



# Threadneedle Investment Funds ICVC

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Threadneedle Investment Funds	
Threadneedle Investment Funds offer either Class 1 and/or Class and/or Class X shares. Additionally, the Funds offer either net income or net accumulation and/or gross income and/or gross accumulation shares.	2
All share types and classes are covered in this Interim Report.	
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Please note that the UK Cash Fund is currently registered for public offer in the UK only and it is not intended to be registered outside the UK unless otherwise decided by the ACD. No registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

# **Company Information**

# Company

Threadneedle Investment Funds ICVC Registered Number IC000002

# **Registered Office**

60 St Mary Axe, London EC3A 8JQ

# Director

The Authorised Corporate Director ("ACD") is Threadneedle Investment Services Limited which is the sole director.

# **Board of Directors of the ACD**

Chairman and Chief Executive C J Henderson

## **Other Directors**

T W Challenor (Resigned – 30/06/2009) J Devine T N Gillbanks P J W Reed N J Ring (Appointed – 02/07/2009)

# **Director's Report**

This is the interim report and accounts for Threadneedle Investment Funds ICVC, which reviews the performance of the funds and financial markets over the six months to 7th September 2009.

The last six months have seen a dramatic improvement in the world's financial markets. Equities and corporate bonds have rallied strongly from their spring lows in the wake of successful moves to help stabilise the financial system, and increasing signs that global economies are beginning to recover. Although we expect the recovery to be slow, economic conditions should gradually improve over time.

Threadneedle's strong team and investment process mean that we should be well placed to take advantage of future investment opportunities as they arise. Indeed, in March this year the expertise of our investment team was recognised by independent analysts Lipper, who named Threadneedle the Best Overall Group in the Mixed Assets Large category. In July, Threadneedle subsequently received the prestigious Group of the Year award from Investment Week.

We hope that you find the reports informative. If you would like further information regarding any aspect of your investment, or about other Threadneedle products, please either contact us directly or speak to your financial adviser. Alternatively, you may find it helpful to visit threadneedle.com for further information about Threadneedle.

Thank you for your continued support.

Crispin Henderson Director

March

# **Aggregated Accounts for Threadneedle Investment Funds ICVC**

### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

for the accounting period bin March 2000 to 7th be	2000	
	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	3,002,872	(500,936)
Revenue	298,227	318,902
Expenses	(83,902)	(97,996)
Finance costs: Interest	(165)	(2,747)
Net revenue/(expenses) before taxation	214,160	218,159
Taxation	(11,471)	(12,920)
Net revenue/(expenses) after taxation	202,689	205,239
Total return before distributions	3,205,561	(295,696)
Finance costs: Distributions	(154,042)	(163,531)
Change in net assets attributable		
to shareholders from investment activities	3,051,519	(459,228)
*Restated – see note 1(1) page 6.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	10,344,203 <sup>-</sup>	15,290,156
Movement due to sales and repurchases of shar	res:	
Amounts receivable on issue of shares	2,511,343	1,983,983
Amounts payable on cancellation of shares	(1,464,722)	(2,650,512)
	1,046,621	(666,529)
Dilution adjustment	12,393	5,630
Stamp duty reserve tax	(1,109)	(2,590)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	3,051,519	(459,228)
Retained distribution on accumulation shares	53,063	52,877
Compensation	127	9
Undistributed revenue	(5,998)	(662)
Unclaimed distribution monies brought back		
into account	(2,823)	(7,573)
Closing net assets attributable to shareholders	14,497,996	14,212,090

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are as at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is as at 7th September 2008.

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	101arch 2009 £000
Assets Investment assets	14,212,610 1	0 050 497
Debtors Cash and bank balances	352,750 349,295	349,649 389,306
Total other assets	702,045	738,955
Total assets	14,914,655 1	0,789,452
Liabilities Derivative liabilities	(11,709)	(7,712)
Creditors Bank overdrafts Distribution payable on income shares	(313,786) (27,927) (63,237)	(342,894) (28,759) (65,884)
Total other liabilities	(404,950)	(437,537)
Total liabilities	(416,659)	(445,249)
Net assets attributable to shareholders	14,497,996 1	0,344,203

The aggregated financial statements represent the sum of the individual funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual funds.

We hereby certify the Interim Report and Accounts on behalf of the Directors of Threadneedle Investment Services Limited.

T N Gillbanks Director J Devine Director

12th October 2009

# Notes to the Aggregated Accounts for Threadneedle Investment Funds ICVC

### Notes to the financial statements

For the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

#### (1) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (IMA) in November 2008.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 7th March 2009 and are described in those financial statements.

In the previous interim accounts, the requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in December 2005 had been applied.

As a result of this change certain items have been reanalysed in the Statement of Total Return as set out below. The reanalysis has been treated as a change in accounting policies and accordingly the comparative figures have been restated. The changes did not alter either the total return or net assets attributable to Shareholders in either the current or preceding period.

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pounds 16,121,000$  (2008:  $\pounds 13,259,000$  reduction in net capital losses). Transaction costs

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £228,000 (2008: £311,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

#### (2) Aggregation

The aggregated accounts represent the sum of the individual funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual funds.

#### (3) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

#### 2 ADDITIONAL INFORMATION

The Aggregated Accounts include a balance of £17,000 relating to the Global Healthcare Fund which was closed on 15th January 2008.

The balance has remained the same as the previous period. The inclusion of the Fund in the Aggregated Accounts can be seen in the following sections:

#### Statement of Change in Net Assets Attributable to Shareholders

£17,000 within the Opening net assets attributable to shareholders. £17,000 within the Closing net assets attributable to shareholders. Balance Sheet

£17,000 within Cash and bank balances.

- £17,000 within Total other assets.
- £17,000 within Total assets.

£17,000 within Net assets attributable to shareholders.

# **UK Fund**

### **Investment Report**

Investment Objective To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in equities of companies domiciled in the UK or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Fund has risen from 49.92p to 67.61p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +27.90% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

2009 has seen one of the most dramatic reversals of fortune for the UK stock market that has ever been witnessed. After a very difficult start to the year, which culminated in further market losses and government intervention to secure the banking sector, the market has enjoyed one of the sharpest rises on record, which began almost exactly at the start of this reporting period.

During the review period, we have seen the rate of decline in economic activity ease followed by the first signs of stability emerging. Additionally, corporate profitability has proved to be much more resilient than anticipated as managements have been adept at controlling costs. Commodity prices, including oil, have recovered very sharply giving a welcome boost to the many resource companies in the UK stock market. Balance sheet stress has been addressed with a number of rights issues, which have been surprisingly well received.

The fund began the reporting period with a defensive stance which had been beneficial when markets fell sharply, but there was

clearly value emerging. Consequently, we have moved to a less defensive position, broadening the portfolio into areas of the market that are more cyclical. Many of these new investments have been highly successful but the rate at which the shift in sentiment took place was very sudden and the fund lagged the market rise as a result.

Looking forward, there will be many challenges for the companies in which we invest. It seems likely that we will see the return of some economic growth over the next few quarters in response to the huge stimulus and quantitative easing that has been employed. However, whether this growth can be maintained in the coming years remains to be seen as some of these measures will have to be reversed. The outlook for the UK is clouded by prospective tax rises and public spending cuts which will slow any economic recovery. The rise in share prices has happened very quickly and to some extent indiscriminately, but it is encouraging that we continue to identify good value investment opportunities across a broad spectrum of the stock market.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	257,173	(93,504)
Revenue	20,713	23,301
Expenses	(6,115)	(7,971)
Finance costs: Interest	(7)	(84)
Net revenue/(expenses) before taxation	14,591	15,246
Taxation	(27)	(28)
Net revenue/(expenses) after taxation	14,564	15,218
Total return before distributions	271,737	(78,286)
Finance costs: Distributions	(14,564)	(15,218)
Change in net assets attributable to shareholders from investment activities	257,173	(93,504)
*Restated – see note 1 page 8.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	730,781	1,192,299
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	32,287	72,359
Amounts payable on cancellation of shares	(24,983)	(96,121)
	7,304	(23,762)
Stamp duty reserve tax	(129)	(238)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	257,173	(93,504)
Unclaimed distributions	4	
Closing net assets attributable to shareholders	995,133	1,074,795

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

n September 2008.

<b>BALANCE SHEE</b>	Т
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as at 7th September 2009

	2009	March 2009
Assets	£000	£000
Investment assets	996,225	735,282
Debtors	23,447	8,218
Cash and bank balances	807	367
Total other assets	24,254	8,585
Total assets	1,020,479	743,867
Liabilities		
Creditors	(10,846)	(5,486)
Distribution payable on income shares	(14,500)	(7,600)
Total liabilities	(25,346)	(13,086)
Net assets attributable to shareholders	995,133	730,781

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	0.9749	0.0975	0.8774	-	0.8774	0.8604
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.6690 e period	0.0669	0.6021	0.2753	0.8774 <b>0.8774</b>	0.8604 <b>0.8604</b>
Class 2 Shares						
Net moome						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Distribution				Equalisation	Payable	Paid

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

# **UK Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds 6,000$  (2008:  $\pounds 7,000$ ) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Select Fund**

### **Investment Report**

Investment Objective To achieve above average capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund for growth, through a concentrated, actively managed portfolio. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September

2009, the published share price of the Threadneedle UK Select Fund has risen from 50.51p to 66.56p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +25.94% as compared to a median return of +31.82% over the same period. (For information the FTSE All-ShareTotal Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

Over the reporting period, the fund switched its defensive positioning to a more balanced stance as the outlook for the global economy has brightened in recent months. Thus, the fund has continued to build positions in companies which have good recovery potential. While the UK is likely to see continued high unemployment and large public and private indebtedness, we feel the stock market has taken this into account and is unlikely to revisit the lows of March this year.

Both the US and UK housing markets appear to have stabilised, which should enable confidence in the financial sector to return and therefore stimulate lending to both households and businesses. For this reason, we have bought several financial companies over the period such as Barclays, 3i Group and British Land. We also expect merger and acquisition activity to pick up in the months ahead, and have several holdings in the fund that are attractive takeover targets such as oil firmsTullow Oil and Premier Oil, and technology companies Aveva, Laird and CSR.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	65,321	(23,574)
Revenue	5,077	6,027
Expenses	(1,931)	(2,700)
Finance costs: Interest	(1)	(20)
Net revenue/(expenses) before taxation	3,145	3,307
Taxation	-	(7)
Net revenue/(expenses) after taxation	3,145	3,300
Total return before distributions	68,466	(20,274)
Finance costs: Distributions	(3,145)	(3,299)
Change in net assets attributable to		
shareholders from investment activities	65,321	(23,573)
*Restated – see note 1 page 10.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of shares	232,516 s:	328,417
Amounts receivable on issue of shares Amounts payable on cancellation of shares	10,859 (79,950)	96,244 (30,505)
	(69,091)	65,739
Dilution adjustment	162	638
Stamp duty reserve tax Change in net assets attributable to shareholders from investment activities	(99)	(66)
(see statement of total return above) Unclaimed distributions	65,321 2	(23,573)
Closing net assets attributable to shareholders	228,811	371,155

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whils the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008. BALANCE SHEET

Assets	2009 £000	March 2009 £000
	004 455	000 005
Investment assets	234,155	238,225
Debtors	33,811	3,597
Cash and bank balances	2,427	927
Total other assets	36,238	4,524
Total assets	270,393	242,749
Liabilities		
Creditors	(38,904)	(7,952)
Distribution payable on income shares	(2,678)	(2,281)
Total liabilities	(41,582)	(10,233)
Net assets attributable to shareholders	228,811	232,516

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1	Shares
---------	--------

Net Income						
Distribution	Gross	Тах	Net		Distribution	Distribution
Period	Revenue	Credit	Revenue	Equalisation	Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/09/09	0.8047	0.0805	0.7242	-	0.7242	0.6652
Group 2			0 5754		0 70 40	0.0050
08/03/09 to 07/09/09	0.6390	0.0639	0.5751	0.1491	0.7242 0.7242	0.6652 0.6652
Total distributions in the	e period				0.7242	0.0052
Class 2 Shares						
Net Income						
Net Income Distribution	Gross	Тах	Net		Distribution	Distribution
	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Payable	Paid
Distribution				Equalisation		
Distribution Period Group 1	Revenue	Credit	Revenue	Equalisation	Payable 2009	Paid 2008
Distribution Period	Revenue	Credit		Equalisation _	Payable	Paid
Group 1 08/03/09 to 07/09/09 Group 2	Revenue	<b>Credit</b> 0.1020	<b>Revenue</b> 0.9183	-	Payable 2009 0.9183	Paid 2008 0.9130
Group 1         08/03/09 to 07/09/09           Group 2         08/03/09 to 07/09/09	Revenue 1.0203 0.4319	Credit	Revenue	Equalisation - 0.5296	Payable 2009 0.9183 0.9183	Paid 2008 0.9130 0.9130
Group 1 08/03/09 to 07/09/09 Group 2	Revenue 1.0203 0.4319	<b>Credit</b> 0.1020	<b>Revenue</b> 0.9183	-	Payable 2009 0.9183	Paid 2008 0.9130

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

# **UK Select Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £8,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Smaller Companies Fund**

### **Investment Report**

**Investment Objective** To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the UK or have significant UK operations.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 64.70p to 95.80p

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +44.32% as compared to a median return of +40.70% over the same period. (For information the Hoare Govett Smaller

Companies (ex InvestmentTrusts) Index returned +56.88% over the same period.)

#### **Portfolio Activity**

The period under review has seen a strong rally in the stock market, with UK smaller companies rebounding particularly well after the severe weakness in the previous six months. With the banking crisis easing, interest rates low, and fiscal and monetary stimulus packages taking effect, the worst of the global recession seems to be behind us, and stock markets are hopeful of a sustained economic recovery in 2010

The fund rose strongly but failed to match the gains of the Hoare Govett Index benchmark This was primarily due to the fund's bias towards high quality, profitable companies with robust balance sheets. These positions proved defensive in the 2008 sell-off but have lagged the recovery of more cyclical, higher risk stocks in 2009.

The best performing holding was retailerTopps Tiles, which has more than quadrupled from its lows in early March when its financial viability and earnings recovery potential were being doubted. In an extraordinary period, more than ten of the fund's 110 holdings were up at least 100% and over 40 holdings were up at least 50%. At a sector level, the fund benefited from its exposure to the oil & gas producers, mining stocks, general retailers, real estate companies and technology stocks. All of these sectors saw several very strong stock performances.

The fund bought only one new issue - Critical Information Group (a start-up with an experienced management team which aims to buy distressed media sector assets). In addition, in a busy period for the fund, over 20 new holdings were added and nearly as many were cut. Notable examples include the additions of Heritage Oil, Aquarius Platinum, Pace, Carpetright, LSL Property, Charter, Dunelm and Michael Page, and the disposals of Hiscox, John Menzies and Spice. The fund had two stocks taken over (both were meaningful positions) at material share price premiums, namely professional training provider BPP and oil & gas producer Venture Production.

The fund participated in over ten rights issues and share placings as companies strengthened their balance sheets to enable them to take full advantage of the anticipated recovery in their end markets. Key examples were Premier Oil, Intermediate Capital Group, real estate stocks Shaftesbury and Hansteen and housebuilders Bovis and Bellway.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	36,957	(8,566)
Revenue	1,951	2,164
Expenses	(697)	(900)
Finance costs: Interest	-	(2)
Net revenue/(expenses) before taxation	1,254	1,262
Taxation	(14)	(8)
Net revenue/(expenses) after taxation	1,240	1,254
Total return before distributions	38,197	(7,312)
Finance costs: Distributions	(1,240)	(1,254)
Change in net assets attributable to		
shareholders from investment activities	36,957	(8,566)
*Restated – see note 1 page 12.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	76,830	133,619
Movement due to sales and repurchases of shares	:	
Amounts receivable on issue of shares	4,210	886
Amounts payable on cancellation of shares	(2,000)	(4,107)
	2,210	(3,221)
Stamp duty reserve tax	(10)	(9)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	36,957	(8,566)
Closing net assets attributable to shareholders	115,987	121,823

Closing net assets attributable to shareholders 115,987

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008

#### **BALANCE SHEET**

as at 7th September 2009

Assets	2009 £000	March 2009 £000
Investment assets	113,577	77,031
Debtors	1,503	345
Cash and bank balances	3,466	1,047
Total other assets	4,969	1,392
Total assets	118,546	78,423
Liabilities		
Creditors	(1,293)	(892)
Distribution payable on income shares	(1,266)	(701)
Total liabilities	(2,559)	(1,593)
Net assets attributable to shareholders	115,987	76,830

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009 Dividend distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	0.9996	0.1000	0.8996	-	0.8996	0.8571
Group 2 08/03/09 to 07/09/09 Total distributions in the	0.2386 e period	0.0239	0.2147	0.6849	0.8996 <b>0.8996</b>	0.8571 <b>0.8571</b>
Class 2 Shares						
Net Income						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.2990	0.1299	1.1691	-	1.1691	1.2011
Group 2 08/03/09 to 07/09/09 Total distributions in the	•	0.0352	0.3166	0.8525	1.1691 <b>1.1691</b>	1.2011 <b>1.2011</b>
Group 2: charas purcha	and during	a a dictril	aution nor	ind		

Group 2: shares purchased during a distribution period

# **UK Smaller Companies Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses). The effect of this change has been to reduce expenses by £4,000

(2008: £5,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Growth & Income Fund**

#### **Investment Report Investment Objective**

To provide long term capital growth with a reasonable and growing income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in 'blue chip' large capitalised UK companies, but including, when deemed appropriate small and medium-sized companies, predominantly from the UK.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Growth & Income Fund has risen from 38.76p to 51.14p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +26.20% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned

+33.82% over the same period.)

#### **Portfolio Activity**

After a very strong period of performance relative to the fund's peer group in 2007 and 2008, the current year has proved more challenging. The UK stock market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having started the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors began to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & General Trust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been

funded by reducing sectors such as utilities, tobacco and telecoms.

These changes have not prevented a difficult period of relative performance for the fund, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial stages of recovery. However, with the rally broadening out, the fund's performance improved towards the end of the period.

The fund is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

March

2009

£000

174,070

9,005

9,781

183,851

776

(29)

(1,466)

(4, 161)

(5,627)

2009

£000

2,559

5.329

7,888

(2,870)

(5, 464)

(8,334)

249,425

241,537

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	59,685	(14,372)
Revenue	5,558	6,427
Expenses	(1,416)	(1,789)
Finance costs: Interest	(1)	(38)
Net revenue/(expenses) before taxation	4,141	4,600
Taxation	(20)	(10)
Net revenue/(expenses) after taxation	4,121	4,590
Total return before distributions	63,806	(9,782)
Finance costs: Distributions	(5,447)	(6,260)
Change in net assets attributable to		
shareholders from investment activities	58,359	(16,042)
*Restated – see note 1 page 14.		

\*Restated - see note 1 page 14

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	178,195	284,712
Movement due to sales and repurchases of shares	3:	
Amounts receivable on issue of shares	9,165	5,151
Amounts payable on cancellation of shares	(4,613)	(22,869)
	4,552	(17,718)
Stamp duty reserve tax	(21)	(50)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	58,359	(16,042)
Unclaimed distributions	6	-
Closing net assets attributable to shareholders	241,091	250,902
The comparatives used within the Statement of Change in Ne	t Δssets Δttrih	utahle

ratives used within the Statement of Change in Net Assets to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### Total liabilities

Total other liabilities

Distribution payable on income shares

**BALANCE SHEET** 

Investment assets

Total other assets

Debtors

Total assets

Creditors

Liabilities **Derivative liabilities** 

N

**Assets** 

as at 7th September 2009

Cash and bank balances

otal liabilities	(8,334)	(5,656)
let assets attributable to shareholders	241,091	178,195

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

**Class 1 Shares** 

0.000 . 0						
Net Income						
Distribution	Gross	Tax	Net		Distribution	Distribution
Period	Revenue	Credit	Revenue	Equalisation	Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/09/09	1.2486	0.1249	1.1237	-	1.1237	1.3233
Group 2						
08/03/09 to 07/09/09	0.6336	0.0634	0.5702	0.5535	1.1237	1.3233
Total distributions in the	he period				1.1237	1.3233
Class 2 Shares						
Net Income						
Distribution	Gross	Тах	Net		Distribution	Distribution
Period	Revenue	Credit	Revenue	Equalisation	Payable	Paid
Feriod	nevenue	Credit	nevenue	Equalisation	2009	2008
					2003	2000
Group 1 08/03/09 to 07/09/09	1 2 4 4 6	0.1345	1.2101		1.2101	1.4211
	1.3440	0.1345	1.2101	-	1.2 101	1.4211
Group 2						
08/03/09 to 07/09/09	0.9213	0.0921	0.8292	0.3809	1.2101	1.4211
Total distributions in the	ne period				1.2101	1.4211
Group 2: shares purcha	ased during	a distril	nution ner	ind		

up 2: shares purchased during a distribution per

# **UK Growth & Income Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pm$ 11,000 (2008:  $\pm$ 1,000 reduction in net capital losses).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Equity Income Fund**

#### **Investment Report** Investment Objective

To achieve an above average rate of income combined with sound prospects for capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009. the published share price of the Threadneedle UK Equity Income Fund has risen from 45.90p to 56.79p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +22.63% as compared to a median return of +27.71% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

The period under review has seen one of the most dramatic reversals of market performance for a long time. At the start of the period, there was a widespread expectation amongst investors that a major dislocation in economic activity was likely as a consequence of the bankruptcy of Lehman Brothers and the seizing up of global credit markets. The response from governments and central banks was a series of extraordinary policy measures designed to avoid a 1930's-style slump. A market recovery began as investors became convinced that this was going to be avoided.

By the end of the review period, the UK market had risen over 40% from its lows, with some of the more distressed stocks rising several hundred per cent as fears of imminent bankruptcy receded. Many companies took the opportunity to raise money to rebuild their financial strength, adding to their already positive upward momentum. Consequently, the performance

differential between the big, well-financed businesses that had done so well in the last two years, and the heavily indebted or smaller companies has been extreme.

In response to this huge shift and the development of our own strategic thinking, the fund has been significantly repositioned to increase the exposure to a recovering economy and the lowly valued cyclical and growth stocks. The ability to do this has been somewhat constrained by our desire to maintain the yield and income distribution of the fund but, nevertheless, the shape of the portfolio has changed significantly over the period. The FTSE100 content of the fund has fallen from around 80% towards 60%, with equivalent increases in the small and medium-sized companies held. At the same time, the holdings in stable, high yielding stocks in the utility and tobacco sectors, for example, have been reduced to increase the exposure to recovering sectors such as banks, industrials and support services.

Marah

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

Income	2009 £000	2008* £000
Net capital gains/(losses)	112,337	(28,255)
Revenue	15,660	11,685
Expenses	(3,518)	(3,138)
Finance costs: Interest	(4)	(165)
Net revenue/(expenses) before taxation	12,138	8,382
Taxation	(11)	(18)
Net revenue/(expenses) after taxation	12,127	8,364
Total return before distributions	124,464	(19,891)
Finance costs: Distributions	(9,814)	(6,547)
Change in net assets attributable to shareholders from investment activities	114,650	(26,438)
*Deside deside deside d		

\*Restated - see note 1 page 6

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	383,684	393,160
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	88,069	109,207
Amounts payable on cancellation of shares	(3,178)	(20,124)
	84,891	89,083
Dilution adjustment	233	535
Stamp duty reserve tax	(148)	(112)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	114,650	(26,438)
Undistributed revenue	(5,564)	(4,736)
Retained distribution on accumulation shares	2	-
Unclaimed distributions	9	_
Closing net assets attributable to shareholders	577,757	451,492

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009

		iviarch
	2009	2009
Assets	£000	£000
Investment assets	549,669	363,241
Debtors	18,543	14,079
Cash and bank balances	27,827	32,089
Total other assets	46,370	46,168
Total assets	596,039	409,409
Liabilities		
Creditors	(7,244)	(8,565)
Distribution payable on income shares	(11,038)	(17,160)
Total liabilities	(18,282)	(25,725)
Net assets attributable to shareholders	577,757	383,684

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009 Dividend distribution in pence per share

Class 1 Shares

Net Income Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.2000	0.1200	1.0800	-	1.0800	1.0800
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.4439 e period	0.0444	0.3995	0.6805	1.0800 <b>1.0800</b>	1.0800 <b>1.0800</b>
Class 1 Shares						
Net Accumulation*						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation		
~ .					2009	
Group 1 05/08/09 to 07/09/09	1.0788	0.1079	0.9709	-	0.9709	
Group 2 05/08/09 to 07/09/09 Total distributions in th	0.5062 e period	0.0506	0.4556	0.5153	0.9709 <b>0.9709</b>	

# **UK Equity Income Fund**

#### **DISTRIBUTION TABLE**

(continued)

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Class 2 Shares Net Income						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.2000	0.1200	1.0800	-	1.0800	1.0800
Group 2 08/03/09 to 07/09/09 Total distributions in t	0.3326 he period	0.0333	0.2993	0.7807	1.0800 <b>1.0800</b>	1.0800 <b>1.0800</b>

Group 2: shares purchased during a distribution period

\*Class 1 Net Accumulation shares launched on 5th August 2009

### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by £nil (2008: £80,000).

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds4,000$  (2008:  $\pounds6,000$ ) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Monthly Income Fund**

### **Investment Report**

**Investment Objective** 

To achieve an above average income combined with sound prospects for capital growth. Income will be paid monthly.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

#### **Performance of Net Income Class 1** Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Monthly Income Fund has risen from 39.42p to 48.51p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +20.04% as compared to a median return of +27.71% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

The UK stock market rose strongly over the reporting period. This contrasted with the previous period, which saw the collapse of US investment bank Lehman Brothers last autumn lead to fears of systemic financial collapse and economic depression, resulting in 2008 being the second-worst year ever for the UK equity market. However, aggressive monetary policy (with UK interest rates cut to a record low of 0.5% and quantitative easing), together with sterling's collapse, progressively stabilised the situation as the reporting period progressed. Nevertheless, the medium-term challenge of deleveraging across the economy remains intense and will probably result in sub-trend GDP growth for a number of years.

Having proved relatively resilient during the previous two years of market weakness, the fund struggled to keep up with the resurgent market. Despite investing its cash in March and adopting a much more balanced approach by increasing the exposure to economically sensitive mid caps, investors'

dash for poorer quality stocks and the outperformance of smaller companies caused the fund to lag the recovery. Stocks purchased included Daily Mail & General . Trust, Lloyds Banking Group, Aviva, Hammerson, Fenner and BBA. These purchases were funded by reducing the exposure to defensive sectors such as utilities and telecoms.

The fund aims to increase its dividend consistently at a prudent rate. This has resulted in ten consecutive years of rising dividends, at an average growth rate of 4.5% per annum. The fund has maintained its dividend for the first six months of the year and intends to do so over the remaining six months. However, the number of dividend cuts in the market continues to increase as companies seek to re-direct their cash flows to reducing debt. From peak (2007) to trough (2010), dividend cuts per share of almost 33% now look likely within the overall market. Against this unprecedented backdrop, it should be noted that this year's level of fund distribution could inevitably prove difficult to sustain in the medium term.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	92,355	(38,457)
Revenue	15,212	15,807
Expenses	(3,600)	(4,925)
Finance costs: Interest	(1)	(104)
Net revenue/(expenses) before taxation	11,611	10,778
Taxation	(13)	(6)
Net revenue/(expenses) after taxation	11,598	10,772
Total return before distributions	103,953	(27,685)
Finance costs: Distributions	(11,956)	(12,489)
Change in net assets attributable to shareholders from investment activities	91,997	(40,174)
*Restated – see note 1 page 18.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	390,464	617,913
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	6,245	6,945
Amounts payable on cancellation of shares	(11,234)	(23,422)
	(4,989)	(16,477)
Stamp duty reserve tax	(59)	(80)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	91,997	(40,174)
Unclaimed distributions	(2,867)	(2,837)
Closing net assets attributable to shareholders	474,546	558,345

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009

		March
	2009	2009
	£000	£000
Assets		
Investment assets	473,799	372,639
Debtors	5,087	3,388
Cash and bank balances	6,243	25,204
Total other assets	11,330	28,592
Total assets	485,129	401,231
Liabilities		
Creditors	(8,604)	(7,204)
Distribution payable on income shares	(1,979)	(3,563)
Total liabilities	(10,583)	(10,767)
Net assets attributable to shareholders	474,546	390,464

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009 Dividend distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
08/04/09 to 07/05/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
08/05/09 to 07/06/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
08/06/09 to 07/07/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
08/07/09 to 07/08/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
08/08/09 to 07/09/09	0.2222	0.0222	0.2000	-	0.2000	0.2000
Group 2						
08/03/09 to 07/04/09	-	-	-	0.2000	0.2000	0.2000
08/04/09 to 07/05/09	-	-	-	0.2000	0.2000	0.2000
08/05/09 to 07/06/09	-	-	-	0.2000	0.2000	0.2000
08/06/09 to 07/07/09	-	-	-	0.2000	0.2000	0.2000
08/07/09 to 07/08/09	0.0686	0.0069	0.0617	0.1383	0.2000	0.2000
08/08/09 to 07/09/09	-	-	-	0.2000	0.2000	0.2000
Total distributions in t	he period				1.2000	1.2000

Total distributions in the period

Group 2: shares purchased during a distribution period

# **UK Monthly Income Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £5,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **Monthly Extra Income Fund**

#### **Investment Report Investment Objective**

To achieve a high level of income with prospects of capital growth. Income will be paid monthly.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in Sterling denominated fixed interest securities and UK equities.

#### **Performance of Net Income Class 1** Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 39.01p to 48.67p

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.34% as compared to a median return of +22.64% over the same period. In view of the nature of the Fund, and its investment remit, there is no directly comparable market index.

#### **Portfolio Activity**

The UK equity market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having begun the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors started to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & General Trust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been funded by reducing the exposure to sectors such as utilities, tobacco and telecoms.

These changes within the equity portfolio have not prevented a difficult period of relative performance, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial

stages of recovery. Additionally, the pressure on capital caused by the credit crunch has led to many companies issuing further capital and cutting dividends. This affects the level of income that is received by the fund and may force a reduction in the final monthly payment of the year. This issue will be faced by all equity income funds during the financial year.

The equity portfolio is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

With regard to the bond portfolio, the period under review has seen extraordinarily strong returns from the corporate bond market. A sharp compression in yield spreads and an increase in market liquidity are the chief reasons for this performance.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
Income	£000	£000
Net capital gains/(losses)	20,291	(3,895)
Revenue	3,035	3,210
Expenses	(625)	(767)
Finance costs: Interest	(1)	(13)
Net revenue/(expenses) before taxation	2,409	2,430
Taxation	(62)	(11)
Net revenue/(expenses) after taxation	2,347	2,419
Total return before distributions	22,638	(1,476)
Finance costs: Distributions	(2,358)	(2,307)
Change in net assets attributable to shareholders from investment activities	20,280	(3,783)
*Restated - see note 1 name 20		

\*Restated – see note 1 page 20.

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of shares	74,580 s:	109,663
Amounts receivable on issue of shares Amounts payable on cancellation of shares	4,835 (691)	1,391 (1,829)
	4,144	(438)
Stamp duty reserve tax Change in net assets attributable to shareholders from investment activities	(5)	(6)
(see statement of total return above) Undistributed revenue Unclaimed distributions	20,280 (434) 1	(3,783) (662) _
Closing net assets attributable to shareholders	98,566	104,774

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009

Assets	2009 £000	March 2009 £000
Investment assets	97,997	74,485
Debtors Cash and bank balances	1,445 871	1,898 507
Total other assets	2,316	2,405
Total assets	100,313	76,890
Liabilities Derivative liabilities	(20)	(398)
Creditors Bank overdrafts Distribution payable on income shares	(1,327) (400)	(822) (54) (1,036)
Total other liabilities	(1,727)	(1,912)
Total liabilities	(1,747)	(2,310)
Net assets attributable to shareholders	98,566	74,580

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1	Shares
Not Inco	

Net Income						
Distribution	Gross	Tax	Net		Distribution	Distribution
Period	Revenue	Credit	Revenue	Equalisation	Paid/Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/04/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
08/04/09 to 07/05/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
08/05/09 to 07/06/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
08/06/09 to 07/07/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
08/07/09 to 07/08/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
08/08/09 to 07/09/09	0.2167	0.0217	0.1950	-	0.1950	0.1950
Group 2						
08/03/09 to 07/04/09	0.0362	0.0036	0.0326	0.1624	0.1950	0.1950
08/04/09 to 07/05/09	-	-	-	0.1950	0.1950	0.1950
08/05/09 to 07/06/09	-	-	-	0.1950	0.1950	0.1950
08/06/09 to 07/07/09	-	-	-	0.1950	0.1950	0.1950
08/07/09 to 07/08/09	0.2152	0.0215	0.1937	0.0013	0.1950	0.1950
08/08/09 to 07/09/09	-	-	-	0.1950	0.1950	0.1950
Total distributions in the	period				1.1700	1.1700
Crown 2: abaraa purat	-	a o diote	ibution n	ariad		

Group 2: shares purchased during a distribution period

# **Monthly Extra Income Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

20

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £123,000 (2008: £276,000 reduction in net capital losses).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **UK Corporate Bond Fund**

### **Investment Report**

**Investment Objective** To achieve a high level of income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in fixed interest investments in the UK and Continental Europe.

#### **Performance of Net Income Class 1** Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Corporate Bond Fund has risen from 43.40p to 49.62p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +15.88% as compared to a median return of +15.94% over the same period. The Fund return equates approximately to +17.12% gross of tax and charges. (For

information the IBOXX £ Non-Gilts (Linked with UBS Warburg All Stocks Investment Grade Index pre 30/06/2003) gave a total return of +12.53% for the same period.)

#### **Portfolio Activity**

The period under review has seen extraordinarily strong returns from the corporate bond market. A sharp compression in yield spreads and an increase in market liquidity are the chief reasons for this performance.

It is increasingly likely that the worst of the credit crunch is behind us. The combination of extraordinary stimulus packages embarked on globally and signs of inventory restocking in various areas of the economy are helping to improve sentiment and markets. Likewise, second quarter corporate earnings proved better than expected, though this profitability seems to have come largely from cost cutting rather than revenue expansion.

Current market levels, with corporate bond yield spreads at around 250 basis points more than gilts, suggest the market anticipates corporate defaults over the coming years that are multiples of historic precedent. This value, combined with still high levels of liquidity premiums, make us bullish of the market relative to gilts. It is, however, worth noting that the market has outperformed gilts by a very large margin in the last few months; hence our bullishness is not as aggressive as it has been.

The fund is invested in a very diverse range and large number of corporate bonds. In general, we remain underweight in lower yielding, higher credit quality areas such as sovereign and supranational bonds and overweight in telecoms, utilities, banks, energy and basic materials.

> March 2009

2009

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	78,538	(14,767)
Revenue	18,900	17,712
Expenses	(1,790)	(1,710)
Finance costs: Interest	(18)	(220)
Net revenue/(expenses) before taxation	17,092	15,782
Taxation	-	-
Net revenue/(expenses) after taxation	17,092	15,782
Total return before distributions	95,630	1,015
Finance costs: Distributions	(17,092)	(15,781)
Change in net assets attributable to shareholders from investment activities	78,538	(14,766)
*Restated – see note 1 page 22.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	511,262	525,724
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	55,340	47,168
Amounts payable on cancellation of shares	(18,427)	(31,389)
	36,913	15,779
Dilution adjustment	142	139
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	78,538	(14,766)
Retained distribution on accumulation shares	8,054	7,011
Unclaimed distributions	11	
Closing net assets attributable to shareholders	634,920	533,887

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009	
Assets	

Assets	£000	£000
Investment assets	610,609	494,241
Debtors	19,093	21,695
Cash and bank balances	15,293	9,127
Total other assets	34,386	30,822
Total assets	644,995	525,063
Liabilities		
Derivative liabilities	(805)	(150)
Creditors	(5,394)	(9,885)
Distribution payable on income shares	(3,876)	(3,766)
Total other liabilities	(9,270)	(13,651)
Total liabilities	(10,075)	(13,801)
Net assets attributable to shareholders	634,920	511,262

### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009 Interest distribution in pence per share

**Class 1 Shares** 

Net Income						
Distribution	Gross	Income	Net		Distribution	Distribution
Period	Revenue	Тах	Revenue	Equalisation	Paid/Payable 2009	Paid 2008
Group 1						
08/03/09 to 07/06/09	0.6569	0.1314	0.5255	-	0.5255	0.5513
08/06/09 to 07/09/09	0.6554	0.1311	0.5243	-	0.5243	0.5607
Group 2						
08/03/09 to 07/06/09	0.3104	0.0621	0.2483	0.2772	0.5255	0.5513
08/06/09 to 07/09/09	0.3289	0.0658	0.2631	0.2612	0.5243	0.5607
Total distributions in	the period				1.0498	1.1120

# **UK Corporate Bond Fund**

### **DISTRIBUTION TABLE**

(continued)

Class 2 Shares Net Income						
Distribution	Gross	Income	Net		Distribution	Distribution
Period	Revenue	Tax	Revenue	Equalisation	Paid/Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/06/09	0.6999	0.1400	0.5599	-	0.5599	0.5920
08/06/09 to 07/09/09	0.7040	0.1408	0.5632	-	0.5632	0.6007
Group 2						
08/03/09 to 07/06/09	0.2759	0.0552	0.2207	0.3392	0.5599	0.5920
08/06/09 to 07/09/09	0.3385	0.0677	0.2708	0.2924	0.5632	0.6007
Total distributions in the		0.0077	0.2700	0.2021	1,1231	1,1927
	•					
Class 1 Shares						
Gross Income						
Distribution	Gross				Distribution	Distribution
Period	Revenue			Equalisation	Paid/Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/06/09	0.6572			-	0.6572	0.6894
08/06/09 to 07/09/09	0.6542			-	0.6542	0.6990
Group 2						
08/03/09 to 07/06/09	0.3259			0.3313	0.6572	0.6894
08/06/09 to 07/09/09	0.2280			0.4262	0.6542	0.6990
Total distributions in the	period				1.3114	1.3884
Class 2 Shares						
Gross Accumulation						
	_				Gross	Gross
Distribution	Gross				Revenue	Revenue
Period	Revenue			Equalisation	Accumulated	
					2009	2008
Group 1						
08/03/09 to 07/06/09	0.9231			-	0.9231	0.9162
08/06/09 to 07/09/09	0.9406			-	0.9406	0.9410
Group 2						
08/03/09 to 07/06/09	0.4373			0.4858	0.9231	0.9162
08/06/09 to 07/09/09	0.3977			0.5429	0.9406	0.9410
Total distributions in the	e period				1.8637	1.8572
Crave 2. shares aver	a a a al al unita	n n dintri	h ti n	in al		

Group 2: shares purchased during a distribution period

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £237,000 (2008: £93,000 reduction in net capital losses).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pm 5,000$  (2008:  $\pm 9,000$ ) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **High Yield Bond Fund**

## Investment Report

Investment Objective To achieve a higher level of income. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in higher risk UK and international fixed interest securities. It may also invest in equities.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle High Yield Bond Fund has risen from 30.08p to 39.67p.

The total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +31.91%, which equates approximately to 34.12% gross of tax and charges. (For information the Merrill Lynch European High Yield 3% constrained (100% UK Sterling Hedged) Index gave a total return of +42.93% for the same period.)

#### **Portfolio Activity**

High yield bonds enjoyed an exceptionally good six months following the extremely difficult conditions of the previous year. The rally began in mid-March amid a recovery in risk appetite, prompted by optimism over government moves to deal with the bad debt situation and growing investor optimism about the prospects for an economic recovery.

The fund achieved a robust gain in absolute terms, although its performance lagged that of the benchmark for much of the six-month review period. One of the factors behind this was the fund's focus on higher quality and more defensive issues of companies likely to outperform in the longer term. The fund's underweight positioning in the banking sector was an area that detracted from performance, especially earlier in the review period. Over most of the interval, poorer quality securities led the market gains, particularly earlier in the period, as signs that companies previously seen as likely to default would instead probably survive drove investor demand for their very cheap issues.

Our aim remains to achieve consistently strong performance in the longer term and our emphasis continues to be on well managed companies with solid balance sheets, and good cash flow. At the ratings level, we favour single B paper over CCC issues.

Economic indicators continue to improve, and technical factors remain favourable, which has served to underpin high yield issues. There has been little in the way of unpleasant earnings surprises, while default rates have also subsided and have possibly bottomed. If so, the level of defaults may prove not to be as bad as many had initially feared. So while yield spreads have become the narrowest since Q3 2008, the market could remain resilient, underpinned by these factors. However, high yield could prove vulnerable in the face of unexpectedly negative economic or industry news.

March

321,945

14,908

9,963

24,871

346,816

(1,446)

(5,231)

(2,015)

(7,246)

2009 £000

2009

£000

501,689 17,274

20,877

38,151

539,840

(5,622)

(9,507)

(2,669)

(12,176)

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	121,993	1,175
Revenue	21,555	19,894
Expenses	(2,913)	(2,770)
Finance costs: Interest	(9)	(37)
Net revenue/(expenses) before taxation	18,633	17,087
Taxation	(5)	-
Net revenue/(expenses) after taxation	18,628	17,087
Total return before distributions	140,621	18,262
Finance costs: Distributions	(21,052)	(19,467)
Change in net assets attributable to shareholders from investment activities	119,569	(1,205)
*Postated and note 1 page 24		

\*Restated - see note 1 page 24.

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	338,124	391,101
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	94,748	81,101
Amounts payable on cancellation of shares	(35,374)	(13,336)
	59,374	67,765
Dilution adjustment	694	288
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	119,569	(1,205)
Retained distribution on accumulation shares	4,274	3,961
Unclaimed distributions	7	_
Closing net assets attributable to shareholders	522,042	461,910

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables. Liabilities Derivative liabilities Creditors Distribution payable on income shares Total other liabilities Total liabilities

# Total liabilities(17,798)(8,692)Net assets attributable to shareholders522,042338,124

### DISTRIBUTION TABLE

**BALANCE SHEET** 

Investment assets

Total other assets

Debtors

Total assets

Assets

as at 7th September 2009

Cash and bank balances

for the accounting period 8th March 2009 to 7th September 2009 Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Paid 2008
Group 1						
08/03/09 to 07/04/09	0.3454	0.0691	0.2763	-	0.2763	0.2613
08/04/09 to 07/05/09	0.2730	0.0546	0.2184	-	0.2184	0.2152
08/05/09 to 07/06/09	0.2286	0.0457	0.1829	-	0.1829	0.2523
08/06/09 to 07/07/09	0.2675	0.0535	0.2140	-	0.2140	0.2421
08/07/09 to 07/08/09	0.2524	0.0505	0.2019	-	0.2019	0.2243
08/08/09 to 07/09/09	0.3065	0.0613	0.2452	-	0.2452	0.3105
Group 2						
08/03/09 to 07/04/09	0.1439	0.0288	0.1151	0.1612	0.2763	0.2613
08/04/09 to 07/05/09	0.0721	0.0144	0.0577	0.1607	0.2184	0.2152
08/05/09 to 07/06/09	0.0939	0.0188	0.0751	0.1078	0.1829	0.2523
08/06/09 to 07/07/09	0.1245	0.0249	0.0996	0.1144	0.2140	0.2421
08/07/09 to 07/08/09	0.1601	0.0320	0.1281	0.0738	0.2019	0.2243
08/08/09 to 07/09/09	0.1250	0.0250	0.1000	0.1452	0.2452	0.3105
Total distributions in th	e period				1.3387	1.5057

# **High Yield Bond Fund**

#### **DISTRIBUTION TABLE**

(continued)

