrelenting winter of dismal weather and even worse financial news. The daffodils are flowering in the fields, markets are up strongly from their March lows and talk of the green shoots of recovery is eagerly received rather than rudely decried as it was just a month or two ago.

More encouraging data from China and the US has provided some measure of optimism that the pace of economic decline is at least slowing, if not pausing.

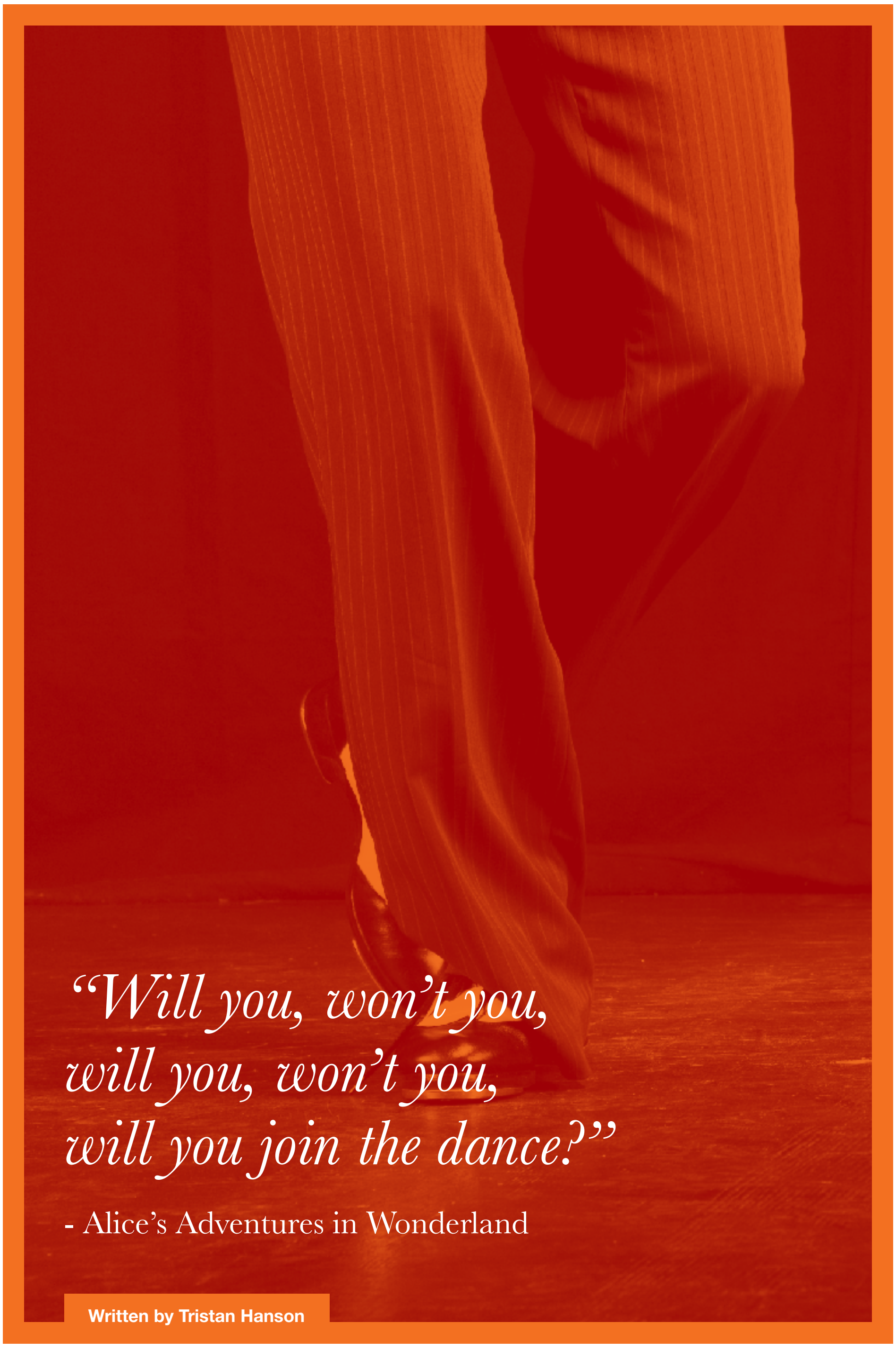
In these troubled times, a little good news can be infectious. More encouraging data from China and the US has provided some measure of optimism that the pace of economic decline is at least slowing, if not pausing. Globally, governments and their monetary authorities have unveiled ambitious spending plans and provided enormous doses of support for credit markets and the banking sector. In the absence of any meaningful returns from the safer destination of government bonds and cash, investors have gladly seized on the opportunity to purchase risk assets.

