APPENDIX 7

REPORT PREPARED FOR

The
London Borough of Bromley
Pension Fund
For the period ending 30 June 2012

15 August 2012

Alick Stevenson

AllenbridgeEpic Investment Advisers Limited (AllenbridgeEpic)

AllenbridgeEpic Investment Advisers Limited is a subsidiary of Allenbridge Investment Solutions LLP

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EXECUTIVE SUMMARY

"I think the most important factor in getting out of the recession actually is just the regenerative capacity of American capitalism"

Warren Buffett

After a healthy start to the year, the second quarter saw the unwelcome return of the fear and risk aversion that, like low and high tide, continues to ebb and flow over the global economy. The latest developments in the Eurozone, a moderation of US growth, coupled with poor job creation numbers and signs of a slowdown (in relative terms) in China all converged to renew investors' worry about a further time extension in global economic weakness. Recent reports from the IMF show a further reduction in their forecasts for global growth.

At the end of June the FTSE All World Index had declined 2.6% over the quarter and was down 4.0% over the rolling twelve months. On the positive side, government bond prices, in those few remaining countries perceived to be "strong", rallied, benefiting from what the IMF identified as the increasing scarcity of "safe" assets. In support of that notion, Germany was able to issue a two year bond offering a zero nominal coupon, effectively a negative real return, and the UK issued a ten year gilt at 1.55%, despite news that growth fell by 0.7% in the preceding quarter and that the UK was now in the longest double dip recession since records began.

At the same time however, and still within the Eurozone, attention has moved back to Spain which is suffering significant unemployment and poorly capitalised banks, while the extent of the housing sector problems continues to amaze as new financial horrors emerge. As a result of all this, the Spanish treasury recently had to pay in excess of 7.5% p.a to get its own ten year funding away.

Greece meanwhile, seems to have slid onto the back burner, having formed a coalition which ratified the terms under which they will receive ECB funding. That is not to say their problems have been solved; far from it. Their longer term problems, ie. those of implementing and sticking to the swinging cuts and austerity measures imposed under the agreements, are only just beginning.

Commodity levels also fell during the quarter with commentators attributing the decline to a demand slowdown in China, where economic growth has dipped below 8% thanks to a combination of weaker external demand and a tightening in the property markets.

In a recent survey entitled "Seeking Return in an Adverse Environment", commissioned by GSAM Insurance, some 75% of respondents said they were planning to reduce or at best maintain current levels of portfolio risk, whereas only 25% said they were planning an increase. Interestingly though, whilst many asset classes were mentioned, the study said new investment in publicly quoted equities was not widely favoured.

Finally, a few words on the Eurozone: whilst there has been more overt discussion in official circles in recent months on the potential for exit of one or more currencies from the Euro, it would appear that Germany is now prepared to weaken its hawkish emphasis on austerity and "allow" some increase in German inflation in order to avoid a deflationary debt trap within the EU. By giving up some of its competitiveness (based on the "weakness" of the Euro) there is some hope that this may lead to some signs of economic growth within the EU and a reduction in the underlying perception in many economic circles that the Euro is still headed for break-up.

A verbal update on markets will be provided at the meeting in September.

Fund value

Period Manager	**30-Jun 2012 £m**	% of total fund	31-Mar 2012 £m	% of total fund	30-Jun 2011 £m	% of total fund
Baillie Gifford	**262.8**	54.0	269.9	54.0	265.7	53.8
Fidelity	**223.8**	46.0	230.1	46.0	228.4	46.2
Total Fund	**486.6**	100	500.0	100	494.1	100

Source: AllenbridgeEpic, Fidelity and Baillie Gifford

Investment performance highlights

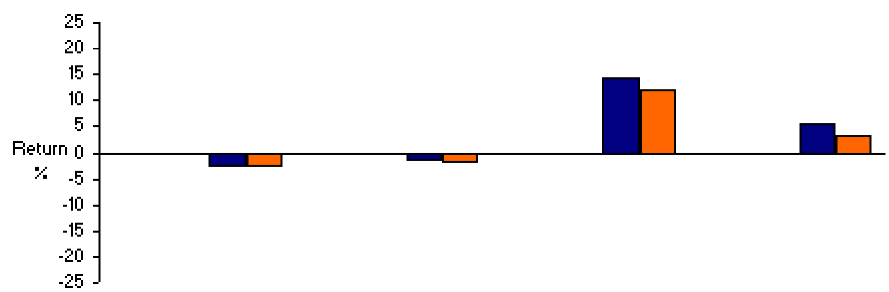
The fund was broadly in line with the benchmark for the quarter returning a negative 2.6% versus a benchmark of -2.5%, but over the twelve month period managed a small positive performance of 0.3% (-1.3% versus -1.6%) albeit both benchmark and return were negative.