Distributio-	<b>0</b>	Inec	B1 - 1		Distrik	Distribut
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2009	Distribution Pai 200
Group 1						
08/03/09 to 07/04/09	0.4816	0.0963	0.3853	-	0.3853	0.363
8/04/09 to 07/05/09	0.3824	0.0765	0.3059	-	0.3059	0.302
8/05/09 to 07/06/09	0.3214	0.0643	0.2571	-	0.2571	0.351
08/06/09 to 07/07/09	0.3759	0.0752	0.3007	-	0.3007	0.337
8/07/09 to 07/08/09	0.3555	0.0711	0.2844	-	0.2844 0.3444	0.311
8/08/09 to 07/09/09	0.4305	0.0861	0.3444	-	0.3444	0.429
18/03/09 to 07/04/09	0.2226	0.0445	0.1781	0.2072	0.3853	0.363
8/04/09 to 07/05/09	0.2470	0.0494	0.1976	0.1083	0.3059	0.302
8/05/09 to 07/06/09	0.1773	0.0355	0.1418	0.1153	0.2571	0.351
8/06/09 to 07/07/09	0.1984	0.0397	0.1587	0.1420	0.3007	0.337
8/07/09 to 07/08/09	0.1601	0.0320	0.1281	0.1563	0.2844	0.311
8/08/09 to 07/09/09	0.2435	0.0487	0.1948	0.1496	0.3444	0.429
otal distributions in	the period				1.8778	2.095
Class 1 Shares						
Gross Income	-					
Distribution Period	Gross Revenue			Equalisation	Distribution Paid/Payable 2009	Distribution Pai 200
Group 1					2003	200
Group 1 08/03/09 to 07/04/09	0.3458			-	0.3458	0.326
08/04/09 to 07/05/09	0.2745			-	0.2745	0.268
08/05/09 to 07/06/09	0.2288			-	0.2288	0.314
08/06/09 to 07/07/09	0.2672			-	0.2672	0.301
08/07/09 to 07/08/09	0.2521			-	0.2521	0.278
08/08/09 to 07/09/09	0.3055			-	0.3055	0.385
Group 2	0.4055			0 4 0 0 -	0.0455	0.000
08/03/09 to 07/04/09	0.1826			0.1632	0.3458	0.326
08/04/09 to 07/05/09	0.0926			0.1819	0.2745	0.268
08/05/09 to 07/06/09	0.0830			0.1458	0.2288	0.314
08/06/09 to 07/07/09 08/07/09 to 07/08/09	0.1716			0.0956	0.2672	0.301
08/08/09 to 07/09/09	0.1137 0.0961			0.1384 0.2094	0.2521	0.278
Fotal distributions in				0.2094	1.6739	0.385
Class 2 Shares	the period				1.0739	1.075
Gross Income						
Distribution	Gross				Distribution	Distributio
Period	Revenue			Equalisation	Paid/Payable	Pai
enou					0000	
					2009	200
Group 1	0 4148					200
<b>Group 1</b> 08/03/09 to 07/04/09	0.4148			-	0.4148	200
<b>Group 1</b> )8/03/09 to 07/04/09 )8/04/09 to 07/05/09	0.3317			-	0.4148 0.3317	
Group 1 08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/06/09	0.3317 0.2761			-	0.4148 0.3317 0.2761	
Group 1 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/06/09 18/06/09 to 07/07/09	0.3317 0.2761 0.3231			-	0.4148 0.3317 0.2761 0.3231	0.310
Group 1 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/06/09 18/06/09 to 07/07/09 18/07/09 to 07/07/09	0.3317 0.2761			· - - - -	0.4148 0.3317 0.2761	0.310 0.335
Group 1 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/06/09 18/06/09 to 07/07/09 18/07/09 to 07/08/09 18/08/09 to 07/09/09	0.3317 0.2761 0.3231 0.3052				0.4148 0.3317 0.2761 0.3231 0.3052	0.310 0.335
Group 1 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/06/09 18/06/09 to 07/07/09 18/07/09 to 07/08/09 18/08/09 to 07/09/09 Group 2	0.3317 0.2761 0.3231 0.3052			 	0.4148 0.3317 0.2761 0.3231 0.3052	0.310 0.335
Group 1 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/06/09 18/06/09 to 07/08/09 18/08/09 to 07/08/09 Group 2 18/03/09 to 07/04/09	0.3317 0.2761 0.3231 0.3052 0.3691				0.4148 0.3317 0.2761 0.3231 0.3052 0.3691	0.310 0.335 0.462
Shoup 1 Sho(3/09 to 07/05/09 )8/03/09 to 07/05/09 )8/05/09 to 07/05/09 )8/07/09 to 07/05/09 )8/07/09 to 07/05/09 )8/03/09 to 07/05/09 )8/03/09 to 07/05/09 )8/05/09 to 07/05/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913			- - - - - - - - - - - - - - - - - - -	0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 0.4148 0.3317 0.2761	0.310 0.335 0.462
Sroup 1 8/03/09 to 07/04/09 8/04/09 to 07/05/09 8/06/09 to 07/06/09 8/06/09 to 07/08/09 8/06/09 to 07/08/09 8/03/09 to 07/09/09 8/03/09 to 07/06/09 8/06/09 to 07/06/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913			- - - - - - 0.3379 0.0805 0.1848 0.1318	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231	0.310 0.335 0.462 0.310
Sroup 1 8/03/09 to 07/05/09 8/03/09 to 07/05/09 8/05/09 to 07/05/09 8/07/09 to 07/07/09 8/07/09 to 07/08/09 Sroup 2 8/03/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/07/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1273				0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.2321 0.3052	0.310 0.335 0.462 0.310 0.335
Shoup 1 88/03/09 to 07/05/09 88/03/09 to 07/05/09 88/05/09 to 07/05/09 88/06/09 to 07/08/09 88/07/09 to 07/09/09 88/03/09 to 07/09/09 88/05/09 to 07/05/09 88/05/09 to 07/06/09 88/05/09 to 07/08/09 88/08/09 to 07/09/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1273 0.1369			- - - - - - 0.3379 0.0805 0.1848 0.1318	0.4148 0.3317 0.2761 0.3252 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691	0.310 0.335 0.462 0.310 0.335 0.462
Sroup 1 8/03/09 to 07/04/09 8/04/09 to 07/05/09 8/06/09 to 07/06/09 8/06/09 to 07/08/09 8/07/09 to 07/08/09 8/04/09 to 07/09/09 8/04/09 to 07/05/09 8/06/09 to 07/06/09 8/06/09 to 07/07/09 8/07/09 to 07/08/09 8/07/09 to 07/08/09 8/07/09 to 07/08/09 18/07/09 to 07/08/09 18/08/09 to 07/09/09 Fotal distributions in	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1273 0.1369				0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.2321 0.3052	
Group 1 38/03/09 to 07/05/09 38/04/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/07/09 38/03/09 to 07/05/09 Group 2 38/03/09 to 07/05/09 38/05/09 to 07/05/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1273 0.1369 the period				0.4148 0.3317 0.2761 0.3252 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691	0.310 0.335 0.462 0.310 0.335 0.462
Group 1           38/03/09 to 07/05/09           98/04/09 to 07/05/09           98/05/09 to 07/06/09           98/05/09 to 07/06/09           98/06/90 to 07/08/09           98/07/09 to 07/08/09           98/08/09 to 07/06/09           98/04/09 to 07/05/09           98/05/09 to 07/06/09           98/05/09 to 07/06/09           98/06/09 to 07/06/09           98/06/09 to 07/08/09           98/06/09 to 07/08/09           98/06/09 to 07/08/09           98/08/09 to 07/08/09           06/07/09 to 07/08/09           60/07/08           07/08/09           60/07/08           08/08/09 to 07/08/09           60/08/08           60/08/08           08/08/09 to 07/08/09           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08           60/08/08	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1913 0.1369 the period				0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3292 0.3691 <b>2.0200</b> Gross	0.310 0.335 0.462 0.310 0.335 0.462 1.108 Gros
Group 1 38/03/09 to 07/04/09 38/03/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/06/09 38/06/09 to 07/06/09 38/08/09 to 07/08/09 38/03/09 to 07/06/09 38/05/09 to 07/06/09 38/05/09 to 07/06/09 38/05/09 to 07/06/09 38/05/09 to 07/06/09 38/06/09 to 07/06/09 38/06/09 to 07/06/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/09/09 Total distributions in Class 2 Shares Gross Accumulatio Distribution Period	0.3317 0.2761 0.3231 0.3052 0.3691 0.0769 0.2512 0.0913 0.1913 0.1273 0.1369 the period			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3231 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 <b>2.0200</b>	0.310 0.335 0.462 0.310 0.335 0.462 <b>1.108</b> Gros Revenu
Shoup 1 \$8703/09 to 07/04/09 \$8703/09 to 07/05/09 \$8705/09 to 07/05/09 \$8705/09 to 07/05/09 \$8707/09 to 07/05/09 \$8704/09 to 07/05/09 \$8704/09 to 07/05/09 \$8704/09 to 07/05/09 \$8704/09 to 07/05/09 \$8707/09 to 07/05/09 \$8707/09 to 07/05/09 \$8707/09 to 07/05/09 \$8707/09 to 07/05/09 \$8705/09 to 07/05/09 \$8705/09 to 07/05/09 \$8705/09 to 07/05/09 \$8705/09 to 07/05/09 \$8705/00 to 0	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1273 0.1369 the period n Gross			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3231 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue	0.310 0.335 0.462 0.310 0.335 0.462 1.108 Gros Revenu Accumulate
Group 1 38/03/09 to 07/05/09 38/04/09 to 07/05/09 38/06/09 to 07/05/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 Group 2 38/03/09 to 07/05/09 38/06/09 to 07/05/09 38/06/09 to 07/06/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/08/09 to 07/09/09 38/08/09 to 07/09/09 38/08/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1913 0.1273 0.1369 the period n Gross Revenue			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009	0.310 0.335 0.462 0.310 0.355 0.462 1.108 Gros Revenu Accumulate 200
Group 1 38/03/09 to 07/04/09 38/04/09 to 07/05/09 38/06/09 to 07/06/09 38/06/09 to 07/07/09 38/07/09 to 07/07/09 38/08/09 to 07/09/09 38/04/09 to 07/05/09 38/04/09 to 07/05/09 38/06/09 to 07/07/09 38/06/09 to 07/07/09 38/06/09 to 07/07/09 38/06/09 to 07/07/09 16/14 distributions in Class 2 Shares Gross Accumulatio Distribution Period Group 1 38/03/09 to 07/04/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1273 0.1369 the period n Gross			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465	0.310 0.335 0.462 0.316 0.355 0.462 <b>1.108</b> Gros Revenu Accumulate <b>200</b> 0.628
Shoup 1           38/03/09 to 07/05/09           38/04/09 to 07/05/09           38/04/09 to 07/05/09           38/06/09 to 07/05/09           38/07/09 to 07/08/09           38/08/09 to 07/07/09           38/08/09 to 07/05/09           38/08/09 to 07/05/09           38/08/09 to 07/05/09           38/08/09 to 07/05/09           38/08/09 to 07/06/09           38/08/09 to 07/09/09           38/08/09 to 07/09/09      <	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1913 0.1369 the period n Gross Revenue 0.7465			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009	0.310 0.335 0.462 0.310 0.355 0.462 <b>1.108</b> <b>Gros</b> <b>Revenu</b> <b>Accumulate</b> <b>200</b> 0.628 0.525
Broup 1           Broup 1           BRO3/09 to 07/05/09           BRO3/09 to 07/05/09           BRO5/09 to 07/07/09           BRO5/09 to 07/07/09           BRO3/09 to 07/07/09           BRO3/09 to 07/08/09           BRO3/09 to 07/08/09 </td <td>0.3317 0.2761 0.3231 0.3052 0.3651 0.3651 0.2512 0.0913 0.1369 the period n Gross Revenue 0.7465 0.5995</td> <td></td> <td></td> <td>0.3379 0.0805 0.1848 0.1318 0.1779 0.2322</td> <td>0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995</td> <td>0.310 0.325 0.462 0.335 0.462 1.108 Gros Revenu Accumulate 200 0.628 0.525 0.618</td>	0.3317 0.2761 0.3231 0.3052 0.3651 0.3651 0.2512 0.0913 0.1369 the period n Gross Revenue 0.7465 0.5995			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995	0.310 0.325 0.462 0.335 0.462 1.108 Gros Revenu Accumulate 200 0.628 0.525 0.618
Sroup 1 8703/09 to 07/04/09 18/03/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/07/09 to 07/05/09 18/04/09 to 07/05/09 18/04/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/06/09 18/08/09 to 07/06/09 18/08/09 to 07/06/09 18/08/09 to 07/09/09 total distributions in Class 2 Shares Sross Accumulatio Distribution Period Sroup 1 18/03/09 to 07/06/09 18/06/09 to 07/05/09	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1273 0.1369 the period n Gross Revenue 0.7465 0.5995			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.22761 0.3231 0.3052 0.3691 <b>2.0200</b> Gross Revenue Accumulated 2009 0.7465 0.5994	0.310 0.355 0.462 0.310 0.355 0.462 <b>1.108</b> <b>Gros</b> <b>Revenu</b> <b>Accumulation</b> <b>200</b> 0.628 0.525 0.618 0.595
Broup 1           Broup 1           BRO3/09 to 07/05/09           BRO3/09 to 07/05/09           BRO5/09 to 07/05/09           BRO5/09 to 07/06/09           BRO3/09 to 07/08/09           BRO3/09 to 07/08/09           BRO3/09 to 07/06/09           BRO3/09 to 07/06/09           BRO5/09 to 07/09/09           BRO5/09 to 07/06/09           BRO5/09 to 07/07/08	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1213 0.1369 the period n Gross Revenue 0.7465 0.5955 0.5074			0.3379 0.0805 0.1848 0.1318 0.1779 0.2322	0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995	0.310 0.355 0.462 0.310 0.355 0.462 1.108 Gros Revenu Accumulate 200 0.628 0.525 0.618 0.597 0.557
Sroup 1 8700/9 10 07/04/09 18/03/09 10 07/05/09 18/05/09 10 07/05/09 18/06/09 10 07/05/09 18/07/09 10 07/05/09 18/07/09 10 07/05/09 18/03/09 10 07/05/09 18/03/09 18/03/09 10 07/05/09 18/03/0	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.1913 0.1369 the period n Gross Revenue 0.7465 0.5995 0.5074 0.5965 0.5074			- - - - - - - - - - - - - - - - - - -	0.4148 0.3317 0.2761 0.362 0.3691 0.4148 0.3317 0.2761 0.3231 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995 0.5074 0.5965 0.5074	0.310 0.355 0.462 0.310 0.355 0.462 <b>1.108</b> <b>Gros</b> <b>Revenu</b> <b>Accumulation</b> 0.628 0.525 0.618 0.597 0.557 0.773
Sroup 1 8/03/09 to 07/04/09 8/03/09 to 07/05/09 8/03/09 to 07/05/09 8/03/09 to 07/07/09 8/03/09 to 07/08/09 8/03/09 to 07/08/09 8/03/09 to 07/06/09 8/03/09 to 07/06/09 8/03/09 to 07/08/09 8/03/09 to 07/09/09 8/03/09 to 07/09/09 8/03/09 to 07/09/09 8/03/09 to 07/09/09 8/03/09 to 07/04/09 8/03/09 to 07/04/09 8/03/09 to 07/04/09 8/03/09 to 07/04/09 8/03/09 to 07/04/09 8/03/09 to 07/04/09 8/03/09 to 07/08/09 8/03/09 to 07/08/09	0.3317 0.2761 0.2761 0.3052 0.3691 0.3691 0.2512 0.0913 0.1913 0.1273 0.1369 the period n Gross Revenue 0.7465 0.5995 0.5074 0.5680 0.6911 0.1609			- - - - - - - - - - - - - - - - - - -	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995 0.5074 0.5680 0.6911	0.310 0.355 0.462 0.355 0.462 1.108 Revenu Accumulate 200 0.628 0.525 0.618 0.597 0.557 0.773 0.658
Sroup 1 8700/9 to 07/04/09 18/03/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/07/09 18/07/09 to 07/08/09 18/08/09 to 07/08/09 18/03/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/08/09 18/06/09 to 07/08/09 18/08/09 to 07/09/09 18/08/09 to 07/09/09 18/08/09 to 07/04/09 18/08/09 to 07/04/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/09/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 18/06	0.3317 0.2761 0.2761 0.3691 0.3691 0.2512 0.0913 0.1913 0.1913 0.1369 the period n Cross Revenue 0.7465 0.5995 0.5074 0.5965 0.5685 0.5686 0.5686			- - - - - - - - - - - - - - - - - - -	0.4148 0.3317 0.2761 0.362 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 2009 0.7465 0.5995 0.5074 0.5965 0.5680 0.6891	0.310 0.355 0.462 0.310 0.355 0.462 <b>Revenu</b> Accumulate 200 0.628 0.618 0.557 0.773 0.628 0.557
Siroup 1 Siroup 1 8(70/40) to 07/04/09 8(70/40) to 07/05/09 8(70/40) to 07/05/09 8(70/40) to 07/05/09 8(70/40) to 07/05/09 Siroup 2 8(70/40) to 07/05/09 8(70/40) to 07	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.133 0.1273 0.1369 the period n Gross Revenue 0.7465 0.5995 0.5074 0.5965 0.5095 0.5094 0.5965 0.5991 0.5965 0.5991 0.25680 0.6911				0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 0.7465 0.5995 0.5074	0.310 0.335 0.462 0.310 0.355 0.462 <b>1.108</b> <b>Gros</b> <b>Revenu</b> <b>Accumulate</b> <b>200</b> 0.628 0.525 0.618 0.597 0.557 0.773 0.628 0.525 0.618
Sroup 1 8/03/09 to 07/04/09 8/03/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/07/09 8/07/09 to 07/08/09 8/07/09 to 07/08/09 8/03/09 to 07/05/09 8/03/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09 8/05/09 to 07/04/09 8/05/09 to 07/05/09 8/05/09 to 07/05/09	0.3317 0.2761 0.2761 0.3631 0.3652 0.3651 0.3651 0.3691 0.1273 0.1339 the period n Gross Revenue 0.7465 0.5995 0.5074 0.5995 0.5074 0.5995 0.5074 0.5680 0.6911 0.1609 0.1109 0.2380 0.3448			- - - - - - - - - - - - - - - - - - -	0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3052 0.3691 <b>2.0200</b> Gross Revenue Accumulated 2009 0.7465 0.5995 0.5074 0.5865 0.5680 0.6911	0.310 0.335 0.462 0.335 0.462 <b>1.108</b> <b>Revenu</b> <b>Accumulate</b> <b>200</b> 0.628 0.525 0.618 0.525 0.618
King 1     King 2	0.3317 0.2761 0.3231 0.3052 0.3691 0.2512 0.0913 0.133 0.1273 0.1369 the period n Gross Revenue 0.7465 0.5995 0.5074 0.5965 0.5095 0.5094 0.5965 0.5991 0.5965 0.5991 0.25680 0.6911				0.4148 0.3317 0.2761 0.3052 0.3691 0.4148 0.3317 0.2761 0.3231 0.3231 0.3052 0.3691 2.0200 Gross Revenue Accumulated 0.7465 0.5995 0.5074	0.310 0.355 0.462 0.310 0.355 0.462 1.108 Gros Revenu Accumulate 200

Group 2: shares purchased during a distribution period

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6.

The impact of adoption of the new SORP has had the following impact on the accounts:

### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pm 120,\!000$  (2008:  $\pm 325,\!000$  increase in net capital gains).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds 8,000$ (2008: £9,000) and to reduce net capital gains by the same amounts.

# **Strategic Bond Fund**

## **Investment Report**

**Investment Objective** To achieve total return principally by way of income. Income will be paid monthly

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of primarily UK and European fixed interest securities. The portfolio will include investment grade as well as below investment grade fixed interest securities. From time to time, it may also invest in securities issued by sovereign and Supranational borrowers.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including non UK and European fixed interest securities and money market securities). For liquidity purposes it may further invest in cash and near cash.

Where securities are non-Sterling denominated it is intended that they will typically be hedged back into Sterling.

#### Note:

The strategic investment approach means that the ACD provides strategic overlay to the Fund's investments switching between high yield, corporate debt and Government debt as it feels appropriate.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Strategic Bond Fund has risen from 36.87p to 44.54p

The total return on the Fund for the six months ending 31st August 2009, including net ending 31st August 2009, including net reinvested income, is +22.71%, which equates approximately to +24.54% gross of tax and charges. This compares against a return of +25.16% for a composite index of 60% IBOXX £ Non Gilts Index and 40% Merrill Lynch European Currency High Yield Index ex CCC 3% constrained (100% hedged to £).

#### **Portfolio Activity**

Both investment grade and high yield corporate bonds enjoyed exceedingly strong returns over the six-month review period, outperforming government debt. A sharp compression in yield spreads and an increase in market liquidity were the chief factors behind this performance.

In general, corporate bonds benefited from a steady improvement in investor sentiment about the prospects for a recovery. Later in the period, they received a lift from better-than-expected second quarter earnings, though the source of this came largely from cost cutting rather than higher revenues. Growing signs that the global

economy might be coming out of recession provided a further boost to corporate bonds.

The investment grade portion of the fund produced a very strong return over the review period. This part of the portfolio is invested in a diverse range of corporate bonds. We remained underweight in lower yielding, higher credit quality areas, such as sovereign and supranational bonds, and overweight in telecoms, utilities, banks, energy and basic materials

The high yield part of the fund also enjoyed a robust gain in absolute terms, although its relative performance was restrained by the focus on higher quality and more defensive issues of companies likely to outperform in the longer term. An underweight position in the banking sector was an area that detracted from performance, especially earlier in the period Over most of the interval, poorer guality securities led the market gains, as signs that companies previously seen as likely to default would indeed probably survive drove strong investor demand for their very cheap issues.

Despite the strong gains in both investment grade and high yield bonds over the reporting period, there appears to be room for further gains. Yield spreads still price in levels of corporate defaults much higher than is likely to take place and makes credit attractive relative to gilts.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	71,750	(7,405)
Revenue	14,191	16,251
Expenses	(2,154)	(2,557)
Finance costs: Interest	(19)	(226)
Net revenue/(expenses) before taxation	12,018	13,468
Taxation	_	-
Net revenue/(expenses) after taxation	12,018	13,468
Total return before distributions	83,768	6,063
Finance costs: Distributions	(13,918)	(15,735)
Change in net assets attributable to shareholders from investment activities	69,850	(9,672)
*Restated – see note 1 page 26.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	328,235	423,902
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	8,593	30,069
Amounts payable on cancellation of shares	(20,083)	(27,546)
	(11,490)	2,523
Dilution adjustment	-	130
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	69,850	(9,672)
Retained distribution on accumulation shares	4,922	5,504
Unclaimed distributions	5	
Closing net assets attributable to shareholders	391,522	422,387

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th Sentember 2009

as at 7th September 2009		March
	2009	2009
Assets	£000	£000
Investment assets	383,007	316,649
Debtors	14,755	15,411
Cash and bank balances	4,242	3,263
Total other assets	18,997	18,674
Total assets	402,004	335,323
Liabilities		
Derivative liabilities	(1,994)	(263)
Creditors	(3,860)	(5,546)
Bank overdrafts	(3,384)	-
Distribution payable on income shares	(1,244)	(1,279)
Total other liabilities	(8,488)	(6,825)
Total liabilities	(10,482)	(7,088)
Net assets attributable to shareholders	391,522	328,235

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution	Gross	Income	Net		Distribution	Distribution
Period	Revenue	Tax	Revenue	Equalisation	Paid/Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/04/09	0.2949	0.0590	0.2359	-	0.2359	0.2201
08/04/09 to 07/05/09	0.2514	0.0503	0.2011	-	0.2011	0.2109
08/05/09 to 07/06/09	0.2178	0.0436	0.0850	-	0.1742	0.2086
08/06/09 to 07/07/09	0.2634	0.0527	0.2107	-	0.2107	0.2233
08/07/09 to 07/08/09	0.2564	0.0513	0.2051	-	0.2051	0.2067
08/08/09 to 07/09/09	0.2598	0.0520	0.2078	-	0.2078	0.2509
Group 2						
08/03/09 to 07/04/09	0.0441	0.0088	0.0353	0.2006	0.2359	0.2201
08/04/09 to 07/05/09	0.0570	0.0114	0.0456	0.1555	0.2011	0.2109
08/05/09 to 07/06/09	0.1063	0.0213	0.0850	0.0892	0.1742	0.2086
08/06/09 to 07/07/09	0.1025	0.0205	0.0820	0.1287	0.2107	0.2233
08/07/09 to 07/08/09	0.0888	0.0178	0.0710	0.1341	0.2051	0.2067
08/08/09 to 07/09/09	0.1621	0.0324	0.1297	0.0781	0.2078	0.2509
Total distributions in th	e period				1.2348	1.3205

# **Strategic Bond Fund**

### **DISTRIBUTION TABLE**

(continued)

	~	lan e e			Distanti di	Distanti di
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable	Paio
Group 1					2009	200
08/03/09 to 07/04/09	0.3105	0.0621	0.2484	-	0.2484	0.2318
08/04/09 to 07/05/09		0.0531	0.2122	-	0.2122	0.2222
08/05/09 to 07/06/09	0.2306	0.0461	0.1845	-	0.1845	0.2199
08/06/09 to 07/07/09	0.2788		0.2230	-	0.2230	0.2353
08/07/09 to 07/08/09	0.2716		0.2173	-	0.2173	0.218
08/08/09 to 07/09/09	0.2755	0.0551	0.2204	-	0.2204	0.2637
Group 2 08/03/09 to 07/04/09	0.1089	0.0218	0.0871	0.1613	0.2484	0.2318
08/04/09 to 07/05/09	0.1075	0.0215	0.0860	0.1262	0.2122	0.2222
08/05/09 to 07/06/09		0.0236	0.0942	0.0903	0.1845	0.219
08/06/09 to 07/07/09		0.0333	0.1330	0.0900	0.2230	0.2353
08/07/09 to 07/08/09		0.0254	0.1017	0.1156	0.2173	0.218
08/08/09 to 07/09/09 Fotal distributions in		0.0194	0.0776	0.1428	0.2204 1.3058	0.2637 1.3910
Class 1 Shares	the period				1.3056	1.5510
Gross Income						
Distribution	Gross				Distribution	Distribution
Period	Revenue			Equalisation	Paid/Payable	Paio
					2009	200
Group 1 08/03/09 to 07/04/09	0.2954			_	0.2954	0.278
08/04/09 to 07/05/09	0.2520			-	0.2520	0.263
08/05/09 to 07/06/09	0.2180			-	0.2180	0.260
08/06/09 to 07/07/09	0.2634			-	0.2634	0.278
08/07/09 to 07/08/09	0.2560			-	0.2560	0.257
08/08/09 to 07/09/09	0.2591			-	0.2591	0.312
Group 2 08/03/09 to 07/04/09	0.1641			0.1313	0.2954	0.278
08/03/09 to 07/04/09	0.1641			0.1313	0.2954	0.278
08/05/09 to 07/06/09	0.0843			0.1431	0.2520	0.2636
08/06/09 to 07/07/09	0.1952			0.0682	0.2634	0.2787
08/07/09 to 07/08/09	0.0490			0.2070	0.2560	0.257
08/08/09 to 07/09/09	0.2081			0.0510	0.2591	0.312
Total distributions in	the period				1.5439	1.651
Class 2 Shares						
Gross Income Distribution	Gross				Distribution	Distribution
Period	Revenue			Equalisation		Paio
				Equalisation		
				Equalisation	2009	2008
Group 1	0 2200			Equalisation	2009	
08/03/09 to 07/04/09	0.3280			-	<b>2009</b> 0.3280	
08/03/09 to 07/04/09 08/04/09 to 07/05/09	0.2804				<b>2009</b> 0.3280 0.2804	
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/06/09	0.2804 0.2434			- - -	2009 0.3280 0.2804 0.2434	200
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/06/09 08/06/09 to 07/07/09	0.2804			- - - -	<b>2009</b> 0.3280 0.2804	<b>200</b>
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/05/09 08/05/09 to 07/06/09 08/06/09 to 07/07/09 08/07/09 to 07/08/09	0.2804 0.2434 0.2938			- - - - - -	0.3280 0.2804 0.2434 0.2938	200 0.257 0.286
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/05/09 08/05/09 to 07/06/09 08/06/09 to 07/07/09 08/07/09 to 07/08/09 08/08/09 to 07/09/09 Group 2	0.2804 0.2434 0.2938 0.2660 0.2898			- - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898	200 0.257 0.286
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/06/09 08/06/09 to 07/06/09 08/06/09 to 07/08/09 08/08/09 to 07/09/09 08/08/09 to 07/09/09 08/08/09 to 07/04/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280			- - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.3280	200 0.257 0.286
Group 1           18/03/09 to 07/04/09           18/04/09 to 07/05/09           18/04/09 to 07/06/09           18/05/09 to 07/06/09           18/06/09 to 07/06/09           18/06/09 to 07/08/09           18/06/09 to 07/08/09           18/08/09 to 07/08/09           18/08/09 to 07/08/09           18/08/09 to 07/04/09           18/08/09 to 07/06/09           18/08/09 to 07/06/09           18/08/09 to 07/06/09           18/08/09 to 07/06/09           18/05/09 to 07/06/09	0.2804 0.2434 0.2938 0.2660 0.2898				2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898	200 0.257 0.286
38/03/09 to 07/04/09 38/04/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/07/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 <b>Group 2</b> 38/03/09 to 07/04/09 38/04/09 to 07/05/09 38/05/09 to 07/05/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.3280 0.2804				2009 0.3280 0.2434 0.2434 0.2938 0.2660 0.2898 0.3280 0.3280 0.2804	200 0.257 0.286 0.345
18/05/09 to 07/04/09 18/04/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/07/09 18/07/09 to 07/08/09 18/08/09 to 07/09/09 18/03/09 to 07/04/09 18/03/09 to 07/05/09 18/05/09 to 07/05/09 18/06/09 to 07/07/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.3280 0.2804 0.0748				2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.2898 0.3280 0.32804 0.2434	0.257 0.286 0.345 0.257
38/05/09         to         07/04/09           38/04/09         to         07/05/09           38/05/03         to         07/06/09           38/05/03         to         07/06/09           38/06/03         to         07/07/09           38/06/03         to         07/06/09           38/06/03         to         07/06/09           38/06/03         to         07/06/09           38/06/03         to         07/06/09           38/04/03         to         07/05/09           38/04/03         to         07/05/09           38/04/03         to         07/05/09           38/04/03         to         07/07/09           38/04/03         to         07/07/09           38/04/03         to         07/07/09           38/06/03         to         07/07/09           38/07/03         to         07/08/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.32804 0.2804 0.0748 0.2938			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2938 0.2660 0.2898 0.3280 0.3280 0.2804 0.2804 0.22434 0.2938	0.257 0.286 0.345 0.257 0.286
38/05/09 to 07/04/09           38/04/09 to 07/05/09           38/04/09 to 07/05/09           38/05/09 to 07/05/09           38/05/09 to 07/06/09           38/07/09 to 07/08/09           38/03/09 to 07/08/09           38/03/09 to 07/06/09           38/03/09 to 07/06/09           38/03/09 to 07/06/09           38/03/09 to 07/06/09           38/05/09 to 07/06/09           38/05/09 to 07/06/09           38/05/09 to 07/06/09           38/05/09 to 07/06/09           38/06/09 to 07/08/09           38/06/09 to 07/08/09           38/06/09 to 07/08/09           38/08/09 to 07/08/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.0748 0.2938 0.0360 0.2898			- - - - - - - - - - - - - - - - - - -	2009 0.2204 0.2434 0.2434 0.2438 0.2660 0.2898 0.2804 0.2804 0.2434 0.2434 0.2438 0.2860	0.2577 0.2863 0.3455 0.2577 0.2866 0.3455
38/05/09 to 07/04/09 38/05/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/07/09 38/07/09 to 07/08/09 38/03/09 to 07/09/09 38/03/09 to 07/04/09 38/03/09 to 07/05/09 38/06/09 to 07/05/09 38/06/09 to 07/05/09 38/06/09 to 07/05/09 38/06/09 to 07/09/09 38/06/09 to 07/09/09 10 to 17/09/09 to 07/09/09 10 total distributions in Class 2 Shares	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.0748 0.2938 0.0360 0.2898			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.2804 0.2804 0.2434 0.2434 0.2434 0.2434 0.2438 0.2860 0.2898	0.2577 0.2863 0.3455 0.2577 0.2866 0.3455
08/03/09 to 07/04/09 08/04/09 to 07/05/09 08/05/09 to 07/05/09 08/05/09 to 07/06/09 08/06/09 to 07/08/09 08/08/09 to 07/09/09 Group 2 08/03/09 to 07/04/09 08/04/09 to 07/05/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.0748 0.2938 0.0360 0.2898			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.2804 0.2804 0.2434 0.2434 0.2434 0.2434 0.2438 0.2860 0.2898	
38/05/09 to 07/04/09           08/04/09 to 07/05/09           08/04/09 to 07/05/09           08/04/09 to 07/05/09           08/05/09 to 07/06/09           08/06/09 to 07/09/09           08/06/09 to 07/09/09           08/06/09 to 07/09/09           08/06/09 to 07/04/09           08/06/09 to 07/04/09           08/06/09 to 07/05/09           08/06/09 to 07/05/09           08/06/09 to 07/06/09           08/06/09 to 07/08/09           08/06/09 to 07/09/09           08/08/09 to 07/09/09           06tal distributions in           Class 2 Shares           Gross Accumulation           Distribution	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.0748 0.2938 0.0360 0.2898 the period			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2434 0.2898 0.2898 0.2804 0.2804 0.2384 0.2434 0.2434 0.2434 0.2438 0.2860 0.2898 <b>1.7014</b> Gross Revenue	2001 0.2577 0.286 0.3453 0.2577 0.2863 0.3455 0.8893 Gross Revenue
38/05/09         to         07/04/09           38/04/09         to         07/05/09           38/04/09         to         07/05/09           38/05/09         to         07/06/09           38/05/09         to         07/07/09           38/06/09         to         07/08/09           38/06/09         to         07/08/09           38/06/09         to         07/06/09           38/03/09         to         07/06/09           38/03/09         to         07/06/09           38/04/09         to         07/05/09           38/06/08         to         07/09/09           38/06/09         to         07/09/09           38/06/09         to         07/09/09           38/06/09         to         07/09/09           38/08/09         to         07/09/09           38/08/09         to         07/09/09           Stotal distributions in         Class 2 Shares           Gross Accumulation         Distribution	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.0748 0.0748 0.2938 0.0360 0.2898 the period			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.2434 0.2434 0.2434 0.2434 0.2434 0.2860 0.2898 <b>1.7014</b> Gross Revenue Accumulated	2001 0.2577 0.2863 0.3453 0.2577 0.2863 0.3453 0.8899 Gross Revenu Accumulated
18/05/09 to 07/04/09 18/04/09 to 07/05/09 18/06/09 to 07/06/09 18/06/09 to 07/07/09 18/07/09 to 07/08/09 18/03/09 to 07/08/09 18/03/09 to 07/04/09 18/03/09 to 07/04/09 18/05/09 to 07/06/09 18/06/09 to 07/06/09 18/06/09 to 07/08/09 18/06/09 to 07/08/09 18/06/09 to 07/08/09 18/06/09 to 07/08/09 18/06/09 to 07/08/09 18/08/09 to 07/08/09 18/0	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.0748 0.2938 0.0360 0.2898 the period			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.2434 0.2434 0.2434 0.2434 0.2434 0.2860 0.2898 <b>1.7014</b> Gross Revenue Accumulated	200: 0.257 0.286: 0.345: 0.286: 0.345: 0.286: 0.345: 0.889: Gros Revenu Accumulate
38/05/09 to 07/04/09 38/04/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/06/09 38/05/09 to 07/05/09 38/07/09 to 07/08/09 38/03/09 to 07/04/09 38/03/09 to 07/05/09 38/05/09 to 07/06/09 38/05/09 to 07/06/09 38/05/09 to 07/08/09 38/05/09 to 07/08/09 38/05/09 to 07/08/09 38/06/09 to 07/08/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 38/05/09 to 07/08/09 38/05/09 to 07/04/09 38/05/09 to 07/04/09	0.2804 0.2434 0.2338 0.2660 0.2898 0.3280 0.2804 0.2804 0.2808 0.2808 0.2808 0.2808 0.2808 0.2808 0.2808 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2408 0.2804 0.2408 0.2808 0.2660 0.2898 0.2808 0.2660 0.2898 0.2660 0.2898 0.2808 0.2808 0.2808 0.2660 0.2898 0.2660 0.2898 0.2804 0.2808 0.2808 0.2808 0.2804 0.2808 0.2808 0.2808 0.2804 0.2808 0.2804 0.2808 0.2804 0.			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.2804 0.2800 0.2898 1.7014 Gross Revenue Accumulated 2009	2001 0.2577 0.2865 0.3453 0.2577 0.2865 0.3453 0.8899 Revenue Accumulateu Accumulateu 2001 0.3788
38/03/09 to 07/04/09 38/04/09 to 07/05/09 38/04/09 to 07/05/09 38/05/09 to 07/07/09 38/05/09 to 07/04/09 38/03/09 to 07/04/09 38/03/09 to 07/06/09 38/03/09 to 07/06/09 38/05/09 to 07/06/09 38/06/09 to 07/06/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/06/09 to 07/08/09 38/08/09 to 07/08/09 Total distributions in Class 2 Shares Gross Accumulation Distribution Period Group 1 38/04/09 to 07/04/09 38/04/09 to 07/05/09	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2808 0.2808 0.2808 0.2808 0.2808 0.2808 0.2808 0.2808 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2804 0.2808 00			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2434 0.2434 0.2938 0.2800 0.2898 1.7014 Gross Revenue Accumulated 2009 0.4420 0.3812	2001 0.2577 0.2863 0.3453 0.2577 0.2863 0.3453 0.3453 0.3453 0.3455 0.8893 Revenue Accumulated 2000 0.3786 0.3786
82/05/09 to 07/04/09 82/04/09 to 07/05/09 82/05/09 to 07/05/09 82/05/09 to 07/07/09 82/06/09 to 07/07/09 82/08/09 to 07/09/09 82/08/09 to 07/04/09 82/05/09 to 07/04/09 82/05/09 to 07/05/09 82/05/09 to 07/05/09 82/05/09 to 07/05/09 82/05/09 to 07/08/09 82/05/09 to 07/09/09 fotal distributions in Class 2 Shares Gross Accumulation Distribution Period Sroup 1 82/05/09 to 07/06/09 82/05/09 to 07/05/09 82/05/09 to 07/05/09 82/05	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.0748 0.0360 0.2808 the period Gross Revenue 0.4420 0.3812 0.329			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.2804 0.2804 0.2804 0.2804 0.2804 0.2860 0.2898 <b>1.7014</b> Gross Revenue Accumulated 2009 0.4420 0.3812 0.3329	2001 0.2577 0.286 0.3453 0.2577 0.286 0.3453 0.8899 Gross Revenue Accumulated 2001 0.3784 0.366
18/05/09 to 07/04/09 18/04/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/07/09 18/07/09 to 07/08/09 18/08/09 to 07/08/09 18/03/09 to 07/04/09 18/03/09 to 07/06/09 18/03/09 to 07/06/09 18/06/09 to 07/06/09 18/06/09 to 07/08/09 18/08/09 to 07/08/09 18/08/09 to 07/08/09 18/08/09 to 07/08/09 18/08/09 to 07/08/09 18/08/09 to 07/04/09 18/03/09 to 07/04/09 18/03/09 to 07/04/09 18/04/09 to 07/05/09 18/06/09 to 07/06/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 18	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2804 0.2898 the period Gross Revenue 0.4420 0.3812 0.3329			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2660 0.2898 0.2860 0.2898 0.2804 0.2844 0.2434 0.2848 0.2860 0.2898 1.7014 Gross Revenue Accumulated 2009 0.4420 0.3812 0.329 0.4043	2001 0.2577 0.286 0.3453 0.2577 0.286 0.3453 0.8899 Gross Revenu Accumulates Accumulates 0.3784 0.366 0.364 0.364
38/03/09 to 07/04/09 38/04/09 to 07/05/09 38/04/09 to 07/05/09 38/05/09 to 07/05/09 38/05/09 to 07/04/09 38/03/09 to 07/04/09 38/03/09 to 07/06/09 38/03/09 to 07/06/09 38/05/09 to 07/06/09 38/06/09 to 07/06/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 38/08/09 to 07/08/09 38/08/09 to 07/09 10 10 10 10 10 10 10 10 10 10	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.2898 0.0360 0.2898 the period Gross Revenue 0.4420 0.3812 0.3329 0.4443 0.3329			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2434 0.2898 0.2809 0.2809 0.2804 0.2380 0.2804 0.2388 0.2438 0.2438 0.2860 0.2898 <b>1.7014</b> Cross Revenue Accumulated 2009 0.4812 0.3329 0.4043 0.3960	200: 0.257 0.286 0.3453 0.286 0.3453 0.286 0.3453 0.8893 Gros Revenu Accumulate 200: 0.378 0.364 0.364 0.364
38/05/09         to         07/04/09           38/04/09         to         07/05/09           38/04/09         to         07/05/09           38/05/08         to         07/06/09           38/05/08         to         07/07/09           38/06/09         to         07/08/09           38/06/08         to         07/08/09           38/03/08         to         07/08/09           38/03/08         to         07/06/09           38/03/08         to         07/06/09           38/06/08         to         07/06/09           38/06/08         to         07/08/09           38/06/08         to         07/09/09           38/06/08         to         07/09/09           38/06/08         to         07/09/09           38/06/08         to         07/08/09           38/08/09         to         07/08/09           38/08/09         to         07/04/09           38/04/09         to         07/06/09           38/04/09         to         07/05/09           38/06/08         to         07/06/09           38/06/08         to         07/06/09           38/06/08	0.2804 0.2434 0.2938 0.2660 0.2898 0.3280 0.2804 0.02804 0.02804 0.2898 the period Gross Revenue 0.4420 0.3812 0.3329 0.4420			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2660 0.2898 0.2860 0.2898 0.2804 0.2844 0.2434 0.2848 0.2860 0.2898 1.7014 Gross Revenue Accumulated 2009 0.4420 0.3812 0.329 0.4043	200: 0.257 0.286 0.3453 0.286 0.3453 0.286 0.3453 0.8893 Gros Revenu Accumulate 200: 0.378 0.364 0.364 0.364
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82/05/09 to 07/04/09 88/04/09 to 07/05/09 88/04/09 to 07/05/09 88/05/09 to 07/06/09 88/05/09 to 07/07/09 88/07/09 to 07/08/09 88/03/09 to 07/04/09 88/03/09 to 07/04/09 88/05/09 to 07/05/09 88/05/09 to 07/05/09 88/05/09 to 07/05/09 88/05/09 to 07/05/09 88/05/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/05/09 18/05/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/06/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/05/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/05/09 to 07/04/09 18/04/09 to 07/05/09 18/04/09 to 07/05/09 18/04/09 18/0	0.2804 0.2434 0.2338 0.2660 0.2898 0.3280 0.2804 0.0748 0.0360 0.2804 0.02804 0.02804 0.2898 the period 0.2898 the period 0.4420 0.3812 0.3329 0.4043 0.3600 0.4036			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2938 0.2660 0.2898 0.2804 0.2804 0.2804 0.2804 0.2800 0.2898 1.7014 Gross Revenue Accumulated 2009 0.4420 0.3812 0.4420 0.4420 0.4420 0.4420	200: 0.257 0.286: 0.345: 0.286: 0.345: 0.286: 0.345: 0.286: 0.345: 0.889: Accumulate Accumulate Accumulate 0.378: 0.364: 0.346: 0.364: 0.346: 0.378: 0.378: 0.378: 0.378:
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82/05/09 to 07/04/09 82/04/09 to 07/05/09 82/04/09 to 07/05/09 82/05/09 to 07/05/09 82/05/09 to 07/07/09 82/07/09 to 07/08/09 82/03/09 to 07/04/09 82/03/09 to 07/06/09 82/05/09 to 07/06/09 82/05/09 to 07/06/09 82/05/09 to 07/06/09 82/06/09 to 07/06/09 82/06/09 to 07/06/09 82/06/09 to 07/08/09 1000000 100000000000000000000000000	0.2804 0.2434 0.2438 0.2660 0.2898 0.32800 0.2804 0.2804 0.2804 0.2988 the period 0.2898 the period 0.4920 0.3812 0.3329 0.40420 0.3812 0.3329 0.40420 0.3812 0.3329 0.40420 0.3812 0.3329 0.40420 0.3812 0.3329 0.40420 0.3812 0.40420 0.3812 0.40420000000000			- - - - - - - - - - - - - - - - - - -	2009 0.3280 0.2804 0.2434 0.2434 0.2898 0.2806 0.2898 0.2804 0.2434 0.2434 0.2938 0.2808 0.2898 0.2898 0.2898 0.2898 0.2898 0.2898 0.2898 1.7014 Constructed 2009 0.4420 0.3812 0.3329	2001 0.2577 0.2863 0.3453 0.2863 0.3453 0.8893 Accumulater Accumulater Accumulater Accumulater 0.3784 0.3664 0.3644 0.3464

Group 2: shares purchased during a distribution period

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £44,000 (2008: £23,000 reduction in net capital losses).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £9,000 (2008: £10,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **Sterling Bond Fund**

## **Investment Report**

Investment Objective To achieve total return primarily by way of income with some capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in UK Government Securities denominated in Sterling and Sterling denominated securities issued by Governments, Government Agencies and Supranational Borrowers.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including other fixed interest securities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the

Threadneedle Sterling Bond Fund has fallen from 48.34p to 47.46p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +2.99% as compared to a median return of +3.12% over the same period. The Fund return equates approximately to +4.02% gross of tax and charges. (For information the FTSE All Stocks Index gave a total return of +4.05% for the same period.)

#### **Portfolio Activity**

The start of the period under review came almost immediately after the announcement of quantitative easing by the Bank of England. This was an event which forced gilt yields down dramatically, both in terms of speed and magnitude.

Subsequently, the market struggled to maintain such low yields - those on ten year maturity bonds had fallen from 3.65% to just 3% in a few days. The threat of

substantial amounts of new gilts being sold by the government to fund its budget deficit, and later in the period the expectation of the end of quantitative easing, put considerable upward pressure on yields. Investors became more positive on other asset classes such as corporate bonds, which left them net sellers of gilts.

In August, the market was surprised when the Bank of England extended quantitative easing which again involves the Bank buying meaningful quantities of gilts.

As a result of the impact of quantitative easing, in total return terms the fund lost a lot of ground in the early part of the period but recovered to its early March valuation following the market's strength in August.

The fund reduced its exposure to longdated gilts in late August, as the speed and scale of the market's performance left gilts looking vulnerable to a correction.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	(6,717)	877
Revenue	6,254	8,316
Expenses	(2,007)	(2,207)
Finance costs: Interest	(3)	(58)
Net revenue/(expenses) before taxation	4,244	6,051
Taxation	_	-
Net revenue/(expenses) after taxation	4,244	6,051
Total return before distributions	(2,473)	6,928
Finance costs: Distributions	(5,892)	(7,872)
Change in net assets attributable to		
shareholders from investment activities	(8,365)	(944)
*Restated – see note 1 page 28.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	379,508	419,454
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	6,917	10,893
Amounts payable on cancellation of shares	(111,969)	(76,894)
	(105,052)	(66,001)
Dilution adjustment	41	19
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	(8,365)	(944)
Retained distribution on accumulation shares	577	764
Closing net assets attributable to shareholders	266,709	353,292

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009

		March
	2009	2009
Assets	£000	£000
Investment assets	260,492	383,293
Debtors	955	53,376
Cash and bank balances	10,676	6,397
Total other assets	11,631	59,773
Total assets	272,123	443,066
Liabilities		
Derivative liabilities		(428)
Creditors	(2,070)	(57,605)
Distribution payable on income shares	(3,344)	(5,525)
Total other liabilities	(5,414)	(63,130)
Total liabilities	(5,414)	(63,558)
Net assets attributable to shareholders	266,709	379,508

### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution	Gross	Тах	Net		Distribution	Distribution
Period	Revenue	Credit	Revenue	Equalisation	Payable	Paid
					2009	2008
Group 1	0.0004	0 1 0 7 0	0.0001		0.0001	0 7701
08/03/09 to 07/09/09	0.8364	0.1673	0.6691	-	0.6691	0.7761
Group 2						
08/03/09 to 07/09/09	0.5895	0.1179	0.4716	0.1975	0.6691	0.7761
Total distributions in the	e period				0.6691	0.7761
Class 1 Shares						
Gross Accumulation						
					Gross	Gross
Distribution	Gross				Revenue	Revenue
Period	Revenue					
	Revenue			Equalisation	Accumulated	Accumulated
	Revenue			Equalisation	Accumulated 2009	Accumulated 2008
Group 1	Revenue			Equalisation		
Group 1 08/03/09 to 07/09/09	1.5073			Equalisation		
				Equalisation _	2009	2008
08/03/09 to 07/09/09				Equalisation - 0.7455	2009	2008
08/03/09 to 07/09/09 Group 2	1.5073			-	<b>2009</b> 1.5073	<b>2008</b> 1.6791

# **Sterling Bond Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by £48,000 (2008: £66,000 reduction in net capital gains).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £3,000) and to increase net capital losses in 2009 and reduce net capital gains in 2008 by the same amounts.

# **UK Money Securities Fund**

#### **Investment Report Investment Objective**

To achieve a high level of security together with a competitive wholesale money market rate of return

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK money market securities and overseas money market securities hedged into Sterling.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Money Securities Fund has fallen from 36.08p to 34.17p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -3.28% as compared to a median return of +0.26% over the same period.

#### **Portfolio Activity**

UK base rates were cut to a historic low of 0.5% at the beginning of March as UK economic

STATEMENT OF TOTAL RETURN

fundamentals continued to weaken. The Bank of England's response was to announce a range of additional measures aimed at increasing bank lending and consumer credit. These included purchasing UK gilts via the asset purchase facility as well as investment grade corporate bonds.

The result has been a gradual easing of conditions in the money markets as 1 month Libor fell from 1.395% at the start of March to 0.53% at the beginning of September.

During the period, we have seen conflicting data within the UK. By May, we had the first signs that UK house prices were stabilising and possibly on the increase. However, unemployment has continued to rise and in the absence of renewed signs of inflation, official base rates will remain low for the foreseeable future and the policy of quantitative easing is likely to continue.

Over the review period, we have seen a continued trend of redemptions from the fund. We have therefore taken steps to increase the liquidity of the fund by actively reducing the exposure to asset-backed floating rate notes. By the end of August, the fund's exposure to

these instruments was down to less than 1%.

The fund maintained a high weighting in overnight deposits and also in bank issued certificates of deposits with maturities of less than 91 days.

During the review period, the fund was being operated with a fair value pricing adjustment which was included in the dealing price of the fund. This adjustment could fluctuate daily and was being applied to reflect the less liquid nature of the asset-backed and mortgagebacked securities under the current market conditions. The amount and circumstances in which we applied the fair value pricing adjustment was kept under continuous review. However, in September we disposed of the final holdings of these securities, at which point the fair value pricing adjustment was removed.

On 11th September 2009 the shareholders of the fund voted in favour of a resolution for fund closure, and accordingly the fund will be closed on 14th December 2009. Any investors remaining in the fund at the closure date will receive a cheque for the proceeds of their investment.

#### **BALANCE SHEET**

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	98,200	123,387
Debtors	15,112	384
Cash and bank balances	27,259	56,595
Total other assets	42,371	56,979
Total assets	140,571	180,366
Liabilities		
Creditors	(15,275)	(10,288)
Distribution payable on income shares	(357)	(3,724)
Total liabilities	(15,632)	(14,012)
Net assets attributable to shareholders	124,939	166,354

#### DISTRIBUTION TABLE

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	0.1045	0.0209	0.0836	-	0.0836	0.9984
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.0438 ne period	0.0088	0.0350	0.0486	0.0836 <b>0.0836</b>	0.9984 <b>0.9984</b>
Class 1 Shares						
Gross Income						
Distribution Period	Gross Revenue			Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	0.1386			-	0.1386	1.6598
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.0521 ne period			0.0865	0.1386 <b>0.1386</b>	1.6598 <b>1.6598</b>

2009 2008 £000 £000 Ор Mc Δn 3) Ar 6) Dil Ch sh (se 9) Re 8 Co Clo

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

2009 2008\* £000 £000 Income Net capital gains/(losses) (11, 152)(8,288) Revenue 904 12.365 Expenses (457) (1,256) Finance costs: Interest (2) (137 Net revenue/(expenses) before taxation 445 10,972 Taxation Net revenue/(expenses) after taxation 445 10,972 Total return before distributions (10,707)2,684 Finance costs: Distributions (445)(10,973) Change in net assets attributable to shareholders from investment activities (8,289) (11, 152)

for the accounting period 8th March 2009 to 7th September 2009

\*Restated – see note 1 page 30.

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

pening net assets attributable to shareholders	166,354	444,489
ovement due to sales and repurchases of shares nounts receivable on issue of shares nounts payable on cancellation of shares	s: 5,371 (36,186)	21,307 (111,623
····· / ··· / ···· · · · · · · · · · ·	(30,815)	(90,316
lution adjustment	534	-
nange in net assets attributable to areholders from investment activities		
ee statement of total return above)	(11,152)	(8,289
etained distribution on accumulation shares	18	388
ompensation	-	1
osing net assets attributable to shareholders	124,939	346,273

# **UK Money Securities Fund**

### **DISTRIBUTION TABLE**

(continued)

30

### Class 1 Shares

Gross Accumulation			0	0
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	0.1785	-	0.1785	2.0266
Group 2 08/03/09 to 07/09/09 Total distributions in	0.0938 the period	0.0847	0.1785 <b>0.1785</b>	2.0266 <b>2.0266</b>
Group 2: shares pure	chased during a d	istribution period		

### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses). The effect of this change has been to reduce expenses by £6,000 (2008: £7,000) and to increase net capital losses by the same amounts.

# UK Cash Fund\*\*

### **Investment Report**

**Investment Objective** To achieve a high level of capital security and provide income.

### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund in Sterling denominated cash deposits and certificates of deposit. If the ACD considers it desirable it may also invest up to 50% of the total assets of the Fund in commercial paper. The investment policy shall be subject to the following credit rating restrictions:

 i) Bank deposits shall be held with and certificates of deposit shall be issued by a deposit taking institution with a minimum long term credit rating of either (a) Standard & Poor's: AA-, or (b) Moody's AA3;  ii) Commercial paper issued by institutions with a minimum short term credit rating either (a) Standard & Poor's: A1, or (b) Moody's P1, and with a maximum term to maturity of 184 days.

There will be no initial offer period.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Cash Fund has fallen from 98.75p to 95.69p.

The total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -2.47%. (Source:Threadneedle, Bid-Bid, Net income reinvested.)

#### **Portfolio Activity**

The Threadneedle Cash Fund represents a useful addition to the Threadneedle range, but is currently in the process of being established.

The fund is invested in five cash deposits which are rolled monthly, but with the option to invest in high-quality euro commercial paper (ECP) and bank certificates of deposit (CDs) as it increases in size.

The financial strength of individual banks and financial institutions is taken into account when selecting suitable investments. The portfolio will comprise very short-dated instruments with a view to achieving a competitive rate of interest.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Income		
Revenue	1	-
Expenses	(1)	-
Finance costs: Interest	_	-
Net revenue/(expenses) before taxation	-	-
Taxation	-	-
Net revenue/(expenses) after taxation	-	_
Total return before distributions	-	-
Change in net assets attributable to shareholders from investment activities	_	

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	13	14
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	-	-
Amounts payable on cancellation of shares	-	(1)
	_	(1)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	_	
Closing net assets attributable to shareholders	13	13
The comparatives used within the Statement of Change in Net. Shareholders are for the corresponding period of the previous y opening net assets attributable to shareholders for the current y 2009 whilst the figure disclosed in the comparatives' closing ne shareholders is at 7th September 2008.	ear. Therefore t rear are at 7th	the March
**Please note that the UK Cash Fund is currently registered for th UK only and it is not intended to be registered outside the UK u decided by the ACD. No recitation application has been filed f	nless otherwis	se

decided by the ACD. No registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

#### \*In pound Sterling.

Please refer to pages 172-182 for comparative tables.

#### BALANCE SHEET

as at 7th September 2009

Assets	2009 £000	March 2009 £000
Investment assets		_
Debtors	1	2
Cash and bank balances	13	12
Total assets	14	14
Liabilities		
Creditors	(1)	(1)
Total liabilities	(1)	(1)
Net assets attributable to shareholders	13	13

# **UK Cash Fund**

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### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6.

