



LUCAS FETTES
& PARTNERS

LUCAS FETTES FUNDS

Passive Funds - Description

Aviva Inv - Property Trust Acc in GB - The investment objective of the Scheme is to obtain optimum returns compatible with security via income and capital appreciation primarily through investment in certain kinds of real property, property related securities, government and other public securities and units in collective investment schemes. Direct investment in actual bricks and mortar in a wide range of commercial property in the retail, office and industrial sectors will form the bulk of the underlying fund assets. The Aviva team is one of the best resourced European property teams, and this fund is considered to be the largest and most liquid of its peers.

Baring - Global Agriculture A GBP in GB - The investment Objective of the Fund is to achieve long term growth in the value of assets, predominantly by investing in companies where the majority of earnings are derived from activities related to any commodities which are grown or raised, commonly known as agriculture or soft commodities.

BlackRock - Gold & General A Inc in GB - This is a specialised unit trust which aims to achieve long-term capital growth by investing in gold, mining and precious metal-related shares. It tends to be volatile and is particularly suitable for diversification in a larger portfolio.

L&G - All Stocks Gilt Index Inst Inc in GB - The investment objective of this Trust is to track the total return of UK Government Securities as represented by the FTSE-A British Government All Stocks Index, before management charges and taxation are deducted, by investment in a representative sample of stocks.

L&G - European Index Inst Inc in GB - The Fund aims to track the capital performance of the FTSE World Europe ex UK Index.

L&G - Japan Index Inst Inc in GB - The Fund aims to track the capital performance of the FTSE World Japan Index.

L&G - UK 100 Index Inst Inc in GB - The fund aims to track the capital performance of the FTSE100 Index.

L&G - US Index Inst Inc in GB - The Fund aims to track the capital performance of the FTSE World USA Index.

M&G - High Interest A Inc GBP in GB - The above fund aims for stability of capital with a yield higher than that available

from a building society account. It achieves this by investing a minimum of 50% of the fund in Floating Rate Notes (FRNs) and short dated corporate bonds. FRNs pay an interest rate higher than that of deposits and the rate is reset every 3 months. Thus there is little interest rate risk with FRNs. Most FRNs are issued by financial companies and the credit research team at M&G provide valuable input to the fund manager Ben Lord in the selection of investments.

Stan Life Inv - Global Absolute Return Strategies Inst in GB - The fund seeks to provide investors with consistent positive returns across all market conditions. The aim is to outperform the London Interbank Offer Rate (LIBOR 6 month) but in practice, the investment objective is to outperform this benchmark by at least 3.5% per annum net of fees over a rolling three year period. The manager's investment approach embraces Standard Life Investment's investment philosophy of Focus on Change. This philosophy attempts to both identify and understand the key factors which drive the market price of an investment and the dynamics behind these drivers. By using a combination of uncorrelated, diversified returns they aim to minimise the impact of market volatility and therefore reduce risk. Indeed, they expect risk within the Fund to be between a third and one half of that of a conventional equity investment vehicle with comparable objectives.

Vanguard - Emerging Markets Stock Index Inc - The aim of this fund is to track the performance of the MSCI Emerging Markets Index, a market capitalisation weighted index of companies in 25 emerging markets in Europe, Asia, Africa, Latin America and Russia.

Vanguard - UK Investment Grade Bond Index - The fund seeks to provide returns consistent with the performance of the Barclays Capital Global Aggregate U.K. Non-Government Float Adjusted Bond Index, a market-weighted bond index of the pound sterling, investment-grade bond market, excluding government bonds with an intermediate-term weighted average maturity.

Active Funds - Description

Artemis - European Growth R in GB - The objective of the Fund is to achieve long-term capital growth through investment principally in companies in Europe (excluding the UK). The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in the choice of investments either by company size or industry, or in terms of the geographical split of the portfolio. The manager, Philip Wolstencroft, has devised the 'SmartGARP' model to identify out-of-favour undervalued stocks which have strong recovery potential.

Artemis Capital Fund - This UK equity fund emphasises larger companies in the FTSE100 Index, although it has the flexibility to invest in medium sized companies outside the top 100 by market capitalisation. The manager, Philip Wolstencroft, has devised the 'SmartGARP' model to identify out-of-favour undervalued stocks which have strong recovery potential. He looks positively at companies where insiders (company directors and management) are buying stock and where earnings quality is high (cash flow that exceeds accounting profits), seeking stocks where price momentum and investor sentiment are improving. We believe this is a robust process with a good chance of outperforming the UK index over the long term.

Aviva Inv - Property Trust Acc in GB - The investment objective of the Scheme is to obtain optimum returns compatible with security via income and capital appreciation primarily through investment in certain kinds of real property, property related securities, government and other public securities and units in collective investment schemes. Direct investment in actual bricks and mortar in a wide range of commercial property in the retail, office and industrial sectors will form the bulk of the underlying fund assets. The Aviva team is one of the best resourced European property teams, and this fund is considered to be the largest and most liquid of its peers.