Over the three year rolling period the fund has maintained its positive performance with returns of 14.1% pa against the benchmark of 12.1% pa and over five years showing returns of 5.3% pa versus a benchmark of 3.4% pa.

Overall therefore, when measured against a benchmark including the aggregated targets of 1-1.5% for BG and 1.9% for Fidelity, the Fund is ahead of the combined target over the longer term (rolling three year periods) with the majority of that out performance coming from Baillie Gifford.

Investment performance graph

Fund Returns



	Latest Quarter	1 Year	3 Years % pa	5 Years % pa
Fund	-2.6	-1.3	14.1	5.3
Benchmark	-2.5	-1.9	12.1	3.4
Relative Return	-0.1	0.6	1.8	1.9

The graph shows the performance of the Fund and Benchmark over the latest period and longer term.
The relative return is the degree by which the Fund has out or underperformed the Benchmark over these periods
= Data not available for the full period
Source: the WM Company

Baillie Gifford
BG delivered a benchmark return for the quarter albeit both indices were negative (-2.7% versus -2.8%). For the twelve months they are ahead of the benchmark by 2.0% on a *relative return basis* but again both indices are negative (-1.0% against -3.0%). Over the longer term three year rolling target they are ahead of the benchmark by 3.7%pa and over the five years ahead by 2.3% pa.

This is a strong performance over the three year period delivering net positive returns over and above their target of 1-1.5% pa over the benchmark.

Fidelity
The manager delivered returns close to the benchmark for the quarter, underperforming by just 0.2% (-2.4% v -2.2%). Over the twelve months they are behind by 0.8%, (-1.7% v -0.9%) and just 0.3% pa ahead over the rolling three year target.

Manager changes

No significant personnel changes with either manager have been advised which would have an impact on the management of the fund's assets.

Currency exposures and their impact on investment performance

The fund has exposure to many currencies through its diversification into overseas equities and other assets. However, in relative terms the aggregated contribution to investment performance is fairly small.

Currency blocs within the two portfolios

	Baillie Gifford %	Value £m	Fidelity %	Value £m	Total Fund
Portfolio Value		262.8		223.8	486.6
GBP	37.0	97.2	58.0	129.8	227.0
USD	23.0	60.4	19.0	42.5	103.0
EUR	9.0	23.7	7.0	15.7	39.3
JPY	5.0	13.1	4.0	9.0	22.1
SEK	4.0	10.5		0.0	10.5
Other	22.0	57.8	12.0	26.9	84.7
Total	100.0	262.8	100.0	223.8	486.6

Source: Baillie Gifford and Fidelity

Fidelity manages the majority of their assets through pooled vehicles which are denominated in GBP and which are measured against sterling benchmarks. Members are aware that over the last few quarters funds have been managed at or very close to benchmark, with little or no deviation. Following a telephone conversation with Fidelity, they confirmed (Paul Harris) that, as a result of this benchmark "tracking", currency impact, positive or negative on investment performance, was minimal. Only where the manager deviates from the pooled fund benchmark in a significant way does the manager become exposed to currency risk.