Regardless, the risk of failure remains toxically high. Critically, much hinges on the efforts to recapitalise the banking sector and release credit market blockages. Progress remains painfully slow in this regard despite the plethora of packages designed to achieve precisely this. This is an asset based recession, where the repair of overdrawn financial and, lest we forget, household balance sheets is critical to normalisation of the business cycle. To expect short-term salvation is premature in a world still grappling with the failure of the free market economy to regulate itself.

We still expect markets to be volatile as they react to success and failure, to both good and bad news.

One swallow doesn't make a summer of course! Nonetheless, the recent evidence is pointing towards a gradually improving and perhaps more visible future. We still expect markets to be volatile as they react to success and failure, to both good and bad news. While our bottom line is that equities present a unique long-term buying opportunity for the patient investor, we continue to advocate an active investment approach to maximise returns in this challenging environment.

Peter Bourne
Managing Director



World equity markets rallied 23% in March, and we may have seen the first green shoots of recovery in the global economy. So are we witnessing a major turning point in financial markets, or will this turn out to be another all-too-brief rally in a continuing bear market? This outlook is devoted to outlining some of the important market trends we see developing over the next 12 months, and to the question - is it time to put on your dancing shoes?

Two factors seem crucial for the current rally in equities to persist: firstly, signs that the deterioration in the real economy is abating, and secondly, belief that the US authorities have finally formed a comprehensive plan that will bring an end to the banking crisis. At Ashburton, we believe there are encouraging signs on both fronts, although risks remain.

The fourth quarter of 2008 was a disaster for the global economy. The IMF estimates that the world's advanced economies contracted at a 7% annual rate during this period. Data for the first quarter of 2009 will be just as bad, if not worse. And yet amidst the gloom there are glimmers of hope. The most widely appreciated is the prospect for recovery in Chinese growth, with several leading indicators showing improvement. Less anticipated has been the number of US economic indicators that have come in ahead of expectations in recent weeks, including housing starts, home sales and durable goods orders. Retail sales have also stabilised, and it now looks likely that real consumer spending in the US will turn positive in the first quarter.

What is more, from April onwards Obama's stimulus packages will start to provide a meaningful boost to US households. Barclays Capital estimates that a combination of new tax cuts, special government cash handouts and mortgage refinancing will boost household disposable incomes by an annual equivalent of $190bn in the second quarter. New measures to revitalise loan securitisations and stimulate the flow of credit will further support spending. Altogether, the Obama stimulus plan is estimated to boost US GDP by around 2.5% in 2009 (Congressional Budget Office estimate).

At the recent lows, the implied premium offered for taking on equity risk was close the post-war high reached in the mid 1970s. Unlike previous rallies we have seen in this bear market, the current rally is occurring at a time when the US and Chinese economies may have slowly begun to turn the corner, especially with stimulus packages in both areas beginning to have an impact. Also different this time is the number of other markets showing more convincing signs of recovery, including commodities and the inflationary expectations implied by the bond market.

In the US, financials roared ahead in March on the announcement of a $500 billion Public-Private Investment Program (PPIP), whereby private investors will bid to participate in the purchase of toxic debt (now re-named as

the less alarming 'legacy assets') from banks and other institutions. There has been much discussion about the potential weaknesses of the plan. How will fair value be determined? What if the banks won't sell? What if the private investors make enormous profits from what is ostensibly a publicly funded exercise? But if the plan manages to free up credit markets, then this can only be a positive.

In combination with the measures previously announced by the Treasury – stress-testing and additional funding for the banks, and actions to encourage mortgage refinancing and stem foreclosures – it now looks as though we have a robust and comprehensive plan to solve the banking crisis. A note of caution though, there is still plenty to tip the apple cart, be it political resistance to further funding and the 'moral hazard' that this represents, or ideological resistance to the nationalisation of banks should they fail the stress-test. The journey towards financial stabilisation has begun; there will be further bumps in the road.

We believe that the bull market in US government bonds will end this year. Bond bulls will point to the Federal Reserve purchases of government bonds, a very weak global economy and a historically low rate of inflation to argue for a benign backdrop for bonds, but we believe all the good news is in the price. Only if the US economy slips into Japanese-style stagnation, or something worse, will US government bonds deliver good returns over the next few years.