# **European Fund**

### **Investment Report**

Investment Objective To achieve capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in equities of companies domiciled in Continental Europe or which have significant Continental European operations with growth prospects. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Fund has risen from 79.97p to 111.41p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +34.85% as compared to a median return of +37.16% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +43.16% over the same period.)

#### **Portfolio Activity**

The period under review saw a sharp rally in European equity markets after two years of almost constant declines. Initially, the overall positioning of the portfolio was still defensive, although the fund had been increasing its risk profile for some months and this continued successfully in the period between March and May. For example, we bought stocks in the financial and industrial sectors, which had greater sensitivity to the improving economic conditions.

Thus, within the financial sector we built new positions in companies such as Fortis and UBS, which are both recovering after suffering particularly badly during the credit crisis. The fund also bought Daimler, having started the period with no exposure to the auto sector.

From May, although there had been signs of potential improvements in the economic environment, this appeared to have been factored into equity valuations, as some stock prices had virtually doubled in the space of a few weeks. We therefore took profits in stocks which had rallied particularly strongly, notably in industrial holdings such as Atlas Copco. We also reduced the positions in Fortis and UBS.

The decision to purchase more cyclical, economically sensitive stocks was broadly successful in terms of the fund's relative performance. However, the reversal of this policy after May was less helpful, as the upturn in equity markets proved stronger and more prolonged than we expected.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	149,000	(28,421)
Revenue	13,325	17,859
Expenses	(3,295)	(4,594)
Finance costs: Interest	(13)	(176)
Net revenue/(expenses) before taxation	10,017	13,089
Taxation	(1,888)	(2,248)
Net revenue/(expenses) after taxation	8,129	10,841
Total return before distributions	157,129	(17,580)
Change in net assets attributable to		
shareholders from investment activities	157,129	(17,580)
*Restated – see note 1 page 34.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	394,148	713,092
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	58,897	82,259
Amounts payable on cancellation of shares	(50,258)	(144,429)
	8,639	(62,170)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	157,129	(17,580)
Closing net assets attributable to shareholders	559,916	633,342

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	555,216	390,293
Debtors	2,999	17,080
Cash and bank balances	10,474	1,714
Total other assets	13,473	18,794
Total assets	568,689	409,087
Liabilities Creditors Bank overdrafts	(8,773)	(14,924) (15)
Total liabilities	(8,773)	(14,939)
Net assets attributable to shareholders	559,916	394,148

# **European Fund**

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#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

### **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £16,000 (2008: £41,000 increase in net capital losses.)

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £10,000 (2008: £14,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **European Select Fund**

### **Investment Report**

Investment Objective To achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in a relatively concentrated portfolio of equities of companies domiciled in Continental Europe or which have significant Continental European operations. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Select Fund has risen from 84.91p to 105.68p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.18% as compared to a median return of +37.06% over the same period. (For information the FTSE World Europe ex UK (GBP) Index returned +43.16% over the same period.)

#### **Portfolio Activity**

European equity markets rallied sharply over the period under review following two years of almost constant declines. The overall positioning of the fund at the start of the period was predominantly defensive, concentrating on holdings in companies that were likely to weather the economic downturn and thrive at the expense of weaker, poorer quality competitors. This stance did not favour the fund in terms of its relative performance as the market was focused on poorer quality companies that could benefit more immediately from an economic upturn. The fund's defensive stance was mitigated somewhat in the early part of the review period. For example, we bought stocks such as BNP and Credit Suisse in the banking sector. However, we believed that the rally in financials and poorer quality companies had gone too far and the fund's defensive bias was reinforced by purchases of lagging defensive stocks such as Swedish Match and Syngenta.

There has been little change to many of the larger positions in the fund such as Nestlé and Colruyt. However, we took advantage of price strength to sell Linde, one of the fund's larger holdings.

This switch back to more defensive companies did not aid the fund's relative performance as the upturn in markets was longer and greater than we had expected. Consequently, relative performance has suffered due to the fund's more defensive bias in recent months. However, this followed a prolonged period of stronger relative returns during the bear market.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	125,193	(38,569)
Revenue	17,332	21,033
Expenses	(5,274)	(6,598)
Finance costs: Interest	(13)	(235)
Net revenue/(expenses) before taxation	12,045	14,200
Taxation	(2,738)	(2,915)
Net revenue/(expenses) after taxation	9,307	11,285
Total return before distributions	134,500	(27,284)
Change in net assets attributable to		
shareholders from investment activities	134,500	(27,284)
*Restated – see note 1 page 36.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2000	·
	2009 £000	2008 £000
Opening net assets attributable to shareholders	532,023	854,869
Movement due to sales and repurchases of shares	3:	
Amounts receivable on issue of shares	64,501	38,521
Amounts payable on cancellation of shares	(61,463)	(138,297)
	3,038	(99,776)
Dilution adjustment	187	-
Stamp duty reserve tax	(16)	(2)
Change in net assets attributable to shareholders from investment activities		
(see statement of total return above)	134,500	(27,284)
Closing net assets attributable to shareholders	669,732	727,807

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets	040 044	500.000
Investment assets	648,844	520,396
Debtors	3,379	10,157
Cash and bank balances	20,541	14,973
Total other assets	23,920	25,130
Total assets	672,764	545,526
Liabilities		
Creditors	(3,032)	(10,419)
Bank overdrafts	-	(3,084)
Total liabilities	(3,032)	(13,503)
Net assets attributable to shareholders	669,732	532,023

# **European Select Fund**

## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £281,000 (2008: £1,106,000 increase in net capital losses).

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £15,000 (2008: £23,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **European Smaller Companies Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies domiciled in Continental Europe or with significant Continental European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Smaller Companies Fund has risen from 170.87p to 235.15p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +31.79% as compared to a median return of +40.57% over the same period. (For information the HSBC European Smaller Cos Ex UK Index returned +57.12% over the same period.)

# **Portfolio Activity**

The period under review saw a sharp rally in European equity markets after two years of almost constant declines. Smaller companies outperformed their larger counterparts, having underperformed in the previous reporting period. At the start of the review period, the overall positioning of the portfolio was predominantly defensive, concentrating on companies likely to weather the economic downturn and thrive at the expense of weaker, poorer guality competitors. An example of the fund's defensive positioning was the high exposure to the healthcare sector. This stance had previously helped the fund to outperform strongly in the bear market.

However, during the review period it hindered the fund's relative performance, as the market was focused on poorer quality companies which could benefit more immediately from an economic upturn.

Much of the portfolio activity was driven by individual stock considerations rather than macroeconomic issues. Major purchases included companies such as Wacker Chemie, a beneficiary of the growth in solar energy; Eutelsat, which has an attractive cash flow profile; and Software AG, which is winning market share and likely to benefit from the acquisition of IDS Scheer. We sold stocks such as Umicore (precious metals), Jeronimo Martins (Portuguese/Polish food retailer) and Aryzta (prepared convenience foods). Many of the sales resulted from the recent sharp appreciation in share prices and the desirability of taking profits.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	172,633	(12,015)
Revenue	13,497	16,678
Expenses	(4,326)	(5,674)
Finance costs: Interest	(9)	(125)
Net revenue/(expenses) before taxation	9,162	10,879
Taxation	(1,857)	(2,251)
Net revenue/(expenses) after taxation	7,305	8,628
Total return before distributions	179,938	(3,387)
Change in net assets attributable to		
shareholders from investment activities	179,938	(3,387)
*Restated – see note 1 page 38.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders Movement due to sales and repurchases of shares	463,978 s:	743,022
Amounts receivable on issue of shares Amounts payable on cancellation of shares	147,660 (68,337)	76,002 (105,696)
Dilution adjustment Change in net assets attributable to shareholders from investment activities (see statement of total return above)	79,323 331 179,938	(29,694) 84 (3,387)
Closing net assets attributable to shareholders	723,570	710,025

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	694,093	453,020
Debtors	22,369	12,348
Cash and bank balances	16,800	14,464
Total other assets	39,169	26,812
Total assets	733,262	479,832
Liabilities		
Creditors	(9,061)	(13,262)
Bank overdrafts	(631)	(2,592)
Total liabilities	(9,692)	(15,854)
Net assets attributable to shareholders	723,570	463,978

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

# **European Smaller Companies Fund**

# Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

38

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pm 1,037,000$  (2008:  $\pm 1,427,000$  reduction in net capital losses).

# **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £29,000 (2008: £42,000) and to reduce net capital gains in 2009 and to increase net capital losses in 2008 by the same amounts.

# Pan European Smaller Companies Fund

# **Investment Report**

Investment Objective To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies domiciled in Continental Europe and the UK, or, with significant Continental European or UK operations.

If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 53.91p to 71.20p.

The total return on the Fund for the six months ending 31st August 2009,

including net reinvested income, is +26.73% as compared to a median return of +40.57% over the same period. (For information the HSBC Pan European Smaller Companies Index gave a total return of +56.12% for the same period.)

### **Portfolio Activity**

The period was marked by a sharp rally in Pan European equity markets after two years of almost constant declines. Smaller companies outperformed their larger counterparts, having underperformed in the previous reporting period.

At the start of the review period, the overall positioning of the fund was predominantly defensive, concentrating on companies that were likely to weather the economic downturn and thrive at the expense of weaker, poorer quality competitors. An example of this was the high exposure to the healthcare sector. This stance had previously helped the fund to outperform strongly in the bear market. However, during the review period it hindered the fund's relative performance, as the market focused on poorer quality companies which could benefit more immediately from an economic upturn.

Much of the portfolio activity was driven by individual stock considerations rather than economic issues. Major purchases included Software AG, which is winning market share and is likely to benefit from the acquisition of IDS Scheer. The fund also bought Wacker Chemie, a beneficiary of the growth in solar energy, and Eutelsat, which has an attractive cash flow profile. We sold stocks such as Vacon (manufacturer of AC drives), Jeronimo Martins (Portuguese/Polish food retailer) and Ultra Electronics (electronic systems for defence and aerospace). Many of the sales resulted from the recent sharp appreciation in share prices and the desirability of taking profits.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	27,885	(4,360)
Revenue	1,991	1,757
Expenses	(745)	(756)
Finance costs: Interest	(1)	(7)
Net revenue/(expenses) before taxation	1,245	994
Taxation	(224)	(176)
Net revenue/(expenses) after taxation	1,021	818
Total return before distributions	28,906	(3,542)
Finance costs: Equalisation	323	(25)
Change in net assets attributable to shareholders from investment activities	29,229	(3,567)
*Restated – see note 1 page 39.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of shares	69,016 ::	105,895
Amounts receivable on issue of shares Amounts payable on cancellation of shares	64,796 (21,060)	23,867 (22,588)
Dilution adjustment	43,736	1,279 149
Stamp duty reserve tax Change in net assets attributable to	(22)	(33)
shareholders from investment activities (see statement of total return above)	29,229	(3,567)
Closing net assets attributable to shareholders	142,374	103,723

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	141,798	62,636
Debtors	5,852	2,108
Cash and bank balances	3,814	4,693
Total other assets	9,666	6,801
Total assets	151,464	69,437
Liabilities		
Creditors	(7,106)	(421)
Bank overdrafts	(1,984)	
Total liabilities	(9,090)	(421)
Net assets attributable to shareholders	142,374	69,016

# Pan European Smaller Companies Fund

# Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £361,000 (2008: £368,000 reduction in net capital losses).

# **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £10,000 (2008: £25,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **Pan European Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities. The ACD may, however, invest in the equity of smaller companies.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Pan European Fund has risen from 55.89p to 74.47p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +28.42% as compared to a median return of +33.07% over the same period. (For information the FTSE World Europe Inc. UK Index returned +39.78% over the same period.)

#### **Portfolio Activity**

The period was marked by a sharp rally in Pan European equity markets after two years of almost constant declines. Initially, the overall positioning of the fund was still defensive, which had boosted its relative performance during the earlier bear market. However, the fund had already been increasing its risk profile for some months and this continued successfully in the period between March and May. For example, we bought stocks in the financial and industrial sectors which had greater sensitivity to the improving economic conditions.

We purchased Barclays and HSBC in the financial sector, as well as ING and Axa, which are recovering after suffering during the credit crisis. The fund also bought Daimler, having started the period with no exposure to the auto sector.

However after May, although there had been signs of potential improvements in the economic environment, this appeared to have been factored into valuations, as some stock prices had virtually doubled in the space of a few weeks. We therefore took profits in stocks that had rallied particularly strongly, including industrial holdings such as Siemens. We also sold UBS and Axa and reduced the exposure to RSA.

The decision to purchase more cyclical, economically sensitive stocks was broadly successful in terms of the fund's relative performance. However, the reversal of this policy after May was less helpful, as the upturn in equity markets proved stronger and more prolonged than we had expected.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	16,932	(2,387)
Revenue	1,752	1,145
Expenses	(438)	(396)
Finance costs: Interest	(2)	(9)
Net revenue/(expenses) before taxation	1,312	740
Taxation	(183)	(108)
Net revenue/(expenses) after taxation	1,129	632
Total return before distributions	18,061	(1,755)
Change in net assets attributable to		
shareholders from investment activities	18,061	(1,755)
*Restated – see note 1 page 42.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	49,173	61,725
Movement due to sales and repurchases of shares	:	
Amounts receivable on issue of shares	34,978	4,023
Amounts payable on cancellation of shares	(19,915)	(4,470)
	15,063	(447)
Dilution adjustment	128	-
Stamp duty reserve tax	(17)	(6)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	18,061	(1,755)
Compensation	111	4
Closing net assets attributable to shareholders	82,519	59,521

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables. **BALANCE SHEET** as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	79,137	48,347
Debtors	5,473	967
Cash and bank balances	2,948	1,010
Total other assets	8,421	1,977
Total assets	87,558	50,324
Liabilities		
Creditors	(5,039)	(1,108)
Bank overdrafts	_	(43)
Total liabilities	(5,039)	(1,151)
Net assets attributable to shareholders	82,519	49,173

# **Pan European Fund**

## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

42

The accounting policies for the fund are the same as those disclosed in the aggregate accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £245,000 (2008: £25,000 increase in net capital losses).

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £8,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **European Bond Fund**

# **Investment Report**

**Investment Objective** To achieve total return primarily by way of income with some capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in European public sector sovereign bonds and corporate bonds, issued by companies domiciled in Europe or with significant European operations, denominated in a range of European currencies. The Fund has the flexibility to invest in bonds issued by Eastern European issuers.

#### **Performance of Net Income** Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Bond Fund has risen from 64.19p to 65.89p.

The sterling total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +5.69%, which equates approximately to +6.76% gross of tax and charges. For information the ML Pan Euro Large Cap. Index returned +4.91% over the same period.

#### **Portfolio Activity**

Risk markets performed strongly over the review period, as sentiment recovered from the rock bottom levels reached in early March, and economic activity began to improve. Early in the period, government bond yields broadly increased, as worries over heavy supply forced investors to seek higher returns. This trend reversed in June and bond yields moved lower. The fund performed well over the review period, strongly outperforming the benchmark.

The underlying trend in fund activity was to increase the exposure to corporate bonds, gradually moving to a higher weighting versus the benchmark. This was largely achieved via the new issue market where many companies sold bonds with higher yields than their existing debt. This added to the fund's performance as corporate bonds

benefited from the broad rally in risk assets.

With respect to interest rates, the fund was broadly positioned for lower yields early in the period, which detracted from performance, although the use of derivatives and cash to hedge these positions mitigated some of the underperformance. As yields came back down, the fund was positioned to benefit from this, with holdings focused towards the longer end of the maturity spectrum.

The fund preferred UK gilts early in the period, which added to performance as the Bank of England began purchasing government bonds. The fund then moved to a preference for core European bonds, such as German government bonds, in April. Through June and July, the fund increased its holdings of Italian bonds to take advantage of the greater appetite for risk. Towards the end of July, the fund then moved into Dutch bonds, following the strong outperformance of Italian issues.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	4,682	5,789
Revenue	3,254	2,482
Expenses	(915)	(766)
Finance costs: Interest	(4)	(22)
Net revenue/(expenses) before taxation	2,335	1,694
Taxation	-	-
Net revenue/(expenses) after taxation	2,335	1,694
Total return before distributions	7,017	7,483
Finance costs: Distributions	(3,084)	(2,328)
Change in net assets attributable to		
shareholders from investment activities	3,933	5,155

\*Restated - see note 1 page 44.

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	£000	£008
Opening net assets attributable to shareholders	149,159	117,694
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	4,708	31,849
Amounts payable on cancellation of shares	(11,025)	(5,053)
	(6,317)	26,796
Dilution adjustment	-	29
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	3,933	5,155
Retained distribution on accumulation shares	1,635	1,269
Compensation	-	1
Closing net assets attributable to shareholders	148,410	150,944
The comparatives used within the Statement of Change in Ne	et Assets Attrib	utable to

Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

### **BALANCE SHEET**

as at 7th September 2009

	2009 £000	March 2009
Assets	£000	£000
Investment assets	146,792	149,131
Debtors	10,522	15,591
Cash and bank balances	4,599	7,675
Total other assets	15,121	23,266
Total assets	161,913	172,397
Liabilities		
Derivative liabilities	(220)	(541)
Creditors	(7,867)	(12,552)
Bank overdrafts	(4,310)	(8,874)
Distribution payable on income shares	(1,106)	(1,271)
Total other liabilities	(13,283)	(22,697)
Total liabilities	(13,503)	(23,238)
Net assets attributable to shareholders	148,410	149,159

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009 Interest distribution in pence per share

Class 1 Shares

2000

2000

Net Income						
Distribution	Gross	Income	Net		Distribution	Distribution
Period	Revenue	Тах	Revenue	Equalisation	Payable	Paid
					2009	2008
Group 1						
08/03/09 to 07/09/09	1.3310	0.2662	1.0648	-	1.0648	0.8524
Group 2						
08/03/09 to 07/09/09	0.7640	0.1528	0.6112	0.4536	1.0648	0.8524
Total distributions in the	ne period				1.0648	0.8524
Class 1 Shares						
<b>A A A C</b>						
Gross Accumulation						
Gross Accumulation					Gross	Gross
Gross Accumulation	Gross				Gross Revenue	Gross Revenue
	Gross Revenue			Equalisation		Revenue
Distribution				Equalisation	Revenue	Revenue
Distribution				Equalisation	Revenue Accumulated	Revenue Accumulated
Distribution Period				Equalisation	Revenue Accumulated	Revenue Accumulated
Distribution Period Group 1	Revenue			Equalisation _	Revenue Accumulated 2009	Revenue Accumulated 2008
Distribution Period Group 1 08/03/09 to 07/09/09 Group 2 08/03/09 to 07/09/09	Revenue 2.1459 0.9335			Equalisation – 1.2124	Revenue Accumulated 2009 2.1459 2.1459	Revenue Accumulated 2008 1.6512 1.6512
Distribution Period Group 1 08/03/09 to 07/09/09 Group 2	Revenue 2.1459 0.9335			-	Revenue Accumulated 2009 2.1459	Revenue Accumulated 2008
Distribution Period Group 1 08/03/09 to 07/09/09 Group 2 08/03/09 to 07/09/09	Revenue 2.1459 0.9335 ne period	a distrii	oution per	1.2124	Revenue Accumulated 2009 2.1459 2.1459	Revenue Accumulated 2008 1.6512 1.6512

# **European Bond Fund**

### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

44

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £9,000 (2008: £238,000 increase in net capital gains).

# **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds$ 6,000 (2008:  $\pounds$ 6,000) and to reduce net capital gains by the same amounts.

# **European Corporate Bond Fund**

### **Investment Report**

**Investment Objective** To achieve total retu

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed interest securities which are primarily Euro denominated. The portfolio will consist primarily of a broad range of investment grade corporate fixed interest investments in companies domiciled in Europe or which have significant European operations. From time to time, it may also invest in securities issued by investment grade sovereign and supranational borrowers. However, it is intended that the portfolio will not be more than 25% invested in securities rated AAA (Standard & Poor's). A maximum of 10% of the portfolio can be invested in below investment grade securities. Where securities are non-Euro denominated it is intended that they will typically be hedged into Euro.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European Corporate Bond Fund has risen from 63.68p to 75.95p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +18.13%. The Fund return equates approximately to +19.64% gross of tax and charges. (For information the IBOXX European All Corporate Bond Index gave a total return of +11.82% for the same period.)

Portfolio Activity The European corporate bond market performed very strongly over the review period. The market outperformed German bunds due to both improving fundamentals and technicals. Government action to address liquidity and capital concerns in the banking system, in addition to both fiscal and monetary stimulus, seems to have averted a depression-style economic outcome. Markets had arguably priced themselves for such an event, and the slowing pace of economic decline from March 2009 proved the catalyst for a period of strong returns for all risk assets

The technical picture was also much improved, specifically in the corporate bond market. Banks began buying back their subordinated paper in April, which had become almost universally unloved and was trading at extremely low cash prices. These buybacks, in many cases at good premiums to market levels, gathered pace through the summer. Strong inflows into the asset class, attracted by high yields in the face of very low returns on cash, further helped demand. Lately, the technicals have continued to improve as banks have become more willing to return to using their balance sheets to make firm markets in corporate bonds. Improving liquidity resulted in further spread tightening as the liquidity premium in the market fell.

At current market levels, the European investment grade corporate bond index offers spreads of around 200 basis points more than bunds, which continues to imply that the market anticipates corporate defaults over the coming years that are multiples of historic precedent This value, combined with still high levels of liquidity

premiums, make us bullish of the market relative to bunds. It is, however, worth noting that the market has outperformed bunds by a very large margin in the last few months; hence our bullishness is not as aggressive as it has been.

Going forward, we expect an extended period of sub-trend growth as banks deleverage and consumer savings rates increase. In addition, likely future tax rises will keep consumer spending subdued. As a result, the fund's strategy has been to be overweight in financials (especially banks) and underweight in cyclical corporates. We believe banks will continue to benefit from government support, and are focused on rebuilding balance sheet strength. The fund has also been overweight in subordinated bonds, which had reached extremely oversold levels. Given our scepticism about a strong and sustainable economic recovery, the corporate exposure is biased towards non-cyclical, defensive sectors such as utilities, tobacco and supermarkets

The fund outperformed the index, largely due to its overweight in subordinated financials, a position we retain. In general, portfolio activity has concentrated on the primary market because of poor secondary market liquidity and the high cost of dealing. In addition, market distress meant that companies had to price new issues at significant discounts to secondary levels. The fund bought new issues from, among others, RSA at 9.375%, Fiat at 9%, Verizon Wireless at 8.75%, Michelin at 8.625%, Imperial Tobacco at 8.375%, Telecom Italia at 8.25%, Reed Elsevier at 6.5%, Pfizer at 5.75% and Roche at 5.625%. In addition, the fund picked up some secondary market bonds, namely BAA at 17.0% and Punch Taverns (AAA-tranche) at 8.7%.

### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income	2000	2000
Net capital gains/(losses)	5,048	300
Revenue	952	780
Expenses	(238)	(199)
Finance costs: Interest	(2)	(11)
Net revenue/(expenses) before taxation	712	570
Taxation	_	-
Net revenue/(expenses) after taxation	712	570
Total return before distributions	5,760	870
Finance costs: Distributions	(712)	(569)
Change in net assets attributable to shareholders from investment activities	5,048	301
*Restated – see note 1 page 46.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	26,488	26,091
Movement due to sales and repurchases of shares	:	
Amounts receivable on issue of shares	5,464	720
Amounts payable on cancellation of shares	(565)	(232)
	4,899	488
Dilution adjustment	28	-
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	5,048	301
Retained distribution on accumulation shares	593	461
Closing net assets attributable to shareholders	37,056	27,341

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March

2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# **BALANCE SHEET**

as at 7th September 2009

		March
	2009	2009
	£000	£000
Assets		
Investment assets	35,652	25,698
Debtors	2,246	910
Cash and bank balances	808	54
Total other assets	3,054	964
Total assets	38,706	26,662
Liabilities		
Creditors	(1,650)	(174)
Total liabilities	(1,650)	(174)
Net assets attributable to shareholders	37,056	26,488

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

**Class 1 Shares** Net Accumulation

not / localitation					
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Net Revenue Accumulated 2009	Net Revenue Accumulated 2008
08/03/09 to 07/09/09 Total distributions in Class 1 Shares Gross Accumulation	1.5719 the period	0.3144	1.2575	1.2575 <b>1.2575</b>	1.1548 <b>1.1548</b>
Distribution Period	Gross Revenue			Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
08/03/09 to 07/09/09 Total distributions in	1.0947 the period			1.0947 <b>1.0947</b>	1.2265 1.2265

# **European Corporate Bond Fund**

## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

46

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £6,000 (2008: £68,000).

### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £2,000) and to reduce net capital gains by the same amounts.

# **European High Yield Bond Fund**

# **Investment Report**

Investment Objective To achieve total return. Over time this will be predominantly by way of income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in corporate fixed interest securities of corporates with higher risk (that is non-investment grade credit) issued predominantly in Euro or Sterling. Where securities are non-Euro denominated it is intended they will typically be hedged into Euro. The ACD will invest predominantly in issues issued by companies domiciled in Europe, or with significant European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### **Performance of Net Accumulation** Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle European High Yield Bond Fund has risen from 69.57p to 94.95p.

The sterling total return on the Fund for the six

# STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	95,391	13,562
Revenue	19,957	11,932
Expenses	(2,411)	(1,829)
Finance costs: Interest	(13)	(189)
Net revenue/(expenses) before taxation	17,533	9,914
Taxation	(341)	(159)
Net revenue/(expenses) after taxation	17,192	9,755
Total return before distributions	112,583	23,317
Change in net assets attributable to		
shareholders from investment activities	112,583	23,317

\*Restated - see note 1 page 48

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	317,983	236,407
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	276,009	84,196
Amounts payable on cancellation of shares	(269,495)	(55,182)
	6,514	29,014
Dilution adjustment	4,734	232
Change in net assets attributable to shareholders from investment activities		
(see statement of total return above)	112,583	23,317
Closing net assets attributable to shareholders	441,814	288,970

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

months ending 31st August 2009, including net reinvested income, is +32.41%, which equates approximately to +34.42% gross of tax and charges and compares against a return of 41.87% for the Merrill Lynch European Currency High Yield Index 3% constrained (100% hedged to euros). The gross returns equate to approximately +36.03% for the Fund and +43.57% for the index when guoted in euros

#### **Portfolio Activity**

High yield bonds enjoyed an exceptionally good six months following the extremely difficult conditions of the previous year. The rally began in mid-March amid a recovery in risk appetite, prompted by optimism over government moves to deal with the bad debt situation and growing investor optimism about the prospects for an economic recovery.

The fund achieved a robust gain in absolute terms, although its performance lagged that of the benchmark for much of the six-month review period. One of the factors behind this was the fund's focus on higher quality and more defensive issues of companies likely to outperform in the longer term. The fund's underweight positioning in the banking sector was an area that detracted from performance,

especially earlier in the review period. Over most of the interval, poorer quality securities led the market gains, particularly earlier in the period, as signs that companies previously seen as likely to default would instead probably survive drove investor demand for their very cheap issues.

Our aim remains to achieve consistently strong performance in the longer term and our emphasis continues to be on well managed companies with solid balance sheets, and good cash flow. At the ratings level, we favour single B paper over CCC issues.

Economic indicators continue to improve, and technical factors remain favourable, which has served to underpin high vield issues. There has been little in the way of unpleasant earnings surprises, while default rates have also subsided and have possibly bottomed. If so, the level of defaults may prove not to be as bad as many had initially feared. So while yield spreads have become the narrowest since Q3 2008, the market could remain resilient, underpinned by these factors. However, high yield could prove vulnerable in the face of unexpectedly negative economic or industry news.

# **BALANCE SHEET**

as at 7th September 2009

	2000	March
	2009 £000	2009 £000
Assets		
Investment assets	403,318	271,476
Debtors	35,117	12,617
Cash and bank balances	30,690	44,819
Total other assets	65,807	57,436
Total assets	469,125	328,912
Liabilities		
Derivative liabilities	(169)	(1,305)
Creditors	(14,089)	(9,624)
Bank overdrafts	(13,053)	-
Total other liabilities	(27,142)	(9,624)
Total liabilities	(27,311)	(10,929)
Net assets attributable to shareholders	441,814	317,983

# **European High Yield Bond Fund**

## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to increase net capital gains by £261,000 (2008: £1,419,000).

# Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £8,000 (2008: £6,000) and to reduce net capital gains by the same amount.

# **American Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the stock of medium to large companies domiciled in North America or which have significant North American operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

# Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Fund has risen from 63.15p to 79.39p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +18.45% as compared to a median return of +20.52% over the same period. (For information the S&P 500 Composite Index returned +22.89% over the same period.)

#### **Portfolio Activity**

Over the reporting period, the US equity market performed strongly on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund's positioning was defensively biased going into the reporting period, we gradually increased the exposure to more cyclically exposed businesses given the improving economic outlook as well as attractive valuations.

Notable purchases included Ingersoll-Rand, a diversified industrial company that is attractively valued despite positioning itself well for any improved demand for its products. The fund also bought Commscope, a well managed manufacturer of cable products which was attractively valued as the market became overly concerned regarding its sizeable, but manageable, debt position. Other purchases included Dell, the computer company which is undergoing a restructuring that should significantly improve profitability and Western

Union, the money transfer company which has benefited competitively during the downturn and continues to generate a substantial amount of free cash flow.

Several positions were sold during the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included Juniper Networks, the provider of internet infrastructure solutions; Amphenol, the manufacturer of electronic cables; and BMC Software, the software solutions company.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	160,541	49,083
Revenue	6,024	5,724
Expenses	(4,789)	(5,341)
Finance costs: Interest	(1)	(24)
Net revenue/(expenses) before taxation	1,234	359
Taxation	(812)	(780)
Net revenue/(expenses) after taxation	422	(421)
Total return before distributions	160,963	48,662
Change in net assets attributable to		
shareholders from investment activities	160,963	48,662
*Restated – see note 1 page 50.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	588,438	815,925
Movement due to sales and repurchases of shares	6:	
Amounts receivable on issue of shares	133,426	151,817
Amounts payable on cancellation of shares	(57,727)	(216,464)
	75,699	(64,647)
Dilution adjustment	-	173
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	160,963	48,662
Closing net assets attributable to shareholders	825,100	800,113

The comparatives used within the Statement of Change in Net Assets Attributable to

Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008. BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	823,883	572,919
Debtors	8,406	10,733
Cash and bank balances	7,970	23,984
Total other assets	16,376	34,717
Total assets	840,259	607,636
Liabilities		
Creditors	(15,159)	(19,187)
Bank overdrafts		(11)
Total liabilities	(15,159)	(19,198)
Net assets attributable to shareholders	825,100	588,438

# **American Fund**

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### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £57,000 (2008: £385,000).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds$ 3,000 (2008:  $\pounds$ 6,000) and to reduce net capital gains by the same amounts.

# **American Select Fund**

# **Investment Report**

Investment Objective To achieve above average capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Select Fund has risen from 71.70p to 92.63p.

Looking at the sterling performance within its peer group, the total return on the Fund for the

six months ending 31st August 2009, including net reinvested income, is +22.61% as compared to a median return of +20.52% over the same period. (For information the S&P 500 Composite Index returned +22.89% over the same period, and the NASDAQ Composite Index returned a capital change of +27.52%.)

#### Portfolio Activity

The US equity market rallied sharply over the review period on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund was positioned with a defensive bias going into the reporting period, we gradually increased the exposure to more cyclically exposed businesses given the improving economic outlook as well as attractive valuations.

Notable purchases included FifthThird Bancorp, a regional bank which has benefited from the resolution of the government stresstests; Ingersoll-Rand, a diversified industrial company that is attractively valued despite positioning itself well for any improved demand for its products; Dell, the computer company which is undergoing a restructuring that should significantly improve profitability; and CSX, the railroad operator which is yet to see volume increases but has positioned itself well for an eventual recovery in volumes by taking out costs and exerting price discipline.

Several positions were sold over the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included International Game Technology, the computerised casino systems manufacturer; Navistar, the truck company; and insurer Renaissance Re.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	217,886	59,209
Revenue	6,457	6,060
Expenses	(7,174)	(7,734)
Finance costs: Interest	(2)	(119)
Net revenue/(expenses) before taxation	(719)	(1,793)
Taxation	(864)	(777)
Net revenue/(expenses) after taxation	(1,583)	(2,570)
Total return before distributions	216,303	56,639
Change in net assets attributable to		
shareholders from investment activities	216,303	56,639
*Restated – see note 1 page 52.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

in the decediting period car march 2000 to rai cop	2000	,
	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of share:	686,208 s:	917,257
Amounts receivable on issue of shares Amounts payable on cancellation of shares	314,711 (112,206)	260,187 (288,080)
Dilution adjustment Change in net assets attributable to shareholders from investment activities (see statement of total return above)	202,505 403 216,303	(27,893) 680 56,639
Closing net assets attributable to shareholders	1,105,419	946,683

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	1,096,407	671,664
Debtors	4,744	18,901
Cash and bank balances	16,255	26,714
Total other assets	20,999	45,615
Total assets	1,117,406	717,279
Liabilities		
Creditors	(9,997)	(29,770)
Bank overdrafts	(1,990)	(1,301)
Total liabilities	(11,987)	(31,071)
Net assets attributable to shareholders	1,105,419	686,208

# **American Select Fund**

### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £819,000 (2008: £3,328,000 increase in net capital gains).

# **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £4,000 (2008: £6,000) and to reduce net capital gains by the same amounts.

# **American Smaller Companies Fund (US)**

# **Investment Report**

Investment Objective To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the US or have significant US operations.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 65.13p to 87.46p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +26.97% as compared to a median return of +26.10% over the same period. (For information the Russell 2000TR Index returned +29.66% over the same period.)

#### **Portfolio Activity**

The US equity market performed strongly over the review period on the back of mounting evidence that government and central bank policy was effective in staving off a prolonged slump, as well as better corporate results than initially feared. Although the fund was positioned with a defensive bias going into the reporting period, we gradually increased the exposure to more cyclically exposed companies given the improving economic outlook as well as attractive valuations.

Notable purchases included FifthThird Bancorp, a regional bank which has benefited from the resolution of the government stress-tests; Idex, the manufacturer of pump products; Nabors, the land drilling contractor services company; and Foster Wheeler, the engineering services business, all of which are more cyclical companies.

Several positions were sold during the period, largely for valuation reasons and to make way for more attractive new investment opportunities. Notable sales included Jabil Circuit, the electronics manufacturing provider; Arrow Electronics, the distributor of electronic components; and j2 Global Communications, the internet messaging provider.

The recent rally has made the overall stock market less obviously cheap than it was six months ago. However, whilst economic conditions are still difficult, the outlook for corporate profitability has significantly improved and we feel the rally has largely been justified. Importantly, at a stock level we continue to find very attractive investment opportunities and we believe our fundamental stock picking approach to portfolio construction is well suited to the current market.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	22,586	9,681
Revenue	300	320
Expenses	(473)	(457)
Finance costs: Interest	(1)	(49)
Net revenue/(expenses) before taxation	(174)	(186)
Taxation	(37)	(31)
Net revenue/(expenses) after taxation	(211)	(217)
Total return before distributions	22,375	9,464
Change in net assets attributable to		
shareholders from investment activities	22,375	9,464
*Restated – see note 1 page 54.		

#### BALANCE SHEET

as at 7th September 2009

2009 £000	March 2009 £000
91,002	61,604
261	222
800	3,479
1,061	3,701
92,063	65,305
(153)	(1,494)
(153)	(1,494)
91,910	63,811
	<b>£000</b> 91,002 261 800 1,061 92,063 (153) (153)

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

······································			
	2009 £000	2008 £000	
Opening net assets attributable to shareholders	63,811	74,496	
Movement due to sales and repurchases of shares	3:		
Amounts receivable on issue of shares	10,651	688	
Amounts payable on cancellation of shares	(4,953)	(2,520)	
	5,698	(1,832)	
Dilution adjustment	26	-	
Change in net assets attributable to			
shareholders from investment activities			
(see statement of total return above)	22,375	9,464	
Closing net assets attributable to shareholders	91,910	82,128	

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# **American Smaller Companies Fund (US)**

# Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £57,000 (2008: £723,000 increase in net capital gains).

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £2,000 (2008: £2,000) and to reduce net capital gains by the same amounts.

# **Dollar Bond Fund**

# **Investment Report**

**Investment Objective** To achieve total return primarily by way of income with some capital growth.

# Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in US Government Securities denominated in Dollar and Dollar denominated securities issued by Governments, Government Agencies, Corporations and Supranational Borrowers.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including other fixed interest securities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Dollar Bond Fund has risen from 46.11p to 46.55p.

The sterling total return on the Fund for the

for the accounting period 8th March 2009 to 7th September 2009

STATEMENT OF TOTAL RETURN

Net revenue/(expenses) before taxation

Net revenue/(expenses) after taxation

Change in net assets attributable to

shareholders from investment activities

Total return before distributions

Finance costs: Distributions

\*Restated – see note 1 page 56.

Net capital gains/(losses)

Income

Revenue

Finance costs: Interest

Expenses

Taxation

#### six months ending 31st August 2009, including gross reinvested income, is +4.78% gross of tax and charges. (For information the MSCI Custom Index from 28/02/02 linked with JPM Dollar Bond gave a total return of -8.30% in sterling terms for the same period.)

#### **Portfolio Activity**

Returns from dollar bonds were strong over the last six months, but more so for corporate bonds than their government counterparts.

The USTreasury market started to find some stability in the last month after a rise in yields over the first seven months of the year. Paradoxically, this comes in spite of increasing signs that the worst of the credit crunch is behind us, and with many economic statistics showing signs of improvement. Yields on the benchmark 10-year Treasury have risen from around 2% at the start of the year to nearly 4%, so there is certainly more value in the market than had previously been the case.

The very steep shape of the US yield curve and scant signs of any inflationary pressure have reassured investors. The likelihood

2008\*

£000

5,251

1.496

(308)

1,182

1,182

6.433

(1.431)

5,002

(6)

2009 £000

1,340

1.113

(283)

830

830

2,170

(1.055)

1.115

remains, however, that longer-term economic performance will be soured by the desire to deleverage the US economy.

Over the last two months, the Dollar Bond Fund has been gently increasing its exposure to USTreasury bonds, and longer-dated bonds in particular, from the previous very low level. Hence, nearly 40% of the fund is now invested in cash and US government debt. The duration of the fund is around a year longer than the benchmark. We still prefer corporate bonds but the degree of preference has been reduced from the extreme levels seen between the fourth quarter of 2008 and the first quarter of this year.

Around 60% of the fund is currently invested in non-government securities. This part of the market is still factoring in too much pessimism about corporate defaults and the liquidity premium is still too high. Hence, we anticipate remaining overweight in corporate bonds through the coming weeks and will use attractively priced new issues as a means of adding value and exposure where appropriate.

## BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	44,110	42,535
Debtors	737	2,271
Cash and bank balances	1,886	1,511
Total other assets	2,623	3,782
Total assets	46,733	46,317
Liabilities		
Creditors	(253)	(847)
Distribution payable on income shares	(689)	(1,050)
Total liabilities	(942)	(1,897)
Net assets attributable to shareholders	45,791	44,420

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	44,420	52,201
Movement due to sales and repurchases of shares	3:	
Amounts receivable on issue of shares	7,273	6,121
Amounts payable on cancellation of shares	(7,306)	(10,202)
	(33)	(4,081)
Dilution adjustment	79	26
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	1,115	5,002
Retained distribution on accumulation shares	210	243
Closing net assets attributable to shareholders	45,791	53,391

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.0718	0.2144	0.8574	-	0.8574	0.9198
Group 2 08/03/09 to 07/09/09 Total distributions in the	0.4251 e period	0.0850	0.3401	0.5173	0.8574 <b>0.8574</b>	0.9198 <b>0.9198</b>
Class 1 Shares Gross Accumulation						
Distribution Period	Gross Revenue			Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.8503			-	1.8503	1.8700
Group 2 08/03/09 to 07/09/09 Total distributions in the Group 2: shares purchas				0.7991	1.8503 <b>1.8503</b>	1.8700 <b>1.8700</b>

Group 2: shares purchased during a distribution period

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

# **Dollar Bond Fund**

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## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £145,000 (2008: £152,000 increase in net capital gains).

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £4,000) and to reduce net capital gains

by the same amounts.

# **Japan Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

# **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of companies domiciled in Japan or with significant Japanese operations.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, warrants and convertible bonds, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Japan Fund has risen from 27.75p to 32.14p.

Looking at the sterling performance within its peer group, the total return on the Fund

for the six months ending 31st August 2009, including net reinvested income, is +11.61% as compared to a median return of +19.92% over the same period. (For information the TOPIX returned +19.05% over the same period.)

# **Portfolio Activity**

The Japanese equity market has risen strongly over the last six months. This performance reflects the extraordinary volatility in equity markets over the past 12 months. Over the reporting period, the rally in sterling versus the yen has reduced the returns for UK investors.

Japan remains a deeply cyclical industrial economy. Excess debt is found in the public rather than private sector. As a result, while first quarter GDP data showed a virtual collapse in economic activity, this was a function of global inventory adjustments and very weak final demand, rather than any particular financial problems or excessive leverage in the Japanese economy. Japan's vulnerability to the global financial crisis has therefore been primarily through the export sector. As a consequence, the extremely aggressive fiscal and monetary stimulus seen globally, accompanied by the very low level of inventories, has resulted in a sharp pick up in the Japanese economy in the second quarter. Given that this has been accompanied by aggressive cost cutting, the result is a much needed boost to corporate operational gearing, and hence the prospect of a strong profits recovery. In addition, with 50% of exports going to Asia, of which 20% goes directly to China, Japan is very well positioned to benefit from growth which is, to some extent, secular in nature.

Against this background, we were clearly too slow to reposition the fund towards a more "pro-cyclical" strategy. This has been addressed, with the fund now overweight in some areas of technology, autos and materials whilst being underweight in retail, food and utilities. Nevertheless, after such a powerful rally some caution is warranted. Structural issues remain in western economies, while the degree of fiscal stimulus is unsustainable. The fund is therefore quite neutrally positioned at a sector level, with a heavy emphasis on stock selection.

### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	20,922	7,671
Revenue	1,440	1,895
Expenses	(929)	(1,065)
Finance costs: Interest	(1)	(10)
Net revenue/(expenses) before taxation	510	820
Taxation	(108)	(136)
Net revenue/(expenses) after taxation	402	684
Total return before distributions	21,324	8,355
Change in net assets attributable to		
shareholders from investment activities	21,324	8,355
*Restated – see note 1 page 58.		

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	150,170	124,907
Debtors	5,849	10,951
Cash and bank balances	872	3,040
Total other assets	6,721	13,991
Total assets	156,891	138,898
Liabilities		
Creditors	(4,305)	(9,291)
Total liabilities	(4,305)	(9,291)
Net assets attributable to shareholders	152,586	129,607

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of shares	129,606	166,562
		F 407
Amounts receivable on issue of shares	18,573	5,427
Amounts payable on cancellation of shares	(16,942)	(13,287)
	1,631	(7,860)
Dilution adjustment	25	-
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	21,324	8,355
Closing net assets attributable to shareholders	152,586	167,057

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# **Japan Fund**

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### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in the net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £528,000 (2008: £644,000 increase in net capital gains)

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £11,000 (2008: £9,000) and to reduce net capital gains by the same amounts.

# **Japan Smaller Companies Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

# **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies domiciled in Japan or with significant Japanese operations.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Japan Smaller Companies Fund has risen from 57.85p to 72.51p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +28.99% as compared to a median return of +31.14% over the same period. (For information the capital change for the TOPIX Small Cap Index was +19.70% over the same period.)

# **Portfolio Activity**

The Japanese Topix Index rose strongly over the period under review. Small stocks included in the Topix Index performed slightly less well than larger companies. The sixmonth period almost perfectly captured the entire market rally from the low point for the Topix Small Index on 12th March 2009. Since that date, the market has made steady progress with only short periods of correction or sideways movement.

There are two main reasons for the improvement in sentiment across the entire Japanese market since March. The first is the continuous stream of announcements relating to proactive policy measures from governments around the world in their attempts to mitigate the impact of the global credit crisis. The second, and probably far more significant for Japanese smaller companies, is the growing evidence that dramatic cuts to industrial production levels had the desired impact on inventories, and that the environment is no longer deteriorating for Japan's manufacturers and exporters. This justified significant bargain hunting among small cap manufacturing stocks as valuations had become particularly attractive, with many companies trading on a discount to the book value of their assets.

The better performing stocks in this environment represented a complete reversal of the pattern seen in the prior period of market weakness. The financial sector, which includes real estate, was very strong as credit conditions improved dramatically (Kyokuto Securities, CenturyTokyo Leasing). In addition, manufacturing stocks across an extremely wide range of product areas more than kept up with the market's strength (Arisawa Manufacturing, Ohara), as did domestic companies sensitive to the economy (Accordia Golf). Sectors traditionally seen as defensive such as telecoms and utilities lagged the market rally. Fund activity continues to focus on finding, or adding to, high quality small manufacturers (Nissan Chemical, Yushin Precision) and we have also added to selected financials (Jafco). These purchases have been funded by reducing some information and communication sector positions (eAccess, Zenrin).

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	17,853	(988)
Revenue	826	769
Expenses	(454)	(320)
Finance costs: Interest	(1)	(6)
Net revenue/(expenses) before taxation	371	443
Taxation	(62)	(55)
Net revenue/(expenses) after taxation	309	388
Total return before distributions	18,162	(600)
Change in net assets attributable to shareholders from investment activities	10 160	(600)
	18,162	(600)
*Restated – see note 1 page 60.		

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets		
Investment assets	96,553	56,398
Debtors	130	5,124
Cash and bank balances	599	1,550
Total other assets	729	6,674
Total assets	97,282	63,072
Liabilities		
Creditors	(95)	(5,111)
Total liabilities	(95)	(5,111)
Net assets attributable to shareholders	97,187	57,961

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
<b>Opening net assets attributable to shareholders</b> Movement due to sales and repurchases of shares	57,961 s:	60,064
Amounts receivable on issue of shares	21,478	249
Amounts payable on cancellation of shares	(516)	(4,838)
	20,962	(4,589)
Dilution adjustment	102	15
Change in net assets attributable to shareholders from investment activities		
(see statement of total return above)	18,162	(600)
Closing net assets attributable to shareholders	97,187	54,890

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

# **Japan Smaller Companies Fund**

## Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in the net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £40,000 (2008: £19,000 reduction in net capital losses)

# **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £11,000 (2008: £7,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amount.

# **Asia Fund**

# **Investment Report**

Investment Objective To achieve capital growth.

# **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in the equity of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. It may further invest in other securities including fixed interest securities, other equities and money market securities.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Asia Fund has risen from 66.87p to 100.52p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +44.56% as compared to a median return of +44.12% over the same period. (For information the MSCI AC Asia Pacific Free Ex Japan Index returned +49.93% over the same period.)

# **Portfolio Activity**

Asian stock markets have rebounded strongly during the period under review as investors globally have become less risk averse. Abundant domestic liquidity, courtesy of low domestic interest rates. combined with hefty foreign fund inflows has been a key contributor to this strength. Sentiment has been buoyed by evidence that Asian economies troughed in the first quarter of 2009, helped by huge fiscal and monetary stimulus across the region. Corporate earnings growth forecasts for this year have also been revised up in response to better-than-expected first half results, particularly in the banking and technology sectors.

Fund inflows were directed towards raising the cyclical tilt of the portfolio, which has

resulted in an increased exposure to the technology, consumer discretionary and banking sectors at the expense of the more traditionally defensive sectors of telecommunications and consumer staples. Geographically, this has meant increased weightings in the more economically sensitive markets of Korea and Taiwan, while exposure to the markets of Australia and Malaysia, which are less geared to economic recovery, has been lowered. The fund has also increased its weighting in the Indonesian market, where domestic demand has been boosted by falling interest rates.

The fund's current investment strategy is to focus on those companies that benefit from strong consumption growth and rising infrastructure spending across the region, together with beneficiaries of asset reflation. The fund is also looking to invest in quality cyclical companies that are leveraged to a recovery in demand.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	304,395	(107,247)
Revenue	13,917	12,031
Expenses	(6,054)	(5,209)
Finance costs: Interest	(7)	(48)
Net revenue/(expenses) before taxation	7,856	6,774
Taxation	(753)	(1,122)
Net revenue/(expenses) after taxation	7,103	5,652
Total return before distributions	311,498	(101,595)
Change in net assets attributable to shareholders from investment activities	311,498	(101,595)
*D		

\*Restated – see note 1 page 62.

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	527,415	682,885
Movement due to sales and repurchases of shares	s:	
Amounts receivable on issue of shares	363,672	183,937
Amounts payable on cancellation of shares	(93,800)	(91,141)
	269,872	92,796
Dilution adjustment	1,098	762
Stamp duty reserve tax	(15)	(27)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	311,498	(101,595)
Retained distribution on accumulation shares		_
Closing net assets attributable to shareholders	1,109,868	674,821

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

#### BALANCE SHEET

as at 7th September 2009 Assets	2009 £000	March 2009 £000
Investment assets	1,104,254	498,726
Debtors	44,754	5,998
Cash and bank balances	31,970	31,968
Total other assets	76,724	37,966
Total assets	1,180,978	536,692
Liabilities		
Creditors	(69,894)	(7,451)
Bank overdrafts	(1,216)	(1,826)
Total liabilities	(71,110)	(9,277)
Net assets attributable to shareholders	1,109,868	527,415

# **Asia Fund**

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### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

# Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £4,214,000 (2008: £3,281,000 reduction in net capital losses).

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £9,000 (2008: £10,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# Latin America Fund

# **Investment Report**

**Investment Objective** To achieve capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in equities of companies domiciled in Latin America or which have significant Latin American operations and it may further invest in fixed income securities such as sovereign and corporate Latin American debt, other equities and money market securities.

### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Latin America Fund has risen from 134.18p to 210.90p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested

income, is +53.37%. (For information the MSCI Latin America Index returned +53.07% over the same period.)

#### **Portfolio Activity**

Latin American markets have performed very strongly over the last six months. The recovery in the Chinese economy has had a positive effect on commodity prices, which in turn has boosted Latin American exports and allowed confidence in the region's currencies to recover from very depressed levels. Interest rates have fallen across the region, providing a further stimulus for economic activity, which now appears to be picking up. As well as commodity related areas, the consumer and industrial sectors have performed well.