Baillie Gifford, however, uses their asset class bandwidth to make tactical under and overweight investment decisions and, as a result, deviate from their sterling based benchmark. BG has provided an analysis of the impact of currency exposure/exchange rate movements for the period 30 June 2011 to 30 June 2012 on their equity investments. This analysis excludes fixed income and cash

Asset Class	Total Return Fund	Bmark	Asset Allocation	Attribution Analysis Stock Selection	Total Local	Currency Effect	Total
Equities							
Europe	-9.1	-20.1	-0.2	2.8	2.6	0.0	2.6
America	12.8	6.1	0.0	1.5	1.5	0.1	1.6
Developed Asia	-2.8	-6.0	0.0	0.4	0.5	-0.1	0.4
UK	-0.1	-2.9	-0.2	0.7	0.5	-0.3	0.2
Emerging	-12.0	-14.7	-0.3	-1.4	-1.7	1.4	-0.3
Total	100.0	100.0	-0.6	4.0	3.5	**1.1**	4.6

Source: Baillie Gifford

The chart confirms that the manager has derived the majority of investment return from stock selection, lost some through asset allocation, and picked up 1.1% on currency attribution, the majority of which has come from their overweight position in emerging market equities.

Fund governance and voting

Comprehensive reviews, covering governance and responsible investing, together with detailed schedules on governance engagement and voting actions during the period are included in the quarterly reports for the period.

INVESTMENT MANAGER REVIEWS

Baillie Gifford

The manager has a composite benchmark calculated by weighting six indices by set percentage allocations and an outperformance target of 1.0% to 1.5% before fees over rolling three year periods.

At the end of the period, assets under management fell slightly to £262.8m from £269.9m (31 March 2012). Performance was marginally positive.

In terms of asset allocation, the manager has remained significantly underweight UK equities (18.2% versus 25%) and has moved slightly underweight North America whilst remaining just 1.5 percentage points over the benchmark of 80%. Those underweights have been redistributed into emerging market equities, where the fund is 7% overweight the index and used to slightly overweight fixed interest assets. BG met the benchmark for the quarter, but remains ahead over the rolling 12 months and three year indices, through a combination of good stock selection and asset allocation.

Baillie Gifford pooled funds

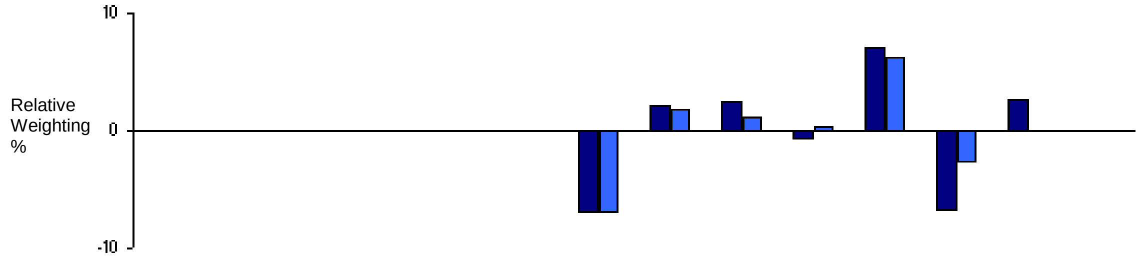
Fund	Total OEIC value	Number of investors	Largest investor	Bromley holding	% of Fund	Rank in holders
BG Emerging Market Growth Fund	£648.4m	787	41.2%	£19.6m	3.0%	# 6
BG EM Leading Companies	£417.8m	94	31.1%	£20.5m	4.9%	# 7
BG Japanese Smaller Companies	£44.3m	185	16.4%	£2.2m	5.0%	# 7
BG Active Gilt Plus	£90.1m	173	44.8%	£12.5m	13.9%	# 2
BG Investment Grade Bond	£260.8m	81	32.2%	£22.3m	8.6%	# 4

Source: Baillie Gifford

Given the relative size of the pooled funds and the quantum of the Bromley investments there are no perceived concentration or liquidity risks with the above investments.

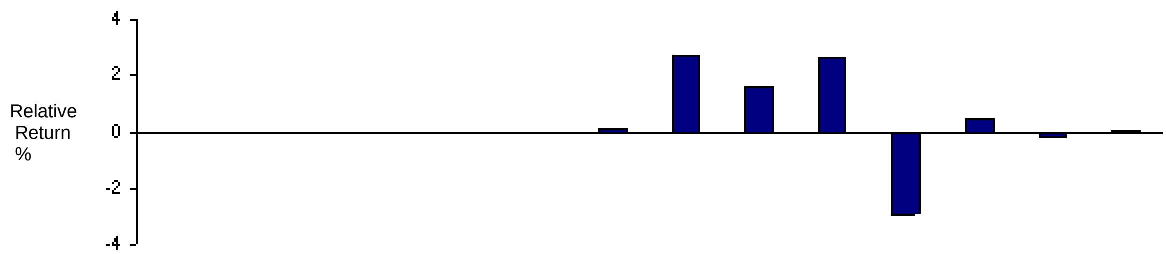
	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	UK Bonds	Cash/ Alts	Total Fund