Baillie Gifford - Japanese A Acc in GB - The Fund aims to achieve capital growth through investment in Japan, in any economic sector. They believe that structural inefficiencies exist in the Japanese economy and Japanese stockmarket caused by inflexible labour and management practices together with the problems of the banking sector, and offer opportunities for active stock pickers such as Baillie Gifford. They aim to add substantial value by identifying those Japanese companies which are able to differentiate themselves by exploiting these inefficiencies to their advantage. In selecting stocks, they typically aim to invest in those companies with above average growth prospects that can also be purchased at reasonable relative valuations.

Baring - Global Agriculture A GBP in GB - The investment Objective of the Fund is to achieve long term growth in the value of assets, predominantly by investing in companies where the majority of earnings are derived from activities related to any commodities which are grown or raised, commonly known as agriculture or soft commodities.

BlackRock - Gold & General A Inc in GB - This is one of the most successful specialist funds. It has been ably managed successively through the years by three of the best resource specialists, Julian Baring, Graham Birch, and from early 2009 by Evy Hambro. The Fund provides exposure to gold and precious metals, mainly through mining companies' shares, but on occasion by investment in physical commodities. The price of gold has risen strongly since the late 1990s reflecting its attributes as a store of value in a period when investors have become increasingly

worried about the debasement of paper currencies. While gold has limited utility, demand continues to grow driven by jewellery demand from rising wealth in emerging markets and developing nations such as India adding to their strategic gold reserves.

Gold supply is increasingly restricted, with mining production falling on a year-on-year basis and selling by central banks drying up. As the prices of gold and gold mining equities are very volatile, making the BlackRock Gold & General Fund a high risk stand alone investment, they have attractive attributes in terms of diversifying risk within a portfolio. This is because gold and gold mining equities are one of the best protections against some of the most worrying risks affecting markets, for example currency devaluation due to unsustainably high public debts global conflict and periods of high inflation or deflation

CF Odey - Continental European in GB - The investment objective of the Fund is to achieve long term capital appreciation through investing primarily in quoted securities issued by companies with principal offices in Continental Europe. The normal policy of the Fund is to invest in a broad spread of equities but the Fund may also invest in government bonds, other fixed interest securities and preferred stock if in the opinion of the Investment Adviser this is appropriate to the goal of maximising capital growth.

Fidelity - Money Builder Income in GB - The Fund's objective is to achieve an attractive level of income from a portfolio primarily invested in sterling-denominated fixed interest securities. These include Corporate bonds as well as bonds issued by government agencies and "supranational entities" (international organisations formed by two or more governments). In addition, the fund can hold gilts, floating rate securities, convertibles and preference shares. The Fund is managed to produce an attractive return while keeping risk firmly under control, being predominantly invested in bonds issued by companies, all of which are regarded as at least 'investment-grade' by ratings agencies such as Moody's and Standard & Pools.

Franklin Templeton - Templeton Global Emerging Markets A in GB - This Fund aims to provide long-term capital growth by investing primarily in emerging market equities. The fund is managed from Singapore by the highly experienced and well regarded team at Templeton led by Dr Mark Mobius, providing exposure to a wide range of emerging markets including those in the Far East, Europe and Latin America. The underlying investments in equities listed in countries such as China, Russia, Brazil, Korea and India will tend to be relatively volatile when compared to the mature stockmarkets of the UK and North America, but offer greater long term potential from superior economic growth rates supported by demographic trends, improvements in infrastructure and access to natural resources.

GAM - North American Growth Inc in GB - This is a non-benchmark constrained fund and invests in under-researched companies often based in less glamorous parts of the USA that are typically below the research radar of most Wall Street investors. The manager is contrarian by nature and will at times hold significant cash positions if he considers there are few attractive opportunities available.

GLG - Japan Core Alpha Professional Inc in GB - The objective of the Fund is to achieve capital growth through investing in the quoted securities of companies operating in Japan. The GLG Japan Core Alpha Fund invests predominantly in the largest

capitalised stocks on the Japanese stockmarket, operating a focused portfolio based on a contrarian and value approach to investment

Invesco Perpetual Corporate Bond - Paul Read and Paul Causer take an active approach to the management of the fund with a focus on absolute risk and return. They describe their approach as flexible and pragmatic, starting with a top down review of monetary policy and interest rates and then credit risk. The next stage is credit analysis of companies looking at the quality of management, the extent of gearing and the overall effect this has on the financial health of a company. Responding to market conditions as they occur, they also seek to exploit short term opportunities as well as longer term trends.