The fund has maintained a relatively high exposure to Brazil, which appears best positioned for recovery with interest rates now down to single digit levels for the first time in 40 years. Mexico continues to be the fund's second highest exposure geographically and should recover along with the US economy.

In terms of sectors, the fund has increased its exposure to the consumer discretionary sector in economically sensitive areas such as retailing, and property. At the same time, the fund has reduced its holdings in the utility sector. In particular, the fund has increased its position in Lojas Renner, a Brazilian clothing retailer, and added a holding in BR Malls, a Brazilian mall operator. The fund has reduced its position in Redecard, a transaction processor for Mastercard which is facing regulatory issues. In Mexico, the fund has established a holding in the Mexican Stock Exchange and added to Walmex, the country's dominant food retailer.

### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	263,154	(71,141)
Revenue	10,655	12,294
Expenses	(4,234)	(6,249)
Finance costs: Interest	(9)	(153)
Net revenue/(expenses) before taxation	6,412	5,892
Taxation	(579)	(1,174)
Net revenue/(expenses) after taxation	5,833	4,718
Total return before distributions	268,987	(66,423)
Change in net assets attributable to		
shareholders from investment activities	268,987	(66,423)
*Restated – see note 1 page 64.		

#### **BALANCE SHEET**

as at 7th September 2009

	2009 £000	March 2009 £000
Assets Investment assets	736,669	439,042
investment assets	730,009	439,042
Debtors	3,039	7,991
Cash and bank balances	4,616	28,969
Total other assets	7,655	36,960
Total assets	744,324	476,002
Liabilities		
Creditors	(3,402)	(14,632)
Total liabilities	(3,402)	(14,632)
Net assets attributable to shareholders	740,922	461,370

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	461,370	961,566
Movement due to sales and repurchases of shares	5.	
Amounts receivable on issue of shares	69,339	102,684
Amounts payable on cancellation of shares	(58,772)	(233,941)
	10,567	(131,257)
Dilution adjustment	-	518
Stamp duty reserve tax	(2)	(7)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	268,987	(66,423)
Compensation	_	2
Closing net assets attributable to shareholders	740,922	764,399

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling. Please refer to pages 172-182 for comparative tables.

# **Latin America Fund**

# Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pm 935,000$  (2008:  $\pm 162,000$  reduction in net capital losses).

### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £7,000 (2008: £22,000) and to reduce net capital gains in 2009 increase net capital losses in 2008 by the same amounts.

# **Emerging Market Bond Fund**

# **Investment Report**

Investment Objective To achieve a total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in high yielding public sector sovereign and corporate bonds issued by emerging market borrowers. Emerging Market countries are those characterised as developing or emerging by either the World Bank, the United Nations or the JPMorgan Global Diversified Emerging Market Bond Index.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other fixed interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. In addition, the ACD may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to efficient portfolio management techniques.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Emerging Market Bond Fund has risen from 54.29p to 55.68p.

The sterling total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +4.57%. The Fund return equates approximately to +6.44% gross of tax and charges. (For information the JP Morgan Emerging Markets Global Index gave a total return of +5.61% for the same period.)

# **Portfolio Activity**

Emerging bond markets performed strongly over the reporting period as confidence in the various stimulus packages and signs of economic improvement led to a dramatic increase in risk appetite. Hard currency emerging bond markets benefited from this change in sentiment, with the spread over US Treasuries tightening from 712 basis points to 384 basis points according to JP Morgan indices. Local currency bond markets experienced a more dramatic turnaround.

The fund benefited from strong investor demand throughout the period and, as such, a significant amount of portfolio activity was focused on putting inflows to work. Early in the period, we focused on investing in those countries most likely to benefit from the increase in demand for emerging market debt. In particular, capital was allocated to government debt issued by Russia, Brazil, Venezuela and Mexico. However, we maintained our preference for better quality and more liquid issuers, which limited performance due to the underweight positions in Ecuador, the Ukraine and Pakistan.

Towards the end of the period, we started to reduce the exposure to the more volatile (and profitable) issuers in Latin America and to increase the exposure to the underperforming Asian markets. The fund's overweight position in Russia was also reduced. Furthermore, the fund's exposure to local currency debt was increased to take advantage of attractive relative value opportunities within this segment of the market.

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### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	7,735	13,344
Revenue	10,664	4,629
Expenses	(2,320)	(1,000)
Finance costs: Interest	(3)	(53)
Net revenue/(expenses) before taxation	8,341	3,576
Taxation	(7)	(17)
Net revenue/(expenses) after taxation	8,334	3,559
Total return before distributions	16,069	16,903
Finance costs: Distributions	(10,373)	(4,436)
Change in net assets attributable to		
shareholders from investment activities	5,696	12,467
*Destated and note 1 mans CC		

\*Restated - see note 1 page 66.

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	194,326	111,256
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	312,427	5,788
Amounts payable on cancellation of shares	(42,631)	(2,929)
	269,796	2,859
Dilution adjustment	1,879	-
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	5,696	12,467
Retained distribution on accumulation shares	5,830	489
Compensation	-	3
Closing net assets attributable to shareholders	477,527	127,074

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009

Assets	2009 £000	March 2009 £000
Assets Investment assets	423,010	195,377
Debtors Cash and bank balances	10,572 53,699	17,279 3,575
Total other assets	64,271	20,854
Total assets	487,281	216,231
Liabilities Derivative liabilities	(162)	(759)
Creditors Bank overdrafts Distribution payable on income shares	(1,274) (627) (7,691)	(14,219) (943) (5,984)
Total other liabilities	(9,592)	(21,146)
Total liabilities	(9,754)	(21,905)
Net assets attributable to shareholders	477,527	194,326

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

Class 1 Shares

Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.7368	0.3474	1.3894	-	1.3894	1.4225
Group 2 08/03/09 to 07/09/09 Total distributions in		0.1615	0.6459	0.7435	1.3894 <b>1.3894</b>	1.4225 <b>1.4225</b>
Class 1 Shares Gross Income						
Gross income						
Distribution Period	Gross Revenue			Equalisation	Distribution Payable 2009	Distribution Paid 2008
Distribution				Equalisation _	Payable	Paid

# **Emerging Market Bond Fund**

### **DISTRIBUTION TABLE**

(continued)

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#### Class 1 Shares Gross Accumulation

GIUSS Accumulation				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	4.3546	-	4.3546	4.1330
Group 2 08/03/09 to 07/09/09 Total distributions in	1.1774 the period	3.1772	4.3546 <b>4.3546</b>	4.1330 <b>4.1330</b>
Class 2 Shares Gross Accumulation				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	4.2704	-	4.2704	4.0053
Group 2 08/03/09 to 07/09/09 Total distributions in	2.5971 the period	1.6733	4.2704 <b>4.2704</b>	4.0053 <b>4.0053</b>
Class X Shares Gross Accumulation				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2009	Gross Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.3524	-	1.3524	-
Group 2 08/03/09 to 07/09/09 Total distributions in	0.6160 the period	0.7364	1.3524 <b>1.3524</b>	0.0000
Group 2: shares purch	nased during a	a distribution period		

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pounds$ 7,871,000 (2008:  $\pounds$ 2,589,000 increase in net capital gains).

# Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by  $\pounds4,000$  (2008:  $\pounds5,000$ ) and to reduce net capital gains by the same amounts.

# **Global Select Fund**

# **Investment Report**

Investment Objective To achieve above average capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Global Select Fund has risen from 61.01p to 79.61p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +23.14% as compared to the MSCI AC World Free Index which returned +30.88% over the same period. (For information the median returned +26.41% over the same period.)

#### **Portfolio Activity**

Global equity markets have recovered strongly from their March lows. The early phase of the equity market recovery was led by lower quality, highly cyclical areas - especially stocks that had previously been priced for failure. This initially hindered the fund's relative performance, as it did not hold a number of highly leveraged companies that rallied sharply. Additionally, the fund's sector strategy, although much less defensive than at the start of 2009, was not focused on the most economically sensitive areas that led the rally. Later in the review period, however, the fund benefited as market performance began to broaden out, and there is currently increased rotation within, rather than between, sectors. As a result, we expect sector strategy to be a diminishing influence on performance over the coming months and for stock selection within sectors to play an increasingly key role.

Over the past few months, we have sought to identify new stock ideas to ensure that the portfolio remains optimally positioned for the changing economic and market environment. New positions have been established in a range of sectors, including industrials (Lockheed Martin, whose involvement in the F35 programme is under-appreciated), IT hardware (Dell, a good example of

cost cutting providing attractive operational gearing into an economic recovery) and financials (under-researched stock Fortis is mis-valued in our opinion). We have also added to the fund's emerging market exposure via new holdings in Visanet (Brazilian credit card processor and a beneficiary of growing emerging market consumption), mobile telecom provider Millicom (another consumption theme beneficiary) and Bank Rakyat, an Indonesian micro-lender with strong growth potential and high barriers to entry.

In comparison with the benchmark, the fund is currently overweight in financials, technology, telecoms and healthcare, and underweight in consumer discretionary, consumer staples, energy, industrials, utilities and materials. Geographically, the portfolio has an above benchmark position in emerging markets, Europe and the UK, a neutral exposure to the US and is underweight in Japan and developed Asia.

Looking ahead, recent data suggests that the global economy is now on the road to recovery although this could prove to be both slow and difficult. Nevertheless, equity markets are forward-looking and have responded very positively to the prospect of a recovery in growth and company earnings.

### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	113,145	(9,062)
Revenue	6,841	8,132
Expenses	(3,906)	(4,741)
Finance costs: Interest	(3)	(34)
Net revenue/(expenses) before taxation	2,932	3,357
Taxation	(799)	(772)
Net revenue/(expenses) after taxation	2,133	2,585
Total return before distributions	115,278	(6,477)
Change in net assets attributable to		
shareholders from investment activities	115,278	(6,477)
*Restated – see note 1 page 68.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008				
	£000	£000				
Opening net assets attributable to shareholders	362,410	538,935				
Movement due to sales and repurchases of shares	s:					
Amounts receivable on issue of shares	51,449	49,676				
Amounts payable on cancellation of shares	(16,186)	(63,676)				
	35,263	(14,000)				
Dilution adjustment	_	39				
Stamp duty reserve tax	(11)	(43)				
Change in net assets attributable to						
shareholders from investment activities						
(see statement of total return above)	115,278	(6,477)				
Closing net assets attributable to shareholders	512,940	518,454				

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### BALANCE SHEET

as at 7th September 2009

	2009 £000	March 2009 £000
Assets Investment assets	510,558	351,203
Debtors Cash and bank balances	6,032 3,977	3,441 17,695
Total other assets	10,009	21,136
Total assets	520,567	372,339
Liabilities Creditors Bank overdrafts	(6,917) (710)	(8,788) (1,141)
Total liabilities	(7,627)	(9,929)
Net assets attributable to shareholders	512,940	362,410

# **Global Select Fund**

### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by  $\pm 263,000$  (2008:  $\pm 563,000$  reduction to net capital losses).

### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £12,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

# **Global Bond Fund**

#### **Investment Report** Investment Objective

To achieve a total return comprising primarily income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed income securities quoted on markets worldwide.

#### Performance of Net Income Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle Global Bond Fund has fallen from 64.10p to 59.48p.

Looking at the sterling performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is -5.00% as compared to a median return of +3.94% over the same

#### period. The Fund return equates

approximately to -3.98% gross of tax and charges. (For information the JPM Global Bond ex Japan Index gave a total return of -3.10% for the same period.)

#### **Portfolio Activity**

Risk markets performed strongly over the reporting period, as sentiment recovered from the rock bottom levels reached in early March, and economic activity began to improve. Early in the period, government bond yields broadly increased as worries over heavy supply forced investors to seek higher returns. This trend reversed in June and bond yields moved lower.

The fund was initially positioned for falling yields in March and April, which detracted from performance. These positions were reduced in late April via cash sales and the use of derivatives. Towards the end of the period, the fund was positioned to benefit from falling

yields at the longer end of the term structure in Germany, and this worked well in August.

The fund broadly maintained a preference for European bonds versus US bonds which added to performance generally as European bonds fared better. Through June and July, the fund increased its holdings of Italian bonds versus German bonds to take advantage of the increased appetite for risk. Towards the end of July, the fund then moved into Dutch bonds, following the strong outperformance of Italian issues.

In terms of its currency positioning, the fund broadly maintained a short position in the euro throughout the period. This was held against the US dollar, which detracted from performance, as well as currencies such as the Norwegian krone and Australian dollar later in the guarter, which added value.

# STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008* £000
Income		
Net capital gains/(losses)	(23,085)	13,339
Revenue	6,075	4,540
Expenses	(2,066)	(1,568)
Finance costs: Interest	(4)	(55)
Net revenue/(expenses) before taxation	4,005	2,917
Taxation	_	-
Net revenue/(expenses) after taxation	4,005	2,917
Total return before distributions	(19,080)	16,256
Finance costs: Distributions	(5,805)	(4,277)
Change in net assets attributable to shareholders from investment activities	(24,885)	11,979
*Restated – see note 1 page 70.		

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE **TO SHAREHOLDERS**

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	346,320	238,166
Movement due to sales and repurchases of shares	6:	
Amounts receivable on issue of shares	14,356	27,378
Amounts payable on cancellation of shares	(32,506)	(33,559)
	(18,150)	(6,181)
Dilution adjustment	-	17
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	(24,885)	11,979
Retained distribution on accumulation shares	2,286	1,523
Compensation	16	(2)
Closing net assets attributable to shareholders	305,587	245,502
The comparatives used within the Statement of Change in Ne	t Assets Attrib	utable to

Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### **BALANCE SHEET**

as at 7th September 2009 Assets	2009 £000	March 2009 £000
Investment assets	310,226	354,567
Debtors Cash and bank balances	8,094 1,615	20,043 5,800
Total other assets	9,709	25,843
Total assets	319,935	380,410
Liabilities Derivative liabilities	(2,717)	(2,379)
Creditors Bank overdrafts Distribution payable on income shares	(8,424) (22) (3,185)	(19,279) (8,875) (3,557)
Total other liabilities	(11,631)	(31,711)
Total liabilities	(14,348)	(34,090)
Net assets attributable to shareholders	305,587	346,320

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Interest distribution in pence per share

**Class 1 Shares** 

Net income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.0731	0.2146	0.8585	-	0.8585	0.7117
Group 2 08/03/09 to 07/09/09 Total distributions in the	0.7423 e period	0.1485	0.5938	0.2647	0.8585 <b>0.8585</b>	0.7117 <b>0.7117</b>
Class 1 Shares Net Accumulation*						
					Net	

Distribution Period	Gross Revenue 2009	Income Tax	Net Revenue	Equalisation	Revenue Accumulated
Group 1 08/05/09 to 07/09/09	0.5271	0.1054	0.4217	-	0.4217
Group 2 08/05/09 to 07/09/09 Total distributions in the	0.1275 e period	0.0255	0.1020	0.3197	0.4217 <b>0.4217</b>

# **Global Bond Fund**

# **DISTRIBUTION TABLE**

(continued)

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Class 2 Shares Net Income						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.1868	0.2374	0.9494	-	0.9494	0.7821
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.5670 ne period	0.1134	0.4536	0.4958	0.9494 <b>0.9494</b>	0.7821 <b>0.7821</b>
Class 1 Shares						
Gross Income						
Distribution Period	Gross Revenue			Equalisation	Distribution Payable 2009	Distribution Paid 2008
Group 1 08/03/09 to 07/09/09	1.4657			-	1.4657	1.2163
Group 2 08/03/09 to 07/09/09 Total distributions in th	1.0712 ne period			0.3945	1.4657 <b>1.4657</b>	1.2163 <b>1.2163</b>
Class 1 Shares						
<b>Gross Accumulation</b>						
Distribution	Gross				Gross Revenue	Gross Revenue
Period	Revenue			Equalisation	Accumulated 2009	
Group 1 08/03/09 to 07/09/09	1.7912			-	1.7912	1.4347
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.7479			1.0433	1.7912 1.7912	1.4347 <b>1.4347</b>
Class 2 Shares	ie period				1.7512	1.4347
Gross Accumulation						
					Gross	Gross
Distribution Period	Gross Revenue			Equalisation	Revenue Accumulated 2009	Revenue Accumulated 2008
Group 1 08/03/09 to 07/09/09	1.4413			-	1.4413	1.1509
Group 2 08/03/09 to 07/09/09 Total distributions in th	0.8085 ne period			0.6328	1.4413 <b>1.4413</b>	1.1509 <b>1.1509</b>

Group 2: shares purchased during a distribution period

\*Class 1 Net Accumulation shares launched on 8th May 2009

# Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

# **1 ACCOUNTING POLICIES**

The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital losses by  $\pm$ 140,000 (2008:  $\pm$ 713,000 reduction in net capital gains).

### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £14,000 (2008: £11,000) and to increase net capital losses in 2009 and to reduce net capital gains in 2008 by the same amounts.

# **UK Institutional Fund**

# **Investment Report**

Investment Objective To achieve long term capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund in a wide spread of primarily UK companies, which are considered to have good potential for capital growth. Investment will tend to focus on large companies with sound long-term prospects.

#### Performance of Net Accumulation Class 1 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Institutional Fund has risen from 55.67p to 76.95p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +29.70% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

The start of the review period coincided with the trough for the UK stock market and the six months since then have seen the FTSE All-Share Index rise by over 40% from its lows. We have gone from a market that was pricing in a worst case scenario to one that is now expecting a near normal economic recovery.

Since 2007, the portfolio had been cautiously positioned in anticipation of the market decline that subsequently occurred, and our task in the last six months was to reposition the fund to take advantage of a rising market. Back in March, we were very cautious on the banking sector and the fund's performance suffered as this sector bounced aggressively from what can now be described as oversold levels. However, at the time valuations were considered fair for a sector that was potentially going to suffer from further multi-billion pound loan losses and even selective nationalisation. We increased the holdings in the financial sector, but initially preferred to do this via purchases of non-banking financials such as British Land, Hammerson and investment

group, 3i, all of which have rallied strongly.

The market rally broadened out during April and we have since added to stocks that stand to benefit from more favourable economic conditions, although it should be noted that we do not necessarily believe we will see the rapid return to GDP growth that some market commentators are expecting. Our caution stems from the high level of indebtedness of both the public and private sectors, and we remain concerned that unemployment will be higher than expected with the associated knock-on effects. To date, the upgrades to company earnings forecasts that have come through are largely the result of cost control by company managements. While this is to be applauded, we need to see revenue growth follow through to drive markets forward from this point. The low level of interest rates is clearly positive for the consumer and companies alike, but the focus going forward is likely to be on debt repayment rather than new investment, and this leads us to favour those stocks that have better than average visibility and earnings prospects.

# STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income		
Net capital gains/(losses)	374,546	(157,628)
Revenue	30,334	41,139
Expenses	(5,604)	(9,458)
Finance costs: Interest	(10)	(311)
Net revenue/(expenses) before taxation	24,720	31,370
Taxation	(58)	(106)
Net revenue/(expenses) after taxation	24,662	31,264
Total return before distributions	399,208	(126,364)
Finance costs: Distributions	(24,662)	(31,264)
Change in net assets attributable to shareholders from investment activities	374,546	(157,628)
*Restated – see note 1 page 72.		

# STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	1,007,464	2,411,961
Movement due to sales and repurchases of share	s:	
Amounts receivable on issue of shares	208,847	364,719
Amounts payable on cancellation of shares	(164,438)	(746,488)
	44,409	(381,769)
Dilution adjustment	1,152	1,157
Stamp duty reserve tax	(550)	(1,903)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	374,546	(157,628)
Retained distribution on accumulation shares	24,662	31,264
Closing net assets attributable to shareholders	1,451,683	1,903,082

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

#### BALANCE SHEET

as at 7th September 2009

	March		
	2009	2009	
A	£000	£000	
Assets			
Investment assets	1,456,427	1,004,872	
Debtors	17,476	27,415	
Cash and bank balances	6,602	3,653	
Total other assets	24,078	31,068	
Total assets	1,480,505	1,035,940	
Liabilities			
Creditors	(28,822)	(28,476)	
Total liabilities	(28,822)	(28,476)	
Net assets attributable to shareholders	1,451,683	1,007,464	

# **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

Class 1 Shares

Net Accumulation					
				Net	Net
Distribution	Gross	Tax	Net	Revenue	Revenue
Period	Revenue	Credit	Revenue		Accumulated
				2009	2008
08/03/09 to 07/09/09	1.1826	0.1183	1.0643	1.0643	1.0248
Total distributions in th	ne period			1.0643	1.0248
Class 2 Shares Net Accumulation					
				Net	Net
Distribution	Gross	Tax	Net	Revenue	Revenue
Period	Revenue	Credit	Revenue	Accumulated	Accumulated
				2009	2008
08/03/09 to 07/09/09	1.5433	0.1543	1.3890	1.3890	1.3838
Total distributions in th	e period			1.3890	1.3838
	•				

### **UK Institutional Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

#### **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by Nil (2008:  $\pm$ 1,000 reduction in net capital losses)

#### **Transaction costs**

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £6,000 (2008: £11,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

### **UK Overseas Earnings Fund**

#### **Investment Report**

Investment Objective To achieve capital growth.

#### **Investment Policy**

The ACD's investment policy is to invest the assets of the Fund primarily in the shares of UK companies deriving more than half their earnings from overseas activities and/or exports.

#### Performance of Net Income Class 2 Shares\*

Over the six months to 7th September 2009, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 45.69p to 60.96p.

Looking at performance within its peer group, the total return on the Fund for the six months ending 31st August 2009, including net reinvested income, is +29.70% as compared to a median return of +31.82% over the same period. (For information the FTSE All-Share Total Return Index returned +33.82% over the same period.)

#### **Portfolio Activity**

After a very strong period of performance relative to the peer group in 2007 and 2008, the current year has proved more challenging for the fund. The UK stock market bottomed in early March and has since rallied strongly from its lows, reflecting optimism about the stabilisation of the financial system, the recovery in the global economy and the combination of huge monetary stimulus by central banks and fiscal stimulus by governments.

Having started the period with a defensive portfolio, we have moved a significant part of the fund into more cyclical areas, such as industrials and financials, as investors began to believe that the worst of the recession was over. The fund bought stocks such as Barclays, Daily Mail & GeneralTrust and Laird to gain exposure to companies that should perform well during the recovery phase, but also bought high quality growth companies like Cobham, 3i and IG Group. These new investments have been funded by reducing sectors such as utilities, tobacco and telecoms.

These changes have not prevented a difficult period of relative performance for the fund, as it tends to be the most risky companies in terms of operational and financial leverage that perform best during the initial stages of recovery. However, with the rally broadening out, the fund's performance improved towards the end of the period.

The portfolio is well balanced, holding a combination of defensive and cyclical stocks, as we expect to see continued evidence of recovery in the short term. However, as the deleveraging process continues, the UK economy potentially faces a long period of sub-trend growth which will prove a challenge, particularly for sectors that are exposed to government or consumer spending. Nevertheless, there continue to be many favourable opportunities and we believe the outlook for equities looks attractive compared to bonds and cash.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8th March 2009 to 7th September 2009

	2009	2008*
	£000	£000
Income	26,559	(7,316)
Net capital gains/(losses)		
Revenue	2,510	3,046
Expenses	(750)	(1,041)
Finance costs: Interest	-	(1)
Net revenue/(expenses) before taxation	1,760	2,004
Taxation	(9)	(5)
Net revenue/(expenses) after taxation	1,751	1,999
Total return before distributions	28,310	(5,317)
Finance costs: Distributions	(1,751)	(1,999)
Change in net assets attributable to		
shareholders from investment activities	26,559	(7,316)
*Restated – see note 1 page 74.		

'Restated – see note 1 page /4

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8th March 2009 to 7th September 2009

	2009 £000	2008 £000
Opening net assets attributable to shareholders	81,922	135,604
Movement due to sales and repurchases of shares	:	
Amounts receivable on issue of shares	1,489	1,154
Amounts payable on cancellation of shares	(5,933)	(7,675)
	(4,444)	(6,521)
Stamp duty reserve tax	(5)	(8)
Change in net assets attributable to		
shareholders from investment activities		
(see statement of total return above)	26,559	(7,316)
Closing net assets attributable to shareholders	104,032	121,759

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7th March 2009 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7th September 2008.

\*In pound Sterling and against UK peer group. Please refer to pages 172-182 for comparative tables.

#### BALANCE SHEET

as at 7th September 2009		March
	2009	2009
Assets	£000	£000
Investment assets	103,535	81,198
Debtors	1,114	1,196
Cash and bank balances	2,413	1,675
Total other assets	3,527	2,871
Total assets	107,062	84,069
Liabilities		
Derivative liabilities	-	(14)
Creditors	(1,279)	(922)
Distribution payable on income shares	(1,751)	(1,211)
Total other liabilities	(3,030)	(2,133)
Total liabilities	(3,030)	(2,147)
Net assets attributable to shareholders	104,032	81,922

#### **DISTRIBUTION TABLE**

for the accounting period 8th March 2009 to 7th September 2009

Dividend distribution in pence per share

**Class 2 Shares** 

Net Income					
Distribution	Gross	Tax	Net	Distribution	Distribution
Period	Revenue	Credit	Revenue	Payable	Paid
				2009	2008
08/03/09 to 07/09/09	1.1200	0.1120	1.0080	1.0080	1.0647
Total distributions in the	ne period			1.0080	1.0647

### **UK Overseas Earnings Fund**

#### Notes to the financial statements

for the accounting period 8th March 2009 to 7th September 2009

#### **1 ACCOUNTING POLICIES**

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The accounting policies for the fund are the same as those disclosed in the aggregated accounts on page 6. The impact of adoption of the new SORP has had the following impact on the accounts:

#### Other gains/(losses)

Other gains/(losses) were previously included as a separate line in the Statement of Total Return but have now been included in net capital gains/(losses).

The effect of this change has been to reduce net capital gains by £5,000 (2008: £1,000 reduction in net capital losses).

#### Transaction costs

Transaction costs were previously included in expenses but have now been included in net capital gains/(losses).

The effect of this change has been to reduce expenses by £3,000 (2008: £3,000) and to reduce net capital gains in 2009 and increase net capital losses in 2008 by the same amounts.

### **UK Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (1.59%, March 2009 – 1.9	7%)			Life Assurance – 1.51% (March 2009 – 0.95%)		
	Chemicals – 0.00% (March 2009 – 0.50%)			6,021,087	Friends Provident Group	4,919	0.49
	(Warch 2009 – 0.50 %)			1,854,549	Prudential	10,163	1.02
	Construction & Building Materia	ls – 1.59%		1,00 1,0 10		10,100	
	(March 2009 – 1.47%)				Real Estate – 2.34%		
4,866,672	Carillion	14,581	1.46		(March 2009 – 0.00%)		
909,050	SIG	1,268	0.13	2,289,076	Hammerson	9,410	0.95
	Total Basic Industries	15,849	1.59	13,021,961	Regus	13,803	1.39
					Speciality & Other Finance –	3.11%	
					(March 2009 – 0.14%)		
(0.91%, March 2	-			3,489,095	Hargreaves Lansdown	9,431	0.95
8,818,725	Threadneedle Sterling Liquid Assets Fund	9,004	0.01	4,089,967	IG Group Holdings	14,695	1.48
		9,004	0.91	2,366,703	Intermediate Capital	6,792	0.68
	Total Collective Investment Schemes	9,004	0.91		Total Financials	205,468	20.65
	_					00 <b>7</b> 40%)	
CYCLICAL SERV	/ICES (11.09%, March 2009 – 1	3,79%)		GENERAL INDU	JSTRIALS (7.00%, March 20 Aerospace & Defence – 4.75%		
	General Retailers – 2.13%	,			(March 2009 – 5.81%)		
	(March 2009 – 1.87%)			7,021,167		22,861	2.30
2,462,471	Burberry Group	12,307	1.24	4,150,061	Meggitt	8,952	0.90
4,089,891	Kingfisher	8,855	0.89	959,756	00	8,057	0.81
				1,366,153		7,384	0.74
	Media & Photography – 2.66%			.,,	,,		
	(March 2009 – 4.18%)				Engineering & Machinery – 2.	25%	
1,998,058	Pearson	14,826	1.49		(March 2009 – 1.32%)		
1,185,967	Reed Elsevier	5,339	0.54	7,303,605	Melrose	11,700	1.17
1,220,761	WPP	6,281	0.63	1,680,916	Weir Group	10,749	1.08
	Support Services – 4.40%				Total General Industrials	69,703	7.00
	(March 2009 – 5.06%)						
961,497	Aggreko	6,404	0.64	INFORMATION	TECHNOLOGY		
1,698,627	De La Rue	15,491	1.56	(1.18%, March 2	2009 – 1.21%)		
1,378,716	Experian Group	6,949	0.70		Software & Computer Service	es – 1.18%	
13,220,281	Rentokil Initial	14,979	1.50		(March 2009 – 1.21%)		
				699,513	'	9,290	0.93
	Transport – 1.90%			1,357,408	Misys	2,438	0.25
	(March 2009 – 2.68%)				Total Information		
9,675,718	British Airways	18,877	1.90		Technology	11,728	1.18
	Total Cyclical Services	110,308	11.09				
				NON-CYCLICAL	. CONSUMER GOODS (16.03%, March 2009 – 22.	000/ )	
FINANCIALS (2	0.65%, March 2009 – 7.41%)				Food Producers & Processors		
	Banks – 10.92% (March 2009 – 3.36%)				(March 2009 – 0.83%)	- 0.1578	
6,360,482	Barclays	22,856	2.30	349,774	Tate & Lyle	1,464	0.15
7,906,818	HSBC	52,225	5.25	040,774		1,404	0.10
9,834,779	LloydsTSB Group	10,403	1.04		Health – 0.00%		
16,507,336	Royal Bank of Scotland	9,343	0.94		(March 2009 – 0.74%)		
1,014,367	Standard Chartered	13,887	1.39				
• •		•			Personal Care & Household P	roducts – 0.77	%
	Insurance – 0.00%				(March 2009 – 2.03%)		
	(March 2009 – 2.08%)			260,603	Reckitt Benckiser	7,662	0.77
					Dhammaaautiacla 9 Diata-burg	logy 11 00 <sup>0/</sup>	
	Investment Companies – 2.77%				Pharmaceuticals & Biotechno	10gy – 11.88%	
7007075	(March 2009 – 0.88%)	22 061	2.40	1,346,675	( <b>March 2009 – 11.60%)</b> AstraZeneca	37,491	3.77
7,807,875 4,054,602	3i Group Resolution	23,861 3,680	2.40 0.37	4,864,138	GlaxoSmithKline	57,859	5.81
4,004,002	nosolution	3,000	0.37	2,208,482		22,902	2.30
				, ,		,	

# **UK Fund**

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 3.23%		
	(March 2009 – 6.80%)		
1,657,180	British American Tobacco	32,166	3.23
	Total Non-Cyclical		
	Consumer Goods	159,544	16.03
NON-CYCLICAL (9.84%, March 2			
	Food & Drug Retailers – 4.04%		
7,825,591	<b>(March 2009 – 5.48%)</b> Morrison Supermarkets	22,452	2.26
4,707,863	Tesco	17,749	1.78
,,,	Telecommunication Services –		
42,961,477	( <b>March 2009 – 9.43%)</b> Vodafone Group	57,740	5.80
42,501,477	Total Non-Cyclical Services	97,941	9.84
	Iotal Non-Cyclical Services	57,541	5.04
RESOURCES (3	0.06%, March 2009 – 25.05% Mining – 10.44% (March 2009 – 4.59%)	)	
7,978,728	Centamin Egypt	7,679	0.77
1,607,674		10,876	1.09
724,923		12,012	1.21
1,479,418 3,277,479		36,157 12,504	3.63 1.26
2,903,361	Xstrata	24,664	2.48
	Oil & Gas – 19.62% (March 2009 – 20.46%)		
4,692,782	BG Group	48,101	4.83
10,923,628	BP	58,775	5.91
1,754,763 1,440,038	Heritage Oil Premier Oil	9,177 18,029	0.92 1.81
1,787,390		29,492	2.96
2,742,590	Tullow Oil	29,949	3.01
327,234	Wellstream Holdings	1,742	0.18
	Total Resources	299,157	30.06
UTILITIES (1.76	%, March 2009 – 5.85%) Electricity – 0.48%		
421,635	(March 2009 – 3.94%) Scottish & Southern Energy	4,752	0.48
	Water – 1.28% (March 2009 – 1.91%)		
2,733,595	Pennon Group	12,771	1.28
	Total Utilities	17,523	1.76
Total Value of Inve	estments	996,225	100.11
Net Other Liabilit	ies (March 2009 – (0.62%))	(1,092)	(0.11)
Net Assets		995,133	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

### **UK Select Fund**

### **Portfolio statement**

		£000	Value	Holding	Investment	£000	Net Asset Value
	IES (2.93%, March 2009 – 2.99	9%)			Real Estate – 1.98%		
	Chemicals – 0.00%				(March 2009 – 0.00%)		
(	(March 2009 – 1.03%)			707,190	British Land	3,433	1.50
	Construction & Building Materials	s – 2.93%		1,043,916	Regus Total Financials	1,107 <b>39,005</b>	0.48
	(March 2009 – 1.96%)						
,	Persimmon SIG	2,778 3,917	1.22 1.71	GENERAL INDU	JSTRIALS (6.51%, March 20	09 - 16.93%)	)
					Aerospace & Defense – 0.00%		
	Total Basic Industries	6,695	2.93		(March 2009 – 9.38%)		
	ESTMENT SCHEMES				Diversified Industrials – 1.05%	)	
(2.82%, March 20				005 004	(March 2009 – 0.00%)	0.407	4.05
	Threadneedle Sterling Liquid	6 461	2.02	625,094	New Britain Palm Oil	2,407	1.05
	Assets Fund	6,461	2.82		Electronic & Electrical Equipm	nent – 3.08%	
	Total Collective Investment	6 461	2.02		(March 2009 – 4.29%)	0.000/0	
·	Schemes	6,461	2.82	1,186,518	Invensys	3,468	1.52
	ICES (12.57%, March 2009 – 1	0 56%)		2,124,045	Laird Group	3,579	1.56
	General Retailers – 2.21%	0.30 /01			Frankraski v 9. Markinski og	200/	
	(March 2009 – 2.51%)				Engineering & Machinery – 2. (March 2009 – 3.26%)	38%	
309,610	Carpetright	2,530	1.11	1,081,118	Hamworthy	3,027	1.32
8,619,225 l	Inchcape	2,522	1.10	377,329	,	2,413	1.06
	Leisure Entertainment & Hotels –	2 4 4 9/			Total General Industrials	14,894	6.51
	(March 2009 – 1.41%)	<b>Z.44</b> %					
	J.D. Wetherspoon	2,505	1.09	INFORMATION	TECHNOLOGY (4.71%, Mar	ch 2009 – 1.6	<b>;9%</b> )
	PartyGaming	3,092	1.35		Information Technology Hardv (March 2009 – 0.00%)		
	Media & Photography – 1.55% (March 2009 – 1.32%)			512,321	Cambridge Silicon Radio	2,434	1.06
660,969 l	British Sky Broadcasting Group	3,549	1.55		Software & Computer Service (March 2009 – 1.69%)	es – 3.65%	
:	Support Services – 3.46%			285,564	Aveva Group	2,443	1.07
	(March 2009 – 5.32%)			1,876,225	Misys	3,370	1.47
	Babcock International Group	3,032	1.33	1,595,559	RM	2,529	1.11
	Rentokil Initial	4,874	2.13		Total Information Technology	10,776	4.71
	Transport – 2.91%						
	(March 2009 – 0.00%) BBA Aviation	3,163	1.38	NON-CYCLICAL	CONSUMER GOODS		
	British Airways	3,103	1.53	(14.82%, March	2009 – 21.34%)		
	Total Cyclical Services	28,759	12.57		Food Producers & Processors	- 1.25%	
		20,755	12.57	227506	(March 2009 – 0.00%)	2 969	1.05
FINANCIALS (17.	05%, March 2009 – 7.86%)			337,596	Associated British Foods	2,868	1.25
-	Banks – 13.70%				Personal Care & Household P	roducts – 1.60°	%
(	(March 2009 – 3.91%)				(March 2009 – 4.29%)		
	Barclays	9,235	4.04	534,288	PZ Cussons	1,168	0.51
	HSBC	19,542	8.54	85,133	Reckitt Benckiser	2,503	1.09
	Royal Bank of Scotland	2,565	1.12		Pharmaceuticals & Biotechno	logy – 8.64%	
	Insurance – 0.00% (March 2009 – 3.95%)			275,333	(March 2009 – 12.39%) AstraZeneca	7,665	3.35
,	(March 2009 – 3.95%)			1,016,793	GlaxoSmithKline	12,095	5.29
I	Investment Companies – 1.37%						
	(March 2009 – 0.00%)	_			Tobacco – 3.33%		
1,021,998	3i Group	3,123	1.37	202.255	(March 2009 – 4.66%)	7614	2.22
				392,255	British American Tobacco	7,614	3.33
					Total Non-Cyclical Consumer Goods	33,913	14.82

### **UK Select Fund**

### **Portfolio statement**

(continued)

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Holding	Investment	Value £000	% of Net Asset Value
NON-CYCLICAL	SERVICES (12.90%, March 2 Food & Drug Retailers – 7.10% (March 2009 – 3.79%)	2009 – 14.3	7%)
6,900,227	Booker Group	2,467	1.08
1,376,259	Morrison Supermarkets	3,948	1.73
2,600,832	Tesco	9,805	4.29
	Telecommunication Services – (March 2009 – 10.58%)	5.80%	
3,505,863	BT Group	4,677	2.04
6,405,828	Vodafone Group	8,609	3.76
	Total Non-Cyclical Services	29,506	12.90
RESOURCES (28	3.03%, March 2009 – 20.58% Mining – 10.33% (March 2009 – 2.63%)	)	
1,294,024	Centamin Egypt	1,245	0.54
1,286,499	Hochschild Mining	3,710	1.62
407,102	RioTinto	9,950	4.35
1,027,965	Xstrata	8,733	3.82
	Oil & Gas – 17.70% (March 2009 – 17.95%)		
540,842	BG Group	5,544	2.42
2,617,313	BP	14,082	6.15
372,981	Premier Oil	4,670	2.04
462,996	Royal Dutch Shell 'B' Shares	7,639	3.34
785,095	Tullow Oil	8,573	3.75
	Total Resources	64,146	28.03
UTILITIES (0.00%	%, March 2009 – 3.09%) Gas Distribution – 0.00% (March 2009 – 2.07%)		
	Water – 0.00% (March 2009 – 1.02%)		
	Total Utilities	-	-
Total Value of Inve	stments	234,155	102.34
Net Other Liabilitie	es (March 2009 – (2.46%))	(5,344)	(2.34)
Net Assets		228,811	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# **UK Smaller Companies Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (11.47%, March 2009 – 1	1.43%)			Media & Photography – 1.99%		
	Chemicals – 4.08%				(March 2009 – 2.14%)		
	(March 2009 – 4.28%)			160,000	Critical Information Group	171	0.15
265,000	Croda International	1,689	1.46	82,400	Euromoney Institutional Investor	221	0.19
2,579,546	Elementis	1,251	1.08	1,160,000	ITE Group	1,148	0.99
239,000	Victrex	1,792	1.54	620,000	Wilmington Group	769	0.66
	Construction & Building Materi	als – 6.93%			Support Services – 9.65%		
	(March 2009 – 6.81%)			1 050 000	(March 2009 – 14.27%)	1 10 4	0.05
345,000	Balfour Beatty	1,192	1.03	1,350,000 230.000	Ashtead Group Babcock International Group	1,104	0.95
142,000	Bellway	1,230	1.06			1,194	1.03
300,747	Bovis Homes Group	1,523	1.31	410,000	Eaga	579 753	0.50
350,000	BSS Group	1,034	0.89	448,000	Interior Services Group		0.65
90,000	Keller Group	593	0.51	260,000	Lavendon Group	452	0.39
728,000	Marshalls Group	888	0.77	322,000	Michael Page International	1,034	0.89
122,000	Morgan Sindall	840	0.72	625,000	Mitie Group	1,627	1.40
528,354	SIG	737	0.64	415,000	Mouchel Parkman	717	0.62
				360,000	Premier Farnell	578	0.50
	Forestry & Paper – 0.46%			756,000	RPS Group	1,598	1.38
	(March 2009 – 0.00%)			1,710,000	Speedy Hire	650	0.56
181,000	Mondi	530	0.46	90,000	WS Atkins	579	0.50
				110,000	WSP Group	324	0.28
	Steel & Other Metals – 0.00% (March 2009 – 0.34%)				Transport – 1.85%		
	Total Basic Industries	13,299	11.47		(March 2009 – 1.24%)		
	Iotal Basic Industries	13,299	11.47	38,000	Forth Ports	491	0.42
				51,500	Go Ahead Group	727	0.62
COLLECTIVE IN (0.00%, March 2	IVESTMENT SCHEMES 2009 – 4.77%)			425,000	Wincanton	944	0.81
	Total Collective Investment				Total Cyclical Services	31,356	27.03
	Schemes	_	_				
	Schemes			FINANCIALS (1	9.40%, March 2009 – 15.47%)		
					Insurance – 1.51%		
CYCLICAL CON	SUMER GOODS (0.67%, Mar		).00%)		(March 2009 – 2.59%)		
	Household Goods & Textiles – 0	J. <b>67%</b>		1,575,000	Beazley	1,750	1.51
	(March 2009 – 0.00%)						
350,000	Pace	771	0.67				
	Tetel Ourlie I Ocasion of Ocean		0.07		Investment Companies – 0.43%		
	Total Cyclical Consumer Goods	771	0.67		Investment Companies – 0.43% (March 2009 – 0.16%)		
CVCLICAL SERV	lotal Cyclical Consumer Goods	771		556,297	•	505	0.43
	/ICES (27.03%, March 2009 –			556,297	(March 2009 – 0.16%) Resolution	505	0.43
OTOEIOAE OEIN				556,297	(March 2009 – 0.16%) Resolution Life Assurance – 0.84%	505	0.43
OTOLIOAL OLIN	/ICES (27.03%, March 2009 –			·	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%)		
	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%)			556,297 431,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84%	505 975	0.43 0.84
66,512	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright	<b>28.13%)</b> 543	<b>0.67</b>	·	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place		
66,512 152,459	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught	<b>28.13%)</b> 543 589	0.67 0.47 0.51	·	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61%		
66,512 152,459 1,155,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams	<b>28.13%)</b> 543 589 990	0.67 0.47 0.51 0.85	·	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place		
66,512 152,459 1,155,000 126,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity	28.13%) 543 589 990 765	0.67 0.51 0.85 0.66	·	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61%		
66,512 152,459 1,155,000 126,000 229,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza	<b>28.13%)</b> 543 589 990 765 569	0.67 0.51 0.85 0.66 0.49	431,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%)	975	0.84
66,512 152,459 1,155,000 126,000 229,000 190,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group	28.13%) 543 589 990 765 569 532	0.67 0.51 0.85 0.66 0.49 0.46	431,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings	975 1,434	0.84
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group	28.13%) 543 589 990 765 569 532 1,389	0.67 0.51 0.85 0.66 0.49 0.46 1.20	431,000 123,000 71,500	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities	975 1,434 230	0.84 1.24 0.20
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape	28.13%) 543 589 990 765 569 532 1,389 667	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57	431,000 123,000 71,500 138,149	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred	975 1,434 230 438	0.84 1.24 0.20 0.38
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals	<b>28.13%)</b> 543 589 990 765 569 532 1,389 667 1,018	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88	431,000 123,000 71,500 138,149 328,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust	975 1,434 230 438 896	0.84 1.24 0.20 0.38 0.77
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96	431,000 123,000 71,500 138,149 328,000 3,285,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings	975 1,434 230 438 896 2,842	0.84 1.24 0.20 0.38 0.77 2.45
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000 595,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12	431,000 71,500 138,149 328,000 3,285,000 300,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar	975 1,434 230 438 896 2,842 1,121	0.84 1.24 0.20 0.38 0.77 2.45 0.97
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000 595,000 1,625,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50	431,000 123,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services	975 1,434 230 438 896 2,842 1,121 418 857	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000 595,000 1,625,000 240,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon Ted Baker	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581 948	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50 0.82	431,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000 448,656	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services Regus	975 1,434 230 438 896 2,842 1,121 418 857 476	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74 0.41
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000 595,000 1,625,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50	431,000 123,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services	975 1,434 230 438 896 2,842 1,121 418 857	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74
66,512 152,459 1,155,000 126,000 229,000 190,000 420,000 2,280,000 687,000 187,000 595,000 1,625,000 240,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon Ted Baker Topps Tiles Leisure Entertainment & Hotels	28.13%) 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581 948 356	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50 0.82	431,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000 448,656 288,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services Regus Savills	975 1,434 230 438 896 2,842 1,121 418 857 476 1,024	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74 0.41 0.88
66,512 152,459 1,155,000 126,000 229,000 420,000 2,280,000 687,000 187,000 187,000 1,625,000 2,40,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon Ted Baker Topps Tiles Leisure Entertainment & Hotels (March 2009 – 2.90%)	<b>28.13%)</b> 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581 948 356 s - <b>3.74%</b>	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50 0.82 0.31	431,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000 448,656 288,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services Regus Savills	975 1,434 230 438 896 2,842 1,121 418 857 476 1,024	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74 0.41 0.88
66,512 152,459 1,155,000 126,000 229,000 420,000 2,280,000 687,000 187,000 187,000 595,000 1,625,000 240,000 400,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon Ted Baker Topps Tiles Leisure Entertainment & Hotels (March 2009 – 2.90%) Greene King	<b>28.13%)</b> 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581 948 356 <b>5</b> - <b>3.74%</b> 2,154	0.67 0.47 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50 0.82 0.31	431,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000 448,656 288,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services Regus Savills	975 1,434 230 438 896 2,842 1,121 418 857 476 1,024	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74 0.41 0.88
66,512 152,459 1,155,000 126,000 229,000 420,000 2,280,000 687,000 187,000 187,000 1,625,000 2,40,000	/ICES (27.03%, March 2009 – General Retailers – 9.80% (March 2009 – 7.58%) Carpetright Connaught Debenhams Dignity Domino's Pizza Dunelm Group Halfords Group Inchcape Kesa Electricals Mothercare N. Brown Group Pendragon Ted Baker Topps Tiles Leisure Entertainment & Hotels (March 2009 – 2.90%)	<b>28.13%)</b> 543 589 990 765 569 532 1,389 667 1,018 1,115 1,303 581 948 356 s - <b>3.74%</b>	0.67 0.51 0.85 0.66 0.49 0.46 1.20 0.57 0.88 0.96 1.12 0.50 0.82 0.31	431,000 71,500 138,149 328,000 3,285,000 300,000 333,451 435,000 448,656 288,000	(March 2009 – 0.16%) Resolution Life Assurance – 0.84% (March 2009 – 0.00%) St. James's Place Real Estate – 10.61% (March 2009 – 7.10%) Derwent Valley Holdings Development Securities Development Securities - Referred Grainger Trust Hansteen Holdings Helical Bar London & Stamford LSL Property Services Regus Savills	975 1,434 230 438 896 2,842 1,121 418 857 476 1,024	0.84 1.24 0.20 0.38 0.77 2.45 0.97 0.36 0.74 0.41 0.88

# **UK Smaller Companies Fund**

#### **Portfolio statement**

(continued)

			% of
Holding	Investment	Value £000	Net Asset Value
	Speciality & Other Finance – 6.0 (March 2009 – 5.62%)	)1%	
916,000	Aberdeen Asset Management	1,241	1.07
410,000		1,128	0.97
760,000	•	2,181	1.88
138,000	Rathbone Brothers	1,185	1.02
1,375,000	Record	1,238	1.07
	Total Financials	22,504	19.40
GENERAL INDI	JSTRIALS (16.67%, March 200	)9 <u>-</u> 19 45º	<b>(</b> )
GENERAL INDO	Aerospace & Defence – 4.56% (March 2009 – 6.71%)	10.40	
94,000	Chemring Group	2,069	1.78
165,000	0	2,003	1.78
195,000	VT Group	1,054	0.91
100,000	VI Gloup	1,004	0.01
	Diversified Industrials – 0.96% (March 2009 – 1.12%)		
290,000	New Britain Palm Oil	1,116	0.96
	Flastwaria & Flastwight Furning	-t E 210/	
	Electronic & Electrical Equipmer (March 2009 – 5.42%)	nt – 5.31%	
1,100,000	Chloride Group	1,628	1.40
562,000	Laird Group	947	0.82
265,000	Oxford Instruments	464	0.40
880,000	PV Crystalox Solar	664	0.57
226,727	Renishaw	1,170	1.01
187,000	Spectris	1,282	1.11
	Engineering & Machinery – 5.84	%	
	(March 2009 – 6.20%)		
141,000	Charter International	849	0.73
61,000	Cookson Group	247	0.21
495,000	Fenner	666	0.58
700,000	Halma	1,408	1.21
157,000	Rotork	1,529	1.32
243,000	Severfield-Rowen	447	0.39
168,000	Spirax Sarco Engineering	1,627	1.40
	Total General Industrials	19,337	16.67
	-		
INFORMATION	TECHNOLOGY (7.96%, March		88%)
	Information Technology Hardwa	re – 2.70%	
	(March 2009 – 1.72%)	000	0.00
145,000	Cambridge Silicon Radio	689	0.60
1,090,000 317,000	Spirent Communications Telecity Group	894 1,099	0.77 0.95
317,000	lelecity Group	1,099	0.95