Asset Allocation



	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	UK Bonds	Cash/ Alts	Total Fund
Fund Start	18.2	20.2	20.4	8.9	16.5	11.3	4.5	100.0
Fund End	18.2	20.1	18.4	9.6	15.3	16.5	2.1	100.0
BM Start	25.0	18.0	18.0	9.5	9.5	18.0	2.0	100.0
BM End	25.0	18.3	17.2	9.3	9.1	19.1	2.1	100.0
Impact	-	-	-0.1	-	-0.3	-0.5	0.2	-0.7

Stock Selection



Fund	-2.5	1.3	-5.5	-2.4	- 10.0	3.4	0.0	-2.7
Benchmark	-2.6	-1.4	-6.9	-4.9	-7.3	2.9	0.2	-2.8
Impact	- 0.1	0.6 2.7	0.3 1.6	0.2 2.7	-0.4 -2.9	0.1 0.5	- -0.2	0.7 0.0

Source: the WM Company

In what was for them a poor quarter, marginally negative asset allocation was mirrored by an equivalent positive stock selection contribution

Fidelity Investment Management

The manager has a composite benchmark calculated by weighting seven indices by set percentage allocations and an outperformance target of 1.9% before fees over rolling three year periods.

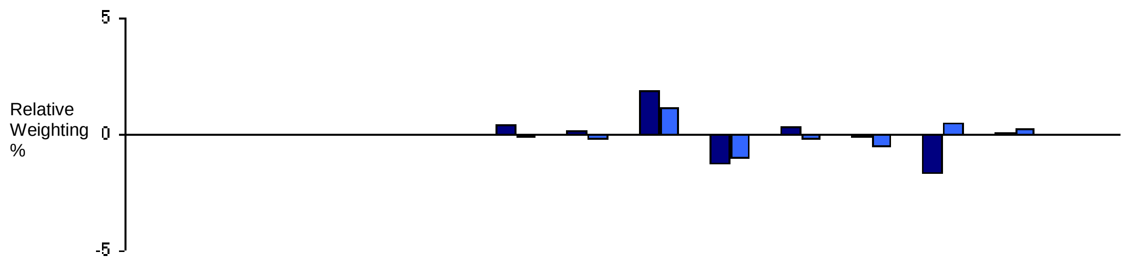
At the end of the period, assets under management fell to £223.8m from £229.6m (31 March 2012). Investment performance for the quarter was roughly flat to benchmark (-2.4% versus -2.2%).

For the twelve month period however the fund remained behind benchmark by 0.8% (-1.7% versus -0.9%).

The rolling three year figures show a return of 12.6% pa against the benchmark of 12.3% pa, and over the five years 5.3% pa versus 4.9% pa.

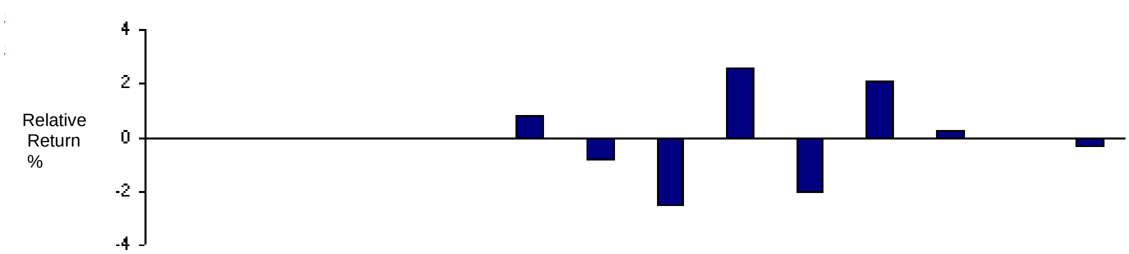
NB When the outperformance target is added to the benchmark then Fidelity is running 1.9% pa behind target plus benchmark over the rolling three year target.