The journey towards financial stabilisation has begun; there will be further bumps in the road.

In light of all the actions being taken by policymakers around the world to prevent such an outcome, there is a far greater risk that the prospects for economic recovery and fears of rising inflation will convince investors to sell government bonds. Rising US government debt and heavy bond issuance present a further headwind. Simply put, the risk-reward trade-off presented by US government bonds is not attractive at current valuations for anyone with an investment time horizon of more than a few months.

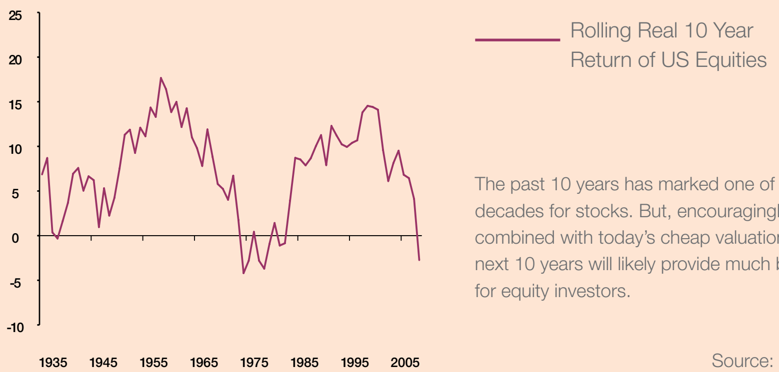
European government bonds are another matter, certainly on a relative basis. Yields are higher in Europe than in the US despite the likelihood that a European recovery will lag the rest of the world. Moreover, the ECB's hawkish tendencies suggest the required compensation for inflation risk should be lower in Europe. Accordingly, our bond exposure across the Multi Asset and Fixed Income Funds is focused in Europe, concentrated in short to medium maturity bonds to reduce volatility.

On currencies, there is a growing likelihood that we have witnessed the end of the bear market in the British pound. Compared to other major economies, the UK's financial sector exposure left it poorly positioned to cope with a global credit crunch. The UK also experienced one of the largest debt-fuelled property booms and busts. Prior to the financial crisis, the pound had been very over-valued against the US dollar. Together, these factors explain sterling's dramatic decline against both the dollar and the euro over the course of the past 12 months.

Such has been the bearishness on sterling (the pound fell over 30% against the euro in the 17 months following the start of the financial crisis), that it is hard to imagine there is anyone left to sell who has not done so already. Indeed, the foreign exchange market has driven sterling to a significant undervaluation in real exchange rate terms.

In conclusion, we have argued for some time that from a fundamental basis, equities look cheap, certainly relative to bonds, and that the actions of governments around the world should stabilise both the banks and the broader global economies and return them to growth. It now appears that our conviction is starting to translate into hard data. But be warned; any recovery will likely be a drawn out affair, and as we enter the first quarter earnings reporting season in the US, markets will continue to show a great deal of volatility. Nonetheless, for investors with a longer time-horizon, now might be the time to give those dancing shoes a polish!

A lost decade for equities suggests a brighter future



The past 10 years has marked one of the worst decades for stocks. But, encouragingly, this statistic combined with today's cheap valuations suggest the next 10 years will likely provide much better returns for equity investors.

Source: Barclays Capital

Japan: Basket-case revisited

Written by Jonathan Schiessl

It's been close to five years since I last trod on Japanese soil, so it was high time to leave all the excitement of Shanghai and Bombay and head for the bright lights of Tokyo. This is an economy that has been recently hitting the headlines for all the wrong reasons - namely Japan is held up as the poster-boy deflationary economy, a condition that it seems the West is inexorably heading towards. My first impression was that if this is indeed the case, then my goodness, we are in for a whole lot of trouble.

Consider this as an example. I spent a week in Japan and saw over 20 companies; some blue-chip, some small, some household names and some not. I visited them all in their own offices, be it either in Tokyo, Osaka or Kyoto. These companies have had to live with years of falling prices, and thus keeping fixed costs to a minimum has become a way of life. But I have to admit it was still a surprise to me that 19 of the companies I visited had no reception desk at their entrance. Only a phone and a list of extension numbers to call. That's it.