61,000       Cookson Group       247       0.2         495,000       Fenner       666       0.5         700,000       Halma       1,408       1.2         157,000       Rotork       1,529       1.3         243,000       Severfield-Rowen       447       0.3         168,000       Spirax Sarco Engineering       1,627       1.4         Total General Industrials       19,337       16.6         RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)       Information Technology Hardware – 2.70%       (March 2009 – 1.72%)         145,000       Cambridge Silicon Radio       689       0.6         1,090,000       Spirent Communications       894       0.7         317,000       Telecity Group       1,099       0.5         310,000       Wolfson Microelectronics       443       0.3         Software & Computer Services – 5.26%       (March 2009 – 5.16%)       1.163       1.0         136,000       Aveva Group       1,918       1.6         276,000       Micro Focus International       1,052       0.5         440,000       Misys       790       0.6         745,000       RM       1,181       1.0				
61,000       Cookson Group       247       0.2         495,000       Fenner       666       0.5         700,000       Halma       1,408       1.2         157,000       Rotork       1,529       1.3         243,000       Severfield-Rowen       447       0.3         168,000       Spirax Sarco Engineering       1,627       1.4         Total General Industrials       19,337       16.6         RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)       Information Technology Hardware – 2.70%         (March 2009 – 1.72%)       145,000       Cambridge Silicon Radio       689       0.6         1,090,000       Spirent Communications       894       0.7         317,000       Telecity Group       1,099       0.5         310,000       Wolfson Microelectronics       443       0.3         Software & Computer Services – 5.26%       (March 2009 – 5.16%)       1.163       1.0         136,000       Aveva Group       1,918       1.6         276,000       Micro Focus International       1,052       0.5         440,000       Misys       790       0.6         745,000       RM       1,181       1.0		(March 2009 – 6.20%)		
495,000       Fenner       666       0.5         700,000       Halma       1,408       1.2         157,000       Rotork       1,529       1.3         243,000       Severfield-Rowen       447       0.3         168,000       Spirax Sarco Engineering       1,627       1.4         Total General Industrials       19,337       16.6         RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)       Information Technology Hardware – 2.70%       (March 2009 – 1.72%)         145,000       Cambridge Silicon Radio       689       0.6         1,090,000       Spirent Communications       894       0.7         317,000       Telecity Group       1,099       0.5         310,000       Wolfson Microelectronics       443       0.3         Software & Computer Services – 5.26%       (March 2009 – 5.16%)       1.163       1.0         136,000       Aveva Group       1,918       1.6         276,000       Micro Focus International       1,052       0.5         440,000       Misys       790       0.6         745,000       RM       1,181       1.0	141,000	Charter International	849	0.73
700,000         Halma         1,408         1.2           157,000         Rotork         1,529         1.3           243,000         Severfield-Rowen         447         0.3           168,000         Spirax Sarco Engineering         1,627         1.4           168,000         Spirax Sarco Engineering         1,627         1.4           Total General Industrials         19,337         16.6           RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)         Information Technology Hardware – 2.70% (March 2009 – 1.72%)           145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7           317,000         Telecity Group         1,099         0.5           310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)         136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6         1.052         0.5           276,000         Micro Focus International         1,052         0.5         1.40,000         0.6           745,000         RM         1,181         1.0         1.0         1.0 </td <td>61,000</td> <td>Cookson Group</td> <td>247</td> <td>0.21</td>	61,000	Cookson Group	247	0.21
157,000       Rotork       1,529       1.3         243,000       Severfield-Rowen       447       0.3         168,000       Spirax Sarco Engineering       1,627       1.4         Total General Industrials       19,337       16.6         RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)       Information Technology Hardware – 2.70% (March 2009 – 1.72%)         145,000       Cambridge Silicon Radio       689       0.6         1,090,000       Spirent Communications       894       0.7         317,000       Telecity Group       1,099       0.5         310,000       Wolfson Microelectronics       443       0.3         Software & Computer Services – 5.26% (March 2009 – 5.16%)       1.163       1.0         170,000       Fidessa Group       1,918       1.6         276,000       Micro Focus International       1,052       0.5         440,000       Misys       790       0.6         745,000       RM       1,181       1.0	495,000	Fenner	666	0.58
243,000         Severfield-Rowen         447         0.3           168,000         Spirax Sarco Engineering         1,627         1.4           Total General Industrials         19,337         16.6           RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)         Information Technology Hardware – 2.70% (March 2009 – 1.72%)           145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7           317,000         Telecity Group         1,099         0.5           310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)         136,000         Aveva Group         1,163         1.0           136,000         Aveva Group         1,918         1.6         2.7           140,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6	700,000	Halma	1,408	1.21
168,000         Spirax Sarco Engineering Total General Industrials         1,627         1.4           Total General Industrials         19,337         16.6           RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)         Information Technology Hardware – 2.70% (March 2009 – 1.72%)         145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7         317,000         Telecity Group         1,099         0.5         310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)           136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	157,000	Rotork	1,529	1.32
Total General Industrials         19,337         16.6           RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%) Information Technology Hardware – 2.70% (March 2009 – 1.72%)         145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7           317,000         Telecity Group         1,099         0.5           310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)         1,163         1.0           136,000         Aveva Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	243,000	Severfield-Rowen	447	0.39
RMATION TECHNOLOGY (7.96%, March 2009 – 6.88%)           Information Technology Hardware – 2.70% (March 2009 – 1.72%)           145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7           317,000         Telecity Group         1,099         0.5           310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)           136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	168,000	Spirax Sarco Engineering	1,627	1.40
Information Technology Hardware – 2.70% (March 2009 – 1.72%)           145,000         Cambridge Silicon Radio         689         0.6           1,090,000         Spirent Communications         894         0.7           317,000         Telecity Group         1,099         0.5           310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services – 5.26% (March 2009 – 5.16%)           136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         RM         1,181         1.0		Total General Industrials	19,337	16.67
310,000         Wolfson Microelectronics         443         0.3           Software & Computer Services - 5.26% (March 2009 - 5.16%)         136,000         1,163         1.0           136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	1,090,000	Cambridge Silicon Radio Spirent Communications	894	0.60
Software & Computer Services – 5.26% (March 2009 – 5.16%)           136,000         Aveva Group         1,163         1.0           170,000         Fidessa Group         1,918         1.6           276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	317,000	Telecity Group	1,099	0.95
276,000         Micro Focus International         1,052         0.5           440,000         Misys         790         0.6           745,000         RM         1,181         1.0	136,000	(March 2009 – 5.16%)		1.00
440,000         Misys         790         0.6           745,000         RM         1,181         1.0	170,000	Fidessa Group	1,918	1.65
745,000 RM 1,181 1.0	276,000	Micro Focus International	1,052	0.91
	440,000	Misys	790	0.68
Total Information Technology 9,229 7.9	745,000	RM	1,181	1.02
		Total Information Technology	9,229	7.96

Holding	Investment	Value £000	Net Asset Value
NON-CYCLICAL (2.68%, March 2	. CONSUMER GOODS 2009 – 4.19%)		
	Food Producers & Processors -	0.23%	
	(March 2009 – 0.50%)		
600,000	Premier Foods	270	0.23
	Health – 2.45% (March 2009 – 3.69%)		
210,000	Care UK	536	0.46
420,000	•	563	0.49
260,000	Dechra Pharmaceuticals	1,103	0.95
120,000	Synergy Healthcare	641	0.55
	Total Non-Cyclical		
	Consumer Goods	3,113	2.68
RESOURCES (1	2.04%, March 2009 – 9.94%) Mining – 4.50% (March 2009 – 2.97%)		
300,000		831	0.72
111,000		291	0.25
437,000		2,513	2.17
415,000	Talvivaara Mining	1,583	1.36
	Oil & Gas – 7.54% (March 2009 – 6.97%)		
108,000	Dana Petroleum	1,483	1.28
223,000	Heritage Oil	1,166	1.00
288,000	Hunting	1,443	1.24
222,000		2,779	2.40
510,000	Salamander Energy	1,006	0.87
164,000	Wellstream Holdings	873	0.75
	Total Resources	13,968	12.04
Total Value of Inve	estments	113,577	97.92
Net Other Assets (March 2009 – (0.2		2,410	2.08
Net Assets		115,987	100.00

% of

he calculation of the % Net Asset Value may not add up due to rounding.

## **UK Growth & Income Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
		00/1					
BASIC INDUST	RIES (0.48%, March 2009 – 0.1 Construction & Building Materia	-			Investment Companies – 2.00% (March 2009 – 0.20%)		
	(March 2009 – 0.00%)	15 - 0.40 /0		1,575,993	3i Group	4,816	2.00
229,719	Bovis Homes Group	1,164	0.48	.,		.,	
-, -					Life Assurance – 1.67%		
	Forestry & Paper – 0.00%				(March 2009 – 1.45%)		
	(March 2009 – 0.18%)			3,493,688	Legal & General	2,563	1.06
	Total Basic Industries	1,164	0.48	270,000	Prudential	1,480	0.61
	VESTMENT SCHEMES				Real Estate – 0.48% (March 2009 – 0.76%)		
(2.07%, March 2	-			911,377	London & Stamford	1,144	0.48
4,899,079	Threadneedle Sterling Liquid	= 000	0.07				
	Assets Fund	5,002	2.07		Speciality & Other Finance – 1.75%	•	
	Total Collective Investment			4 470 000	(March 2009 – 0.00%)	4 00 4	475
	Schemes _	5,002	2.07	1,170,000	IG Group Holdings	4,204	1.75
					Total Financials	40,112	16.64
CYCLICAL SERV	/ICES (18.45%, March 2009 – 1	11.56%)					
	General Retailers – 2.84% (March 2009 – 0.18%)			GENERAL INDU	JSTRIALS (14.54%, March 2009	- 8.83%	)
1,770,000	Kesa Electricals	2,623	1.09		Aerospace & Defence – 7.19%		
247,500	Next	4,208	1.75	1 005 000	(March 2009 – 5.53%)	E 040	2.47
,		.,		1,825,000 2,675,000		5,942 5,623	2.47 2.33
	Media & Photography – 5.27%			2,675,000		5,623 4,400	1.83
	(March 2009 – 6.52%)				VT Group	1,351	0.56
750,000	Daily Mail & General Trust	2,965	1.23	230,000	VI Gloup	1,551	0.50
2,935,000	Johnston Press	1,115	0.46		Electronic & Electrical Equipment -	0.82%	
450,000	Pearson	3,339	1.38		(March 2009 – 0.26%)	0.0270	
764,402	Reed Elsevier	3,441	1.43	1,180,000	Laird Group	1,988	0.82
399,469	United Business Media	1,865	0.77				
	Support Services – 8.40%				Engineering & Machinery – 6.53% (March 2009 – 3.04%)		
210,000	( <b>March 2009 – 3.91%)</b> Aggreko	1,399	0.58	380,000	Amec	2,837	1.18
595,838	Babcock International Group	3,092	1.28	217,271	IMI	998	0.41
	De La Rue		0.52	3,538,920	Melrose	5,669	2.35
136,922 1,210,000	Diploma	1,249 1,833	0.52	2,030,000	Morgan Crucible	3,122	1.29
225,000	Experian Group	1,134	0.47	490,000	Weir Group	3,134	1.30
2,819,008	Filtrona	4,626	1.92		Total General Industrials	35,064	14.54
1,060,911	John Menzies	3,586	1.32				
1,800,000	Rentokil Initial	2,039	0.85	INFORMATION	TECHNOLOGY (1.03%, March 20	.09 – 0.0	33%)
600,000	RPS Group	1,268	0.53		Software & Computer Services – 1 (March 2009 – 0.83%)		
	Transport – 1.94%			126,388		1,678	0.69
	(March 2009 – 0.95%)				Aveva Group	770	0.32
175,000	Go Ahead Group	2,469	1.02	260,791	Blinkx	38	0.02
1,000,500	Wincanton	2,221	0.92		Total Information		
	Total Cyclical Services	44,472	18.45		Technology	2,486	1.03
FINANCIALS (1	– 6.64%, March 2009 – 8.23%) Banks – 9.30% (March 2009 – 3.36%)				. CONSUMER GOODS 2009 – 22.16%) Food Producers & Processors – 1.0	0%	
2,315,000	Barclays	8,319	3.45		(March 2009 – 2.61%)		
1,607,205	HSBC	10,616	4.40	145,000	Unilever	2,420	1.00
1,300,000	LloydsTSB Group	1,375	0.57	-,			
155,288	Standard Chartered	2,126	0.88				
2,755,000	Insurance – 1.44% (March 2009 – 2.46%) Royal & Sun Alliance	3,469	1.44				

## **UK Growth & Income Fund**

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding Investment
	Pharmaceuticals & Biotechnolo	ogy – 11.13%		DERIVATIVES (0.00%, Marc
074.000	(March 2009 – 12.60%)	40,440	4.00	Forward For
374,000 1,058,151	AstraZeneca GlaxoSmithKline	10,412	4.32	(March 2009
370,000		12,587 3,837	5.22 1.59	Total Deriva
370,000	onne	5,057	1.55	Total Value of Investments
	Tobacco – 4.77%			Net Other (Liabilities)/Assets (
319,933	<b>(March 2009 – 6.95%)</b> British American Tobacco	6,210	2.58	Net Assets
302,733		5,274	2.58	
502,755		5,274	2.15	The calculation of the % Net A
	Total Non-Cyclical Consumer Goods	40,740	16.90	
NON-CYCLICAL	. SERVICES (8.12%, March 20 Food & Drug Retailers – 3.17%			
2,030,000	<b>(March 2009 – 4.59%)</b> Tesco	7,653	3.17	
	Telecommunication Services –	4.95%		
	(March 2009 – 7.95%)			
8,879,169	Vodafone Group	11,934	4.95	
	Total Non-Cyclical Services	19,587	8.12	
280,000 100,000 304,588 754,000 922,400	Lonmin Rio Tinto	808 1,657 7,444 6,405 9,455	0.34 0.69 3.09 2.66 3.92	
1,875,000	BP	10,088	4.18	
536,622		8,854	3.67	
312,011	Tullow Oil	3,407	1.41	
	Total Resources	48,118	19.96	
UTILITIES (1.99 218,000	%, March 2009 – 8.65%) Electricity – 1.02% (March 2009 – 6.52%) Scottish & Southern Energy Gas Distribution – 0.00% (March 2009 – 1.02%)	2,457	1.02	
499,880	Water – 0.97% (March 2009 – 1.11%) Pennon Group	2,335	0.97	
	Total Utilities	4,792	1.99	

			% of
		Value	Net Asset
Holding	Investment	£000	Value
DERIVATIVES (0	0.00%, March 2009 – (0.02%)) Forward Foreign Exchange Contra (March 2009 – (0.02%)	acts – 0.00	%
	Total Derivatives	-	-
Total Value of Inve	estments	241,537	100.18
Net Other (Liabilit	ties)/Assets (March 2009 – 2.33%)	(446)	(0.18)
Net Assets	_	241,091	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# **UK Equity Income Fund**

### **Portfolio statement**

Value         Wales         Wales <th< th=""><th></th><th></th><th></th><th>% of</th><th></th><th></th><th></th><th>% of</th></th<>				% of				% of
BASIC INJUSTRIES (2.28%, March 2009 - 0.70%) Construction & Building Materials - 2.28%, (March 2009 - 1.02%)         Life Assurance - 4.00%, (March 2009 - 1.42%)           661.301         Bellway         5.735         0.98           7.325,004         Carillion         3.297         0.68           7.325,004         Carillion         3.297         0.48           7.325,004         Carillion         3.297         2.26           7.325,004         Total Basic Industries         13.075         2.26           7.325,004         March 2009 - 1.25 %)         General Retailers - 3.95%,         General Retailers - 3.95%,           999,809         Buildery Group         5.739         0.98         3.883         0.69           1.516,600         Haifords Group         5.716         0.897         1.18           1.516,600         Haifords Group         3.883         0.69           1.516,600         Haifords Group         3.883         0.69           1.878,810         TUTTave         0.99         3.883         0.69           1.878,810         TUTTave         0.99         0.883         0.73           Media & Photography - 3.21%         March 2009 - 0.18%)         1.388         0.73           Media & Photography - 3.21%         March 2009 - 0.18%)	Holding	Invoctment			Holding	Invoctmont		
Construction & Building Materials - 2.25%         (March 2009 - 7.0%)         (March 2009 - 7.0%)         1.25.06 (A march 2009 - 7.0%)           0.01.001         Bellway         5.735         0.89         3.232/021         Cheanara         5.539         0.99           2.82.032         Kire Group         3.389         0.69         3.232/021         Cheanara         5.539         0.99           2.82.032         Kire Group         3.307         2.26         March 2009 - 1.27%)         Hammerson         6.837         1.18           CYCLICAL SERVICES (19.02%, March 2009 - 12.96%)         General Retailers - 3.95%         March 2009 - 1.27%)         1.18         5.41.34         A.07         March 2009 - 1.27%)         March 2009 - 1.37%)         March 2009 - 1.37%)         March 2009 - 1.37%)         1.18         5.03.00         March 2009 - 1.37%)         March 2009 - 1.35%)         March 2009 - 1.35%)         March 2009 - 1.35%)         March 20	Holding	investment	1000	value	Holding	investment	1000	value
March 2009 - 0.70%)         5.735         0.99           1.325,604         Carillion         3.971         0.68           288,208         Carillion         3.971         0.69           1.325,604         Carillion         3.971         0.69           288,208         Carillion         3.971         0.69           CYCLICAL SEFV/CES (19.02%, March 2009 - 12.96%)         Carillion         6.837         1.18           CYCLICAL SEFV/CES (19.02%, March 2009 - 12.96%)         Carillion         6.837         1.18           CYCLICAL SEFV/CES (19.02%, March 2009 - 12.96%)         Carillion         6.837         1.18           CYCLICAL SEFV/CES (19.02%, March 2009 - 12.96%)         Speciality & Other Finance - 1.42%         March 2009 - 1.26%         1.18           Correct Linkows         5.000.000         Half ords Group         5.010         1.026         1.18         0.73           1.565,276         Media & Protography - 3.21%         March 2009 - 1.05%         March 2009 - 1.05%         March 2009 - 1.05%         1.23           1.957,970         Media & Protography - 3.21%         Carol Inturnents         4.232         1.265         1.23           1.957,970         Media & Protography - 3.21%         Carol Inturnents         4.232.00         1.23           1.9	BASIC INDUST	RIES (2.26%, March 2009 – 0.7	0%)			Life Assurance – 4.00%		
661.001         Entity of the second sec		<b>Construction &amp; Building Material</b>	ls – 2.26%			(March 2009 – 1.42%)		
1.355.604         Carlifton         3.371         0.69           288.203         Ker Group         3.3076         2.26           Total Basic Industries         3.075         2.26           CYCLICAL SERVICES (19.02%, March 2009 - 12.96%)         5.418,486         1.063,055         1.083,055           CYCLICAL SERVICES (19.02%, March 2009 - 12.96%)         5.418,486         1.073         0.18           5.000,000         Halfords Group         5.913         0.86         March 2009 - 1.0%         1.18           5.000,000         HAIV Group         5.740         0.87         1.484,444         March 2009 - 1.0%         March 2009 - 5.94%         March 2009 - 5.94%         March 2009 - 5.94%         March 2009 - 5.94%         March 2009 - 5.95%         March 2009 - 5.94%         March 2009 - 5.95%         March 2009 - 5.94%         March 2009 - 5.95%         March 2009 -		(March 2009 – 0.70%)			4,307,693	Aviva	,	
288.20         Kire Group         3.809         0.58         Real Estate - 255%         March 2009 - 12.96%         I.18           CYCLICAL SERVICES (19.02%, March 2009 - 12.96%)         1.807.3         2.26         1.837.36         1.83         1.837.30         1.83           State Basic Industries         3.06%         0.85         March 2009 - 1.27.90%         0.89         1.073         0.19           State Basic Industries         5.010         0.87         1.837.80         1.93         0.69           1.556.00         HMM Group         5.010         0.87         1.484.44         Man Group         3.983         0.69           24,551.341         Inhocaps         7.214         1.20         Total Financials         113.256         19.62           1.878.810         TUll Travel         4.534         Croup         5.306         0.69         1.33           1.455.367         Pearson         11.467         1.98         Kinerh 2009 - 0.35%         Kinerh 2009 - 0.35%         Kinerh 2009 - 0.35%         Kinerh 2009 - 0.35%         1.22         1.100.00         Smiths Group         9.234         1.00           1.455.367         Pearson         11.467         1.98         Kinerh 2009 - 0.35%         1.22         1.106         3.275         1.116 </td <td>661,901</td> <td></td> <td>5,735</td> <td>0.99</td> <td>3,327,021</td> <td>Chesnara</td> <td>5,539</td> <td>0.96</td>	661,901		5,735	0.99	3,327,021	Chesnara	5,539	0.96
International construction         13.072         226         (March 2009 - 12.0%)         (March 2009 - 12.0%)         (March 2009 - 12.0%)           CYCLICAL SERVICES (19.02%, March 2009 - 12.96%)         General Retailers - 3.96%         (March 2009 - 2.1%)         0.19           S98,999         Burberry Group         4.993         0.66         5.418.748         London & Stammeron         6.801         1.18           24,551,341         Inchcape         7.740         0.99         4.993         0.66         4.790.00         9.0156         0.419         0.73         0.29           24,551,341         Inchcape         7.740         0.99         4.990.00         9.740         0.99         7.755         1.18         7.755         1.13,356         19.82           Introduct Concept 100         4.534         0.79         1.223         1.654,367         Featronic & Electrical Equipment - 1.35%         (March 2009 - 0.55%)         1.22         1.100.000         Smith Group         2.234         1.20           1.755,104         Daily Mail & General Trust         7.095         1.23         1.646.44         Group         3.644         0.64         7.239         1.22           1.755,104         Daily Mail & General Trust         7.095         1.32         5.676,800         Genetal Gro								
Local basic industries         13,07         220         Hammerson         6,837         1.18           CYCLICAL SERVICES (19,02%, March 2009 – 12,99%) (March 2009 – 3,15%)         General Retainer - 3,99%, (March 2009 – 3,15%)         5,000,000         8,181,741         1,073         0,19           988,290         Burbery (Group 5,000,000         4,993         0,66         5,001,000         8,181,741         1,073         0,19           24,551,341         Inchcapa         7,184         1,24         March 2009 – 0,18%)         3,883         0,60           March 2009 – 0,00%)         4,534         0.79         March 2009 – 0,00%)         1,3256         19,22           1,795,104         Daily Mail & General Trust         7,096         1,23         Arropace & Defence – 2,42%         March 2009 – 3,05%)         2,161,744         March 2009 – 3,05%)         2,161,744         March 2009 – 3,05%)         1,23         1,3256         19,22         1,3256         19,22         1,22         1,22         1,00,000         Smither 2,009         1,23         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22         1,22<	288,203	Kier Group	3,369	0.58				
5.418.248         London & Stamford         6.801         1.18           0.98.290         Burbery Group         4.993         0.66         1.484.444         March 2009 - 0.18%)         1.303         0.19           24.551.341         Inchcape         7.174         0.99         4.993         0.66         1.484.444         March 2009 - 0.18%)         1.3266         19.22           24.551.341         Inchcape         7.174         0.99         4.993         0.67         1.484.444         March 2009 - 0.18%)         1.32.66         19.22           1.878.010         Inchcape         7.174         0.99         4.790.00         9         7.039         1.22           1.878.010         Tull ravei         4.524         0.79         1.32.56         19.52           1.978.101         Duily Muil & General Trust         7.096         1.23         1.161.744         BAE Systemp         2.033         1.22           1.765.102         Duily Muil & General Trust         7.096         1.23         1.100.000         Smither Group         3.033         0.53           2.266.03         Abthord Group         5.848         9.848         3.679.165         Haineral Group         3.046         7.239         1.28           1.635.8 </td <td></td> <td>Total Basic Industries</td> <td>13,075</td> <td>2.26</td> <td>1 000 055</td> <td></td> <td>0.007</td> <td>1 10</td>		Total Basic Industries	13,075	2.26	1 000 055		0.007	1 10
CYCLICAL SERVICES 19.02%, March 2009 - 12.99%) General Retains - 3.99% (March 2009 - 3.15%) 98(990)         1,073         0.19           Speciality & Other Finance - 1.42% (March 2009 - 3.15%) 5.000,000         Speciality & Other Finance - 1.42% (March 2009 - 3.15%) (March 2009 - 3.15%) (March 2009 - 3.05%) (March 2009 - 0.00%)         Speciality & Other Finance - 1.42% (March 2009 - 0.00%)         Speciality & Other Finance - 1.42% (March 2009 - 0.00%)           Speciality & Other Finance - 1.42% (March 2009 - 0.00%)         Speciality & Other Finance - 1.42% (March 2009 - 0.00%)           Speciality & Other Finance - 1.42% (March 2009 - 0.00%)           Speciality & Other Finance - 1.42%           March 2009 - 0.00%)           Colspan="2">Speciality & Other Finance - 1.42%           March 2009 - 0.00%)         Colspan="2">Speciality & Other Finance - 1.42%           March 2009 - 0.00%)         Colspan="2">Speciality & Other Finance - 1.42%           March 2009 - 0.00%)         Colspan="2">Speciality & Other Finance - 1.42%           March 2009 - 0.00%)         Colspan="2">Speciality & Other Finance - 1.42%           Speciality & Other Finance - 1.42%           Speciality & Other Finance - 1.42%           Speciality & Other Finance - 1.42%								

# **UK Equity Income Fund**

### **Portfolio statement**

(continued)

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Holding	Investment	Value £000	% of Net Asset Value
NON-CYCLICAL	SERVICES (8.30%, March 20	09 – 13.34	%)
	Food & Drug Retailers – 3.63% (March 2009 – 4.56%)		
15,879,228	Booker Group	5,677	0.98
3,159,932	Tesco	11,913	2.06
3,489,401	Thorntons	3,385	0.59
	Telecommunication Services – 4 (March 2009 – 8.78%)	4.67%	
6,972,085	BT Group	9,301	1.61
13,160,751	Vodafone Group	17,688	3.06
	Total Non-Cyclical Services	47,964	8.30
RESOURCES (1	6.10%, March 2009 – 17.12%) Mining – 3.70%		
	(March 2009 – 2.16%)		
649,898		15,883	2.75
644,940	Xstrata	5,479	0.95
	Oil & Gas – 12.40% (March 2009 – 14.96%)		
1,120,033	BG Group	11,480	1.99
6,267,153	BP	33,720	5.83
1,602,958	Royal Dutch Shell 'B' Shares	26,449	4.58
	Total Resources	93,011	16.10
UTILITIES (6.54	%, March 2009 – 13.62%) Electricity – 3.05% (March 2009 – 7.62%)		
1,000,000	National Grid	5,935	1.03
1,033,770	Scottish & Southern Energy	11,651	2.02
	Gas Distribution – 2.25% (March 2009 – 2.42%)		
5,036,733	Centrica	12,980	2.25
1,538,764	<b>Water – 1.24%</b> ( <b>March 2009 – 3.58%)</b> Pennon Group	7,189	1.24
.,,	Total Utilities	37,755	6.54
Total Value of Inve		549,669	95.14
	(March 2009 – 5.33%)	28,088	4.86
Net Assets	-	577,757	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# **UK Monthly Income Fund**

#### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (1.21%, March 2009 – 0.9 Chemicals – 0.56%	94%)	
415,000	<b>(March 2009 – 0.50%)</b> Croda International	2,646	0.56
	Construction & Building Materia (March 2009 – 0.44%)	als – 0.65%	
610,553	Bovis Homes Group	3,092	0.65
	Total Basic Industries	5,738	1.21
CYCLICAL SERV	/ICES (18.62%, March 2009 – General Retailers – 5.14%	11.73%)	
F 40,000	(March 2009 – 2.81%)	2 600	0.57
540,000 345,000	, ,	2,699 1,141	0.57 0.24
3,015,000		3,461	0.24
11,250,000		3,292	0.69
470,000	Next	7,990	1.68
1,315,000	WH Smith	5,856	1.23
	Leisure Entertainment & Hotels (March 2009 – 0.61%)	- 1.01%	
610,000	Fuller Smith & Turner	2,916	0.61
785,000	TUITravel	1,894	0.40
	Media & Photography – 2.33% (March 2009 – 2.21%)		
1,525,000	Daily Mail & General Trust	6,028	1.27
680,000	Pearson	5,046	1.06
	Support Services – 8.74% (March 2009 – 5.64%)		
5,910,000	Ashtead Group	4,834	1.02
745,000	Babcock International Group	3,867	0.82
1,100,000		3,742	0.79
495,000	De La Rue Filtrona	4,514	0.95
3,150,000 4,095,000		5,169 4,093	1.09 0.86
4,095,000 484,529	John Menzies	1,638	0.35
3,430,000		5,505	1.16
5,150,000		5,835	1.23
1,055,000	RPS Group	2,230	0.47
	Transport – 1.40% (March 2009 – 0.46%)		
2,465,000	BBA Aviation	3,799	0.80
200,000	Go Ahead Group	2,822	0.60
	Total Cyclical Services	88,371	18.62
FINANCIALS (2	0.02%, March 2009 – 9.71%) Banks – 7.81% (March 2009 – 3.34%)		
1,925,000	Barclays	6,917	1.46
2,595,000	HSBC	17,140	3.61
7,585,000	Lloyds TSB Group	8,023	1.69
365,000	Standard Chartered	4,997	1.05
	Insurance – 2.77% (March 2009 – 4.22%)		
1,195,000	Amlin	4,684	0.99
6,695,000	Royal & Sun Alliance	8,429	1.78

Holding	Investment	Value £000	% of Net Asset Value
	Life Assurance – 5.26% (March 2009 – 1.93%)		
2,665,000	Aviva	10,868	2.29
4,320,000	Chesnara	7,193	1.52
1,775,000	•	1,450	0.30
7,425,000	Legal & General	5,446	1.15
	Real Estate – 2.50% (March 2009 – 0.04%)		
425,000	Derwent Valley Holdings	4,956	1.04
1,200,000	Hammerson	4,933	1.04
575,000	Segro	2,011	0.42
	Speciality & Other Finance – 1.6 (March 2009 – 0.18%)	8%	
1,175,000	Man Group	3,153	0.66
550,000	Provident Financial	4,821	1.02
	Total Financials	95,021	20.02
GENERAL INDU	JSTRIALS (8.01%, March 2009 Aerospace & Defence – 2.14% (March 2009 – 3.38%)	9 – 5.09%)	
1,825,000		5,942	1.25
503,356	,	4,226	0.89
	Electronic & Electrical Equipmer (March 2009 – 0.60%)	nt – 1.53%	
1,515,000	Chloride Group	2,242	0.47
1,345,896	Laird Group	2,268	0.48
400,000	Spectris	2,742	0.58
	Engineering & Machinery – 4.34 (March 2009 – 1.11%)	%	
285,000	Amec	2,128	0.45
4,200,000	Fenner	5,649	1.19
900,000	Halma	1,810	0.38
270,000 3,250,000	IMI Melrose	1,240 5,206	0.26 1.10
178,104		328	0.07
660,000	Weir Group	4,221	0.89
	Total General Industrials	38,002	8.01
NON-CYCLICAL	CONSUMER GOODS (18.66%, March 2009 – 25.23 Food Producers & Processors – (March 2009 – 2.35%)	-	
175,000	Associated British Foods	1,487	0.31
5,291,129	Premier Foods	2,381	0.50
560,000	Tate & Lyle	2,344	0.50
390,000	Unilever	6,509	1.37
	Personal Care & Household Prod (March 2009 – 2.58%)		
187,500	Reckitt Benckiser	5,512	1.16
265,000	SSL International Pharmaceuticals & Biotechnolog	1,522 gy – <b>9.08%</b>	0.32
	(March 2009 – 11.78%)		
710,000	AstraZeneca	19,766	4.17
1,960,000	GlaxoSmithKline	23,314	4.91

# **UK Monthly Income Fund**

#### **Portfolio statement**

(continued)

			% of
		Value	Net Asset
Holding	Investment	£000	Value
	Tobacco – 5.42% (March 2009 – 8.52%)		
1,235,000	British American Tobacco	23,971	5.05
100,000	Imperial Tobacco Group	1,742	0.37
	Total Non-Cyclical		
	Consumer Goods	88,548	18.66
NON-CYCLICAL	SERVICES (9.31%, March 20	109 - 13 29	%)
NON-OTOEIOAL	Food & Drug Retailers – 3.84%	00 - 10.20	/0/
	(March 2009 – 4.92%)		
760,000		2,491	0.53
1,935,000	Morrison Supermarkets	5,552	1.17
2,690,000	Tesco	10,141	2.14
	Telecommunication Services – (March 2009 – 8.37%)	5.47%	
1,400,000	BT Group	1,868	0.39
17,950,000	Vodafone Group	24,125	5.08
	Total Non-Cyclical Services	44,177	9.31
RECOURCES /1	8.40%, March 2009 – 16.61%	,	
NESCONCES (1	Mining – 4.03%	1	
	(March 2009 – 1.15%)		
260,000	BHP Billiton	4,206	0.88
450,000		10,998	2.32
685,000		803	0.17
370,000	Xstrata	3,143	0.66
	Oil & Gas – 14.37%		
	(March 2009 – 15.46%)		
990,000	BG Group	10,147	2.14
5,375,000	BP	28,920	6.09
1,765,000	Royal Dutch Shell 'B' Shares	29,122	6.14
	Total Resources	87,339	18.40
UTILITIES (5.61	%, March 2009 – 12.83%)		
	Electricity – 3.27%		
	(March 2009 – 6.87%)		
640,000	National Grid	3,798	0.80
1,040,000	Scottish & Southern Energy	11,721	2.47
	Gas Distribution – 0.00% (March 2009 – 1.96%)		
	(March 2003 – 1.50 /0)		
	Water – 2.34%		
	(March 2009 – 4.00%)		
2,375,000	Northumbrian Water Group	5,664	1.20
1,160,000	Pennon Group	5,420	1.14
	Total Utilities	26,603	5.61
Total Value of Inve		473,799	99.84
Net Other Assets Net Assets	(March 2009 – 4.57%)	747	0.16
IVEL ASSELS		474,546	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

### **Portfolio statement**

Но	olding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRAI	LIA (0.	58%, March 2009 – 0.34%)			LUXEMBOURG	(1.30%, March 2009 – 1.44%)		
		Corporate Bonds – 0.58%				Corporate Bonds – 1.30%		
		(March 2009 – 0.34%)				(March 2009 – 1.44%)		
20	00,000	Commonwealth Bank of			600,000	Gaz Capital (Gazprom) 6.51%		
		Australia 5.5% 06/08/2019	180	0.18	050.000	07/03/2022	300	0.30
24	14,000	Commonwealth Bank of Australia 6% 18/03/2011	258	0.26	850,000	Glencore Finance Europe 6.5% 27/02/2019	705	0.75
13	30,000	National Australia Bank	208	0.26	375 000	Telecom Italia Capital 6.2%	735	0.75
	50,000	5.375% 08/12/2014	138	0.14	575,000	18/07/2011	243	0.25
		Total Australia	576	0.58		Total Luxembourg	1,278	1.30
		_						
CAYMAN		NDS (0.76%, March 2009 – 0.90	)%)		<b>MEXICO (0.82%</b>	o, March 2009 – 0.97%)		
		Corporate Bonds – 0.76%				Government Bonds – 0.82%		
		(March 2009 – 0.90%)				(March 2009 – 0.97%)		
20	00,000	SMFG Preferred Capital			870,000	United Mexican States 6.75%		
		10.231% 25/01/2049	212	0.21		06/02/2024	805	0.82
53	38,000	South East Water Finance 5.6577% 30/09/2019	E40	0.55		Total Mexico	805	0.82
			540	0.55				
		Total Cayman Islands	752	0.76	NETHERLANDS	6 (1.43%, March 2009 – 2.47%)		
	160/	March 2009 – 0.00%)				Corporate Bonds – 1.43%		
DOBAI (U	. 10 %,	Government Bonds – 0.16%			200.000	(March 2009 – 2.47%) E.On International Finance BV		
		(March 2009 – 0.00%)			200,000	6.75% 27/01/2039	243	0.25
23	35.000	Emirate of Abu Dhabi 6.75%			800,000		210	0.20
	,	08/04/2019	157	0.16	,	14/07/2066	772	0.78
		Total Dubai	157	0.16	365,000	TNT NV 7.5% 14/08/2018	391	0.40
						Total Netherlands	1,406	1.43
FRANCE	(2.10%	o, March 2009 – 2.61%)						
		Corporate Bonds – 2.10%			NORWAY (0.21%	%, March 2009 – 0.26%)		
		(March 2009 – 2.61%)				Corporate Bonds – 0.21%		
	00,000	AXA 4.5% 23/01/2015	272	0.28		(March 2009 – 0.26%)		
	0,000	BNP Paribas 5.945% 19/04/2049	493	0.50	200,000	DnB NORBank 7.25% 23/06/2020	209	0.21
	0,000	BNP Paribas 6.125% 27/05/2011	426	0.43		Total Norway	209	0.21
25	50,000	Electricite De France 6.125% 02/06/2034	283	0.29				
17	74,000	France Telecom 5.5% 24/05/2012	184	0.29	PORTUGAL (0.3	33%, March 2009 – 0.40%)		
	50,000	France Telecom 8% 20/12/2017	306	0.31		Corporate Bonds – 0.33%		
	00,000	Veolia Environnement 6.125%				(March 2009 – 0.40%)		
		29/10/2037	104	0.10	250,000	Energias de Portugal Finance		
		Total France	2,068	2.10		8.625% 04/01/2024	321	0.33
						Total Portugal	321	0.33
INDIA (0.	44%, N	/larch 2009 – 0.80%)					4 750/)	
		Corporate Bonds – 0.44%			REPUBLIC OF II	RELAND (1.41%, March 2009 – Corporate Bonds – 1.41%	1.75%)	
		(March 2009 – 0.80%)				(March 2009 – 1.75%)		
94	10,000	ICICI Bank 7.25% 30/04/2049	432	0.44	473,000	Allied Irish Banks 7.875%		
		Total India	432	0.44		05/07/2023	338	0.34
					381,000	Argon Capital 8.162%		
ITALY (1.3	34%, N	larch 2009 – 1.79%)				30/09/2049	137	0.14
		Corporate Bonds – 1.34%			750,000	GE Capital UK Funding 5.125%		
		(March 2009 – 1.79%)				03/03/2015	732	0.74
1,00	00,000	Acquedotto Pugliese 6.92%	1 070	4.00	790,000	Saphir Finance 0% 04/07/2049	47	0.05
05	50 000	29/06/2018 Enel Societa per Azioni 5.75%	1,072	1.09	407,000	Saphir Finance 6.369% 25/02/2049	1.1.1	0.14
25	50,000	22/06/2037	251	0.25			141	0.14
		Total Italy	1,323	1.34		Total Republic of Ireland	1,395	1.41

### **Portfolio statement**

(continued)

			% of	
		Value	Net Asset	
Holding	Investment	£000	Value	Holdi
SPAIN (0.05%,	March 2009 – 0.00%) Corporate Bonds – 0.05%			500,00
	(March 2009 – 0.00%)			250,00
50,000	Santander Issuances Preferred			180,00
	Uniperson 7.3% 29/07/2019	53	0.05	
	Total Spain	53	0.05	250,00
	9/ March 2000 0.009/)			317,6
5WEDEN (0.59	%, March 2009 – 0.00%) Corporate Bonds – 0.59% (March 2009 – 0.00%)			250,00
290,000	Svenska Handelsbanken 5.5%			500,00
	26/05/2016	301	0.31	185,00
255,000	Vattenfall AB 6.125%			100,00
	16/12/2019	277	0.28	375,00
	Total Sweden	578	0.59	130,00
				138,00
UNITED KINGD	OOM (84.59%, March 2009 – 82.4	<b>I2%</b> )		400.04
	Aerospace & Defence – 4.37%			400,00
	(March 2009 – 3.33%)			100,00
435,000	BAE Systems	1,416	1.44	100,00
720,000		1,513	1.54	350,00
163,071	Smiths Group	1,369	1.39	550,00
	Banks – 5.46%			250,00
467,500	( <b>March 2009 – 2.26%)</b> Barclays	1 690	1.70	450,00
394,362		1,680 2,605	2.64	260,00
	LloydsTSB Group	2,605	0.54	903,23
41,430	Standard Chartered	567	0.58	
				225,00
	Construction & Building Materials (March 2009 – 0.00%)	- 0.82%		
50,000	Bellway	433	0.44	
55,000	Morgan Sindall	379	0.38	120,00 122,50
	Corporate Bonds – 10.02% (March 2009 – 10.91%)			122,50
250,000	Alliance & Leicester 9.625%			350,00
	30/10/2023	288	0.29	550,00
100,000 250,000	BAA Funding 5.225% 15/02/2025 Bank of Scotland 5.625%	74	0.08	
	23/05/2013	231	0.23	
264,000	Bank of Scotland 7.286%			100,00
	30/05/2049	131	0.13	124,1
435,000	Barclays Bank 10% 21/05/2021	549	0.56	1,004,79 728,02
500,000	BG Energy Capital 5.125%			728,0. 150,00
	07/12/2017	514	0.52	150,00
450,000	Cattles 0% 05/07/2017	40	0.04	
550,000	Centrica 7% 19/09/2018	629	0.64	
565,000	Credit Suisse Group Capital III	505	0.50	540,00
050.000	8.514% 15/06/2049	525	0.53	,
250,000	Credit Suisse International 4.75%	047	0.00	
270,000	05/08/2019 Eirst Hydro Einanso 8% 21/07/2021	217	0.22	
	First Hydro Finance 9% 31/07/2021		0.28	1,070,0
150,000	Group 4 Securicor 7.75% 13/05/201		0.17	44,00
100,000 200,000	HBOS 6.305% 18/10/2017 HBOS Capital Funding LP 9.54%	90	0.09	, -
200,000	19/09/2049	107	0.11	

Holding	Investment	Value £000	% of Net Asset Value
500,000	HSBC Capital Funding LP 8.208%		
250,000	30/06/2049 HSBC Holdings 6.5% 20/05/2024	500 283	0.51 0.29
180,000	Imperial Tobacco Finance 8.125%	200	0120
250,000	15/03/2024 Imperial Tobacco Finance 9%	201	0.20
250,000	17/02/2022	300	0.30
317,658	Integrated Accomodation Service		
250,000	6.48% 31/03/2029 Legal and General Group 10%	331	0.34
,	23/07/2041	279	0.28
500,000	Lloyds TSB Bank 6.35% 29/10/2049	249	0.25
185,000	National Grid Electricity Transmission 7.375% 13/01/2031	233	0.24
375,000	Pearson Funding One 6% 15/12/2015	399	0.40
130,000	Rolls-Royce 6.75% 30/04/2019	142	0.14
138,000	Royal Bank of Scotland 6.375%		
400.000	29/04/2014 RSA Insurance Group 9.375%	147	0.15
400,000	20/05/2039	465	0.47
100,000	Severn Trent Water Utilities 6%		
	22/01/2018	107	0.11
350,000	Southern Electric Power Distribution 4.625% 20/02/2037	308	0.31
250,000	Standard Chartered Bank	000	0.01
	8.103% 11/05/2049	250	0.25
450,000	Tesco 5.875% 12/09/2016	435	0.44
260,000	Tesco 6.125% 24/02/2022	278	0.28
903,231	Tube Lines Finance 8.6801%		
225,000	31/03/2010 Vodafone Group 8.125% 26/11/2018	881 275	0.89 0.28
223,000	Vouaione Group 0.12376 20/11/2010	275	0.20
	Electricity – 2.12%		
	(March 2009 – 6.52%)		
120,000	National Grid	712	0.72
122,500	Scottish & Southern Energy	1,381	1.40
	Electronic & Electrical Equipment – 0 (March 2009 – 0.29%)	.60%	
350,000	Laird Group	590	0.60
	Engineering & Machinery – 5.08% (March 2009 – 2.27%)		
100,000	Amec	746	0.76
124,154	IMI	570	0.58
004,794	Melrose	1,610	1.63
728,025	Morgan Crucible	1,120	1.14
150,000	Weir Group	959	0.97
	Food & Drug Retailers – 2.07% (March 2009 – 2.02%)		
540,000	Tesco	2,036	2.07
	Food Producers & Processors – 1.46%	/ 0	
	(March 2009 – 0.94%)		
070,099	Northern Foods	707	0.72
44,000	Unilever	734	0.74

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Gas Distribution – 0.00% (March 2009 – 1.41%)				Real Estate – 0.00% (March 2009 – 0.62%)		
	General Retailers – 4.40% (March 2009 – 1.78%)				Speciality & Other Finance – 1.32% (March 2009 – 0.00%)		
100,000	Halfords Group	331	0.34	362,500	IG Group Holdings	1,302	1.32
520,000	HMV Group	597	0.61	,		.,	
540,000	Kesa Electricals	800	0.81		Support Services – 3.22%		
70,000	Next	1,190	1.21		(March 2009 – 3.43%)		
1,150,000	Smiths News	1,409	1.43	163,960	Babcock International Group	851	0.86
, ,		,		673,215	Diploma	1,020	1.04
	Government Bonds – 0.59% (March 2009 – 2.07%)			795,000	Filtrona	1,305	1.32
300,000	UK Treasury 4.25% 07/12/2027	309	0.31		Telecommunication Services – 4.23%	6	
275,000	UKTreasury 4.25% 07/12/2055	280	0.28		(March 2009 – 6.29%)	0	
270,000		200	0120	3,100,000	Vodafone Group	4,166	4.23
	Household Goods & Textiles – 0.35 (March 2009 – 0.00%)	%		-,	Tobacco – 4.48%	.,	
120,000	Headlam Group	340	0.35		(March 2009 – 5.07%)		
120,000	Houdian Group	040	0.00	168,000	British American Tobacco	3,261	3.31
	Insurance – 2.04%			66,000	Imperial Tobacco Group	1,150	1.17
	(March 2009 – 2.20%)			00,000		.,	
200,000	Amlin	784	0.80		Transport – 2.23%		
970,000	Royal & Sun Alliance	1,221	1.24		(March 2009 – 1.07%)		
070,000	noyar a carry manoo	1,221	1.2-1	150,000	Arriva	708	0.72
	Investment Companies – 1.03%			50,000	Go Ahead Group	705	0.72
	(March 2009 – 0.00%)			350,000	Wincanton	777	0.79
332,271	3i Group	1,015	1.03	000,000			0170
		,			Water – 1.26%		
	Life Assurance – 2.90%				(March 2009 – 1.03%)		
	(March 2009 – 1.93%)			266,000	Pennon Group	1,243	1.26
220,000	Aviva	897	0.91		Total United Kingdom	83,378	84.59
695,000	Chesnara	1,157	1.17			03,370	04.55
1,105,000	Legal & General	811	0.82				
				UNITED STATES	S OF AMERICA (3.26%, March 20	09 – 3.	/2%)
	Media & Photography – 3.92%				Corporate Bonds – 3.26%		
	(March 2009 – 4.50%)				(March 2009 – 2.99%)		
					Ahold Finance 6.5% 14/03/2017	306	0.31
225,000	Daily Mail & General Trust	889	0.90	300,000		500	
225,000 151,000	Daily Mail & General Trust Pearson	889 1,120	0.90 1.14	300,000 650,000	American International Group		
,				650,000	American International Group 5.75% 15/03/2067	228	0.23
151,000	Pearson	1,120	1.14		American International Group 5.75% 15/03/2067 American International Group	228	
151,000 222,000	Pearson Reed Elsevier	1,120 999	1.14 1.01	650,000 100,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038	228 45	0.05
151,000 222,000	Pearson Reed Elsevier	1,120 999	1.14 1.01	650,000 100,000 200,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020	228 45 227	0.05
151,000 222,000	Pearson Reed Elsevier United Business Media	1,120 999	1.14 1.01	650,000 100,000 200,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038	228 45 227 772	0.05 0.23 0.78
151,000 222,000	Pearson Reed Elsevier United Business Media Mining – 2.73%	1,120 999	1.14 1.01	650,000 100,000 200,000 650,000 400,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015	228 45 227	0.05 0.23 0.78
151,000 222,000 183,156	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%)	1,120 999 855	1.14 1.01 0.87	650,000 100,000 200,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875%	228 45 227 772 430	0.05 0.23 0.78 0.44
151,000 222,000 183,156 74,735	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto	1,120 999 855 1,827	1.14 1.01 0.87 1.85	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018	228 45 227 772 430 831	0.05 0.23 0.78 0.44 0.84
151,000 222,000 183,156 74,735	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto	1,120 999 855 1,827	1.14 1.01 0.87 1.85	650,000 100,000 200,000 650,000 400,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875%	228 45 227 772 430	0.05 0.23 0.78 0.44
151,000 222,000 183,156 74,735 102,000	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%)	1,120 999 855 1,827 866	1.14 1.01 0.87 1.85 0.88	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019	228 45 227 772 430 831	0.05 0.23 0.78 0.44
151,000 222,000 183,156 74,735 102,000 175,500	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group	1,120 999 855 1,827 866 1,799	1.14 1.01 0.87 1.85 0.88 1.83	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b>	228 45 227 772 430 831	0.05 0.23 0.78 0.44
151,000 222,000 183,156 74,735 102,000 175,500 763,000	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group BP	1,120 999 855 1,827 866 1,799 4,105	1.14 1.01 0.87 1.85 0.88 1.83 4.16	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b> (March 2009 – 0.73%)	228 45 227 772 430 831 377	0.05 0.23 0.76 0.44 0.82 0.38
151,000 222,000 183,156 74,735 102,000 175,500	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group	1,120 999 855 1,827 866 1,799	1.14 1.01 0.87 1.85 0.88 1.83	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b>	228 45 227 772 430 831	0.05 0.23 0.76 0.44 0.82 0.38
151,000 222,000 183,156 74,735 102,000 175,500 763,000	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group BP	1,120 999 855 1,827 866 1,799 4,105	1.14 1.01 0.87 1.85 0.88 1.83 4.16	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b> (March 2009 – 0.73%)	228 45 227 772 430 831 377	0.05 0.23 0.76 0.44 0.82 0.38
151,000 222,000 183,156 74,735 102,000 175,500 763,000 203,000	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group BP Royal Dutch Shell 'B' Shares Tullow Oil Pharmaceuticals & Biotechnology	1,120 999 855 1,827 866 1,799 4,105 3,349 382	1.14 1.01 0.87 1.85 0.88 1.83 4.16 3.40	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b> (March 2009 – 0.73%)	228 45 227 772 430 831 377	0.05 0.23 0.76 0.44 0.82 0.38
151,000 222,000 183,156 74,735 102,000 175,500 763,000 203,000	Pearson Reed Elsevier United Business Media Mining – 2.73% (March 2009 – 0.51%) Rio Tinto Xstrata Oil & Gas – 9.78% (March 2009 – 12.07%) BG Group BP Royal Dutch Shell 'B' Shares Tullow Oil	1,120 999 855 1,827 866 1,799 4,105 3,349 382	1.14 1.01 0.87 1.85 0.88 1.83 4.16 3.40	650,000 100,000 200,000 650,000 400,000 650,000	American International Group 5.75% 15/03/2067 American International Group 8.625% 22/05/2038 McDonald's 6.375% 03/02/2020 Pfizer 6.5% 03/06/2038 Roche Holdings 5.5% 04/03/2015 Verizon Wireless Capital 8.875% 18/12/2018 Wal Mart Stores 4.125% 01/02/2019 <b>Tobacco – 0.00%</b> (March 2009 – 0.73%)	228 45 227 772 430 831 377	0.23 0.05 0.23 0.78 0.44 0.84 0.38 0.38 <b>3.26</b>

#### **Portfolio statement**

(continued)

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Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES (0	).03%, March 2009 – (0.53%))		
	Forward Foreign Exchange Cont	racts - 0.03	%
	(March 2009 – (0.53%))		
	Sell GBP 405,480		
	Buy EUR 480,000	14	0.01
	Sell EUR 1,800,265		
	Buy GBP 1,550,957	(20)	(0.02)
	Sell EUR 610,000		
	Buy GBP 531,931	-	-
	Sell USD 3,305,000		
	Buy GBP 2,045,781	35	0.04
	Sell USD 66,000		
	Buy GBP 40,165	-	-
	Sell GBP 357,086		
	Buy USD 588,000	1	_
	Total Derivatives	30	0.03
Total Value of Inve	estments	97,977	99.40
Net Other Assets	(March 2009 – 0.66%)	589	0.60
Net Assets	_	98,566	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS								
Equity	72,886	74.39						
Fixed Interest	23,849	24.34						
Floating Rate Notes	1,212	1.24						
Forward Foreign Exchange Contracts	30	0.03						
Total Value of Investments	97,977	100.00						

The calculation of the % Net Asset Value may not add up due to rounding.