Asset Allocation



	Global	UK Equities	N. America	Europe ex UK	Pacific	Japan	UK Bonds	Cash/ Alts	Total Fund
Fund Start	10.4	35.2	14.4	11.3	5.4	5.0	18.4	0.1	100.0
Fund End	9.8	34.7	13.8	10.9	4.7	4.3	21.6	0.2	100.0
BM Start	10.0	35.0	12.5	12.5	5.0	5.0	20.0		100.0
BM End	9.9	34.8	12.6	11.9	4.9	4.8	21.1		100.0
Impact	-	-	-	0.1	-	-	-0.1	-	-0.1
Diff	0.4	0.2	1.9	-1.2	0.4	0.0	-1.6	0.1	0.0
	0.0	-0.2	1.2	-1.0	-0.2	-0.5	0.5	0.2	0.0

Stock Selection



	Global	UK Equities	N. America	Europe ex UK	Pacific	Japan	UK Bonds	Cash/ Alts	Total Fund
Fund	-2.8	-3.4	-3.6	-4.6	-6.5	-3.2	3.3	0.6	-2.4
Benchmark	-3.6	-2.6	-1.1	-7.0	-4.6	-5.2	3.0		-2.2
Impact	0.1	-0.3	-0.4	0.3	-0.1	0.1	0.1		-0.2
	0.8	-0.8	-2.5	2.6	-2.0	2.1	0.3		-0.3

Source: the WM Company

UK equities

The UK equity mandate is invested on a segregated basis and was behind benchmark by 0.8% over the quarter. (-3.4% versus -2.6%) and remains behind the index by 1.9% over the rolling 12 months (-3.1% versus-5.0%). Over the longer three year measure the fund has delivered benchmark (13.8% pa v 13.8% pa).

In his report the manager cites difficult market conditions marked by continuing concerns over the Eurozone debt crisis and the weakening global economy. Perversely, sectors which had contributed to performance in the first quarter (oil and gas, banks and mining) detracted this quarter and those previously detractors (pharmaceuticals and drug retail) made positive contributions.

In terms of stock specific contributions, Diageo, Pearson, Rolls Royce and GSK Royal all contributed positively although their gains more than wiped out by holdings in Barclays, Shire PLC and BG Group.

During the quarter the manager added LSE to the portfolio and increased holdings in ARM (the chip maker) and SABMiller the global brewing firm.

Fidelity pooled funds

The following table shows the values of the various OEIC's in which the Fund is invested.

This quarter I am also showing previous quarter fund values and number of investors as the value of funds under management and number of investors indicate that a number of clients have exited over the quarter with the America, Europe, Japan and South East Asia funds all showing falling asset and investor numbers. Whilst the Bromley rankings in those funds did not change significantly, these will be monitored closely for any further exits.

Fidelity Fund	Total Fund value 30-Jun-12 £m	Total Fund value 31-Mar-12 £m	Number of investors 30-Jun-12	Number of investors 31-Mar-12	Largest single investor £m	Bromley investment by value £m	Bromley investment by %	Bromley ranking
America	383.3	473.4	20	24	132.5	30.1	7.9	4
Europe	394.4	476.2	112	119	105.8	24	6.1	4
Japan	349.1	401.5	99	105	72.2	9.8	2.8	8
South East Asia	246.9	273.2	97	111	37.1	10.6	4.3	8
Global Focus	93.4	97.5	15	16	26.6	21.9	23.4	2
Aggregate Bond	422.5	380.2	27	27	163.1	48.3	11.4	4

Source: AllenbridgeEpic Investment Advisers and Fidelity

America Fund

The fund had a very poor quarter with an underperformance of 2.6% (-3.6% versus -1.0%) for the quarter, and is now down 6.3% pa over the rolling twelve months (1.2% pa against benchmark of 7.5% pa) and down 2.6% pa to benchmark (15.4% pa versus 18.0% pa) over the three year rolling period.

This fund is essentially a fund of funds, whereby Rita Grewal (Exempt America Fund Manager) invests in other Fidelity America funds to produce a blended product which includes exposure to growth, value, fundamental large cap, small cap etc.