Now whilst I'm not recommending all you 'budding receptionists' rush off to formulate a Plan B, I think this little observation does show that either Japan doesn't believe in good service, or that we really haven't even begun to cut the 'fat' from our fixed cost base. I'll leave it for you to decide, but bear in mind that many believe that Japan is the ultimate destination for good service (and I certainly wouldn't disagree with that).

Of course, when the trip was originally planned, the 'Great British Pound' could still buy a fair few yen, so in today's climate Japan felt very expensive when converted back to sterling. That's good news for Mrs Watanabe, but obviously very bad news for Japan's only engine of growth in recent years - exports. To illustrate the impact of the yen's recent appreciation, Nintendo has just raised the cost of its Wii games console in the UK. Now anyone who has walked down a British high street recently knows that would be corporate suicide, and for any company other than Nintendo we would perhaps agree. Other Japanese electronic consumer goods 'giants' like Sony, Panasonic, Hitachi, Sharp or Toshiba are all having a torrid time on the high street. Especially if we consider that their major competitors from South Korea and Taiwan are benefiting from currencies that have significantly depreciated. To keep market share the Japanese have to either take a huge hit to margins (and decimate profitability) or increase productivity. And so we come back to poor old receptionists…

Therefore turning to the purpose of my visit; that was to try and establish how corporate Japan is coping with the worst economic environment for over 50 years. The macro backdrop is simply dreadful. The economy shrank 3.2% in the last quarter of 2008 with worse expected to come. Japanese exports declined 54% in the previous six months pushing in the trade balance into negative

True, the global and domestic backdrop is terrible, but the Japanese market has been falling since mid 2007 and has lost over 60% of its value in that time. But we believe it is premature to write off Japan completely.

territory. The all important auto industry has seen exports collapse 63% in just four months, with inventories doubling. And that's just the exporters! The domestic banks are supposed to be free of the various toxic headaches that are forcing Western financials onto the floor. They are assumed to be capital rich and ready to step into the void left by Western financials in global markets. But of course Japanese banks are still up to the gunnels with cross-shareholdings in other Japanese companies. With the Nikkei at levels last seen in 1982, banks are having to write down the value of their investments, thus chewing up valuable capital.

However, this is not the place to be analysing the woes of Japan's macro situation. Simply put, the export-or-bust business model that Japan has followed since WWII is bankrupt. The domestic economy has been hollowed out and I don't think anyone out there is predicting a resurgent US consumer for many years. So what is needed is strong political leadership to change the course of the Japanese economy and on that point I'm afraid the news is as bleak as ever.

So with this backdrop in mind how are Japanese companies faring? I think if I'd visited late last year the message would have been nothing but bleak. Whilst corporates are still depressed now, it's just that this state of affairs has become a fact of life for the moment. In other words, stockmarkets have discounted the fact that there is very little visibility out there. So for me the key questions were which companies are going to survive, and not only survive but enhance their competitive positions?

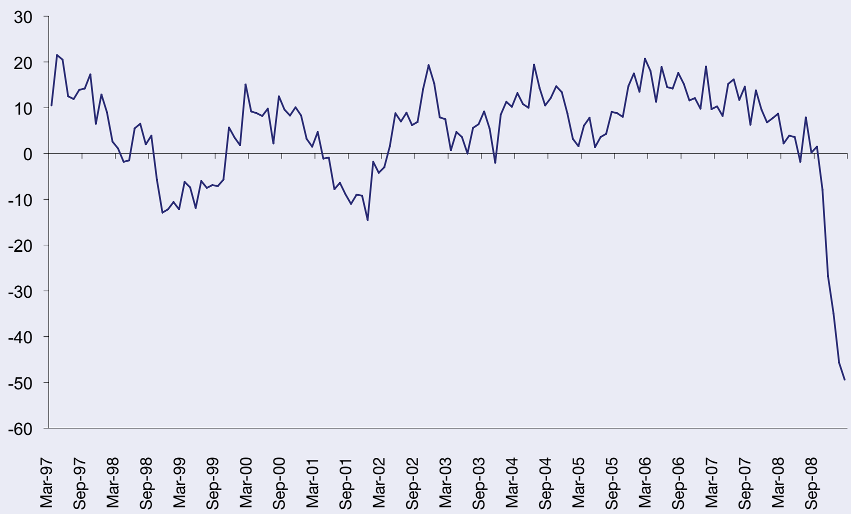
I won't go into company specifics here, but whilst I saw a variety of companies from various sectors, many were environmental and energy efficient stocks. Japan has a rich seam of companies in this area to choose from. This is basically because Japan is a resource deficient country and they have to import all their needs. Ever since the oil crisis of the 1970s the government has placed huge emphasis on providing incentives for companies to be resource efficient, and also energy independent.