JOHCM UK Opportunities Inst Inc - The manager of this fund John Wood is a highly respected UK equity specialist with a successful track record stretching back to 1995 when he joined Newton. Wood joined JO Hambro in 2005, and the UK Opportunities Fund was created as a vehicle for him to manage. The Fund has delivered strong results for its investors, with its successful record compared with most other UK equity funds a reflection of Wood's ability to defend capital better than most in difficult times, and to achieve growth in good times, albeit Wood's conservative approach means that his best relative performance usually comes in challenging conditions. Wood is primarily a bottom-up investor who seeks companies that have dependable cash-flows, and is prepared to have the structure of his portfolio at significant variance to that of the market.

JPM - US A Inc in GB - This US fund aims to achieve capital growth over the long term by investing primarily through a portfolio invested in the shares of US companies. The fund is considered our core US position and predominantly holds stocks in the largest US companies, seeking to outperform the S&P 500 Index over the medium term through the application of traditional company research methods.

L&G - All Stocks Gilt Index Inst Inc in GB - The investment objective of this Trust is to track the total return of UK Government Securities as represented by the FTSE-A British Government All Stocks Index, before management charges and taxation are deducted, by investment in a representative sample of stocks.

L&G - Growth Inst Inc in GB - This UK Equity fund comprises 25 shares selected generally from the FTSE 350 universe of companies. The companies included reflect the most promising stocks researched by the UK Large Cap team, and are purchased for approximately 4% of the fund in each instance, so as a result the portfolio is one of high conviction and not constrained by comparison to the UK All Share Index. The investment team believes that value creation drives long run share prices and uses cash flow return on investment as their key measure of value creation. Companies with strong growth prospects will typically be chosen. The process is focused on identifying companies where returns are sustainably high or where they anticipate improvement.

Legg Mason - US Equity A in GB - The US Equity Fund is in effect a mirror fund of the better known Legg Mason Value Fund, run from Baltimore by Bill Miller and Mary Chris Gay. This is a focused portfolio of between 40 and 55 shares in larger US companies, where purchases are selected for a 3 to 5 year view following extensive proprietary research, but based on key deep value characteristics such as price-to-book value and price-to-sales ratios.

Liontrust - First Growth in GB - Liontrust First Growth Fund invests in a portfolio of UK companies, predominantly from the large and mid cap indices, aiming for capital growth in excess of the FTSE All-Share Index. The Fund only invests in UK companies with distinctive, intangible strengths that competitors struggle to reproduce. The managers believe that in a world of relentless global competition, it is these strengths that enable some companies to grow their market share, protect prices and margins, and thus drive sustained profitability.

M&G - High Interest A Inc GBP in GB - The above fund aims for stability of capital with a yield higher than that available from a building society account. It achieves this by investing a minimum of 50% of the fund in Floating Rate Notes (FRNs) and short dated corporate bonds. FRNs pay an interest rate higher than that of deposits and the rate is reset every 3 months. Thus there is little interest rate risk with FRNs. Most FRNs are issued by financial companies and the credit research team at M&G provide valuable input to the fund manager Ben Lord in the selection of investments.

Schroder - European Alpha Plus Inc in GB - The Fund aims to achieve capital growth from continental European based companies or companies that derive the bulk of their business there. Drawing on the Schroder team depth of research capability, the portfolio is managed with no style, size or growth characteristics dominating, and will include exposure therefore to smaller and medium sized companies as these often present more opportunities, especially in some of Europe's smallest markets which, despite enjoying the strongest growth, are the least researched by international investors.

Schroder - UK Alpha Plus Inc in GB - The Fund invests in stocks that the manager believes have the potential to generate returns of at least 10-20% within a 6-12 months timeframe and where a company appears inappropriately valued in view of its fundamental prospects. The Fund is not managed in an index-relative way and has no performance objective relative to the FTSE All Share. The manager believes this unconstrained approach provides the greatest scope to add value from equity investment as decisions are made completely independently of a company's size and index weight and of index-relative risk, with the aim of adding value through individual stock-picking as well as through thematic positioning and market timing. Stocks are selected predominantly from the large and mid cap areas of the market and the fund aims to rank in the top decile of the All Companies Sector over rolling three year periods.

Stan Life Inv - Global Absolute Return Strategies Inst in GB - The fund seeks to provide investors with consistent positive returns across all market conditions. The aim is to outperform the London Interbank Offer Rate (LIBOR 6 month) but in practice, the investment objective is to outperform this benchmark by at least 3.5% per annum net of fees over a rolling three year period. The manager's investment approach embraces Standard Life Investment's investment philosophy of Focus on Change. This philosophy attempts to both identify and understand the key factors which drive the market price of an investment and the dynamics behind these drivers. By using a combination of uncorrelated, diversified returns they aim to minimise the impact of market volatility and therefore reduce risk. Indeed, they expect risk within the Fund to be between a third and one half of that of a conventional equity investment vehicle with comparable objectives.

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