The portfolio remains underweight in defensive businesses, which, said the manager in her quarterly review, given the negative economic sentiment around the globe, was the major contributor to the negative performance. Main contributors to performance were the sector holdings in Materials, Consumer Services and Media, with Ashland (Chemicals) AT&T and J P Morgan the main detractors.

Europe (ex UK) Fund
The fund outperformed its benchmark for the third consecutive quarter this time by 2.5% albeit the benchmark and return were both negative (benchmark -7.5% against a return of -4.5%). Over the rolling twelve months the fund is a *relative* 3.1% ahead although both return and benchmark remain negative (-19.4% pa against -16.3% pa) negative.

Over the three year rolling period the fund is now -1.5% pa behind the benchmark.

Positive contributions from Novonordisk, HSBC and Pearson were reduced by negative contributions from holdings in Barclays, Novartis and Anheuser Busch INBEV.

The manager has reduced her overweight position in Germany to +2.1% (+5.4%) to the benchmark and increased its exposure to the UK with a near 16% investment (benchmark weight 0.0%). The Fund also holds 1.9% of the portfolio in US stocks against a benchmark of zero. Thus this fund, (Europe ex UK) now holds almost 18% in non benchmark countries and stocks (See separate note). The German and UK overweight positions are now funded by underweight positions in France (-9.3%), Sweden (-5.7%) and Italy (-3.7%).

Japan Fund
The fund outperformed its benchmark by a relative 2.5% as both benchmark and return were negative (benchmark -5.2% against a return of-2.7%), and is up 2.9% relative to the benchmark (-0.9% v -3.8%) over the rolling twelve months. Over the three year rolling period however, the fund remains strongly ahead of its benchmark by 2.7% pa.

The manager commented that her exposure to domestic oriented stocks was one of the reasons for the relative outperformance in the quarter. Sector contributors to performance included information and communication, transport equipment and services, whereas pharmaceuticals, retail and glass and ceramics detracted. Specific stock contributions came from Softbank, Otsuka Corp and Sony offset by negative contributions from Sony, Mizuho Financial and NT&T.

South East Asia Fund
This portfolio underperformed this quarter by -1.6% relative (-6.2% versus -4.6%) as fears over the global economy and the Eurozone crisis led to earnings downgrades and weakened investor sentiment. Over the twelve months period the fund is ahead by a modest and also relative 0.9% (-9.6% versus -10.5%), but remains in positive territory at1.7%pa over the three year rolling measure.

The fund has maintained its overweight benchmark positions in Korea (+4.6%), Thailand (+.3.6%), and Hong Kong (+3.0). These overweight positions are effectively funded by underweights of 4.5%, 2.8% and 2.7% in Taiwan, Australia and Malaysia respectively. The Fund has remained overweight in the technology and hardware, software and services and retail and transportation sectors. These are offset by underweight positions in the insurance, telecommunications and materials sectors and the food and beverage sectors. Contributors to performance included Tencent Holdings Limited (Chinese internet firm), Kasikorn Bank and SA SA Intl Holdings, with United Tractors, Tata Motors and Iluka Resources detracting from performance.

Global Focus Fund
The fund outperformed its benchmark by a relative 1.0% % in the second quarter (-2.6% versus -3.6%). The rolling twelve months also has a relative outperformance as both benchmark and return were negative. The three year return however remains positive at +3.4% pa (16.4% pa versus 13.0% pa).

The manager operates on a go anywhere, bottom up approach with country and sector allocations secondary to “best investment opportunities”. As a result the manager moves assets around to take advantage of relative value opportunities and has established overweight index positions in countries including India +4.1%, Hong Kong/China + 3.4% (also overweight 3.0% in the SE Asia Fund) and the UK +4.9% (also heavily overweight in the Europe ex UK Fund). These overweights are being “funded” by underweight index positions of 5.7% in the US, 2.0% in Canada and 3.3% in Germany.

Positive contributions came from holdings in EBay, American Tower Corp and SBA Communications Corp, with negative contributions coming from Citigroup, Baidu Inc, and Newcrest Mining. From a sectoral perspective the fund is overweight healthcare Equipment and Services, Banks, Capital good and retailing, and underweight software and services, semiconductors, and telecommunication services.