So guess who is leading the race on electric/hybrid car? Guess who has a virtual monopoly on super lightweight composite materials, or on membrane technology for clean water, or who still has a viable nuclear energy manufacturing industry? I could go on. We believe these areas are in secular growth trends due to the geo-political and environmental issues facing the world. A cheap oil price might be hiding the problem for the moment, but we believe the underlying issues have not gone away.

The Japanese stockmarket is currently pricing in Armageddon. True, the global and domestic backdrop is terrible, but the Japanese market has been falling since mid 2007 and has lost over 60% of its value in that time. But we believe it is premature to write off Japan completely. Its economy was one of the first into recession and should be one of the first to show a recovery. We also believe we are approaching a tipping point in Japanese politics, although we would not be foolish enough to put a timescale on wholesale change. And finally there are plenty of extremely investable Japanese stocks that will survive the current global malaise and emerge with enhanced competitive positions.

So I came away from my visit unexpectedly surprised. It has become so easy to dismiss the world's second largest economy as a basket case and to simply ignore it. And indeed for most of the time that is a strategy that would have paid investors dividends. But at these valuation levels and with investors either very underweight or disinvested, this is a horse that no-one is backing.

Japan Merchandise Trade Exports YoY (%)



Source: Bloomberg

Fortune Favours the brave

Written by Philip Childs

The current economic crisis is presenting investors with a dilemma the likes of which has not been seen since the start of the Great Depression in 1929. The true scale of what we are witnessing will not be fully known for some time, but the real worry is whether or not all the bad news has yet been discounted or is there worse to come, and of course only time will tell.

The global equity market appears now to be at a crossroads, with roughly half the indicators and a similar proportion of commentators suggesting that the current rally is the real deal and the 18 month bear market is over. The remainder suggests, not without merit, that it is yet another bear market bounce, which will eventually run out of steam, and retest the March lows before possibly heading significantly lower again. For the professional intermediary, giving advice on where client portfolios should be invested has become very difficult indeed.

Further to the possibility that this current global equity bear market could last for some time yet, is the realisation that government debt markets are no longer as safe a haven as were previously thought and that they may even become the latest asset class bubble. At the same time, the action of central banks around the world, through reducing interest rates in order to stimulate economies, means that cash deposits are yielding next to nothing!

However, the latest edition of the long-term statistics bible, the Barclays Equity Gilt Study, should help reassure the professional adviser as it shows that fortune has historically favoured the brave following disappointing periods of equity returns. According to the study, there have been 17 rolling decades of negative results since 1899, with the average annual return for UK equities a most disappointing -2.9%.

However, and this is the crux, the following decade in each of the previous 16 examples (the decade to the end of December 2008 represents the 17th with an average annual return of -1.5%) resulted in very attractive average returns of 10.8% per annum. This is completely in keeping with Ashburton's view that those investors who purchase equities during 2009 should do very well over the medium to long-term.

Of course, even these soothing historical facts will not be sufficiently reassuring for those who fear there is still further downside risk in markets. Part of the answer, in my view, is that a core part of a client's portfolio should be in an actively managed multi asset fund, providing the investor with a good mix of cash, bonds and equities as its base. Currency overlays are a common add-on to the product. This type of investment is simple, transparent and easily understandable to all. As a result, these diversified funds are growing in acceptance, particularly in today's uncertain times. Along with equity income funds, multi asset funds are one of the few growth areas in the new product market.

The Ashburton Asset Management Fund is a good example of a well managed Fund with the investment manager's track record going back more than 25 years, which has done "exactly what it says on the tin". That is to say, to provide investors with a combination of good defensive qualities with an ability to make money when the market permits. The Fund is designed to be well diversified and to operate within certain restrictions. To that extent the Fund will be invested primarily in a mixture of international equities, fixed interest securities and cash or money market instruments. The maximum exposure the Fund can take in any individual asset class is 70% in bonds, 50% in equities, and can, if necessary, go 100% into cash with up to 50% of the Fund outside base currency.