### **Portfolio statement**

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIVE	-				CDD	-			
FIXE	D INTERES	T (90.54%, March 2009 – 91.19%) AAA (5.41%, March 2009 – 13.79%)			GBP	2,450,000	Santander Issuances 6.5325% 24/10/2017	2,511	0.40
GBP	2,650,000	New South Wales Treasury 5% 25/02/2039	2,677	0.42	GBP	1,280,000	Statoil Hydro ASA 6.875% 11/03/2031	1,552	0.24
GBP	5,350,000	Pfizer 6.5% 03/06/2038	6,354	1.00	GBP	3,040,000	Svenska Handelsbanken 5.5%		
GBP	2,445,000	Southern Gas Network	2 226	0.25			26/05/2016	3,155	0.50
GBP	6,400,000	4.875% 21/03/2029 UKTreasury 2.25% 07/03/2014	2,226 6,288	0.35 0.99			AA-e (0.00%, March 2009 – 1.67%)		
GBP	2,773,000	UKTreasury 4.25% 07/03/2036	2,803	0.33					
GBP	2,990,000	UKTreasury 4.25% 07/12/2055	3,049	0.48			A+ (7.54%, March 2009 – 7.61%)		
	10,250,000	UKTreasury Index Linked Gilt			GBP	1,096,000	Alliance & Leicester 9.625%		
		4.5% 07/03/2019	10,960	1.73			30/10/2023	1,264	0.20
					GBP	1,798,000	Asif III 5.375% 14/10/2016	1,343	0.21
		AAAe (0.00%, March 2009 – 0.50%)			EUR		AXA 4.5% 23/01/2015	1,816	0.29
					GBP	1,405,000	Bank of Scotland 4.625%		
		Aaa (0.44%, March 2009 – 0.00%)				1 150 000	28/02/2011	1,419	0.22
GBP	2,691,000	Sceptre Funding 5.253%	0 701	0.44	GBP	1,150,000	Bank of Scotland 5.9% 15/10/2010	1 100	0.19
		09/02/2027	2,791	0.44	USD	2,600,000		1,180	0.19
		AA+ (0.82%, March 2009 – 0.00%)			000	2,000,000	31/12/2049	1,324	0.21
GBP	2,723,000	GE Capital UK Funding 5.875%			GBP	2,000,000		.,62.	0.2.1
	_,,	18/01/2033	2,472	0.39			18/12/2023	2,312	0.36
GBP	2,675,000	GE Capital UK Funding 6%			EUR	3,325,000	Credit Suisse International 4.75%		
		11/04/2013	2,727	0.43			05/08/2019	2,888	0.45
					GBP	5,900,000	Electricite De France 6.125%		
		Aa1 (0.00%, March 2009 – 0.64%)					02/06/2034	6,689	1.05
					GBP	3,360,000	HSBC Bank 5.75% 27/06/2017	3,454	0.54
000	0.070.000	AA (4.68%, March 2009 – 4.25%)			GBP	4,150,000	Intesa Sanpaolo 6.375%	4.045	0.67
GBP	2,379,000	Alliance & Leicester 6.25% 27/09/2010	0 470	0.39	EUR	2,100,000	12/11/2017 J.P. Morgan Chase 5.25%	4,245	0.67
EUR	1,300,000	Allianz Finance II 4.75% 22/07/2019	2,473 1,167	0.39	LON	2,100,000	14/01/2015	1,958	0.31
GBP	4,115,000	BNP Paribas 6.125% 27/05/2011	4,379	0.18	GBP	120,000		1,000	0.01
GBP	3,805,000	Commonwealth Bank of Australia	4,070	0.00		,	11/12/2031	96	0.02
	-,,	6% 18/03/2011	4,022	0.63	GBP	3,025,000	LloydsTSB Bank 6.375%		
USD	2,130,000	Emirate of Abu Dhabi 6.75%					15/04/2014	3,206	0.50
		08/04/2019	1,419	0.22	GBP	3,431,000	Royal Bank of Scotland 6.375%		
GBP	2,075,000	Land Securities 4.625%					29/04/2014	3,648	0.57
		03/02/2013	2,082	0.33	GBP	4,300,000	Royal Bank of Scotland 6.625%	4 000	0.70
GBP	3,755,000	Land Securities 5.125%	0.405	0.40	CDD	4 740 000	17/09/2018	4,626	0.73
CDD	2 110 000	07/02/2036	3,105	0.49	GBP GBP	4,740,000 1,215,000	UBS London 6.625% 11/04/2018 Unilever 4.75% 16/06/2017	5,195 1,264	0.82 0.20
GBP	2,110,000	National Australia Bank 5.375% 08/12/2014	2,233	0.35	GDI	1,215,000	Office 4.75% 10/00/2017	1,204	0.20
GBP	4,307,000	Telereal Securitisation 5.9478%	2,233	0.55			A+e (0.31%, March 2009 – 0.40%)		
05.	.,,	10/12/2031	3,904	0.61	GBP	1,970,000	Nationwide Building Society		
GBP	4,670,000	Wal Mart Stores 5.625% 27/03/2034		0.79			5.625% 09/09/2019	1,969	0.31
		AA (E 939/ Marat 3000 3.07%)					Aa3 (0.62%, March 2009 – 0.00%)		
	2 100 000	AA- (5.83%, March 2009 - 2.07%)			GBP	5,890,000	General Electric 5.5% 15/09/2066	3,937	0.62
GBP	3,190,000	Australia & New Zealand Banking Group 4.75% 07/12/2018	3,056	0.48	GDI	5,650,000	General Liectric 5.5% 15/03/2000	3,337	0.02
GBP	6,250,000	Barclays Bank 5.75% 17/08/2021	6,334	1.00			A (13.00%, March 2009 – 13.69%)		
GBP	2,750,000	BNP Paribas 6.742% 07/09/2017	2,877	0.45	GBP	1,300,000	AT&T 7% 30/04/2040	1,602	0.25
EUR	2,650,000	Commonwealth Bank of Australia	2,077	0.40	GBP	2,550,000	Bank of America 7% 31/07/2028	2,901	0.46
	,,.	5.5% 06/08/2019	2,386	0.38	GBP	3,490,000	Bank Tokyo-Mit Curacao 5.5%		
GBP	1,800,000	East Japan Railway 4.75%					20/01/2017	3,452	0.54
		08/12/2031	1,744	0.27	GBP	3,495,000	Barclays Bank 10% 21/05/2021	4,409	0.69
GBP	4,110,000	HSBC Holdings 6.5% 20/05/2024	4,658	0.73	GBP	6,290,000	BG Energy Capital 5.125%		
EUR	2,600,000	Novartis Finance 4.25%			o		07/12/2017	6,469	1.02
		15/06/2016	2,364	0.37	GBP	3,550,000	BNP Paribas 5.945% 19/04/2049	2,501	0.39
USD	2,328,000	Rabobank Nederland 11%	1 007	0.00	GBP	2,200,000	BNP Paribas 5.954% 13/07/2049	1,717	0.27
CPP	2 075 000	29/12/2049 Rocha Holdings 5 5% 04/02/2015	1,667	0.26	GBP GBP	2,830,000 2,695,000	Citigroup 5.25% 14/06/2011 Dwr Cymru Financing 6.015%	2,842	0.45
GBP GBP	3,975,000 500,000	Roche Holdings 5.5% 04/03/2015 Santander Issuances Preferred	4,273	0.67	GDF	2,055,000	31/03/2028	2,869	0.45
GDP	500,000	Uniperson 7.3% 29/07/2019	529	0.08			5 11 6 6/ L 0 L 0	2,000	0.40

#### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	5,000,000	E.On International Finance BV	0.004	0.00	GBP	2,125,000	Scottish & Southern Energy	0.007	0.05
GBP GBP	4,000,000 1,619,000	6.75% 27/01/2039 GDF Suez 6.125% 11/02/2021 HSBC Capital Funding LP 5.844%	6,084 4,413	0.96 0.70	GBP	3,250,000	5.75% 05/02/2014 Scottish & Southern Energy 8.375% 20/11/2028	2,237 4,393	0.35 0.69
GBP	3,200,000	05/11/2049 HSBC Holdings 6.375%	1,270	0.20	GBP	1,600,000	Severn Trent Water Utilities 6% 22/01/2018	1,716	0.27
GBP	1,600,000	18/10/2022 HSBC Holdings 6.75% 11/09/2028	3,304 1,762	0.52 0.28	GBP	3,675,000	Southern Water Services 5% 31/03/2021	3,373	0.53
GBP GBP	3,000,000 4,050,000	HSBC Holdings 7% 07/04/2038 J.P. Morgan Chase 6.125%	3,424	0.54	GBP	3,195,000	Southern Water Services 6.192% 31/03/2029	3,391	0.53
GBP	1,400,000	30/05/2017 McDonald's 6.375% 03/02/2020	4,094 1,585	0.64 0.25	GBP	1,550,000	Standard Chartered Bank 7.75% 03/04/2018	1,723	0.27
EUR GBP	3,600,000 3,400,000	Merrill Lynch & Co 6% 11/02/2013 RWE Finance BV 6.125% 06/07/2039	3,275	0.52 0.60	GBP	5,115,000	Svenska Handelsbanken 5.5% 18/01/2049	4,395	0.69
GBP GBP	5,527,000 6,015,000	Standard Chartered 6.5% 28/04/2014 Unique Pub Finance 5.659%		0.95	EUR	3,750,000	Telefonica Emisones 5.58% 12/06/2013	3,548	0.56
GDI	0,010,000	30/06/2027	4,545	0.72	EUR	3,400,000	Tesco 5.875% 12/09/2016	3,287	0.50
GBP	4,410,000	Vattenfall 6.875% 15/04/2039	5,271	0.83	GBP	6,000,000	Tesco 6.125% 24/02/2022	6,425	1.01
GBP	3,800,000	Verizon Wireless Capital 8.875% 18/12/2018	4,857	0.77	GBP	1,450,000	Vodafone Group 5.375% 05/12/2017	1,501	0.24
		Ae (1.57%, March 2009 – 2.01%)	.,		GBP	3,300,000	Vodafone Group 8.125% 26/11/2018	4,038	0.64
GBP	2,312,000	Allied Irish Banks 7.875% 05/07/2023	1.651	0.26			20/11/2010	4,000	0.04
GBP	5,125,000	Citigroup 7.375% 01/09/2039	5,048	0.80			A-e (0.72%, March 2009 – 0.51%)		
GBP	3,200,000	DnB NORBank 6.17% 29/01/2018	3,213	0.51	GBP GBP	1,950,000 2,350,000	DnB NORBank 7.25% 23/06/2020 National Grid Gas 6% 13/05/2038	2,038 2,541	0.32 0.40
		A- (15.84%, March 2009 - 14.85%)			GDI	2,000,000		2,041	0.40
GBP	3,225,000	Anglian Water 5.837% 30/07/2022	3,277	0.52			BBB+ (11.74%, March 2009 - 10.66%	)	
GBP	3,370,000	Annington Finance 6.5676% 10/01/2023	3,341	0.53	GBP GBP	5,930,000 2,470,000	Aviva 6.125% 29/09/2049 BAT International Finance	4,297	0.68
GBP	1,273,000	BAA Funding 5.225% 15/02/2025	941	0.15			5.75% 09/12/2013	2,642	0.42
GBP	2,000,000	Banco Bilbao Vizcaya Argentaria International Uniperson 7.093%			GBP	3,300,000	BAT International Finance 6% 29/06/2022	3,436	0.54
		19/01/2049	1,322	0.21	GBP	1,945,000	Den Norske Bank 6.0116%		
GBP	1,241,000	Centica 5.125% 10/12/2014	1,282	0.20			29/12/2049	1,470	0.23
GBP	1,800,000	Centrica 7% 19/09/2018	2,059	0.32	GBP	3,774,000	Deutsche Telekom 6.25%		
GBP	1,400,000	Centrica 7% 19/09/2033	1,621	0.26			09/12/2010	3,951	0.62
GBP GBP	2,025,000 5,680,000	Citigroup 5.125% 12/12/2018 Clydesdale Bank 4.875%	1,493	0.24	GBP	3,000,000	Deutsche Telekom International Finance 6.5% 08/04/2022	3,193	0.50
GBP	1,130,000	17/02/2016 Enel 6.25% 20/06/2019	5,448 1,214	0.86 0.19	GBP	2,500,000	Koninklijke KPN NV 5.75% 18/03/2016	2,629	0.41
GBP	2,710,000	Enel Societa per Azioni 5.75% 22/06/2037	2,726	0.43	GBP	3,620,000	MUFG Capital Finance 5 6.299% 25/07/2049	2,900	0.46
GBP	3,450,000	Energias de Portugal Finance			GBP	2,620,000	National Grid 6.125% 15/04/2014	2,788	0.44
		8.625% 04/01/2024	4,427	0.70	GBP	2,467,000	Northern Gas Networks 4.875%		
GBP GBP	3,100,000 3,461,000	France Telecom 5% 15/05/2016 France Telecom 7.5% 14/03/2011	3,203 3,716	0.50 0.59	GBP	3,825,000	30/06/2027 Pearson Funding One 6%	2,160	0.34
	2,830,000	France Telecom 7.75% 01/03/2011	1,872	0.29			15/12/2015	4,066	0.64
GBP	250,000	France Telecom 8.125% 20/11/2028	335	0.05	GBP	5,630,000	Pemex Project Funding Master		
GBP	3,445,000	Hutchison Ports 6.75% 07/12/2015	3,733	0.59			Trust 7.5% 18/12/2013	6,021	0.95
GBP	2,750,000	lberdrola Finanzas 7.375% 29/01/2024	3,265	0.51	GBP	2,975,000	Royal & Sun Alliance 6.701% 12/05/2049	2,514	0.40
GBP	1,500,000	Legal & General Group 6.385% 02/11/2049	964	0.15	GBP	2,900,000	RSA Insurance Group 8.5% 08/12/2049	2,820	0.44
GBP	1,600,000	Legal and General Group 10% 23/07/2041	1,783	0.28	GBP	2,155,000	RSA Insurance Group 9.375% 20/05/2039	2,504	0.39
GBP GBP	3,476,000 2,380,000	MBNA Credit Card 6.1% 17/05/2013 National Grid Electricity	2,711	0.43	GBP	4,335,000	Siemens Financierungsamt 6.125% 14/09/2066	3,919	0.62
GBP	2,400,000	Transmission 7.375% 13/01/2031 National Grid Gas 6% 13/05/2038	2,999 2,595	0.47 0.41	GBP	1,360,000	SMFG Preferred Capital 10.231% 25/01/2049	1,439	0.23
GBP	3,200,000	Rolls-Royce 6.75% 30/04/2019	2,595 3,485	0.41	GBP	2,775,000	SMFG Preferred Capital		
GBP	650,000	Santander Finance Preferred Uniperson 11.3% 29/07/2049	706	0.11	GBP	1,633,000	6.164% 25/01/2049 Societe Generale 5.75%	2,113	0.33
							29/03/2049	1,316	0.21

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	1,980,000	Societe Generale 8.875% 16/06/2049	1,782	0.28	GBP	1,350,000	Xstrata Canada Finance 7.375% 27/05/2020	1,322	0.21
GBP	1,531,000	Standard Chartered Bank 8.103% 11/05/2049	1,531	0.24			Baa2 (0.00%, March 2009 – 0.11%)		
GBP	5,200,000	Thames Water Utilities Cayman 7.241% 09/04/2058	5,661	0.89			BBB– (4.56%, March 2009 – 5.30%)		
GBP	5,400,000	TNT NV 7.5% 14/08/2018	5,778	0.83	GBP	2,850,000	Ahold Finance 6.5% 14/03/2017	2,907	0.46
GBP	3,893,000	United Mexican States 6.75%	-,		GBP	3,374,000	Enterprise Inns 6.5% 06/12/2018	2,545	0.40
		06/02/2024	3,601	0.57	GBP	4,930,000	FirstGroup 6.875% 15/04/2013	5,247	0.83
		Baa1 (1.31%, March 2009 – 1.01%)			GBP	4,450,000	Glencore Finance Europe 6.5% 27/02/2019	3,846	0.61
GBP	5,600,000	Reed Elsevier 5.625%			GBP	1,655,000	ICICI Bank Bahrain 6.25%	5,040	0.01
	-,	20/10/2016	5,751	0.91		.,,	18/05/2010	1,656	0.26
GBP	2,390,000	Wales & West Utilities Finance			GBP	3,898,000	Linde Finance 8.125% 14/07/2066	3,762	0.59
		6.25% 30/11/2021	2,511	0.40	GBP	5,862,000	Marks & Spencer 6.875%	0.400	0.07
		BBB (11.31%, March 2009 – 8.78%)			GBP	1,970,000	13/12/2012 Spirit Issuer 5.472% 28/12/2028	6,129 1,340	0.97 0.21
GBP	2,900,000	American International Group			GBP	1,950,000	Spirit Issuer 5.86% 28/12/2021	1,486	0.21
02.	2,000,000	5.75% 15/03/2067	1,017	0.16	0.5.	.,,	0, 12, 2021	.,	0.20
GBP	800,000	American International Group					Baa3 (0.33%, March 2009 – 0.00%)		
		8.625% 22/05/2038	358	0.06	GBP	2,802,000	Old Mutual 5% 21/01/2016	2,075	0.33
GBP GBP	5,211,000 2,617,000	Anglian Water 7.882% 30/07/2037 Anglo American Capital 5.125%	5,531	0.87			BB+ (0.59%, March 2009 – 1.94%)		
GDI	2,017,000	15/12/2010	2,678	0.42	GBP	2,950,000	Acquedotto Pugliese 6.92%		
GBP	3,535,000	British Telecom 6.625%	2,070	0.42	GDI	2,000,000	29/06/2018	3,162	0.50
		23/06/2017	3,601	0.57	GBP	814,000	SEB 5% 09/12/2049	592	0.09
GBP	4,838,000	Credit Suisse Group Capital III							
USD	3,340,000	8.514% 15/06/2049 Gaz Capital (Gazprom) 6.51%	4,499	0.71	GBP	1,980,000	Ba1 (0.22%, March 2009 – 0.17%) Irish Nationwide Building Society		
030	3,340,000	07/03/2022	1,671	0.26	GDI	1,380,000	13% 12/08/2016	1,386	0.22
GBP	4,335,000	Gaz Capital (Gazprom) 6.58%	, -					,	
CDD	0 405 000	31/10/2013	4,273	0.67	000	0 740 000	BB (0.38%, March 2009 – 0.20%)		
GBP	2,425,000	Group 4 Securicor 7.75% 13/05/2019	2,747	0.43	GBP	2,740,000	Daily Mail & General Trust 7.5% 29/03/2013	2,384	0.38
GBP	2,120,000	Halifax 9.375% 15/05/2021	2,179	0.34			20,00,2010	2,004	0.00
GBP	2,685,000	Imperial Tobacco Finance					BB– (0.76%, March 2009 – 0.00%)		
		7.75% 24/06/2019	2,939	0.46	EUR	5,650,000	ITV 4.75% 03/10/2011	4,838	0.76
GBP	2,695,000	Imperial Tobacco Finance	2 016	0.49			P (0 54% March 2000 0 00%)		
GBP	2,710,000	8.125% 15/03/2024 Imperial Tobacco Finance 9%	3,016	0.48	GBP	2,523,000	<b>B (0.54%, March 2009 – 0.00%)</b> Lloyds Banking Group 13%		
GDI	2,7 10,000	17/02/2022	3,253	0.51	GDI	2,020,000	21/07/2049	2,397	0.38
GBP	1,750,000	LloydsTSB Bank 6.9625%			GBP	1,100,000	Lloyds Banking Group 13%		
		29/05/2020	1,679	0.26			22/07/2049	1,012	0.16
EUR	3,555,000	Royal Bank of Scotland Group 6.934% 09/04/2018	3,001	0.47			B– (0.37%, March 2009 – 0.00%)		
GBP	2,081,000	South East Water Finance 5.6577%	3,001	0.47	USD	2,400,000	HBOS 5.375% 01/11/2049	816	0.13
	,,	30/09/2019	2,089	0.33		1,630,000	HBOS 6.071% 30/06/2049	409	0.06
GBP	1,420,000	Southern Water Services 7.869%			GBP	2,170,000	HBOS Capital Funding LP 9.54%		
CPP	2 705 000	31/03/2014 Taliaman Energy 6 635%	1,521	0.24			19/09/2049	1,161	0.18
GBP	3,705,000	Talisman Energy 6.625% 05/12/2017	3,791	0.60			CCC+ (0.50%, March 2009 – 0.00%)		
GBP	2,850,000	Telecom Italia 5.625%	0,701	0.00	GBP	1,867,000	Argon Capital 8.162%		
		29/12/2015	2,864	0.45			30/09/2049	672	0.11
GBP	2,800,000	Telecom Italia 6.375% 24/06/2019	2,843	0.45	GBP	7,149,000	Saphir Finance 6.369%		
USD	2,765,000	Telecom Italia Capital 6.2% 18/07/2011	1,789	0.28			25/02/2049	2,484	0.39
GBP	5,005,000	Telereal Securitisation 7.098%	1,709	0.20	CCC (	0.27%. Marc	:h 2009 – 0.00%)		
	,,	10/12/2033	5,111	0.81			Commerzbank Capital Fund Trust		
GBP	3,400,000	WPP Finance 6.375% 06/11/2020	3,116	0.49			5.905% 12/04/2049	1,730	0.27
EUR	2,000,000	Xstrata Canada Finance 6.25%	1 700	0.00					
FUR	3,500,000	27/05/2015 Xstrata Canada Finance 5.875%	1,798	0.28					
2011	2,000,000	27/05/2011	3,155	0.50					

#### **Portfolio statement**

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	Holding	Investment	Value £000	% of Net Asset Value
GBP	2,811,000	<b>D (0.03%, March 2009 – 0.05%)</b> Saphir Finance 0% 04/07/2049	167	0.03
GBP GBP	4,453,000 4,880,000	<b>Not Rated (0.85%, March 2009 – 0</b> . Cattles 0% 17/01/2014 First Hydro Finance 9%	<b>98%)</b> 431	0.07
GDI	4,880,000	31/07/2021	4,965	0.78
		Total Fixed Interest	574,842	90.54
FLOA	TING RAT	E NOTES (5.60%, March 2009 – 5	5.15%)	
GBP	5,135,941	AAA (2.50%, March 2009 – 1.97%) Canary Wharf Finance II 6.455%	E 014	0.04
GBP	5,050,769	22/04/2030 Integrated Accomodation Service	5,314	0.84
GBP	5,642,842	6.48% 31/03/2029 Longstone Finance 4.791%	5,259	0.83
	-,,	19/04/2030	5,251	0.83
	1 700 071	AA (0.26%, March 2009 – 0.30%)		
GBP	1,706,071	Mitchells & Butlers Finance 5.574% 15/12/2008	1,655	0.26
		AA- (0.58%, March 2009 - 0.67%)		
GBP	4,090,042	British Broadcasting Corporation 5.0636% 10/08/2033	3,693	0.58
		A (0.20%, March 2009 – 0.00%)	4 979	
GBP	1,528,499	Punch Taverns 5.883% 15/10/2026	1,276	0.20
GBP	2,830,000	<b>A– (0.51%, March 2009 – 0.00%)</b> Tesco Property Finance 7.6227%		
GDI	2,030,000	13/07/2039	3,218	0.51
		BBB+ (0.79%, March 2009 – 0.84%)		
USD	5,644,320	Gazprom International 7.201%		
000	0.470.000	01/02/2020	3,437	0.54
GBP	2,170,000	Punch Taverns 8.374% 15/07/2029	1,582	0.25
0.00	0.050.000	BBB (0.29%, March 2009 – 0.30%)		
GBP	2,050,000	Capital One Multi-Asset 6.625% 17/06/2014	1,571	0.25
USD	523,390	Petroleum Export/Cayman	1,571	0.25
	,	5.265% 15/06/2011	296	0.04
		Baa3 (0.47%, March 2009 – 0.48%)		
USD	5,198,789	Tengizchevroil Finance 6.124%		
		15/11/2014	3,008	0.47
		B- (0.00%, March 2009 - 0.59%)		
		Total Floating Rate Notes	35,560	5.60
DERI	VATIVES (	(0.10%), March 2009 – 0.30%) Credit Default Swaps – (0.03%)		
		(March 2009 – (0.02%))		
GBP	5,400,000	TNT N.V. Transport Services 1.22% 20/03/2019	(186)	(0.03)
		20,00/2010	(100)	(0.03)

Holding	Investment	Value £000	Net Asset Value
	Forward Foreign Exchange Cont	racts – (0.07	'%)
	(March 2009 – 0.32%)		
	Sell GBP 8,522,166		
	Buy EUR 10,000,000	207	0.03
	Sell EUR 5,000,000	(400)	(0.00)
	Buy GBP 4,256,380	(108)	(0.02)
	Sell EUR 46,138,120		(0.07)
	Buy GBP 39,828,869	(444)	(0.07)
	Sell USD 33,197,437	(07)	(0.04)
	Buy GBP 20,128,283	(67)	(0.01)
	Total Derivatives	(598)	(0.10)
otal Value of Inve	estments	609,804	96.04
let Other Assets	(March 2009 – 3.36%)	25,116	3.96
let Assets	_	634,920	100.00
	NVESTMENT BY ASSET CLAS	.e	
ixed Interest	AVESTMENT BY ASSET CEAS	574.842	94.27
loating Rate Not	es	35,560	5.83
)erivatives		(598)	(0.10)
otal Value of Inve		609,804	100.00
	-	000,001	100.00
ANALYSIS OF II	NVESTMENTS BY CREDIT RA	TINGS	
		Value	
		£000	
AA		50,181	
laa		2,791	

% of

AAA	50,181
Aaa	2,791
AA+	5,199
AA	31,470
AA-	40,799
A+	47,927
A+e	1,969
Aa3	3,937
A	83,748
Ae	9,912
A–	103,763
A-e	4,579
BBB+	79,550
Baa1	8,262
BBB	73,708
BBB-	28,918
Baa3	5,083
BB+	3,754
Ba1	1,386
BB	2,384
BB-	4,838
В	3,409
B-	2,386
CCC+	3,156
CCC	1,730
D	167
Not Rated	5,396
Total Bonds	610,402
Derivatives	(598)
Total Value of Investments	609,804

The calculation of the % Net Asset Value may not add up due to rounding.

### **Portfolio statement**

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUS	TRALIA (1.	98%, March 2009 – 1.69%) B+ (0.00%, March 2009 – 1.69%)			CZE	CH REPUBI	LIC (0.32%, March 2009 – 0.37%) B+ (0.32%, March 2009 – 0.37%)		
		B+ (0.00 %, March 2009 - 1.09 %)			EUR	3,324,558	Sazka 8.5% 12/07/2021	1,683	0.32
		B (1.98%, March 2009 – 0.00%)					Total Czech Republic	1,683	0.32
USD	900,000	FMG Finance 10% 01/09/2013	571	0.11					
EUR	10,674,000	FMG Finance 9.75% 01/09/2013	9,785	1.87	DEN	MARK (1.7	4%, March 2009 – 3.57%)		
		Total Australia	10,356	1.98			BB- (1.14%, March 2009 - 0.61%)		
		%, March 2009 – 0.00%)			USD	675,000	Nordic Telecom Holdings 8.875% 01/05/2016	409	0.08
700		BB (0.63%, March 2009 – 0.00%)			EUR	300,000	Nordic Telephone Co Holdings	405	0.00
EUR	3,790,000	PE Paper Escrow 11.75%					8.25% 01/05/2016	267	0.05
		01/08/2014	3,301	0.63	EUR	3,610,000	Nordic Telephone Holdings	~ ~ ~ ~	
		B+ (0.14%, March 2009 – 0.00%)			ELID	2,500,000	6.399% 01/05/2016 TDC AS 6.5% 19/04/2012	3,049 2,248	0.58 0.43
USD	1,400,000	Sappi Papier Holding 6.75%			LON	2,500,000	TDC A3 0.5% 19/04/2012	2,240	0.43
	, ,	15/06/2012	707	0.14			B+ (0.00%, March 2009 – 1.56%)		
		Total Austria	4,008	0.77					
		—			ELID	3,593,000	<b>B (0.60%, March 2009 – 1.40%)</b> ISS Global 4.75% 18/09/2010	3,106	0.60
BERN	MUDA (0.1	5%, March 2009 – 1.35%)			LON	3,553,000			
		BB– (0.00%, March 2009 – 1.12%)					Total Denmark	9,079	1.74
		Not Rated (0.15%, March 2009 -	0 23%)		FINI	AND (0 29	%, March 2009 – 0.00%)		
USD	2,300,000	Sea Production 4.69969%	0.20707				CCC+ (0.29%, March 2009 – 0.00%)		
		14/02/2012	770	0.15	EUR	1,967,000		1,494	0.29
		Total Bermuda	770	0.15			Total Finland	1,494	0.29
CAN	ADA (4.73%	%, March 2009 – 3.52%) BBB (1.66%, March 2009 – 1.25%)	N		FRA	NCE (9.23%	6, March 2009 – 8.61%)		
EUR	4,371,000	Xstrata Canada Finance 5.25%	)		FUR	1,650,000	AA-e (0.26%, March 2009 – 0.29%) BNP Paribas 7.781% 07/02/2049	1,369	0.26
2011	.,	13/06/2017	3,644	0.70	2011	.,,	2	.,000	0.20
EUR	5,545,000	Xstrata Canada Finance 5.875%					A (0.00%, March 2009 – 0.43%)		
		27/05/2011	4,998	0.96			DDD /0 400/ Marsh 2000 0 000/)		
		BB+ (2.34%, March 2009 – 1.71%)	)		GBP	2,480,000	BBB+ (0.43%, March 2009 – 0.00%) Societe Generale 8.875%		
EUR	7,665,000	Bombardier Incorporation	,		GDI	2,400,000	16/06/2049	2,232	0.43
		3.998% 15/11/2013	6,056	1.16					
EUR	7,390,000	Bombardier Incorporation					BBB (0.38%, March 2009 – 0.57%)		
		7.25% 15/11/2016	6,194	1.18	USD	3,435,000	Legrand 8.5% 15/02/2025	1,976	0.38
		CCC (0.73%, March 2009 – 0.56%	)				BB+ (2.77%, March 2009 – 0.11%)		
EUR	1,550,000	GMAC Canada 6% 23/05/2012	, 1,211	0.23	EUR	11,275,000	Crown 6.25% 01/09/2011	10,238	1.96
GBP	2,790,000	GMAC Canada 6.625%			EUR	2,990,000	Crown Euro Holdings 6.25%		
		17/12/2010	2,595	0.50			01/09/2011	2,715	0.52
		Total Canada	24,698	4.73	EUR	990,000 1,050,000	Nexans 1.5% 01/01/2013 Nexans 5.75% 02/05/2017	684 839	0.13 0.16
					LON	1,050,000	Nexalis 5.75% 02/05/2017	035	0.10
CAY	MAN ISLAI	NDS (0.50%, March 2009 – 0.71					BB (2.54%, March 2009 – 6.11%)		
NOK	11,000,000	Not Rated (0.50%, March 2009 – PetroProd 0% 26/11/2012	0.71%)	_	USD	3,735,000	Cie Gen Geophysique 9.5%		
	2,900,000	Sigma Finance 3.79625%				12 455 000	15/05/2016	2,341	0.45
	,,	31/12/2013	2,610	0.50	EUR	13,455,000	Tereos Europe 6.375% 15/04/2014	10,925	2.09
		Total Cayman Islands	2,610	0.50				10,020	2.00
					_		BB- (1.68%, March 2009 - 0.02%)		
CYPF	RUS (0.36%	‰, March 2009 – 0.00%)			EUR		Gecina 4.875% 25/01/2012	3,646	0.70
		Not Rated (0.36%, March 2009 –	0.00%)		EUR	7,035,000	Rhodia 3.746% 15/10/2013	5,144	0.98
USD	3,200,000	Songa Offshore 9.75% 24/03/2011	1 000	0.26			B+ (1.06%, March 2009 – 0.91%)		
			1,889	0.36	EUR	6,325,000	SPCM 8.25% 15/06/2013	5,522	1.06
		Total Cyprus	1,889	0.36					

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
	CCC (0.00%, March 2009 – 0.07%)			FUD	6 200 000	B+ (2.08%, March 2009 – 2.20%)		
	D (0.00%, March 2009 – 0.10%)			EUR	6,290,000 5,010,000	Beverage Packaging Holdings 8% 15/12/2016 Cirsa Finance Luxembourg 8.75%	5,464	1.05
	Not Rated (0.11%, March 2009 - 0.0					15/05/2014	3,674	0.70
EUR 1,693,333	Korreden 11% 01/08/2014 Total France	577	0.11	EUR	2,590,000	Lecta 3.498% 15/02/2014	1,730	0.33
		48,208	9.23			B (0.76%, March 2009 – 1.04%)		
GERMANY (5.	34%, March 2009 – 6.03%)			EUR	6,195,000	Codere Finance 8.25% 15/06/2015	3,975	0.76
EUR 420,000	BBB- (0.00%, March 2009 - 0.43%) BB+ (2.52%, March 2009 - 0.00%) Gerresheimer 7.875% 01/03/2015	363	0.07	EUR	5,415,000	<b>B– (0.86%, March 2009 – 2.78%)</b> Beverage Packaging Holdings 9.5% 15/06/2017	4,491	0.86
EUR 15,416,000	IESY Hessen 3.778% 15/04/2013	12,786	2.45			CCC- (0.00%, March 2009 - 0.05%)		
USD 420,000	BB (0.00%, March 2009 – 3.77%) B+ (1.78%, March 2009 – 0.00%) Unity Media 10.375% 15/02/2015	270	0.05	EUR	2,000,000	<b>D (0.00%, March 2009 – 0.00%)</b> Hayes Lemmerz Finance 0% 15/06/2015	9	_
USD 4,575,000 EUR 1,800,000 EUR 4,950,000		2,930 1,650 4,473	0.56 0.31 0.86	EUR	2,875,000	Not Rated (0.34%, March 2009 – 0.3 Signum Luxemburg 5.379%		
2011 4,000,000		4,470	0.00			18/06/2015 Total Luxembourg	1,782 57,662	0.34
	B (0.00%, March 2009 – 1.83%)						57,002	11.04
EUR 3,350,000	<b>CCC+ (1.04%, March 2009 – 0.00%)</b> Tui 2.831% 10/12/2010	2,603	0.50			6 (12.59%, March 2009 – 17.56%) BBB- (1.61%, March 2009 – 2.13%)	4 4 0 7	0.00
EUR 4,315,000	Tui 5.125% 10/12/2012 Total Germany	2,807 27,882	0.54 5.34	EUR GBP	1,300,000 7,500,000	Linde Finance 7.375% 14/07/2066 Linde Finance 8.125% 14/07/2066	1,127 7,238	0.22 1.39
						BB (2.24%, March 2009 – 2.03%)		
	March 2009 – 2.47%) BB (2.61%, March 2009 – 2.47%)			EUR EUR	7,910,000 5,845,000	Fresenius Finance 5.5% 31/01/2016 OI European Group 6.875%	6,820	1.31
EUR 17,145,000	Lottomatica 8.25% 31/03/2066 Total Italy	13,621 13,621	2.61 <b>2.61</b>			31/03/2017	4,848	0.93
	G (11.04%, March 2009 – 11.26%) BBB (1.13%, March 2009 – 1.28%)	10,021		GBP EUR	1,460,000 2,850,000	<b>BB- (2.29%, March 2009 - 3.10%)</b> Cable & Wireless International Finance 8.625% 25/03/2019 Ifco Systems NV 10% 30/06/2016	1,460 2,650	0.28 0.51
GBP 6,000,000	Gaz Capital (Gazprom) 6.58% 31/10/2013	5,914	1.13	USD	650,000	Impress Holdings BV 3.63438% 15/09/2013	364	0.07
	BBB– (0.00%, March 2009 – 1.07%)			EUR	6,360,000	Impress Holdings BV 4.121% 15/09/2013	5,108	0.98
EUR 3,150,000	<b>BB+ (1.40%, March 2009 – 0.00%)</b> Fiat Finance & Trade 5.625%			GBP	2,380,000	Intergen NV 9.5% 30/06/2017	2,356	0.45
EUR 1,660,000	15/11/2011	2,757	0.53	EUR	565,000	<b>B+ (0.08%, March 2009 – 0.00%)</b> Clondalkin Acquisition 3.277%		
	15/02/2013	1,431	0.27			15/12/2013	395	0.08
EUR 3,390,000	Fiat Finance & Trade 9% 30/07/2012	3,117	0.60	EUR	3,390,000	<b>B (0.45%, March 2009 – 0.50%)</b> New World Resources 7.375%	2 2 2 2	0.45
EUR 11,020,000	BB- (4.47%, March 2009 - 2.45%) Lighthouse International 8% 30/04/2014	4 714	0.00			15/05/2015 B– (2.46%, March 2009 – 2.73%)	2,338	0.45
EUR 12,500,000	Wind Acquisition Finance 11.75%	4,714	0.90	EUR	2,250,000	Ardagh Glass Finance 8.875% 01/07/2013	1 065	0 20
EUR 8,320,000		11,213	2.15	EUR	3,145,000	Calbecom Luxembourg 8% 01/11/2016	1,965	0.38
	01/12/2015	7,391	1.42	EUR	4,470,000	Impress Holdings BV 9.25%	2,444	0.47
				EUR EUR EUR	3,575,000 500,000 1,400,000	15/09/2014 UPC Holding 7.75% 15/01/2014 UPC Holding 8.625% 15/01/2014 UPC Holding BV 9.75% 15/04/2018	3,922 2,934 421 1,173	0.75 0.56 0.08 0.22

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
		CCC+ (0.00%, March 2009 – 0.13%)		
		CCC (0.00%, March 2009 – 0.76%)		
EUR	3,115,000	<b>CCC- (0.65%, March 2009 - 0.00%)</b> Carlson Wagonlit 6.649% 01/05/2015	1,353	0.26
EUR	2,950,000	Magyar Telecom 10.75% 15/08/2012	2,035	0.39
				0.00
EUR	4,700,000	Not Rated (2.81%, March 2009 – 6.1 Art Five BV No 97 3.96733% 26/05/2014		0.71
EUR	5,495,000	Art Five BV No 164 9.98884% 16/06/2015	3,714 3,238	0.71
GBP	2,464,535	Asset Repacking Trust 0% 30/09/2011	3,230	0.62
EUR	2,600,000	Asset Repacking Trust 7.17567% 26/11/2014	2,375	0.45
USD	3,500,000	Bluewater Holding 3.51375%		
EUR	8,341,788	30/07/2014 Boats Investment Netherlands 11%	915	0.17
FUD	7050 770	13/03/2017	4,297	0.82
EUR EUR	7,058,772 4,657,000	Elektrim Finance 0% 15/11/2007 Hollandwide Parent BV 0% 01/08/2014	185 61	0.03
		Total Netherlands	65,736	12.59
NOR	WAY (2.28°	%, March 2009 – 3.12%) A (0.00%, March 2009 – 0.39%)		
GBP	1 920 000	BBB+ (0.26%, March 2009 – 0.00%) Den Norske Bank 6.0116%		
GDI	1,820,000	29/12/2049	1,375	0.26
		Not Rated (2.02%, March 2009 – 2.7	3%)	
USD NOK	1,800,000 5,780,758	DDI Holding 6.65375% 15/03/2012 MPU Offshore Lift ASA 0%	931	0.18
USD	3,100,000	23/07/2008 PetroMena ASA 10.85%	-	-
000	0,100,000	19/11/2010	622	0.12
	28,500,000	0	2,289	0.44
USD	1,600,000	Sevan Marine 4.43% 14/05/2013	730	0.14
USD NOK	10,000,000 4,344,250	Sevan Marine 9.25% 20/12/2011 Skeie Drilling & Production	5,172 203	0.99 0.04
USD	412,800	Skele Drilling & Production ASA 11.25% 08/03/2013	121	0.04
USD	1,601,600	Skeie Drilling & Production ASA		
		Total Norway	439 11,882	0.09 2.28
REPU	JBLIC OF I	RELAND (1.96%, March 2009 – 1. BB (0.67%, March 2009 – 0.07%)		
EUR	3,520,000	Ardagh Glass Finance 9.25%		
USD	500,000	01/07/2016 Smurfit Kappa Treasury 7.5%	3,258	0.62
-	,	20/11/2025	237	0.05
		B+ (0.00%, March 2009 – 0.57%)		

	Holding	Investment	Value £000	% of Net Asset Value
EUR	140,000	<b>B (0.22%, March 2009 – 0.00%)</b> Smurfit Kappa Funding		
		7.75% 31/01/2015	113	0.02
USD	2,115,000	Smurfit Kappa Funding 7.75% 31/01/2015	1,042	0.20
EUR	6,385,000	<b>B– (0.93%, March 2009 – 1.00%)</b> Ardagh Glass Finance 7.125% 15/06/2017	4,850	0.93
GBP	2,043,000	<b>CCC+ (0.14%, March 2009 – 0.00%)</b> Argon Capital 8.162% 30/09/2049	735	0.14
EUR	2,630	Not Rated (0.00%, March 2009 – 0.0 Smurfit Kappa Funding Warrants 30/09/2013	<b>)0%)</b> _	_
		Total Republic of Ireland	10,235	1.96
	APORE (0.	.05%, March 2009 – 0.11%) Not Rated (0.05%, March 2009 – 0.1 Nexus 1 PTE 10.5% 07/03/2012	<b>1%)</b> 274	0.05
	-,,	Total Singapore	274	0.05
SOLI		(1.80%, March 2009 – 1.29%)		
EUR	3,795,000	BB- (0.54%, March 2009 - 0.00%)	2,816	0.54
EUR	3,080,000	<b>B+ (0.44%, March 2009 – 0.43%)</b> Savcio Holdings 8% 15/02/2013	2,313	0.44
EUR EUR	3,350,000 2,712,626	<b>B (0.82%, March 2009 – 0.86%)</b> Foodcorp 8.875% 15/06/2012 New Reclamation Group	2,603	0.50
		8.125% 01/02/2013	1,658 9,390	0.32
			0,000	
SWE	DEN (1.74%	%, March 2009 – 1.80%)		
		BB+ (1.24%, March 2009 – 0.72%)		
EUR EUR	6,019,000 3,310,000	Stena 6.125% 01/02/2017 Stena AB 5.875% 01/02/2019	4,256 2,211	0.82 0.42
EUR	3,757,313	<b>Not Rated (0.50%, March 2009 – 1.0</b> Corral Finans AB 2.496%	8%)	
	-,,	15/04/2010	2,591	0.50
		Total Sweden	9,058	1.74
UNIT	ed kingd	OM (23.46%, March 2009 – 19.75 AAA (0.00%, March 2009 – 3.39%)	5%)	
USD	4,477,000	<b>A (0.41%, March 2009 – 0.17%)</b> Barclays Bank 0.80125% 27/06/2016	2,150	0.41
GBP	935,000	<b>A– (0.18%, March 2009 – 0.50%)</b> HSBC Capital Funding LP 8.208% 30/06/2049	934	0.18

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
EUR	2,210,000	BBB+ (0.87%, March 2009 – 0.00%) Royal & Sun Alliance 6.875%			EUR	7,405,000	CCC- (0.73%, March 2009 - 0.16%) Ineos Group Holdings 7.875%		
LON	2,210,000	15/10/2019	1,891	0.36	LON	7,405,000	15/02/2016	2,828	0.54
GBP	2,660,000	Standard Chartered Bank 8.103%			GBP	1,735,000	Pipe Holding 9.75% 01/11/2013	1,006	0.19
		11/05/2049	2,660	0.51			CC (0.00%, March 2009 – 0.11%)		
		BBB (1.09%, March 2009 – 0.18%)							
EUR	5,555,000	Imperial Tobacco Finance 8.375%					Not Rated (1.82%, March 2009 – 1.6		
		17/02/2016	5,688	1.09	EUR GBP	3,515,000 6,750,000	Avis Finance 3.528% 31/07/2013 First Hydro Finance 9% 31/07/2021	2,593 6,868	0.50 1.32
		BBB– (0.57%, March 2009 – 0.69%)			EUR	2,150	Jazztel Warrants 15/07/2010	- 0,000	-
EUR	3,455,000	Rexam 4.375% 15/03/2013	2,951	0.57		,		122,447	23.46
		PP: (0.00% March 2000 0.54%)							
		BB+ (0.00%, March 2009 – 0.54%)			UNI	TED STATE	S OF AMERICA (13.10%, March 2	2009 – 9	.74%)
		BB (2.27%, March 2009 – 1.01%)			ELID	6 720 000	BBB (1.09%, March 2009 – 0.00%)		
GBP	2,500,000	British Airways 8.75% 23/08/2016	2,044	0.39	EUR	6,730,000	Standard Chartered Capital Trust 8.16% 29/03/2049	5,699	1.09
GBP	690,000	Daily Mail & General Trust 10% 09/04/2021	600	0.11				0,000	
GBP	2,890,000	Daily Mail & General Trust 7.5%	000	0.11			BBB– (0.39%, March 2009 – 0.11%)		
	_,	29/03/2013	2,514	0.48	EUR		Ahold Finance 5.875% 14/03/2012	1,335	0.26
USD	300,000	Inmarsal Finance II 10.375%			GBP	681,000	Ahold Finance 6.5% 14/03/2017	695	0.13
EU D	0 000 000	15/11/2012	189	0.04			BB+ (0.37%, March 2009 – 0.57%)		
EUR	8,880,000	Rexam 6.75% 29/06/2067	6,532	1.25	EUR	2,650,000	Fiat Finance North America 5.625%		
		BB– (2.42%, March 2009 – 2.10%)					12/06/2017	1,949	0.37
GBP	4,240,000	Cable & Wireless 8.75%							
		06/08/2012	4,367	0.84	EUR	8,885,000	<b>BB (3.83%, March 2009 – 3.45%)</b> Chesapeake Energy 6.25%		
EUR	281,000	ITV 10% 30/06/2014	243	0.05	LON	8,885,000	15/01/2017	6,885	1.32
EUR EUR	4,720,000 5,170,000	ITV 4.75% 03/10/2011 TVN Finance 9.5% 15/12/2013	4,042 3,972	0.77 0.76	GBP	10,030,000	Constellation Brands 8.5%	.,	
Lon	0,170,000		0,072	0.70			15/11/2009	10,105	1.94
		B+ (1.62%, March 2009 – 1.65%)			EUR	390,000	Fresenius Medical Capital 7.375% 15/06/2011	357	0.07
EUR	9,332,000	Eco Bat Finance 10.125%	0.470	4.00	EUR	2,115,000	Fresenius US Finance II 8.75%	357	0.07
		31/01/2013	8,473	1.62		_,,	15/07/2015	2,027	0.39
		B1 (0.26%, March 2009 – 0.13%)			EUR	700,000	Owens-Brockway Glass 6.75%		
EUR	2,600,000	InvestecTier UK 7.075% 24/06/2049	1,339	0.26			01/12/2014	593	0.11
		P (4 249/ March 2000 0 009/)					BB– (0.90%, March 2009 – 1.96%)		
EUR	5,150,000	B (4.31%, March 2009 – 0.00%) ISS Financing 11% 15/06/2014	4,620	0.89	GBP	1,670,000	AES Corporation 8.375% 01/03/2011	1,674	0.32
GBP	1,855,000	Lloyds Banking Group 13%	.,020	0.00	EUR	3,455,000	Nalco 7.75% 15/11/2011	3,016	0.58
		21/07/2049	1,762	0.34			B+ (1.44%, March 2009 – 1.03%)		
EUR	795,000	National Westminster Bank	500	0 11	EUR	850,000	Iron Mountain 6.75% 15/10/2018	701	0.13
FUR	3,430,000	6.625% 29/10/2049 Virgin Media Finance 8.75%	590	0.11	GBP	7,030,000	Iron Mountain 7.25% 15/04/2014	6,854	1.31
LOII	3,400,000	15/04/2014	3,040	0.58					
GBP	10,597,000	Virgin Media Finance 9.75%				0.000.000	B (1.08%, March 2009 – 1.88%)		
		15/04/2014	10,862	2.08	EUR	2,688,000	Central European Distribution 8% 25/07/2012	2,347	0.45
EUR	1,835,000	Virgin Media Finance 9.5%	1 624	0.31	EUR	360,000	Nalco 9% 15/11/2013	321	0.06
		15/08/2016	1,634	0.31	EUR		Nalco 9% 15/11/2013		
		B- (6.91%, March 2009 - 7.46%)					XS0195292403	2,954	0.57
EUR	6,655,000	FCE Bank 2.12% 30/09/2009	5,760	1.10			$P_{10,46\%}$ March 2000 0.00%)		
	10,600,000	FCE Bank 7.125% 15/01/2013	8,144	1.56	EUR	2,909,000	<b>B– (0.46%, March 2009 – 0.00%)</b> Johnson Diversey 9.625%		
EUR GBP	1,750,000 6,650,000	FCE Bank 7.125% 16/01/2012 FCE Bank 7.875% 15/02/2011	1,390 6 251	0.27	2011	_,	15/05/2012	2,387	0.46
	8,850,000 3,890,000	Global Crossing UK Finance	6,251	1.20					
	,,	10.75% 15/12/2014	2,142	0.41			CCC+ (0.00%, March 2009 – 0.11%)		
GBP	11,392,000	Global Crossing UK Finance					CCC (2.78%, March 2009 – 0.63%)		
000	2 000 000	11.75% 15/12/2014 Pipe Helding 775% 01/11/2011	10,708	2.05	EUR	2,000,000	General Motors Acceptance		
GBP	2,000,000	Pipe Holding 7.75% 01/11/2011	1,660	0.32			Corporation 5.375% 06/06/2011	1,554	0.30

#### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
EUR	11,405,000	General Motors Acceptance Corporation 4.75% 14/09/2009	9,883	1.89
USD	4,799,000	General Motors Acceptance Corporation 5.375% 06/06/2011	2,606	0.50
USD	880,000	General Motors Acceptance Corporation 6.625% 17/12/2010	483	0.09
		CC (0.76%, March 2009 – 0.00%)		
EUR	500,000	CIT Group 1.174% 30/11/2011	245	0.05
EUR	100,000	CIT Group 4.25% 22/09/2011	49	0.01
EUR	1,550,000	CIT Group 4.65% 19/09/2016	697	0.13
EUR	630,000	CIT Group 5% 01/12/2014	292	0.06
GBP	1,496,000	CIT Group 5.5% 01/12/2014	778	0.15
GBP	3,700,000	CIT Group 5.5% 20/12/2016	1,887	0.36
USD	1,049	Not Rated (0.00%, March 2009 – Preferred Blocker	<b>0.00%)</b> 19	_
		Total United States of America	68,392	13.10
DERI	VATIVES (	(1.02%), March 2009 – 0.20%) Credit Default Swaps – 0.03%		
		(March 2009 – 0.10%)		
EUR	3,500,000	British Airways 3.80% 20/06/2013		0.04
EUR	2,500,000	ISS Global A/S 8.10% 20/12/2009	41	-
EUR	333,000	Thomson 9.75% 20/06/2014	(72)	(0.01)
		Forward Foreign Exchange Contr (March 2009 – 0.10%)	acts – (1.0!	5%)
		Sell EUR 17,800,000	(000)	(0.00)
		Buy GBP 15,204,226	(332)	(0.06)
		Sell EUR 396,528,830	(E 027)	(0.07)
		Buy GBP 341,082,204	(5,037)	(0.97)
		Sell EUR 10,300,000 Buy GBP 8,928,040	(62)	(0.01)
		Sell NOK 14,730,000	(02)	(0.01)
		Buy GBP 1,403,041	(92)	(0.02)
		Sell NOK 700,000	(32)	(0.02)
		Buy GBP 67,465 Sell NOK 800,000	(4)	-
		Buy GBP 78,002 Sell NOK 2,900,000	(3)	-
		Buy GBP 284,123 Sell USD 2,000,000	(10)	-
		Buy GBP 1,207,210 Sell USD 48,000,000	(10)	-
		Buy GBP 29,230,062 Sell USD 1,400,000	29	0.01
		Buy GBP 853,926	2	-
		Sell USD 820,000		
		Buy GBP 498,738 Sell GBP 320,000	-	-
		Buy EUR 374,602	7	
_		Total Derivatives	(5,307)	
	Value of Invo		496,067	95.02
	other Assets Assets	(March 2009 – 5.21%)	25,975	4.98
Net A	133513	-	522,042	100.00

Holding Investment	Value £000	% of Net Asset Value
ANALYSIS OF INVESTMENTS BY ASSET C	LASS	
Fixed Interest	417,221	84.11
Floating Rate Notes	83,931	16.92
Equity	222	0.04
Derivatives	(5,307)	(1.07)
Total Value of Investments	496,067	100.00

ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value
	£000
AA-e	1,369
A	2,150
A–	934
BBB+	8,158
BBB	27,919
BBB-	13,346
BB+	55,596
BB	77,197
BB-	70,149
B+	46,839
B1	1,339
В	53,321
B-	60,642
CCC+	7,639
CCC	18,332
CCC-	7,222
CC	3,948
D	9
Not Rated	45,265
Total Bonds	501,374
Derivatives	(5,307)
Total Value of Investments	496,067

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £27,529,113 (5.27% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

### **Portfolio statement**

as at 7th September 2009

Holding Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (2.38%, March 2009 – 2.05%) AAA (0.31%, March 2009 – 0.00%)			FUR	1,900,000	<b>BB+ (1.04%, March 2009 – 0.69%)</b> Bombardier Incorporation 3.998%		
GBP 1,200,000 New South Wales Treasury 5% 25/02/2039	1,212	0.31		3,090,000	15/11/2013 Bombardier Incorporation 7.25%	1,501	0.38
	,				15/11/2016	2,590	0.66
AAAe (0.00%, March 2009 – 0.35%	)				Total Canada	8,978	2.29
AA (0.74%, March 2009 – 0.61%) GBP 1,902,000 Commonwealth Bank of Australia			CAYI	MAN ISLAN	NDS (2.67%, March 2009 – 2.46% A (0.37%, March 2009 – 0.71%)	)	
18/03/2011 GBP 830,000 National Australia Bank 5.375%	2,010	0.51	GBP	1,367,000	Dwr Cymru Financing 6.015%		
08/12/2014	878	0.23			31/03/2028	1,455	0.37
AA- (0.54%, March 2009 – 0.00%) GBP 1,220,000 Australia & New Zealand			GBP	2,165,000	BBB+ (1.56%, March 2009 – 1.33%) MUFG Capital Finance 5 6.299% 25/07/2049	1 704	0.44
Banking Group 4.75% 07/12/2018	1,169	0.30	GBP	610,000	SMFG Preferred Capital 10.231%	1,734	0.44
EUR 1,050,000 Commonwealth Bank of Australia 5.5% 06/08/2019	945	0.24	GBP	1,780,000	25/01/2049 SMFG Preferred Capital 6.164%	646	0.16
A- (0.00%, March 2009 – 0.44%)			GBP	2,190,000	25/01/2049 Thames Water Utilities Cayman 7.24	1,355 1%	0.35
B+ (0.00%, March 2009 – 0.65%)			GBI	2,100,000	09/04/2058	2,384	0.61
B (0.79%, March 2009 – 0.00%)			GBP	1,166,000	BBB (0.30%, March 2009 – 0.00%) South East Water Finance 5.6577%		
EUR 3,390,000 FMG Finance 9.75% 01/09/2013	3,108	0.79	GDF	1,100,000	30/09/2019	1,170	0.30
Total Australia	9,322	2.38				- 0 / 1	
AUSTRIA (0.31%, March 2009 – 0.00%) BB (0.25%, March 2009 – 0.00%)			GBP	1,900,000	Not Rated (0.44%, March 2009 – 0.4 Sigma Finance 3.79625% 31/12/2013	1,710	0.44
EUR 1,150,000 PE Paper Escrow 11.75%					Total Cayman Islands	10,454	2.67
01/08/2014	1,002	0.25					
B+ (0.06%, March 2009 – 0.00%) USD 450,000 Sappi Papier Holding 6.75%				1,001,256	IC (0.13%, March 2009 – 0.12%) B+ (0.13%, March 2009 – 0.12%) Sazka 8.5% 12/07/2021	507	0.13
15/06/2012	227	0.06		,,	Total Czech Republic	507	0.13
Total Austria	1,229	0.31			·		
BAHRAIN (0.17%, March 2009 – 0.47%) BBB- (0.17%, March 2009 – 0.47%)	)			-	1%, March 2009 – 1.08%) BB– (0.47%, March 2009 – 0.22%)		
GBP 655,000 ICICI Bank Bahrain 6.25% 18/05/20	10 656	0.17	EUR	1,220,000	Nordic Telephone Holdings 6.399% 01/05/2016	1,031	0.26
Total Bahrain	656	0.17	EUR	895,000	TDC AS 6.5% 19/04/2012	805	0.21
BERMUDA (0.00%, March 2009 – 0.46%) BB– (0.00%, March 2009 – 0.46%)					B+ (0.00%, March 2009 – 0.71%)		
Total Bermuda	_	_			B (0.24%, March 2009 – 0.15%)		
			EUR	1,099,000	ISS Global 4.75% 18/09/2010	950	0.24
CANADA (2.29%, March 2009 – 2.00%) BBB (1.25%, March 2009 – 1.31%)			ED A I		Total Denmark	2,786	0.71
GBP 1,500,000 Talisman Energy 6.625% 05/12/2017	1,535	0.39	FRAI	NGE (0.40%	o, March 2009 – 7.11%) AA (0.51%, March 2009 – 0.61%)		
EUR 2,850,000 Xstrata Canada Finance 5.875% 27/05/2011	2,569	0.66	GBP	1,890,000	BNP Paribas 6.125% 27/05/2011	2,011	0.51
GBP 800,000 Xstrata Canada Finance 7.375% 27/05/2020	783	0.20	GBP	1,400,000	<b>AA- (0.37%, March 2009 - 0.42%)</b> BNP Paribas 6.742% 07/09/2017	1,465	0.37

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		A+ (1.14%, March 2009 – 0.64%)					B (0.00%, March 2009 – 0.69%)		
EUR	800,000	AXA 4.5% 23/01/2015	727	0.19					
GBP	950,000	Credit Agricole 7.375% 18/12/2023	1,098	0.28			CCC+ (0.12%, March 2009 – 0.00%)		
GBP	2,300,000	Electricite De France 6.125%			EUR	340,000	Tui 2.831% 10/12/2010	264	0.07
		02/06/2034	2,607	0.67	EUR	300,000	Tui 5.125% 10/12/2012	195	0.05
							Total Germany	7,069	1.81
		A (0.87%, March 2009 – 0.78%)						.,	
GBP	1,500,000	BNP Paribas 5.945% 19/04/2049	1,057	0.27	ITAIN	V /2 120/ N	larch 2009 – 3.13%)		
GBP	1,050,000	BNP Paribas 5.954% 13/07/2049	819	0.21	HAL	Y (3.12%, IV	-		
GBP	1,400,000	GDF Suez 6.125% 11/02/2021	1,545	0.39	CDD	1 650 000	A+ (0.43%, March 2009 – 0.47%)	1 000	0.42
					GBP	1,650,000	Intesa Sanpaolo 6.375% 12/11/2017	1,688	0.43
		A– (0.93%, March 2009 – 0.88%)					A– (0.57%, March 2009 – 0.56%)		
GBP	1,190,000	France Telecom 5% 15/05/2016	1,229	0.31	GBP	660,000	Enel 6.25% 20/06/2019	709	0.18
GBP	1,252,000	France Telecom 7.5% 14/03/2011	1,344	0.34	GBP	1,510,000	Enel Societa per Azioni 5.75%	705	0.18
USD	1,675,000	France Telecom 7.75% 01/03/2011	1,108	0.28	GDF	1,510,000	22/06/2037	1,519	0.39
							22/00/2037	1,515	0.35
		BBB+ (0.29%, March 2009 – 0.00%)					BBB (0.58%, March 2009 – 0.72%)		
GBP	1,240,000	Societe Generale 8.875% 16/06/2049	1,116	0.29	GBP	1,150,000	Telecom Italia 5.625% 29/12/2015	1,156	0.29
					GBP	1,100,000	Telecom Italia 6.375% 24/06/2019	1,117	0.29
		BBB (0.72%, March 2009 – 0.79%)			GDI	1,100,000	Telecom Italia 0.373/8 24/00/2013	1,117	0.25
USD	1,620,000	Legrand 8.5% 15/02/2025	932	0.24			BBB– (0.00%, March 2009 – 0.41%)		
GBP	2,030,000	WPP Finance 6.375% 06/11/2020	1,860	0.48			BBB- (0.00 /0, March 2005 - 0.41 /0)		
							BB+ (0.33%, March 2009 – 0.00%)		
		BB+ (1.34%, March 2009 – 0.05%)	. =		GBP	1,200,000	Acquedotto Pugliese 6.92%		
EUR	5,065,000	Crown 6.25% 01/09/2011	4,599	1.18	02.	.,200,000	29/06/2018	1,286	0.33
EUR	380,000	Nexans 1.5% 01/01/2013	263	0.07			20,00,2010	.,200	0.00
EUR	450,000	Nexans 5.75% 02/05/2017	359	0.09			BB (1.21%, March 2009 – 0.97%)		
		DD (105% March 2000 2 51%)			EUR	5,945,000	Lottomatica 8.25% 31/03/2066	4,723	1.21
USD	1 250 000	BB (1.05%, March 2009 – 2.51%)					Total Italy	12,198	3.12
030	1,250,000	Cie Gen Geophysique 9.5% 15/05/2016	783	0.20				12,190	3.12
EUR	4,105,000	Tereos Europe 6.375% 15/04/2014	3,333	0.20					
LON	4,103,000	Tereos Europe 0.37370 13/04/2014	5,555	0.05	JAPA	AN (0.20%,	March 2009 – 0.82%)		
		BB– (0.71%, March 2009 – 0.04%)					AA- (0.20%, March 2009 – 0.41%)		
EUR	1,440,000	Gecina 4.875% 25/01/2012	1,163	0.30	GBP	800,000	East Japan Railway 4.75% 08/12/203	1 //5	0.20
EUR	2,205,000	Rhodia 3.746% 15/10/2013	1,612	0.41					
2011	2,200,000		.,	0			A (0.00%, March 2009 – 0.41%)		
		B+ (0.47%, March 2009 – 0.34%)					Total Japan	775	0.20
EUR	2,115,000	SPCM 8.25% 15/06/2013	1,847	0.47					
					KAZ	AKHSTAN (	(0.29%, March 2009 – 0.28%)		
		D (0.00%, March 2009 – 0.05%)					Baa3 (0.29%, March 2009 – 0.28%)		
					USD	1,968,702	Tengizchevroil Finance 6.124%		
		Not Rated (0.06%, March 2009 - 0.00	0%)				15/11/2014	1,139	0.29
EUR	733,333	Korreden 11% 01/08/2014	250	0.06			Total Kazakhstan	1,139	0.29
		Total France	33,127	8.46					
					LUX	FMBOURG	(5.95%, March 2009 – 6.14%)		
GER	MANY (1 8	1%, March 2009 – 2.83%)			LOW	Linboond	AA- (0.26%, March 2009 - 0.00%)		
GEI		AAA (0.00%, March 2009 – 0.49%)			EUR	1,100,000	Novartis Finance 4.25% 15/06/2016	1,000	0.26
						.,,		.,	
		BBB– (0.00%, March 2009 – 0.17%)					BBB+ (0.38%, March 2009 – 0.46%)		
					USD	2,468,737	Gazprom International 7.201%		
		BB+ (1.02%, March 2009 – 0.00%)					01/02/2020	1,503	0.38
EUR	220,200	Gerresheimer 7.875% 01/03/2015	190	0.05					
EUR		IESY Hessen 3.778% 15/04/2013	3,799	0.97			BBB (0.78%, March 2009 – 0.87%)		
					USD	2,100,000	Gaz Capital (Gazprom) 6.51%		
		BB (0.00%, March 2009 – 1.48%)					07/03/2022	1,051	0.27
					GBP	1,595,000	Gaz Capital (Gazprom) 6.58%		
		B+ (0.67%, March 2009 – 0.00%)					31/10/2013	1,572	0.40
USD	2 000 000	Unitymedia 10.375% 15/02/2015	1,921	0.49	USD	675,000	Telecom Italia Capital 6.2%		
	3,000,000	Onitymcala 10.07570 15/02/2015	1,521	0.45	000	070,000			
EUR	3,000,000 775,000	Unitymedia 8.75% 30/12/2014	700	0.18	COD	070,000	18/07/2011	437	0.11

#### **Portfolio statement**

(continued)

GBP         1,700,00         BBP, (0.24%, March 2009 - 1.05%) 27/02/2019         1,469         0.38         GBP         2,480,000         1,680,2018         2,281         0.58           EUR         1,950,000         Flat Finnce, K Tanche & Tade 5,525%, 151/2011 919         0.23         GBP         2,300,000         TNT NY 7,5%, 14/08/2018         2,261         0.58           EUR         3,930,000         Flat Finnce, K Tade 5,525%, 151/2011 919         0.23         GBP         2,300,000         Flat Finnce, K Tade 5,525%, 151/2011 919         0.23           EUR         3,930,000         Flat Finnce, K Tade 5,325%, 150/2019 98         0.24         GBP         2,100,000         Flat Finnce, K Tade 5,325%, 150/2010         6,41         0,45           EUR         3,930,000         GBP         1,000,000         Flat Finnce, K Tade 93,300/2017         3,543         0,91           Vind Acquisition Finance 1,75%         1,937         0,50         GBP         460,000         Cable & Windess International Finance         1,811         0,46           EUR         1,810,000         Generage Flat/Acalge Holdings 85         1,150         0,22         620         2,115,000         Gabe & Windess International Finance         1,252         0,43           EUR         1,800,000         Generage Flat/Acalge Holdings 82% <t< th=""><th></th><th>Holding</th><th>Investment</th><th>Value £000</th><th>% of Net Asset Value</th><th></th><th>Holding</th><th>Investment</th><th>Value £000</th><th>% of Net Asset Value</th></t<>		Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
27/02/2019         1,469         0.38         GBP         2,490,000         Simmens Financierungsamt 6.125% 140/2006         2,251         0.58           EUR         1,050,000         Fisk Finance 6.02%, March 2009 - 0.00%)         GBP         2,000,000         TUT NV 75% 140/2016         2,461         0.63           EUR         922000         Fisk Finance 6.02%, March 2009 - 1.21%)         EUR         700,000         Linde Finance 6% 2307/2019         .641         0.16           EUR         2,000,000         Fisk Finance 6% 2307/2017         .543         0.91         .641         0.16           EUR         2,000,000         Fisk Finance 6% 2307/2017         .543         0.91         .641         0.16         .611         .641         0.43         UR         2,00,000         Fisk Finance 6% 2307/2016         .841         .646         .643         .648         .645         .635/5, 2101/2016         .841         .646         .642         EUR         2,00,000         Fischerance 5/5, 2002/2013         .646         .642           EUR         1,500,000         Fischerance 5/5, 2002/2014         .151         .248         .640,000         Fischerance 5/5, 2002/2016         .757         .221           EUR         1,500,000         Fisscherance 5/5, 2002/2014         .151	GBP	1,700,000				GBP	1,000,000		1.051	0.27
EUR         1.080,000         First Friance & Strade 5825% 1507/2011 99         0.23           EUR         1.080,000         First Friance & Strade 5825% 1507/2012         996         0.24         EUR         700,000         Linde Friance & Stra704 99% 3,431         0.88           EUR         3.090,000         First Friance & Strade 5825% 1507/2012         996         0.44         EUR         700,000         Linde Friance & Stra701/2016         1.811         0.46           EUR         3.090,001         Lighthouse International 5%         1.0377         3.543         0.51           EUR         2.18,0000         Wind Acquisition Friance 5.75%         1.037         0.50           EUR         1.836,000         Eures Friance 6.125% 1407/2009         400         0.12           EUR         1.537,000         Cable & Wineless International Friance 5%         577         0.14           EUR         1.500,2016         Cable & Wineless International Friance 6%         2.043%         0.12         1.51         0.25           EUR         1.500,2016         Cable & Wineless International Friance 6%         2.040,000         EUR Friance 6%         1.52         0.26           EUR         1.500,2016         Cable & Wineless International Friance 6%         0.12         0.12         1.55 <t< td=""><td></td><td></td><td>•</td><td>1,469</td><td>0.38</td><td>GBP</td><td>2,490,000</td><td>5</td><td></td><td></td></t<>			•	1,469	0.38	GBP	2,490,000	5		
EUR         920200         First Finance & Trade 6 (\$25%) (\$102/2013 956         0.20         EUR         76000         Linde Finance & Trade 6 (\$2.30) (72/206         6.10.4%           EUR         3.550.00         Lighthouse International 8%         3004/201         1.580         88 (0.31%, March 2009 - 0.37%)         0.48           EUR         3.550.00         Wind Acquisition Finance 17.5%         1.587         0.46         EUR         2.100.00         Finance 5.7% (31/2011 6 1.31)         0.46           EUR         3.590.00         Wind Acquisition Finance 17.5%         1.537         0.50         BE (0.47%, March 2009 - 0.47%)         1.754         0.45           EUR         1.890.00         Wind Acquisition Finance 3.75%         0.112/2016         1.51         0.29         EUR         6.000         Reservation Finance 4.76% (70.000         1.51         0.45           EUR         1.507.000         Conversage Packaging Holdings 8%         1.646         0.42         EUR         8.000         Reservation Finance 8.28% (70.000         Reservation Finance			BB+ (0.67%, March 2009 – 0.00%)			GBP	2,300,000	TNT NV 7.5% 14/08/2018	2,461	0.63
EUR         1,040,000         Fits Finance & Trade 9% 30/07/2012         956         0.24         EUR         760,000         Linde Finance 8,25% 30/07/2019         641         0.18           BB- (1.84%, March 2009 - 1.21%)         30/04/2014         1,899         0.43         EUR         3,050,000         Freesmius Finance 5/8 31/01/2016         1,811         0.46           UR         3,050,000         Wind Acquisition Finance 17.5%         0.91         Freesmius Finance 5/8 31/01/2016         1,811         0.46           UR         2,150,000         Wind Acquisition Finance 3.75%         1,337         0.50         646         60.97%, March 2009 - 1.15%)         400         0.12           EUR         1,207,000         Bevrorage Fachaging Holdings 8%         1,464         0.42         EUR         2,400,000         Freesmius Finance 5/8 31/01/2016         1,754         0.45           EUR         1,207,000         Bevrorage Fachaging Holdings 8%         1,464         0.42         EUR         2,400,000         Freesmius Finance 5/8 31/01/2016         1,727         0.20           EUR         1,507,000         Circas Finance Laxembourg 6.7%         1,546         0.42         EUR         2,400,000         Intergen N9.365,300         1,227         0.41           EUR         1,835,000										
BB- (1.84%, March 2009 - 1.21%)         GBP         3,655,000         Linds Finance 8.125% 14/07/2066         3,431         0.88           EUR         3,550,000         Wind Acquisition Finance 1175%         1.590         0.43         EUR         2,100,000         Finance 5.5% 31/01/2016         1.811         0.46           EUR         2,180,000         Wind Acquisition Finance 9.75%         1.937         0.50         011/2/2015         1.937         0.50           EUR         1.895,000         Ede (0.43%, March 2009 - 0.83%)         EUR         2.00000         Finance 5.5% 31/01/2016         1.715         0.44           EUR         1.502,001         Circa Finance Luxembourg 5.75%         1.044         0.42         EUR         460,000         Hinergen NV 9.55% 300/62/017         876         0.42           EUR         1.834,000         Edita 3.489% 15/02/2014         1.151         0.29         GBP         865,000         Hinergen NV 9.55% 300/62/017         876         0.42           EUR         1.080,000         Edita 3.489% 15/02/2014         1.917         0.30         EUR         1.0500/2017         876         0.22           EUR         1.080,000         Edita 3.489% 15/02/2014         1.717         0.30         EUR         1.0500/2017         876         0.22										
BB- (1.43%, March 2009 - 0.17%)         BB (0.41%, March 2009 - 0.27%)         BB (0.41%, March 2009 - 0.27%)         Constant of the second	EUR	1,040,000	Fiat Finance & Trade 9% 30/07/2012	956	0.24					
Bit						GBP	3,555,000		3,431	0.88
EUR         3,560,00         Wind Acquisition Finance 11.75%         EUR         2,115,00         OI European Group 6.875%           EUR         2,180,00         Wind Acquisition Finance 3.75%         0.91         31/02/2017         1,754         0.45           EUR         1,895,00         B+ (0.84%, March 2009 - 0.88%)         EUR         610/02/017         640         0.12           EUR         1,595,000         Cable 8. Winteless International Finance         3265/2 500/2013         640         0.12           EUR         1,507,000         Case Finance Luxembourg 8.75%         1,151         0.29         68P         985,000         Intergen NV 9.5% 3006/2017         576         0.22           EUR         1,834,000         Codere Finance 8.25% 15/06/2015         1,177         0.30         EUR         10.00,000         Be/0.34%, March 2009 - 0.43%)         EUR         1,050         15/12/2013         209         0.05           EUR         1,000,000         Beverage Packaging Holdings 85%         13/02/2017         1,77         0.30         EUR         1,171         0.30         B         0.20%, March 2009 - 0.23%         15/02/201         209         0.05           EUR         1,000,000         Signum Luxemburg 3.79%         EUR         1,227         0.34	EUR	3,950,000	5	1 000	0.40	FUD	0 100 000		1 0 1 1	0.40
EUR         2,180,00         1507/2017         3,543         0,91         31/03/2017         1,754         0.45           EUR         2,180,00         Wind Acquisition Finance 9,75%         1,937         0.50         GBP         460,00         1.57         0.65         826%,230/2018         460         0.12           EUR         1,597,000         Bevorage Pockaging Holdings 8%, 115/72/2016         1.646         0.42         EUR         2.60%,230/2018         567         0.14           EUR         1,507,000         Ciras Finance Luxembourg 8.75%         1.161         0.29         GBP         885,000         Intergen NV 9.5% 30/06/2017         876         0.22           EUR         1,800,000         Be/0.35%, March 2009 - 0.45%)         EUR         300,000         Condralkin Acquisition 3.277%, 15/12/2013         0.99         0.05           EUR         1,800,000         Bevorage Pockaging Holdings 9.5%         1.327         0.34         EUR         1,135,000         Be/0.34%, March 2009 - 0.45%)         EUR         1,135,000         Be/0.26%, March 2009 - 0.45%)         15/06/2017         783         0.20           EUR         1,000,000         Bevorage Pockaging Holdings 9.5%         1.327         0.34         Be/0.26%, March 2009 - 0.23%)         1.565         0.40         1.770,	ELID	2 050 000		1,690	0.43				1,811	0.46
EUR         2,180,000         Wind Acquisition Finance 9,75% 01/12/2015         0,500         GBP         460,000         Cable & KWireless International Finance 8,25% 26/03/2019         460         0.12           EUR         1,895,000         Beverage Packaging Holdings 8% 15/12/2014         EUR         1,000,000         EUR         460         0.12           EUR         1,570,000         Ciras Finance Loxembourg 8.75% 15/05/2014         1,151         0.29         GBP         85,000         Intergen NV 10% 3006/2017         876         0.22           EUR         1,834,000         Codere Finance 8.25% 15/08/2015         1,177         0.30         B+ (0.65%, March 2009 - 0.43%)         EUR         300,000         Ciondalkin Acquisition 3.277% 15/05/2015         783         0.20           EUR         1,800,000         Beverage Packaging Holdings 9.5% 15/06/2017         1,327         0.34         B- (0.25%, March 2009 - 0.23%)         EUR         300,000         Ciondalkin Acquisition 3.277% 15/05/2015         783         0.20           EUR         1,800,000         Signum Loxemburg 5.379% 18/06/2017         1,327         0.36         B- (1.22%, March 2009 - 0.46%)         B- (1.22%, March 2009 - 0.46%)         B- (1.22%, March 2009 - 0.46%)         0.40           BP 1,25,000         United Mexico         1,688         0.43         0.47	EOR	3,950,000		3 543	0.91	EUR	2,115,000		1 754	0.45
01/12/2015         1,937         0.50         BB-(0.57%, March 2009 - 0.48%)         BB-(0.64%, March 2009 - 0.48%)         BB-(0.57%, March 2009 - 0.48%)         BB-(0.57%, March 2009 - 0.48%)         BB-(0.57%, March 2009 - 0.48%)         Collable & Wireless International Finance           EUR         1,557,000         Giras Finance Luxembourg 8.75%, 1502/2014         1,151         0.29         6BP         885,000         Intergen NV 9.5% 30/06/2017         876         0.22           EUR         740,000         Lecta 3.495%, 1502/2014         494         0.13         B         0.30%, March 2009 - 0.43%)         EUR         8(0.30%, March 2009 - 0.43%)         EUR         1.517/2/2013         209         0.05           EUR         1,834,000         Codere Finance 8.25% 1506/2/015         1,177         0.30         B         0.20%, March 2009 - 0.23%)         EUR         1.155/02/013         209         0.05           EUR         1,800,000         Biguerga Packaging Holdings 9.5%         EUR         1.135,000         New World Resources 7.375%         1506/2/015         783         0.20           IS006/2017         1.327         0.34         EUR         1.135,000         New World Resources 7.375%         1506/2/014         1.027         0.20           GBP         1.200,000         Signum Luxemburg 5.375%         620	EUR	2.180.000		0,040	0.01			51/03/2017	1,754	0.40
B         IO 84%, March 2009 - 0.88%)         EUR         1,850,000         Bovrage Packaging Holdings 8%         EUR         1,000,000         Bioscience         0.14           EUR         1,570,000         Ciras Finance Luxembourg 8.75%         1,051         0.29         GBP         885,000         Intergen NV 9.5% 30/06/2017         7876         0.22           EUR         1,000,000         Lecta 3.498% 15:02/2014         494         0.33         B+ (0.05%, March 2009 - 0.00%)         Ciras Finance 2.5% 15:06/2015         0.29         GBP         885,000         Intergen NV 9.5% 30/06/2017         7876         0.22           EUR         1,834,000         Codere Finance 8.25% 15:06/2015         1.177         0.30         B+ (0.05%, March 2009 - 0.00%)         Ciras Finance 8.25% 15:06/2015         783         0.20           EUR         1,000,000         Beverage Packaging Holdings 5.5%         520         0.16         BI (0.20%, March 2009 - 0.17%)         New World Resources 7.375%         1505/2015         783         0.20           MEXICO (0.43%, March 2009 - 0.46%)         Signum Luxemburg 5.379%         523         0.41         1.027         0.26           GBP         1,825,000         Unter Maxican States 6.75%         0.41         1.027         0.26           GBP         1,480,000         S	Lon	2,100,000		1,937	0.50	GBP	460.000		ice	
Horizacitis         1,646         0.42         EUR         2,400,000         Impresses Holdings BV 4.121%           EUR         1,570,000         Ciras Finance Luxembourg 8.75%         1,151         0.29         GBP         885,000         Intergen NV 9.5% 30/06/2017         776         0.22           EUR         1,334,000         Codere Finance 8.25% 15/06/2016         1,177         0.30         EUR         300,000         Codare Finance 8.25% 15/06/2015         209         0.05           EUR         1,000,000         Be (0.34%, March 2009 - 0.43%)         EUR         1,132,000         Codare Finance 8.25% 15/06/2016         783         0.20           EUR         1,000,000         Signum Luxemburg         5.375%         150/2015         783         0.20           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,135,000         Impress Holdings BV 9.25%         150/82015         783         0.20           GBP         1,225,000         March 2009 - 0.46%)         EUR         1,170,000         Impress Holdings BV 9.25%         150/82014         1,027         0.26           GBP         1,285,000         United Marcina State 6.75%         1,688         0.43         1,700,000         EUR         1,700,000         EUR         1,700,000         Impress Holding BV 9.75% 150/12014			B+ (0.84%, March 2009 – 0.88%)					8.625% 25/03/2019	460	0.12
EUR         1,570,000         Cirsa Finance Luxembourg 8.75%         1,151         0,29         GBP         885,000         Intergen NV 3.5% 30/06/2017         876         0,22           EUR         1,834,000         Lecta 3.498% 15/02/2014         1,111         0,29         GBP         885,000         Intergen NV 3.5% 30/06/2017         876         0,22           EUR         1,834,000         Codere Finance 8.25% 15/06/2015         1,177         0.30         EUR         300,000         Ciodes%, March 2009 - 0.43%)         EUR         1,002,000         New World Resources 7.375%         15/05/2015         783         0.20           EUR         1,000,000         Beverage Packaging Holdings 9.5%         EUR         1,135,000         New World Resources 7.375%         15/05/2015         783         0.20           MEXICO (0.43%, March 2009 - 0.46%)         Sigum Luxemburg 5.379         620         0.16         EUR         1,110,000         New World Resources 7.375%         1.585         0.40           MEXICO (0.43%, March 2009 - 0.46%)         BB8 + (0.43%, March 2009 - 0.46%)         EUR         1,170,000         Incergen NU 9.75%, 15/04/2018         419         0.11           GBP 1,825,000         United Mexican States 6.75%         0         0         0         0         1007/2014         1,227	EUR	1,895,000	Beverage Packaging Holdings 8%			EUR	610,000	Ifco Systems NV 10% 30/06/2016	567	0.14
Isolo2014         1,151         0.29         GBP         885,000         Intergen NV 9.5% 30/06/2017         876         0.22           EUR         740,000         Lacta 3.488% 15/02/2014         494         0.13         B         0.30%, March 2009 - 0.43%)         EUR         300,000         B         10.05%, March 2009 - 0.00%)         Coderer Finance 8.25% 15/06/2015         1,177         0.30         EUR         300,000         B         0.05%, March 2009 - 0.23%)         Not Rated (0.16%, March 2009 - 0.14%)         EUR         1,135,000         B         0.02%, March 2009 - 0.23%)         Now World Resources 7.375%         15/06/2015         783         0.20           EUR         1,000,000         Signum Lovemburg 5.379%         13/06/2015         620         0.16         EUR         1,171,000         Impress Holdings BV 9.25%         1.585         0.40           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,815,000         EUR 1,170,000         Impress Holding BV 9.25%         1.585         0.40           GBP         1,825,000         United Mexican States 6.75%         0.63         1.688         0.43         1.688         0.43         1.027         0.26           GBP         1,825,000         United Mexican States 6.75%         0.64         1.688         0.43         1.225,000<			15/12/2016	1,646	0.42	EUR	2,400,000	Impress Holdings BV 4.121%		
EUR       740,000       Lecta 3.498% 15/02/2014       494       0.13         B       6.030%, March 2009 - 0.43%)       EUR       300,000       B+ (0.05%, March 2009 - 0.00%)       Clondalkin Acquisition 3.277%         EUR       1,834,000       Beverage Packaging Holdings 9.5%       EUR       300,000       B+ (0.05%, March 2009 - 0.23%)       EUR       1/17/2/2013       209       0.05         EUR       1,000,000       Signum Luxemburg 5.379%       1.327       0.34       EUR       1,1150,000       B= (1.22%, March 2009 - 0.13%)       EUR       1,135,000       B= (1.22%, March 2009 - 0.13%)         EUR       1,000,000       Signum Luxemburg 5.379%       620       0.16       EUR       1,815,000       B= (1.22%, March 2009 - 0.13%)       EUR       1,135,000       UPC Holding 75% (501/2014       1,027       0.26         MEXICO (0.43%, March 2009 - 0.46%)       BBB+ (0.43%, March 2009 - 0.46%)       EUR       1,368       0.43       CCC+ (0.00%, March 2009 - 0.06%)       UPC Holding 75% (501/2014       1,756       0.40         GBP       1,825,000       Alianz Finance II 4.75% 22/07/2019       449       0.11       EUR       1,300,000       CCC+ (0.00%, March 2009 - 0.06%)       CCC+ (0.00%, March 2009 - 0.06%)       Call Mexico       1.58       0.42       0.22       0.45       0.22	EUR	1,570,000	Cirsa Finance Luxembourg 8.75%					15/09/2013		0.49
B         (0.30%, March 2009 - 0.43%)         EUR         B         (0.05%, March 2009 - 0.00%)           EUR         1,834,000         Codere Finance 8.25% 15/08/2015         1,177         0.30         EUR         300,000         15/07/2013         209         0.05           EUR         1,600,000         Beverage Packaging Holdings 9.5%         1.327         0.34         EUR         1,135,000         New World Resources 7.375%         783         0.20           EUR         1,000,000         Signum Luxemburg 5.379%         620         0.16         EUR         1,135,000         Ardagh Glass Finance 8.875%         0.40           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,170,000         Impress Holdings 8V 9.25%         1.059/2014         1,027         0.26           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,170,000         Impress Holding 8V 9.25%         1509/2014         1,027         0.26           GBP         1,825,000         United Mexican States 6.75%         0.0102/2024         1.688         0.43         1000,000         CCC+ (0.00%, March 2009 - 0.06%)         EUR         1.370,000         Carlson Wagoniti 6.649% 01/05/2015         595         0.15           Bab+ (0.43%, March 2009 - 0.07%)         EUR         1.225,000         CCC+ (0.00%, March 2009 - 2.53%)						GBP	885,000	Intergen NV 9.5% 30/06/2017	876	0.22
B (0.30%, March 2009 - 0.43%)         EUR         300,000         Clondalkin Acquisition 3.277%           EUR         1,834,000         Codere Finance 8.25% 15/06/2015         1,177         0.30         EUR         300,000         Clondalkin Acquisition 3.277%           EUR         1,600,000         Beverage Packaging Holdings 9.5%         5.95         783         0.20           EUR         1,000,000         Signum Luxemburg 5.379%         620         0.16         EUR         1,135,000         New World Resources 7.375%         783         0.20           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,315,000         Ardagh Glass Finance 8.875%         0.40           BBB+ (0.43%, March 2009 - 0.46%)         EUR         1,177,000         CCC+ (0.00%, March 2009 - 0.66%)         EUR         1,000,000         UPC Holding 7.5% 15/01/2014         1,027         0.26           MEXICO (0.43%, March 2009 - 0.46%)         BBB+ (0.43%, March 2009 - 0.46%)         EUR         1,370,000         UPC Holding 7.5% 15/01/2014         1,027         0.26           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,688         0.43         0.43         0.43         0.43         0.43         0.43         0.43         0.43         0.43         0.43         0.43         0.41         0.45         0.42	EUR	740,000	Lecta 3.498% 15/02/2014	494	0.13					
EUR         1,834,000         Codere Finance 8.25% 15/06/2015         1,177         0.30         15/12/2013         209         0.05           EUR         1,600,000         Beverage Packaging Holdings 9.5%         500         New World Resources 7.375%         500         0.20           EUR         1,000,000         Signum Luxemburg 5.379%         620         0.16         EUR         1,135,000         Ardaph Glass Finance 8.275%         0.20           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,806,001         Fortal Luxembourg         23.291         5.95         EUR         1,700,000         B(0.20%, March 2009 - 1.19%)         Ardaph Glass Finance 8.875%         0.40           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,815,000         Ardaph Glass Finance 8.875%         0.40           BBB- (0.43%, March 2009 - 0.46%)         EUR         1,815,000         March 2009 - 0.46%)         EUR         1,815,000         March 2009 - 0.46%)         EUR         1,370,000         CCC+ (0.00%, March 2009 - 0.06%)         0.11           NETHERLANDS         G10.22%, March 2009 - 0.46%)         EUR         1,370,000         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           GBP         1,480,000         Alia3%, March 2009 - 0.77%)         EUR         1,270,000         Areated (1.31%,						FUR				
B- (0.34%, March 2009 - 1.07%)         B (0.20%, March 2009 - 0.23%)           EUR         1,600,000         Beverage Packaging Holdings 5.5%         1,327         0.34           15/06/2017         1,327         0.34         New World Resources 7.375%         783         0.20           EUR         1,000,000         Signum Luxemburg 5.379%         180/6/2015         620         0.16         EUR         1,11/2000         March 2009 - 0.16%/01/72/013         1,585         0.40           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,815,000         Impress Holdings BV 9.25%         1,027         0.26           GBP         1,825,000         United Mexican States 6.75%         06/02/2024         1,688         0.43         CCC- (0.37%, March 2009 - 0.06%)         100         0.45           EUR         500,000         A (1.34%, March 2009 - 0.07%)         EUR         1,370,000         Cartson Wagoniti 6.649% of/105/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         A (1.34%, March 2009 - 0.07%)         EUR         1,370,000         Cartson Wagoniti 6.649% of/105/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.37         CCC (0.03%, Mar		1 004 000		1 177	0.20	EOR	300,000	•	200	0.05
EUR         1,600,000         Beverage Packaging Holdings 9.5% Not Rated (0.16%, March 2009 - 0.14%)         EUR         1,135,000         New World Resources 7.375% 15/05/2015         783         0.20           EUR         1,000,000         Signum Luxemburg 5.379% 18/06/2015         620         0.16         B-(1.22%, March 2009 - 1.19%)         B-(1.22%, March 2009 - 1.19%)         B-(1.22%, March 2009 - 1.19%)         1,585         0.40           MEXICO (0.43%, March 2009 - 0.46%) BBF (0.43%, March 2009 - 0.46%)         EUR         1,815,000         Impress Holding SU 9.25% 10/07/2013         1,585         0.40           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         1,688         0.43         1,077         0.26           NETHERLANDS         10.22%, March 2009 - 0.06%)         EUR         1,370,000         CCC+ (0.00%, March 2009 - 0.06%)         CCC+ (0.00%, March 2009 - 0.06%)         CCC         0.37%         Not Rated (1.31%, March 2009 - 0.07%)         EUR         1,370,000         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         March 2009 - 0.07%         CCC+ (0.03%, March 2009 - 0.55%         20/07/2017         1,464         0.37         GBP 1,643,023         Asset Repacking Trust 0% 3/09/2011         -         -	EUR	1,834,000	Codere Finance 8.25% 15/06/2015	1,177	0.30			15/12/2013	209	0.05
EUR         1,600,000         Beverage Packaging Holdings 9.5% Not Rated (0.16%, March 2009 - 0.14%)         EUR         1,135,000         New World Resources 7.375% 15/05/2015         783         0.20           EUR         1,000,000         Signum Luxemburg 5.379% 18/06/2015         620         0.16         B-(1.22%, March 2009 - 1.19%)         B-(1.22%, March 2009 - 1.19%)         B-(1.22%, March 2009 - 1.19%)         1,585         0.40           MEXICO (0.43%, March 2009 - 0.46%) BBF (0.43%, March 2009 - 0.46%)         EUR         1,815,000         Impress Holding SU 9.25% 10/07/2013         1,585         0.40           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         1,688         0.43         1,077         0.26           NETHERLANDS         10.22%, March 2009 - 0.06%)         EUR         1,370,000         CCC+ (0.00%, March 2009 - 0.06%)         CCC+ (0.00%, March 2009 - 0.06%)         CCC         0.37%         Not Rated (1.31%, March 2009 - 0.07%)         EUR         1,370,000         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         March 2009 - 0.07%         CCC+ (0.03%, March 2009 - 0.55%         20/07/2017         1,464         0.37         GBP 1,643,023         Asset Repacking Trust 0% 3/09/2011         -         -			B- (0.34%, March 2009 - 1.07%)					B (0.20%, March 2009 – 0.23%)		
Is/06/2017         1,327         0.34         15/05/2015         783         0.20           EUR         1,000,000         Signum Luxemburg         23,291         5.95         EUR         1,815,000         Ardagh Glass Finance 8.875%         0.40           MEXICO (0.43%, March 2009 - 0.46%)         EUR         1,825,000         UPC Holding 775% 15/01/2014         1,565         0.40           BBP 1,825,000         United Mexican States 6.75%         0.602/2024         1,688         0.43         15/06/2015         595         0.45           FUR         5,805,000         UPC Holding 775% 15/01/2014         1,756         0.45         0.45           GBP         1,825,000         United Mexican States 6.75%         0.43         15/08/2012         845         0.42           Od(02/2024         1,688         0.43         CCC+ (0.00%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.06%)         Carlson Wagonili 6.648% 01/05/2012         545         0.22           EUR         500,000         Alliarz Finance II 4.75% 22/07/2019         449         0.11         CCC- (0.37%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.25%)         CCC- (0.00%, March 2009 - 0.58%)	EUR	1.600.000				EUR	1,135,000			
EUR         1,00,000         Signum Luxemburg 5.379%         620         0.16         EUR         1,81,000         Ardagh Glass Finance 8.875%         0.40           MEXICO (0.43%, March 2009 - 0.46%)         23,291         5.95         EUR         1,170,000         Impress Holdings BV 9.25%         1,027         0.26           BBB+ (0.43%, March 2009 - 0.46%)         EUR         1,688         0.43         1,170,000         UPC Holding 7.75% 15/01/2014         1,756         0.40           GBP         1,825,000         UI did Mexicas 6.75%         1,688         0.43         CCC+ (0.00%, March 2009 - 0.06%)         419         0.11           FUR         500,000         UPC Holding 7.75% 15/01/2014         1,756         505         0.15           AA (0.11%, March 2009 - 9.61%)         EUR         1,688         0.43         CCC+ (0.00%, March 2009 - 0.00%)         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         1,225,000         Margar Telecom 10.75% 15/04/2012         595         0.15           GBP         1,480,000         Bank Chyve-Mit Curcaca 5.5%         EUR         1,300,000         Carlson Wagar Telecom 10.75% 15/04/2012         845         0.22           GBP         1,480,000         Bart Chyve-Mit Cu		,,		1,327	0.34		,,		783	0.20
18/06/2015         620         0.16         EUR         1,815,000         Ardagh Glass Finance 8.875% 01/07/2013         0.40           MEXICO (0.43%, March 2009 - 0.46%) BBB+ (0.43%, March 2009 - 0.46%)         EUR         1,815,000         Imprese Holdings BV 9.25% 15/09/2014         0.227         0.26           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         0.43         0.43         CCC+ (0.00%, March 2009 - 0.06%)         UPC Holding BV 9.75% 15/01/2014         1,756         0.45           NETHERLANDS         (10.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)         EUR         1,370,000         Carlson Wagonit 6.649% 01/05/2015         595         0.15           EUR         500,000         Alita%, March 2009 - 0.07%)         EUR         1,370,000         Carlson Wagonit 6.649% 01/05/2015         595         0.15           EUR         500,000         Alita%, March 2009 - 0.07%)         EUR         1,370,000         Carlson Wagonit 6.649% 01/05/2015         595         0.15           EUR         500,000         Alita%, March 2009 - 0.77%)         EUR         1,300,000         Arr ive BV No 97 3.96733%         26/05/2014         2,370         0.61           GBP         1,950,000         E.On International Finance 8.625%         2,373         0.61         0.300         20/01/2017         0.464			Not Rated (0.16%, March 2009 - 0.14	<b>!%</b> )						
Total Luxembourg         23,291         5.95         01/07/2013         1,585         0.40           MEXICO (0.43%, March 2009 - 0.46%) BBP (0.43%, March 2009 - 0.46%)         EUR         1,170,000         Impress Holdings BV 9.25% 15/09/2014         1,027         0.26           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         1,688         0.43         CCC+ (0.00%, March 2009 - 0.06%)         11         0.11           NETHERLANDS         (1.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)         EUR         1,370,000         CCC- (0.37%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.06%)           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         CCC- (0.37%, March 2009 - 0.06%)         2,370         0.61           GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5% 20/01/2017         1,464         0.37         EUR         3,000,000         Art Five BV No 97 3.96733% 26/05/2014         2,370         0.61           GBP         1,950,000         E.On International Finance BV 6.75% 27/01/2039         2,373         0.61         USD         1,300,000         Buweater Holding 3.51375% 30/07/2014         340         0.09           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000 <td>EUR</td> <td>1,000,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>B– (1.22%, March 2009 – 1.19%)</td> <td></td> <td></td>	EUR	1,000,000						B– (1.22%, March 2009 – 1.19%)		
International Functional Functional Finance         2.3,291         5,39         EUR         1,170,000         Impress Holdings BV 9.25% 15/09/2014         Impress Holdings BV 9.25%           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         1,688         0.43         CCC+ (0.00%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.06%)         CCC- (0.37%, March 2009 - 0.00%)         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         CCC- (0.37%, March 2009 - 0.00%)         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         CCC- (0.37%, March 2009 - 0.00%)         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         CCC- (0.37%, March 2009 - 0.57%)         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           GBP         1,484, March 2009 - 0.77%)         EUR         3,000,000         Art Five BV No 97 3.96733%			18/06/2015	620	0.16	EUR	1,815,000			
MEXICO (0.43%, March 2009 - 0.46%) BBB+ (0.43%, March 2009 - 0.46%) GBP 1,825,000       1,027 0.26 UPC Holding 775% 15/01/2014       1,027 0.26 UPC Holding 775% 15/01/2014       0.45 UPC Holding 8V 9.75% 15/01/2014       0.45 UPC Holding BV 9.75% 15/01/2018       0.11         METHERLANDS (10.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)       1.688       0.43 LBUR       UPC Holding 3V.97% 15/08/2012       595       0.15 S95         EUR       500,000       Allianz Finance II 4.75% 22/07/2019       449       0.11       Not Rated (1.31%, March 2009 - 2.53%) Art Five BV No 97 3.96733% 26/05/2014       2,370       0.61         GBP       1,950,000       E.On International Finance BV 6.75% 27/01/2039       1,464       0.37 USD       GBP       1,643,023 Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,250,000       E.On International Finance BV 6.75% 27/01/2039       2,373       0.61       USD       1,300,000       Buewater Holding 3.51375% 30/07/2014       914       0.23         GBP       1,550,000       EUR 4.051%, March 2009 - 0.58%) Energias de Portugal Finance 8.655% 04/01/2024       1,989       0.51       EUR 4.200,000 EUR 2.017,000       Elektrim Finance 0% 15/11/2007       10.30			Total Luxembourg	23,291	5.95	FUR	4 470 000		1,585	0.40
MEXICO (0.43%), March 2009 - 0.46%) BBB+ (0.43%, March 2009 - 0.46%) BBB+ (0.43%, March 2009 - 0.46%)       EUR EUR       2,140,000 500,000       UPC Holding 7.75% 15/01/2014       1,756       0.45         GBP       1,825,000       United Mexican States 6.75% 06/02/2024       1,688       0.43       0.43       0.11         NETHERLANDS       Total Mexico       1,688       0.43       0.43       0.227%, March 2009 - 0.06%)       0.60%         NETHERLANDS       (10.22%, March 2009 - 9.61%) A4 (0.11%, March 2009 - 0.00%)       EUR       1,370,000       CCC- (0.37%, March 2009 - 0.00%)       CCC- (0.37%, March 2009 - 0.00%)       0.15         EUR       500,000       Allianz Finance II 4.75% 22/07/2019       449       0.11       0.37       EUR       1,642,03       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,480,000       Bank Tokyo-Mit Curacao 5.5% 20/01/2017       1,464       0.37       EUR       3,000,000       Art Five BV No 97 3.96733% 26/05/2014       2,370       0.61         GBP       1,250,000       RWE Finance BV 6.125% 0.6/07/2039       1,406       0.36       USD       1,300,000       Asset Repacking Trust 7.1756% 30/07/2014       914       0.23         GBP       1,550,000       RWE Finance BV 6.125% 0.6/07/2039       1,406       0.36       USD       1,300,000						EOR	1,170,000	-	1 0 0 7	0.00
BBB+ (0.43%, March 2009 - 0.46%)         EUR         500,000         UPC Holding BV 9.75% 15/04/2018         419         0.11           GBP         1,825,000         United Mexican States 6.75% 06/02/2024         1,688         0.43         CCC+ (0.00%, March 2009 - 0.06%)         CCC+ (0.00%, March 2009 - 0.06%)           NETHERLANDS         (10.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)         EUR         1,370,000         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         Not Rated (1.31%, March 2009 - 2.53%)         A (1.34%, March 2009 - 0.07%)         EUR         3,000,000         Art Five BV No 97 3.96733%         2,370         0.61           GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5%         2,373         0.61         USD         1,000,000         A sest Repacking Trust 0% 30/09/2011         -         -           GBP         1,250,000         RWE Finance BV 6.125% 06/07/2039         2,373         0.61         USD         1,300,000         Bluewater Holding 3.51375%         914         0.23           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375%         0.07/2014         914         0.2	MEX	ICO (0.43%	, March 2009 – 0.46%)			FLIR	2 140 000			
GBP       1,825,000       United Mexican States 6.75% 06/02/2024       1,688       0.43         Total Mexico       1,688       0.43       CCC+ (0.00%, March 2009 - 0.06%)         NETHERLANDS       (10.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)       EUR       1,370,000       CCC- (0.37%, March 2009 - 0.00%)       CCC- (0.37%, March 2009 - 0.00%)         EUR       500,000       Allianz Finance II 4.75% 22/07/2019       449       0.11       Not Rated (1.31%, March 2009 - 2.53%)         GBP       1,480,000       Bank Tokyo-Mit Curacao 5.5% 20/01/2017       1,464       0.37       EUR       3,000,000       Art Five BV No 97 3.96733% 26/05/2014       2,370       0.61         GBP       1,250,000       EVR Finance BV 6.75% 20/01/2017       1,464       0.37       EUR       1,000,000       Asset Repacking Trust 7.17567% 26/11/2014       914       0.23         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Blewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       BBB+ (2.19%, March 2009 - 0.58%)       EUR       2,544,742       Boats Investment Netherlands 11% 13/03/2017       1,311       0.34         GBP       1,501,000       BBB+ (2.19%, March 2009 - 1.17%)       D.40       0.40			BBB+ (0.43%, March 2009 – 0.46%)					0		
Total Mexico         1,688         0.43           NETHERLANDS         (10.22%, March 2009 – 9.61%) AA (0.11%, March 2009 – 0.00%)         EUR         1,370,000         CcC- (0.37%, March 2009 – 0.00%)         Carlson Wagonlit 6.649% 01/05/2015         595         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         Not Rated (1.31%, March 2009 – 2.53%)         Art Five BV No 97 3.96733%         2,370         0.61           GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5%         2,373         0.61         Solo(0)/2017         1,464         0.37         GBP         1,600,000         Asset Repacking Trust 0% 30/09/2011         –         –         –           GBP         1,950,000         E.On International Finance BV 6.75%         2,373         0.61         USD         1,300,000         Bluewater Holding 3.51375%         30/07/2014         914         0.23           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375%         30/07/2014         340         0.09           GBP         1,550,000         Energias de Portugal Finance 8.625%         0.51         EUR         2,544,742         Boats Investment Netherlands 11%         1,311         0.34	GBP	1,825,000					000,000			0
NETHERLANDS         (10.22%, March 2009 – 9.61%) AA (0.11%, March 2009 – 0.00%)         EUR AA (0.11%, March 2009 – 0.00%)         EUR EUR         1,370,000 EUR         CCC- (0.37%, March 2009 – 0.00%)         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         Magyar Telecom 10.75% 15/08/2012         845         0.22           GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5% 20/01/2017         1,464         0.37         GBP         1,643,023         Asset Repacking Trust 0% 30/09/2011         -         -           GBP         1,950,000         E.On International Finance BV 6.75% 27/01/2039         2,373         0.61         USD         1,300,000         Blewater Holding 3.51375%         26/01/2014         914         0.23           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Blewater Holding 3.51375%         30/07/2014         340         0.09           GBP         1,550,000         Energias de Portugal Finance 8.625% 04/01/2024         0.51         EUR         4,200,000         Elektrim Finance 0% 15/11/2007         110         0.03           GBP         1,501,000         Deutsche Telekom 6.25% 09/12/2010         1,571         0.40         EUR         2,017,000         Elektrim Fi			06/02/2024	1,688	0.43			CCC+ (0.00%, March 2009 – 0.06%)		
NETHERLANDS         (10.22%, March 2009 - 9.61%) AA (0.11%, March 2009 - 0.00%)         EUR AA (0.11%, March 2009 - 0.00%)         EUR AA (0.11%, March 2009 - 0.00%)         EUR A49         1,370,00 EUR         Carlson Wagonlit 6.649% 01/05/2015         595 845         0.15           EUR         500,000         Allianz Finance II 4.75% 22/07/2019         449         0.11         Not Rated (1.31%, March 2009 - 2.53%)         Art Five BV No 97 3.96733% 26/05/2014         2,370         0.61           GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5% 20/01/2017         1,464         0.37         GBP         1,643,023         Asset Repacking Trust 0% 30/09/2011         -           GBP         1,950,000         E.On International Finance BV 6.75% 27/01/2039         2,373         0.61         USD         1,300,000         Bluewater Holding 3.51375% 30/07/2014         914         0.23           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375% 30/07/2014         340         0.09           GBP         1,550,000         Energias de Portugal Finance 8.625% 04/01/2024         1,989         0.51         EUR         4,200,000         Elektrim Finance 0% 15/11/2007         110         0.03           GBP         1,501,000         Deutsche Telekom 6.25% 09/12/2010			Total Mexico	1,688	0.43					
Kernerker krobs       (A. (0.11%, March 2009 - 0.00%)       EUR       1,225,000       Magyar Telecom 10.75% 15/08/2012       845       0.22         EUR       500,000       Allianz Finance II 4.75% 22/07/2019       449       0.11       Not Rated (1.31%, March 2009 - 2.53%)       Art Five BV No 97 3.96733%       26/05/2014       2,370       0.61         GBP       1,480,000       Bank Tokyo-Mit Curacao 5.5%       1,464       0.37       GBP       1,643,023       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,950,000       E.On International Finance BV 6.75%       2,373       0.61       26/01/2014       914       0.23         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375%       30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625%       0.51       EUR       4,200,000       Elektrim Finance 0% 15/11/2007       10       0.34         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       EUR       2,017,000       Hollandwide Parent BV 0%       0.01         GBP       1,500,000       Deutsche Telekom International Finance       0.571       EUR       2,017,000										
EUR       500,000       Allianz Finance II 4.75% 22/07/2019       449       0.11       Not Rated (1.31%, March 2009 - 2.53%)         GBP       1,480,000       Bank Tokyo-Mit Curacao 5.5%       EUR       3,000,000       Art Five BV No 97 3.96733%       26/05/2014       2,370       0.61         GBP       1,950,000       E.On International Finance BV 6.75%       2,373       0.61       EUR       1,000,000       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,250,000       E.On International Finance BV 6.75%       2,373       0.61       USD       1,300,000       Bluewater Holding 3.51375%       26/11/2014       914       0.23         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375%       30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625%       0.51       EUR       4,200,000       Elektrim Finance 0% 15/11/2007       110       0.03         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       0.40       Total Netherlands       39,997       10.22	NETH	IERLANDS	6 (10.22%, March 2009 – 9.61%)					0		
GBP         1,480,000         Bank Tokyo-Mit Curacao 5.5% 20/01/2017         1,464         0.37         GBP         1,643,023         Asset Repacking Trust 0% 30/09/2011         -         -           GBP         1,950,000         E.On International Finance BV 6.75% 27/01/2039         2,373         0.61         0.36         USD         1,000,000         Asset Repacking Trust 0% 30/09/2011         -         -           GBP         1,250,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375% 30/07/2014         914         0.23           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375% 30/07/2014         340         0.09           GBP         1,550,000         Rergias de Portugal Finance 8.625% 04/01/2024         1,989         0.51         EUR         2,544,742         Boats Investment Netherlands 11% 13/03/2017         1,311         0.34           GBP         1,550,000         BBB+ (2.19%, March 2009 – 1.17%)         0.40         EUR         2,017,000         Elektrim Finance 0% 15/11/2007         110         0.03           GBP         1,501,000         Deutsche Telekom 6.25% 09/12/2010         1,571         0.40         V			AA (0.11%, March 2009 – 0.00%)			EOR	1,225,000	Magyar Telecom 10.75% 15/08/2012	845	0.22
GBP         1,480,000         A (1.34%, March 2009 – 0.77%) Bank Tokyo-Mit Curacao 5.5% 20/01/2017         1,464         0.37         GBP EUR         1,643,023 1,000,000         Art Five BV No 97 3.96733% 26/05/2014         2,370         0.61           GBP         1,950,000         E.On International Finance BV 6.75% 27/01/2039         2,373         0.61         Asset Repacking Trust 0% 30/09/2011         -         -           GBP         1,250,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.36         USD         1,300,000         Bluewater Holding 3.51375% 30/07/2014         340         0.09           GBP         1,550,000         RWE Finance BV 6.125% 06/07/2039         1,406         0.51         EUR         2,544,742         Boats Investment Netherlands 11%         -           GBP         1,550,000         Energias de Portugal Finance 8.625% 04/01/2024         1,989         0.51         EUR         4,200,000         Elektrim Finance 0% 15/11/2007         110         0.03           GBP         1,501,000         Deutsche Telekom 6.25% 09/12/2010         1,571         0.40         EUR         2,017,000         Elektrim Finance 0% 15/11/2007         110         0.03           GBP         1,500,000         Deutsche Telekom 1nternational Finance         0.40         26         0.01           GBP </td <td>EUR</td> <td>500,000</td> <td>Allianz Finance II 4.75% 22/07/2019</td> <td>449</td> <td>0.11</td> <td></td> <td></td> <td>Not Rated (1.31%, March 2009 – 2.53</td> <td>3%)</td> <td></td>	EUR	500,000	Allianz Finance II 4.75% 22/07/2019	449	0.11			Not Rated (1.31%, March 2009 – 2.53	3%)	
GBP       1,480,000       Bank Tokyo-Mit Curacao 5.5% 20/01/2017       1,464       0.37       GBP       1,643,023 EUR       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,950,000       E.On International Finance BV 6.75% 27/01/2039       2,373       0.61       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625% 04/01/2024       1,989       0.51       EUR EUR       2,544,742       Boats Investment Netherlands 11%       13/03/2017       1,311       0.34         GBP       1,550,000       EBB+ (2.19%, March 2009 – 1.17%)       0.51       EUR EUR       2,017,000       Elektrim Finance 0% 15/11/2007       110       0.03         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22			A (1 34% March 2009 - 0 77%)			EUR	3,000,000			
20/01/2017       1,464       0.37       GBP       1,643,023       Asset Repacking Trust 0% 30/09/2011       -       -         GBP       1,950,000       E.On International Finance BV 6.75% 27/01/2039       2,373       0.61       1,000,000       Asset Repacking Trust 7.17567% 26/11/2014       914       0.23         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625% 04/01/2024       EUR       2,544,742       Boats Investment Netherlands 11%       13/03/2017       1,311       0.34         BBB+ (2.19%, March 2009 – 0.17%)       EUR       2,017,000       Elektrim Finance 0% 15/11/2007       110       0.03         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22	GBP	1 480 000						26/05/2014	2,370	0.61
GBP       1,950,000       E.On International Finance BV 6.75%       EUR       1,000,000       Asset Repacking Trust 7.17567%       26/11/2014       914       0.23         GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375%       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625%       0.51       EUR       2,544,742       Bats Investment Netherlands 11%       13/03/2017       1,311       0.34         GBP       1,550,000       Energias de Portugal Finance 8.625%       1,989       0.51       EUR       4,200,000       Elektrim Finance 0% 15/11/2007       110       0.03         BBB+ (2.19%, March 2009 – 1.17%)       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22         GBP       1,150,000       Deutsche Telekom International Finance       0.40       Total Netherlands       39,997       10.22	GBI	1,400,000		1,464	0.37			Asset Repacking Trust 0% 30/09/2011	-	-
GBP       1,250,000       RWE Finance BV 6.125% 06/07/2039       1,406       0.36       USD       1,300,000       Bluewater Holding 3.51375% 30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625% 04/01/2024       1,989       0.51       EUR       2,544,742       Boats Investment Netherlands 11% 13/03/2017       1,311       0.34         GBP       1,550,000       Energias de Portugal Finance 8.625% 04/01/2024       1,989       0.51       EUR       4,200,000 EUR       Elektrim Finance 0% 15/11/2007       110       0.03         BBB+ (2.19%, March 2009 – 1.17%)       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22	GBP	1,950,000				EUR	1,000,000			
GBI       1,250,000       HWE Finance BV 0.125/8 00/07/2033 1,400       0.30       30/07/2014       340       0.09         GBP       1,550,000       Energias de Portugal Finance 8.625%       04/01/2024       1,989       0.51       EUR       2,544,742       Boats Investment Netherlands 11%       13/03/2017       1,311       0.34         GBP       1,550,000       Energias de Portugal Finance 8.625%       0.51       EUR       4,200,000       Elektrim Finance 0% 15/11/2007       110       0.03         BBB+ (2.19%, March 2009 – 1.17%)       Deutsche Telekom 6.25% 09/12/2010       0.51       0.40       Total Netherlands       39,997       10.22			27/01/2039	2,373	0.61				914	0.23
GBP       1,550,000       Energias de Portugal Finance 8.625% 04/01/2024       1,989       0.51       EUR       4,200,000 EUR       Elektrim Finance 0% 15/11/2007       110       0.03         BBB+ (2.19%, March 2009 – 1.17%)       Busche Telekom 6.25% 09/12/2010       0.401       26       0.01         GBP       1,501,000       Deutsche Telekom 1nternational Finance       0.40       Total Netherlands       39,997       10.22	GBP	1,250,000	RWE Finance BV 6.125% 06/07/2039	1,406	0.36			30/07/2014	340	0.09
GBr       1,500,000       Ellergias de l'ortigari mance 6.023 %       1,989       0.51       EUR       4,200,000       Elektrim Finance 0% 15/11/2007       110       0.03         04/01/2024       1,989       0.51       EUR       2,017,000       Hollandwide Parent BV 0%       01/08/2014       26       0.01         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22			A- (0.51%, March 2009 - 0.58%)			EUR	2,544,742			
BBB+ (2.19%, March 2009 – 1.17%)       EUR       2,017,000       Hollandwide Parent BV 0%         GBP       1,501,000       Deutsche Telekom 6.25% 09/12/2010       1,571       0.40       Total Netherlands       39,997       10.22         GBP       1,150,000       Deutsche Telekom International Finance       0.40       Total Netherlands       39,997       10.22	GBP	1,550,000	0			EUD	4 200 000			
BBB+ (2.19%, March 2009 – 1.17%)         01/08/2014         26         0.01           GBP         1,501,000         Deutsche Telekom 6.25% 09/12/2010         1,571         0.40         Total Netherlands         39,997         10.22           GBP         1,150,000         Deutsche Telekom International Finance         0.40         Total Netherlands         39,997         10.22			04/01/2024	1,989	0.51				110	0.03
GBP         1,501,000         Deutsche Telekom         6.25%         09/12/2010         1,571         0.40         Total Netherlands         39,997         10.22           GBP         1,150,000         Deutsche Telekom International Finance         39,997         10.22						EUR	2,017,000		26	0.01
GBP 1,150,000 Deutsche Telekom International Finance	CDD	1 501 000		1 574	0.40					
					0.40			iotai Netheriands	39,997	10.22
	GDF	1,150,000			0.31					