Aggregate Bond Fund
Given the Eurozone crisis, the global economic slowdown etc the fund did well to return 0.3% above the index (3.3% versus 3.0%).

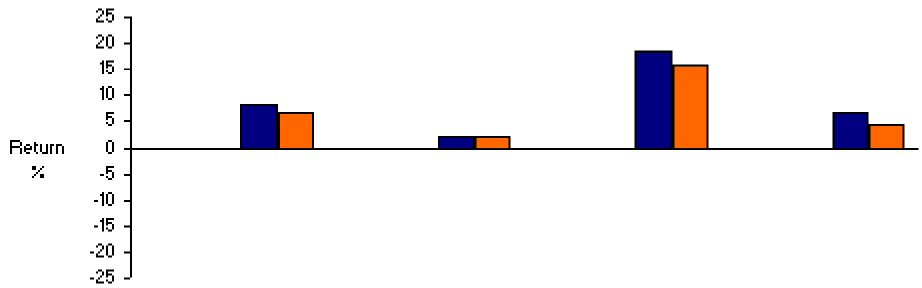
Over the rolling twelve months the fund is up 1.1% against benchmark and 3.2% pa ahead over the three year period. Overweight positions in transportation names such as BAA, Great Rolling Stock and Russian Railways, together with overweights in Verizon and Comcast, all contributed to the outperformance. The main negatives were overweights in the insurance sector and financials. Fund duration has remained at or near benchmark for the last twelve months and is currently 8.6 years versus the benchmark of 8.6 years.

In terms of a sector breakdown, the manager remains overweight ABS/MBS (+3.3%), banks and brokers (+1.7%) and has maintained its overweight to cash at 3.9% from 4.0% last quarter. These overweight positions are offset by underweight positions in Quasi/Sov/Supra/Agency bonds (-8.3%) and Government bonds (-5.0% down from last quarter’s -11.9%).

In terms of credit ratings, the fund is underweight the index in Government and AAA rated bonds (52.7% versus 62.5%) and has maintained overweight positions in A and BBB rated bonds (33.7% versus 31.0%).

TOTAL FUND REVIEW

Fund Returns



	Latest Quarter	1 Year	3 Years % pa	5 Years % pa
Fund	8.4	2.2	18.3	6.5
Benchmark	6.6	2.0	15.8	4.5
Relative Return	1.6	0.2	2.2	1.9

The graphs show the performance of the Fund and Benchmark over the latest period and longer term.

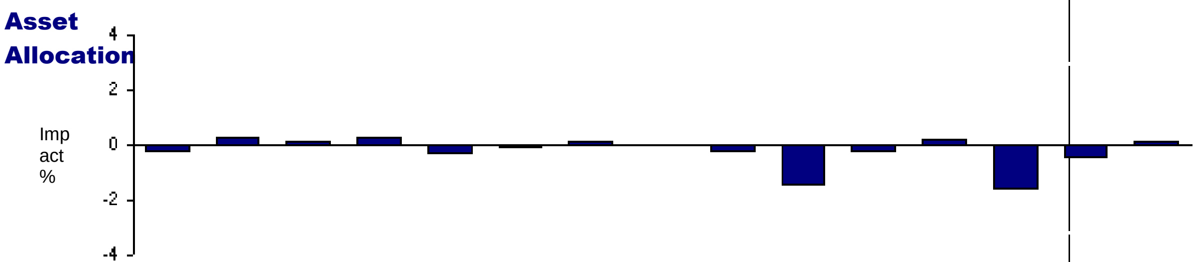
The relative return is the degree by which the Fund has out or underperformed the Benchmark over these periods