The Fund is very actively managed and as can be seen from Chart A below, the asset allocation mix will be determined by how our investment committee anticipate future market movements. Over the years, this active management style has proved to be rewarding for investors who are prepared to look at a reasonable time horizon and have the patience and discipline to ride out the ebbs and flows of market volatility.

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The sterling share class of the Asset Management Fund has delivered an annualised return of 6.23% per annum, with an annualised volatility (as measured by monthly standard deviation) of just 6.48% (similar to the JP Morgan Global Bond index), since it was first introduced in 1992 (source: Lipper).

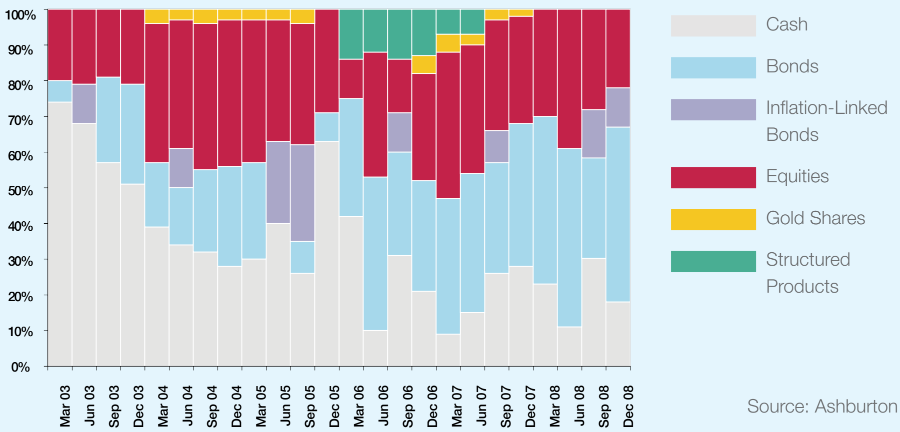
We like to think that the Ashburton investment approach suits the professional intermediary's typical client very well. Through careful analysis of the global economy and the investment cycle, we invest in the assets that we like and avoid those that we don't. In short, we attempt to be in the right asset at the right time, investing in what makes sense rather than what is in an index or what is the latest fad.

A well managed multi asset fund with a proven track record should favour the brave investor.

A

Asset allocation movement 2003 - 2008

Ashburton Sterling Asset Management Fund



Source: Ashburton

B

Sterling Asset Management Fund vs Sector Average and MSCI Global Equities

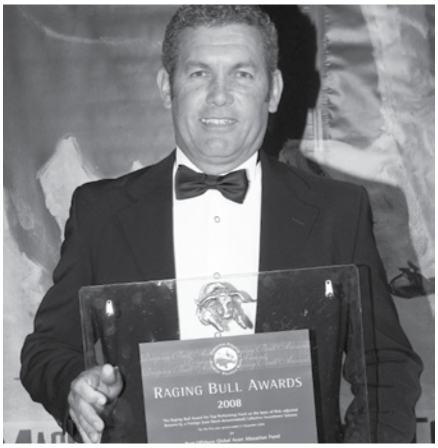
% Growth	YTD	1Y	3Y	5Y	10Y	Since Launch
Ashburton Global Sterling Asset Management	**-2.03**	**-12.35**	**-4.37**	**17.99**	**39.65**	**183.60**
Sector Average	-5.33	-18.24	-17.81	6.02	8.41	133.05
MSCI Global Equities Index (£)	-12.23	-22.32	-27.01	-2.52	-23.64	96.33

Source: Lipper

Through the years, this approach with the focus on the preservation of capital through the cycle has produced results that compare favourably with those of our peers, not only in terms of total return, but also in terms of the level of risk to which those clients invested with us have been exposed.

So in conclusion, I would quote that well known Latin proverb "fortes fortuna adiuvat"- fortune favours the brave. The Goddess of Luck is more likely to help those that take risks, but a well managed multi asset fund with a proven track record should help the professional adviser and his clients sleep well at night regardless!

The Ashburton Euro Asset Management Fund wins Raging Bull Award



David Christie, Head of Distribution - South Africa, accepts the award.

Despite the ongoing global financial crisis, we have continued to produce top performances in challenging economic conditions. Our Euro Asset Management Fund achieved the accolade of 'Best offshore global asset allocation fund' at South Africa's Raging Bull Awards, held on 28 January 2009. The Fund achieved the highest PlexCrown ranking in ProfileData's offshore global asset allocation flexible and prudential sectors.

The award recognises our commitment to its long tradition of providing consistent returns and superior client service. Peter Bourne, Ashburton's Managing Director, comments, "We are delighted by the news. This achievement bears testament to our investment team's expertise and experience in difficult market conditions. It also reflects the successful active management process applied to the Fund."

We added the Replica Euro Asset Management Fund to our Multi Asset Funds range in 2003 and it has returned 16.7% (source: Lipper) since launch. The main objective of the Fund is to provide low-risk, low-volatility returns over the long-term.

This award follows our success at the 2008 Raging Bull Awards, where our Americas Equity Fund won 'Best Offshore USA Equity General Fund'.

South African conferences 2009

It has barely felt like a year has passed since our last road show, but our annual South African conferences are already fast-approaching. We are currently busy preparing for events in Johannesburg on 12 May, Durban on 13 May, Cape Town on 14 May and Stellenbosch on 15 May. There will be lunch time events for our intermediaries, whereas private clients will have the opportunity to attend in the evenings.

The presentations will continue to run with our Climate Change theme for 2009, in which our expert speakers will provide their insights into the economic and socio-political change that the world is experiencing. They will be looking at issues resulting from the current market conditions and discuss possible ways to navigate through the crisis.

This year, the team of speakers will include our new investment strategist, Tristan Hanson; Director, Ian Ling and; Anatole Kaletsky, Editor-at-large of The Times in London.

Ashburton Bespoke Portfolio Service outperforms ARC Private Client Index

Our Bespoke Portfolio Service has been named a Top Performer in 2008 by ARC Private Client Index. The Bespoke Portfolios were grouped in the 'Sterling Steady Growth' and 'Sterling Balanced Asset' risk categories, and outperformed the index in 2008 by 8.05% and 5.3% respectively.

Private Client Indices (PCI) have been developed by Asset Risk Consultant (ARC), a Guernsey-based financial consultancy practice. PCI pulls together data from 37 investment houses and provides an overview of how our portfolio services are performing against our peer group.

Dennis Phillips, Investment Director of our Bespoke Portfolio Service, said: "Our personal service means that each portfolio is continuously monitored, enabling us to deliver an impressive track record. We are very pleased to have achieved this position."

Dennis Phillips, Investment Director

Performance 31st March 2009

Please note: All Ashburton Multi Asset & Fixed Income Funds are now shown compared to their relevant Sector Average.
For more information please log on to www.ashburton.com/performance.