= Data not available for the full period

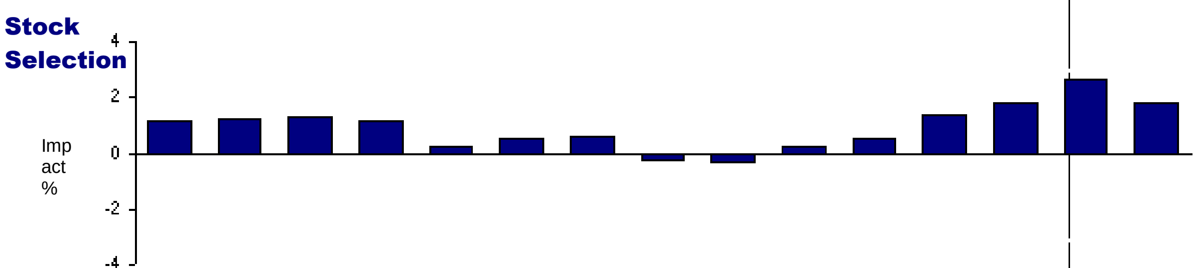
Source: the WM Company

Asset Allocation

The relative performance can be attributed to the effects of asset allocation and stock selection as detailed below.



Impact	-0.2	0.3	0.1	0.3	-0.3	-0.1	0.2	-	-0.2	-1.4	-0.2	0.2	-1.6	-0.5	0.1



Impact	1.1	1.2	1.3	1.2	0.3	0.5	0.6	-0.2	-0.3	0.2	0.5	1.4	1.8	2.6	1.8

An asset allocation decision will be positive if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely a positive benefit would be derived from investing less heavily in an area that has performed poorly.

Stock selection will be positive if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

Source: the WM Company

The following chart combines the two fund manager asset allocations by value to create a total fund asset allocation picture.

Fund asset allocations by Manager and at total fund level

Manager asset class	**BGifford** £m	Bmark %	Actual allocation	**Fidelity** £m	Bmark %	Actual allocation	Total Fund	Regional %
Equities								
UK	47.7	25	18.2	75.4	35	33.8	123.1	25.3
North America	52.9	18	20.1	33.2	12.5	14.8	86.1	17.7
Europe ex UK	48.3	18	18.4	24.0	12.5	10.8	72.3	14.9
Japan				9.8	5	4.4	9.8	2.0
Developed Asia Pac	25.1	9.5	9.6	10.6	5	4.8	35.7	7.3
Pacific basin ex Japan							0	0
Emerging markets	40.1	9.5	15.3				40.1	8.2
Global Focus				21.9	10.0	9.9	21.9	4.5
Sub total equities	214.1	80.0	81.5	175.0	80	78.4	389.1	80.0
Fixed interest								
UK £ bonds Gilts and Corporates	43.3	18	16.5	48.3	20	21.6	91.6	18.8
UK bonds							0	0
Sub total bonds	43.3	18	16.5	48.3	20	21.6	91.6	18.8
Cash	5.4	2.0	2.1				5.4	1.1
Total fund	262.8	100.0	100.0	223.3	100.0	100.0	486.1	100.0

Values may not correspond to other value number charts due to roundings.
Source: AllenbridgeEpic Investment Advisers, Baillie Gifford and Fidelity Investment Management

This chart highlights the extent to which **Baillie Gifford** utilise their asset allocation band widths. Currently they are underweight UK and North American equities with a numerically almost neutral position in equities. However, within that almost neutral position they have underweighted UK equities in favour of an overweight position in emerging markets.

Fidelity

Interestingly the manager has actually moved slightly overweight in North America equities this quarter, slightly underweight in North America and Europe and slightly overweight and Bonds. However the variances are slight enough to say that the manager continues to track the central benchmark.

Fidelity Pooled Funds

At the last meeting in May 2012 I highlighted that the Europe ex UK manager had taken a significant position in UK equities and had not commented on that in her quarterly report.

In conversation with Paul Harris he confirmed that most pooled funds, not only those offered by Fidelity, have the ability to invest outside of their mandate, a permission fully described in the Fidelity Pooled Fund prospectus.

In the section “Investment Restrictions” of the Prospectus there is indeed a paragraph which permits a manager to invest outside the remit of the fund up to an amount of no more 30%. Fidelity imposes a 20% ceiling. At this quarter end the Europe ex UK manager has almost 18% of the fund (16% UK and 1.9% USA) invested under this permission. Whilst this is therefore permissible under the Prospectus, the manager has not alluded to it in her written report, albeit a good percentage of her investment performance emanated from UK stock holdings!

NB The Investment Managers Association (“IMA”) defines “Europe ex UK” as “Funds that invest at least 80% of their assets in European equities but which exclude UK equities”.

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