% Growth	1 year	3 year	5 year	10 year	Since Launch	Launch Date	Yield (%)
Multi Asset Funds							
Asset Management Funds							
Sterling Asset Management - Accumulating*	**-12.46**	**-4.13**	**18.46**	**41.22**	**178.62**	**04/02/92**	**n/a**
Sterling Asset Management - Distributing*	**-12.35**	**-4.37**	**17.99**	**39.65**	**197.09**	**01/01/92**	**1.93**
Sector Average	-18.26	-17.83	6.00	8.40	131.30	-	-
Dollar Asset Management - Accumulating*	**-19.55**	**-5.86**	**11.55**	**33.40**	**142.65**	**04/02/92**	**n/a**
Sector Average	-30.41	-23.22	-10.58	5.16	87.24	-	-
Euro Asset Management - Accumulating*	**-13.60**	**-11.24**	**4.81**	**-**	**16.67**	**25/04/03**	**n/a**
Euro Asset Management - Distributing*	**-14.16**	**-12.27**	**3.34**	**-**	**7.40**	**03/12/01**	**1.87**
Sector Average	-17.21	-21.19	-7.01	-	-11.92	-	-
Advanced Portfolio Funds							
Advanced Portfolio Lower Risk GBP	**-11.46**	**-**	**-**	**-**	**-1.66**	**19/06/06**	**1.08**
Sector Average	-16.83	-	-	-	-15.85	-	-
Advanced Portfolio Moderate Risk GBP	**-17.03**	**-**	**-**	**-**	**-5.37**	**19/06/06**	**0.45**
Sector Average	-18.26	-	-	-	-13.29	-	-
Advanced Portfolio Higher Risk GBP	**-25.22**	**-**	**-**	**-**	**-17.76**	**19/06/06**	**0.41**
Sector Average	-20.39	-	-	-	-13.69	-	-
Advanced Portfolio Lower Risk USD	**-17.57**	**-**	**-**	**-**	**-6.08**	**19/06/06**	**1.70**
Sector Average	-21.19	-	-	-	-14.09	-	-
Advanced Portfolio Moderate Risk USD	**-23.48**	**-**	**-**	**-**	**-8.21**	**19/06/06**	**0.96**
Sector Average	-30.41	-	-	-	-21.35	-	-
Advanced Portfolio Higher Risk USD	**-32.75**	**-**	**-**	**-**	**-19.86**	**19/06/06**	**0.54**
Sector Average	-31.09	-	-	-	-23.32	-	-
Advanced Portfolio Lower Risk EUR	**-14.21**	**-**	**-**	**-**	**-16.25**	**18/02/08**	**0.53**
Sector Average	-7.56	-	-	-	-9.06	-	-
Advanced Portfolio Moderate Risk EUR	**-19.31**	**-**	**-**	**-**	**-21.73**	**18/02/08**	**nil**
Sector Average	-17.21	-	-	-	-19.64	-	-
Advanced Portfolio Higher Risk EUR	**-26.43**	**-**	**-**	**-**	**-29.40**	**18/02/08**	**nil**
Sector Average	-26.35	-	-	-	29.41	-	-
Equity Funds							
Global Sterling International Equity	**-29.85**	**-30.86**	**3.87**	**-17.20**	**200.54**	**01/01/92**	**nil**
MSCI World CR GBP	-22.32	-27.01	-2.52	-23.64	93.44	-	-
Global Dollar International Equity	**-45.43**	**-38.43**	**-12.86**	**-**	**-30.82**	**06/04/00**	**nil**
MSCI World CR USD	-43.98	-39.69	-23.98	-	-43.34	-	-
Americas Equity PC	**-42.78**	**-38.14**	**-19.49**	**-32.68**	**14.60**	**06/01/97**	**nil**
MSCI North America CR USD	-39.99	-37.44	-26.11	-36.43	10.11	-	-
Asia Pacific Equity PC	**-44.11**	**-43.38**	**-11.76**	**45.03**	**33.21**	**06/01/97**	**nil**
MSCI Pacific CR USD	-40.21	-42.23	-22.78	-19.09	-33.59	-	-
Chindia Equity PC	**-49.33**	**-**	**-**	**-**	**-40.96**	**01/12/06**	**nil**
Chindia Benchmark	-44.77	-	-	-	-24.61	-	-
European Equity PC	**-43.70**	**-38.32**	**13.79**	**1.62**	**88.14**	**06/01/97**	**nil**
MSCI Europe CR USD	-42.26	-47.46	-26.43	-41.87	1.66	-	-
Feeder Funds							
Americas Equity GBP Feeder PC	**-21.97**	**-**	**-**	**-**	**-17.99**	**01/12/06**	**nil**
Asia Pacific Equity GBP Feeder PC	**-24.19**	**-**	**-**	**-**	**-24.99**	**01/12/06**	**nil**
Chindia Equity GBP Feeder PC	**-29.87**	**-**	**-**	**-**	**-19.19**	**01/12/06**	**nil**
European Equity GBP Feeder PC	**-34.34**	**-**	**-**	**-**	**-19.23**	**01/12/06**	**nil**
Fixed Income Funds							
Sterling Cash & Fixed Income	**-0.35**	**2.07**	**7.57**	**37.68**	**86.42**	**01/11/94**	**n/a**
Sterling Managed Income	**0.06**	**4.20**	**11.11**	**46.54**	**92.28**	**01/01/95**	**3.16**
Sector Average	17.84	27.52	37.96	64.76	115.15	-	-
Dollar Cash & Fixed Income	**-5.68**	**3.26**	**3.86**	**31.66**	**78.27**	**01/11/94**	**n/a**
Dollar Managed Income	**-4.65**	**5.80**	**7.71**	**-**	**26.32**	**03/12/01**	**2.36**
Sector Average	-15.02	5.37	7.60	46.29	88.64	-	-
Feeder Funds							
Sterling Money Market	**4.24**	**13.89**	**23.57**	**-**	**29.45**	**25/10/02**	**1.03**
Dollar Money Market	**1.42**	**10.26**	**15.03**	**-**	**16.43**	**25/10/02**	**0.57**
Euro Money Market	**3.31**	**9.66**	**13.03**	**-**	**16.43**	**25/10/02**	**0.88**

*Accumulating applies to Ashburton Replica Portfolio Ltd. Distributing applies to Ashburton Global Funds PCC. Source: Lipper.

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