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NOR</b> GBP	WAY (1.70%	%, March 2009 – 1.99%) AA– (0.16%, March 2009 – 0.00%) Statoil Hydro ASA 6.875% 11/03/2031	631	0.16	EUR	535,000	<b>B– (0.10%, March 2009 – 0.16%)</b> Ardagh Glass Finance 7.125% 15/06/2017	406	0.10
		AA-e (0.00%, March 2009 – 0.49%) A (0.00%, March 2009 – 0.18%)			GBP GBP	709,000 3,449,000	CCC+ (0.38%, March 2009 – 0.00%) Argon Capital 8.162% 30/09/2049 Saphir Finance 6.369% 25/02/2049	255 1,199	0.07 0.31
GBP	1,480,000	<b>Ae (0.38%, March 2009 – 0.43%)</b> DnB NORBank 6.17% 29/01/2018	1,486	0.38	EUR	440	Not Rated (0.00%, March 2009 – 0.0 Smurfit Kappa Funding Warrants		
GBP	1,100,000	<b>A-e (0.29%, March 2009 – 0.32%)</b> DnB NORBank 7.25% 23/06/2020	1,150	0.29			30/09/2013 Total Republic of Ireland	7,126	1.82
GBP	1,165,000	BBB+ (0.23%, March 2009 – 0.00%) Den Norske Bank 6.0116% 29/12/2049	880	0.23	<b>SOU</b> EUR		(0.78%, March 2009 – 0.57%) BB- (0.17%, March 2009 – 0.00%)	640	0.17
		Not Rated (0.64%, March 2009 – 0.57	<b>'%</b> )		EUR	875,000	Consol Glass 7.625% 15/04/2014	649	0.17
USD NOK	640,000 5,780,758	DDI Holding 6.65375% 15/03/2012 MPU Offshore Lift ASA 0% 23/07/2008	331	0.09	EUR	1,385,000	<b>B+ (0.26%, March 2009 – 0.24%)</b> Savcio Holdings 8% 15/02/2013	1,040	0.26
	7,000,000 3,100,000	Sevan Drilling 7.41% 07/12/2012 Sevan Marine 9.25% 20/12/2011	562 1,603	0.14 0.41	EUR EUR	1,035,000 948,845	<b>B (0.35%, March 2009 – 0.33%)</b> Foodcorp 8.875% 15/06/2012 New Reclamation Group 8.125%	804	0.20
		Total Norway	6,643	1.70		,	01/02/2013	580	0.15
PORT	TUGAL (0.0	00%, March 2009 – 0.56%) A– (0.00%, March 2009 – 0.56%)					Total South Africa	3,073	0.78
		Total Portugal	-	_	SPAI	N (1.42%, N	larch 2009 – 1.45%) AA– (0.34%, March 2009 – 0.30%)		
REPU	JBLIC OF I	RELAND (1.82%, March 2009 – 1.6	62%)		GBP	200,000	Santander Issuances Preferred Unip 7.3% 29/07/2019	person 212	0.06
		AAA (0.00%, March 2009 – 0.63%)			GBP	1,050,000	Santander Issuances 6.5325% 24/10/2017	1,076	0.28
GBP	1,303,000	AA+ (0.63%, March 2009 – 0.00%) GE Capital UK Funding 5.875% 18/01/2033	1,183	0.30			A+ (0.00%, March 2009 – 0.22%)		
GBP	1,275,000	GE Capital UK Funding 6% 11/04/2013	1,300	0.33	GBP	1,150,000	<b>A- (1.08%, March 2009 - 0.93%)</b> Banco Bilbao Vizcaya Argentaria		
0.5.5		Ae (0.20%, March 2009 – 0.30%)	.,				International Uniperson 7.093% 19/01/2049	760	0.19
GBP	1,119,000	Allied Irish Banks 7.875% 05/07/2023	799	0.20	GBP GBP	1,000,000 250,000	Iberdrola Finanzas 7.375% 29/01/2024 Santander Finance Preferred	1,187	0.30
		A– (0.00%, March 2009 – 0.15%)				2,150,000	Uniperson 11.3% 29/07/2049 Telefonica Emisones 5.58%	272	0.07
GBP	880,000	Ba1 (0.16%, March 2009 – 0.12%) Irish Nationwide Building Society 13	%				12/06/2013 Total Spain	2,034 <b>5,541</b>	0.52
		12/08/2016	616	0.16	CWE	DEN /4 75%		0,011	
EUR	1,020,000	<b>BB (0.25%, March 2009 – 0.04%)</b> Ardagh Glass Finance 9.25%			GBP	1,140,000	<b>, March 2009 – 1.41%)</b> AA– (0.30%, March 2009 – 0.00%) Svenska Handelsbanken 5.5%		
USD	100,000	01/07/2016 Smurfit Kappa Treasury 7.5%	944	0.24	GDI	1,140,000	26/05/2016	1,183	0.30
		20/11/2025 B+ (0.00%, March 2009 – 0.22%)	47	0.01	GBP	1,710,000	<b>A (0.52%, March 2009 – 0.42%)</b> Vattenfall 6.875% 15/04/2039	2,044	0.52
EUR	100,000	<b>B (0.10%, March 2009 – 0.00%)</b> Smurfit Kappa Funding 7.75%			GBP	1,665,000	<b>A– (0.37%, March 2009 – 0.00%)</b> Svenska Handelsbanken 5.5%		
USD	600,000	31/01/2015 Smurfit Kappa Funding 7.75%	81	0.02			18/01/2049	1,431	0.37
		31/01/2015	296	0.08					

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		BBB+ (0.00%, March 2009 – 0.32%)			GBP	730,000	A+e (0.19%, March 2009 – 0.25%) Nationwide Building Society 5.625%		
		BB+ (0.56%, March 2009 – 0.26%)					09/09/2019	730	0.19
GBP	386,000	SEB 5% 09/12/2049	281	0.07					
EUR	1,955,000	Stena 6.125% 01/02/2017	1,383	0.35			A (3.73%, March 2009 – 3.04%)		
EUR	820,000	Stena AB 5.875% 01/02/2019	548	0.14	GBP GBP	1,280,000 2,500,000	Barclays Bank 10% 21/05/2021 BG Energy Capital 5.125%	1,615	0.41
		Not Rated (0.00%, March 2009 - 0.4	1%)				07/12/2017	2,571	0.66
		Total Sweden	6,870	1.75	GBP	982,000	HSBC Capital Funding LP 5.844% 05/11/2049	770	0.20
014/17					GBP	1,600,000	HSBC Holdings 6.375% 18/10/2022	1,652	0.42
SWII	ZERLAND	(0.32%, March 2009 – 0.00%)			GBP	750,000	HSBC Holdings 6.75% 11/09/2028	826	0.21
000	4 400 000	A+ (0.32%, March 2009 – 0.00%)	4 0 0 0	0.00	GBP	1,600,000	HSBC Holdings 7% 07/04/2038	1,826	0.47
GBP	1,180,000	UBS London 6.375% 20/07/2016	1,260	0.32	GBP	644,700	Punch Taverns 5.883% 15/10/2026	538	0.14
		Total Switzerland	1,260	0.32	GBP GBP	2,215,000 3,140,000	Standard Chartered 6.5% 28/04/2014 Unique Pub Finance 5.659%	2,405	0.61
UNIT	ED ARAB	EMIRATES (0.12%, March 2009 –	0.00%	)			30/06/2027	2,373	0.61
•••••		AA (0.12%, March 2009 – 0.00%)	0.0070	,					
USD	710,000	Emirate of Abu Dhabi 6.75% 08/04/2019	473	0.12			Ae (0.00%, March 2009 – 0.67%)		
							A- (7.35%, March 2009 - 5.26%)		
		Total United Arab Emirates	473	0.12	GBP	1,609,000	Anglian Water 5.837% 30/07/2022	1,635	0.42
					GBP	1,900,000	Annington Finance 6.5676%		
UNIT	ED KINGD	OM (38.63%, March 2009 – 36.59	)%)				10/01/2023	1,883	0.48
		AAA (2.56%, March 2009 – 6.41%)			GBP	834,000	BAA Funding 5.225% 15/02/2025	617	0.16
GBP	2,107,814	Canary Wharf Finance II 6.455%			GBP	665,000	Centica 5.125% 10/12/2014	687	0.18
		22/04/2030	2,181	0.56	GBP	750,000	Centrica 7% 19/09/2018	858	0.22
GBP	1,288,786	Integrated Accomodation Service 6.			GBP	625,000	Centrica 7% 19/09/2033	724	0.18
		31/03/2029	1,342	0.34	GBP	3,060,000	Clydesdale Bank 4.875% 17/02/2016	2,935	0.75
GBP	3,071,247	Longstone Finance 4.791%			GBP	1,375,000	Hutchison Ports 6.75% 07/12/2015	1,490	0.38
GBP	990,000	19/04/2030 Southern Gas Network 4.875%	2,858	0.73	GBP	550,000	Legal & General Group 6.385% 02/11/2049	353	0.09
		21/03/2029	901	0.23	GBP	600,000	Legal and General Group 10%		
GBP	2,400,000	UKTreasury 2.25% 07/03/2014	2,358	0.60			23/07/2041	668	0.17
GBP	385,000	UK Treasury 4.25% 07/12/2055	393	0.10	GBP	740,000	National Grid Electricity Transmission 7.375% 13/01/2031	932	0.24
		Aaa (0.27%, March 2009 – 0.00%)			GBP	1,400,000	National Grid Gas 6% 13/05/2038	1,514	0.39
GBP	1,026,000	Sceptre Funding 5.253% 09/02/2027	1,064	0.27	GBP	1,380,000	Rolls-Royce 6.75% 30/04/2019	1,503	0.38
					GBP	875,000	Scottish & Southern Energy 5.75%		
	005 000	AA (1.08%, March 2009 – 1.23%)	000	0.00	0.00	4 400 000	05/02/2014	921	0.23
GBP	865,000	Land Securities 4.625% 03/02/2013 Land Securities 5.125% 07/02/2036	868	0.22	GBP	1,400,000	Scottish & Southern Energy 8.375%	1 000	0.40
GBP GBP	1,725,000 2,165,000	Telereal Securitisation 5.9478%	1,427	0.36	CDD	700.000	20/11/2028 Severn Trent Water Utilities 6%	1,892	0.48
GDF	2,105,000	10/12/2031	1,963	0.50	GBP	700,000	22/01/2018	751	0.19
		10/12/2031	1,505	0.50	GRP	1,430,000	Southern Water Services 5%	751	0.15
		AA– (1.48%, March 2009 – 0.88%)			35	1,-100,000	31/03/2021	1,313	0.34
GBP	2,375,000	Barclays Bank 5.75% 17/08/2021	2,407	0.61	GBP	530,000	Southern Water Services 6.192%	.,515	0.04
GBP	1,715,339	British Broadcasting Corporation	,			223,000	31/03/2029	563	0.14
	,	5.0636% 10/08/2033	1,549	0.40	GBP	600,000	Standard Chartered Bank 7.75%		
GBP	1,625,000	HSBC Holdings 6.5% 20/05/2024	1,842	0.47		,	03/04/2018	667	0.17
		-			EUR	1,325,000	Tesco 5.875% 12/09/2016	1,281	0.33
		A+ (1.99%, March 2009 – 3.16%)			GBP	2,000,000	Tesco 6.125% 24/02/2022	2,142	0.55
GBP	444,000	Alliance & Leicester 9.625%			GBP	1,075,000	Tesco Property Finance 7.6227%		
		30/10/2023	512	0.13			13/07/2039	1,222	0.31
GBP	440,000	Bank of Scotland 4.625% 28/02/2011	445	0.11	GBP	2,150,000	Vodafone Group 5.375% 05/12/2017	2,225	0.57
GBP	1,000,000	Bank of Scotland 5.9% 15/10/2010	1,026	0.26					
EUR	1,165,000	Credit Suisse International 4.75%					A-e (0.19%, March 2009 – 0.15%)		
		05/08/2019	1,012	0.26	GBP	700,000	National Grid Gas 6% 13/05/2038	757	0.19
GBP	1,147,000	LloydsTSB Bank 6.375% 15/04/2014	1,216	0.31					
GBP	1,278,000	Royal Bank of Scotland 6.375%					BBB+ (2.94%, March 2009 – 2.97%)		
		29/04/2014	1,359	0.35	GBP	2,950,000	Aviva 6.125% 29/09/2049	2,137	0.55
GBP	1,650,000	Royal Bank of Scotland 6.625%			GBP	1,275,000	BAT International Finance 5.75%		
		17/09/2018	1,775	0.45			09/12/2013	1,364	0.35
GBP	470,000	Unilever 4.75% 16/06/2017	489	0.12					

### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GBP	1,250,000	BAT International Finance 6%					BB (1.22%, March 2009 – 0.50%)		
		29/06/2022	1,302	0.33	GBP	1,435,000	British Airways 8.75% 23/08/2016	1,173	0.30
GBP GBP	870,000 458,000	National Grid 6.125% 15/04/2014 Northern Gas Networks 4.875%	926	0.24	GBP	1,300,000	Daily Mail & General Trust 7.5% 29/03/2013	1,131	0.29
		30/06/2027	401	0.10	USD	640,000	Inmarsal Finance II 10.375%		
GBP	1,475,000	Pearson Funding One 6%					15/11/2012	404	0.10
GBP	895,000	15/12/2015 Punch Taverns 8.374% 15/07/2029	1,568 653	0.40 0.17	EUR	2,820,000	Rexam 6.75% 29/06/2067	2,074	0.53
GBP	1,397,000	Royal & Sun Alliance 6.701%	000	0.17			BB- (1.24%, March 2009 - 0.95%)		
05.	.,	12/05/2049	1,181	0.30	GBP	1,780,000	Cable & Wireless 8.75% 06/08/2012	1,833	0.47
GBP	1,005,000	RSA Insurance Group 8.5%			EUR	1,990,000	ITV 4.75% 03/10/2011	1,704	0.43
		08/12/2049	977	0.25	EUR	1,715,000	TVN Finance 9.5% 15/12/2013	1,318	0.34
GBP	974,000	Standard Chartered Bank 8.103%							
		11/05/2049	974	0.25	ELID	2 060 000	B+ (0.69%, March 2009 – 0.64%)	2 600	0.60
		Baa1 (0.64%, March 2009 – 0.44%)			EUR	2,960,000	Eco Bat Finance 10.125% 31/01/2013	2,088	0.69
GBP	1,550,000	Reed Elsevier 5.625% 20/10/2016	1,592	0.41			B1 (0.25%, March 2009 – 0.10%)		
GBP	850,000	Wales & West Utilities Finance 6.25%			EUR	1,895,000	Investec Tier UK 7.075% 24/06/2049	976	0.25
		30/11/2021	893	0.23					
							B (2.06%, March 2009 – 0.00%)		
		BBB (4.58%, March 2009 – 2.07%)			EUR	1,450,000	ISS Financing 11% 15/06/2014	1,301	0.33
GBP GBP	2,065,000 1,237,000	Anglian Water 7.882% 30/07/2037 Anglo American Capital 5.125%	2,192	0.56	GBP	936,000	Lloyds Banking Group 13% 21/07/2049	000	0.00
GBF	1,237,000	15/12/2010	1,266	0.32	GBP	1,000,000	Lloyds Banking Group 13%	889	0.23
GBP	1,755,000	British Telecom 6.625% 23/06/2017	1,788	0.46	GDI	1,000,000	22/07/2049	920	0.23
USD	485,000	British Telecom 9.125% 15/12/2010	312	0.08	EUR	2,005,000	Virgin Media Finance 8.75%		
GBP	2,244,000	Credit Suisse Group Capital III 8.5149	6				15/04/2014	1,777	0.45
		15/06/2049	2,087	0.53	GBP	2,585,000	Virgin Media Finance 9.75%		
GBP	925,000	•	1,048	0.27	FUD	<u></u>	15/04/2014 Viscoin Mardia Finance 0 5%	2,650	0.68
GBP GBP	770,000 1,050,000	Halifax 9.375% 15/05/2021 Imperial Tobacco Finance 7.75%	791	0.20	EUR	600,000	Virgin Media Finance 9.5% 15/08/2016	534	0.14
GBF	1,050,000	24/06/2019	1,149	0.29			15/08/2018	554	0.14
GBP	1,000,000	Imperial Tobacco Finance 8.125%	.,e	0.20			B– (2.95%, March 2009 – 3.57%)		
		15/03/2024	1,119	0.29	EUR	2,450,000	FCE Bank 2.12% 30/09/2009	2,120	0.54
EUR	270,000	Imperial Tobacco Finance 8.375%			EUR	3,000,000	FCE Bank 7.125% 15/01/2013	2,305	0.59
		17/02/2016	276	0.07	GBP	2,250,000	FCE Bank 7.875% 15/02/2011	2,115	0.54
GBP	950,000	Imperial Tobacco Finance 9%	1 1 1 0	0.00	USD	3,598,000	Global Crossing UK Finance	1 001	0.54
GBP	1,050,000	17/02/2022 LloydsTSB Bank 6.9625%	1,140	0.29	GBP	2,086,000	10.75% 15/12/2014 Global Crossing UK Finance	1,981	0.51
GDI	1,000,000	29/05/2020	1,007	0.26	GDI	2,000,000	11.75% 15/12/2014	1,961	0.50
EUR	1,815,000	Royal Bank of Scotland Group 6.934%			GBP	862,000	HBOS Capital Funding LP 9.54%	.,	
		09/04/2018	1,532	0.39			19/09/2049	461	0.12
GBP	190,000	Southern Water Services 7.869%			GBP	720,000	Pipe Holding 7.75% 01/11/2011	598	0.15
		31/03/2014	204	0.05					
GBP	1,990,000	Telereal Securitisation 7.098%	2 0 2 2	0.50			CC (0.00%, March 2009 – 0.04%)		
		10/12/2033	2,032	0.52			Not Rated (0.85%, March 2009 – 0.77	7%)	
		Baa2 (0.00%, March 2009 – 0.09%)			EUR	1,190,000	Avis Finance 3.528% 31/07/2013	878	0.22
					GBP	2,293,000	Cattles 0% 17/01/2014	222	0.06
		BBB– (2.16%, March 2009 – 2.35%)			GBP	2,180,000	First Hydro Finance 9% 31/07/2021	2,218	0.57
GBP	1,644,000	Enterprise Inns 6.5% 06/12/2018	1,240	0.32			Total United Kingdom 1	51,232	38.63
GBP	1,995,000	FirstGroup 6.875% 15/04/2013	2,123	0.54					
GBP EUR	3,138,000 1,500,000	Marks & Spencer 6.875% 13/12/2012		0.84 0.33	UNIT	ED STATES	S OF AMERICA (12.11%, March 20	009 – 1	1.38%)
GBP	740,000	Rexam 4.375% 15/03/2013 Spirit Issuer 5.472% 28/12/2028	1,281 503	0.33			AAA (0.64%, March 2009 - 0.00%)		-
GBI	140,000	0,12,2020	000	0.10	GBP	2,100,000	Pfizer 6.5% 03/06/2038	2,494	0.64
CPP	1 129 000	Baa3 (0.21%, March 2009 – 0.00%)	026	0.21			Aa1 (0.00%, March 2009 – 0.50%)		
GBP	1,128,000	Old Mutual 5% 21/01/2016	836	0.21					
		BB+ (0.00%, March 2009 – 1.05%)			GBP	1,800,000	AA (0.49%, March 2009 – 0.00%) Wal Mart Stores 5.625% 27/03/2034	1,939	0.49
					GBP	1,575,000	<b>AA– (0.43%, March 2009 – 0.00%)</b> Roche Holdings 5.5% 04/03/2015	1,693	0.43

#### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		AA-e (0.00%, March 2009 – 0.58%)					BB- (0.36%, March 2009 - 1.20%)		
CDD	0.075.000	<b>Aa3 (0.51%, March 2009 – 0.00%)</b> General Electric 5.5% 15/09/2066	1 000	0.51	GBP EUR	500,000 1,040,000	AES Corporation 8.375% 01/03/2011 Nalco 7.75% 15/11/2011	501 908	0.13 0.23
GBP	2,975,000	General Electric 5.5% 15/09/2000	1,988	0.51			B+ (0.65%, March 2009 – 0.57%)		
USD	1,000,000	A+ (0.33%, March 2009 – 0.23%) CBA Capital Trust 5.805% 31/12/2049	509	0.13	GBP	2,600,000	Iron Mountain 7.25% 15/04/2014	2,535	0.65
EUR	850,000	J.P. Morgan Chase 5.25% 14/01/2015	792	0.13			B (0.57%, March 2009 – 0.99%)		
	·	A (2.53%, March 2009 – 2.85%)			EUR	992,000	Central European Distribution 8% 25/07/2012	866	0.22
GBP	500,000	AT&T 7% 30/04/2040	616	0.16	EUR	250,000	Nalco 9% 15/11/2013	223	0.06
GBP	1,700,000	Bank of America 7% 31/07/2028	1,934	0.49	EUR	1,261,000	Nalco 9% 15/11/2013		
GBP	1,040,000	Citigroup 5.25% 14/06/2011	1,044	0.27			XS0195292403	1,123	0.29
GBP	1,650,000	J.P. Morgan Chase 6.125%							
		30/05/2017	1,668	0.43			B– (0.19%, March 2009 – 0.00%)		
GBP	600,000	McDonald's 6.375% 03/02/2020	680	0.17	EUR	900,000	Johnson Diversey 9.625% 15/05/2012	2 739	0.19
EUR	2,100,000	Merrill Lynch & Co 6% 11/02/2013	1,911	0.49					
GBP	1,580,000	Verizon Wireless Capital 8.875%					CCC (0.39%, March 2009 – 0.00%)		
		18/12/2018	2,020	0.52	GBP	2,150,000	Commerzbank Capital Fund Trust		
							5.905% 12/04/2049	808	0.21
000	1 040 000	Ae (0.48%, March 2009 – 0.00%)	4 004	0.40	EUR	830,000	General Motors Acceptance	740	0.40
GBP	1,910,000	Citigroup 7.375% 01/09/2039	1,881	0.48			Corporation 4.75% 14/09/2009	719	0.18
		A- (0.32%, March 2009 - 0.18%)					Not Rated (0.00%, March 2009 - 0.0		
GBP	902,000	Citigroup 5.125% 12/12/2018	665	0.17	USD	110	Preferred Blocker	2	-
GBP	747,000	MBNA Credit Card 6.1% 17/05/2013	583	0.15			Total United States of America	47,407	12.11
GBP	2,754,000	<b>BBB+ (0.75%, March 2009 – 1.43%)</b> Pemex Project Funding Master 7.5% 18/12/2013	2,945	0.75	DERI	VATIVES ((	0.47%), March 2009 – 1.80%) Credit Default Swaps – 0.02% (March 2009 – 0.06%)		
		BBB (0.80%, March 2009 – 0.53%)			EUR	2,000,000	British Airways 3.8% 20/06/2013	135	0.04
GBP	1,450,000	American International Group 5.75%			EUR	1,000,000	ISS Global A/S 8.1% 20/12/2009	16	-
	.,,	15/03/2067	509	0.13	GBP	2,300,000	TNT N.V.Transport Services 1.22%		
GBP	500,000	American International Group 8.6259					20/03/2019	(79)	(0.02)
CPP	050.000	22/05/2038	224	0.06			Forward Foreign Exchange Contract	s – (0.49	%)
GBP	950,000	Capital One Multi-Asset 6.625% 17/06/2014	728	0.18			(March 2009 – 1.74%)	• • •	
USD	261,695	Petroleum Export/Cayman 5.265%	720	0.18			Sell EUR 7,800,000		
050	201,000	15/06/2011	148	0.04			Buy GBP 6,662,526	(145)	(0.04)
EUR	1,800,000	Standard Chartered Capital Trust 8.10		0.04			Sell EUR 2,500,000		
	.,,	29/03/2049	1,524	0.39			Buy GBP 2,150,425	(32)	(0.01)
			.,				Sell EUR 133,994,809		
		BBB- (0.63%, March 2009 - 0.00%)					Buy GBP 115,258,315	(1,702)	(0.43)
EUR	970,000	Ahold Finance 5.875% 14/03/2012	899	0.23			Sell NOK 5,555,000	(05)	(0.04)
GBP	1,520,000	Ahold Finance 6.5% 14/03/2017	1,550	0.40			Buy GBP 529,117	(35)	(0.01)
							Sell NOK 260,000	(1)	
		BB+ (0.15%, March 2009 – 0.62%)					Buy GBP 25,059	(1)	-
EUR	800,000	Fiat Finance North America 5.625%					Sell USD 25,397,372	16	
		12/06/2017	588	0.15			Buy GBP 15,465,974 Sell USD 415,000	16	_
							Buy GBP 253,128	(1)	_
		BB (1.89%, March 2009 – 1.70%)					Sell USD 620,000	(1)	_
EUR	3,250,000	Chesapeake Energy 6.25%	0 540	0.04			Buy GBP 376,711	_	_
000	2 460 000	15/01/2017	2,518	0.64					(0.47)
GBP	3,460,000	Constellation Brands 8.5% 15/11/2009	3,486	0.89	_		Total Derivatives	(1,828)	(0.47)
EUR	620,000	Fresenius Medical Capital 7.375%	5,400	0.00	Total	Value of Inve	estments 3	81,013	97.32
		15/06/2011	567	0.14	Net C	Other Assets	(March 2009 – 3.61%)	10,509	2.68
EUR	830,000	Fresenius US Finance II 8.75%	707	0.00	Net A	ssets	3	91,522	100.00
EUR	100,000	15/07/2015 Owens-Brockway Glass 6.75%	795	0.20					
LON	100,000	01/12/2014	85	0.02					

#### **Portfolio statement**

(continued)

Holding Investment	Value £000	% of Net Asset Value									
ANALYSIS OF INVESTMENTS BY ASSET CLASS											
Fixed Interest	344,135	90.32									
Floating Rate Notes	38,704	10.16									
Equity	2	-									
Derivatives	(1,828)	(0.48)									
Total Value of Investments	381,013	100.00									

### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value
	£000
AAA	13,739
Ааа	1,064
AA+	2,483
AA	12,018
AA-	15,947
Aa3	1,988
A+	16,515
A+e	730
A	36,612
Ae	4,166
A-	43,606
A-e	1,907
BBB+	34,292
Baa1	2,485
BBB	35,258
BBB-	17,074
Baa3	1,975
BB+	20,061
Ba1	616
BB	26,630
BB-	22,525
B+	14,965
B1	976
В	18,062
B-	18,800
CCC+	1,913
CCC	1,527
CCC-	1,440
Not Rated	13,467
Total Bonds	382,841
Derivatives	(1,828)
Total Value of Investments	381,013

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £8,118,657 (2.07% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

## **Sterling Bond Fund**

#### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value
FIXED INTERES	T (97.63%, March 2009 – 100.99 AAA (96.07%, March 2009 – 97.38%	-	
GBP 35,635,000	UK Treasury 2.25% 07/03/2014	35,011	13.13
GBP 18,500,000	UK Treasury 4.25% 07/03/2011	19,425	7.28
GBP 16,000,000	UK Treasury 4.25% 07/03/2036	16,173	6.06
GBP 9,815,000	UKTreasury 4.25% 07/06/2032	10,050	3.77
GBP 2,000,000	UKTreasury 4.25% 07/12/2055	2,040	0.77
GBP 9,800,000	UK Treasury 4.5% 07/09/2034	10,348	3.88
GBP 15,650,000	UK Treasury 4.75% 07/12/2038	17,174	6.44
GBP 21,860,000	UK Treasury 5% 07/03/2012	23,598	8.85
GBP 2,620,000	UK Treasury 5% 07/03/2025	2,919	1.10
GBP 11,770,000	UKTreasury 6% 07/12/2028	14,917	5.59
GBP 14,850,000	UK Treasury 8% 07/06/2021	20,892	7.83
GBP 7,664,234	UK Treasury 8.75% 25/08/2017	10,571	3.96
GBP 47,470,000	UKTreasury Index Linked Gilt		
	4.5% 07/03/2019	50,760	19.03
GBP 16,105,000	UK Treasury 4.25% 07/09/2039	16,276	6.10
USD 10,000,000	US Treasury 4.25% 15/05/2039	6,066	2.28
GBP 4,119,000	AA+ (1.56%, March 2009 – 0.00%) Dexia Credit Local 2.5% 27/10/2011	4,159	1.56
	BBB+ (0.00%, March 2009 – 0.46%	)	
	BBB (0.00%, March 2009 – 2.32%)		
	BBB– (0.00%, March 2009 – 0.83%)	)	
	Total Fixed Interest	260,379	97.63
DERIVATIVES (	D.04%, March 2009 – (0.11%)) Forward Foreign Exchange Contra (March 2009 – (0.11%)) Sell USD 10,220,000 Buy GBP 6,330,482	<b>cts – 0.04</b> 113	0.04
	Total Derivatives	_	
		113	0.04
Total Value of Inv	estments	260,492	97.67
Net Other Assets	/(Liabilities)		
(March 2009 – (0.	88%))	6,217	2.33
Net Assets		266,709	100.00

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

	Value £000
AAA	256,220
AA+	4,159
Total Bonds	260,379
Derivatives	113
Total Value of Investments	260,492

The calculation of the % Net Asset Value may not add up due to rounding.

### **UK Money Securities Fund**

#### **Portfolio statement**

as at 7th September 2009

	Holding	Investment	Value £000	% of Net Asset Value
EIVE		T /78 60% March 2000 44 22%		
FIAE		T (78.60%, March 2009 – 44.22%) Certificate of Deposit – 78.60%		
		(March 2009 – 42.98%)		
GBP	6,000,000	Australia & New Zealand Banking		
		0.32% 11/09/2009 CD	6,000	4.81
GBP	5,000,000	Bank of America 0.38%		
		05/10/2009 CD	5,000	4.00
GBP	5,200,000	Banco Bilbao Vizcaya Argentari		
		0.35% 24/09/2009 CD	5,200	4.17
GBP	5,000,000	Bank of Nova Scotia 0.3%		4.00
	F 000 000	21/09/2009 CD	5,000	4.00
GBP	5,000,000	Barclays Bank 0.45% 24/09/2009 CD	5,000	4.00
GBP	5,000,000	BNP Paribas 0.37% 21/09/2009 CD	5,000	4.00
GBP	5,000,000	Calyon 0.4% 05/10/2009 CD	5,000	4.00
GBP	5,000,000	Danske Bank 0.3% 07/10/2009 CD	5,000	4.00
GBP	5,000,000	Dexia Bank Belgium 0.47% 21/09/2009 CD	F 000	4.00
CDD	F 000 000		5,000	4.00
GBP	5,000,000	Intesa San Paolo 0.36%	F 000	4.00
GBP	5,000,000	07/10/2009 CD Lloyds TSB Bank 0.48%	5,000	4.00
GBP	5,000,000	28/09/2009 CD	5,000	4.00
CPD	6,000,000		5,000	4.00
GBP	8,000,000	Nationwide Building Society 0.41% 28/09/2009 CD	6,000	4.81
GBP	5,000,000	Nordeaab 0.33% 30/09/2009 CD	5,000	4.00
GBP	5,000,000	Rabobank London 0.25%	5,000	4.00
GDI	5,000,000	24/09/2009 CD	5,000	4.00
GBP	5,000,000	Royal Bank of Scotland 0.4%	5,000	4.00
GDI	3,000,000	30/09/2009 CD	5,000	4.00
GBP	5,000,000	Societe Generale 0.33%	0,000	4.00
GDI	3,000,000	07/10/2009 CD	5,000	4.00
GBP	5,000,000	Standard Chartered Bank 0.3%	0,000	4.00
05.	0,000,000	10/09/2009 CD	5,000	4.00
GBP	6,000,000	Sumitomo Mitsui Banking 0.42%	-,	
	-,	28/09/2009 CD	6,000	4.81
GBP	5,000,000	Unicredito Italiano 0.4%		
		01/10/2009 CD	5,000	4.00
		Corporate Bonds – 0.00%		
		(March 2009 – 1.24%)		
GBP	730,000	Barion Funding 0.26% 20/12/2056	-	-
GBP	2,102,000	Barion Funding 0.63% 20/12/2056	-	-
GBP	800,000	Malachite Funding 0.54% 21/12/2056	-	-
GBP	4,200,000	Malachite Funding 1.29% 21/12/2056	-	-
GBP	922,000	Mazarin Funding 0.26% 20/09/2068	-	-
GBP	6,242,000	Mazarin Funding 0.63% 20/09/2068	-	-
		Total Fixed Interest	98,200	78.60
FLOA	TING RATI	E NOTES (0.00%, March 2009 – 29 Asset Backed Securities (FRN) – 0.00 (March 2009 – 1.13%)	-	
		Collateralised Loan Obligations (FRN (March 2009 – 2.27%)	l) – 0.0(	0%
		Commercial Mortgage Backed Secur (March 2009 – 4.25%)	rities – (	0.00%
GBP	5,000,000	Credit Linked Notes (FRN) – 0.00% (March 2009 – 0.00%) Granite Finance 0% 20/06/2012	-	_
		Residential Mortgogo Pookod Securi	tion 0	00%
		Residential Mortgage Backed Securi (March 2009 – 15.68%)	ues – 0	.00 /0

Holding	Investment	Value £000	% of Net Asset Value
	Straight (FRN) – 0.00% (March 2009 – 6.62%)		
GBP 7.500.000	Links Float 0% 15/09/2009	_	_
GBP 2,000,000	Sedna Finance 0% 31/05/2011	-	-
	Total Floating Rate Notes	_	-
Total Value of Invo	estments	98,200	78.60
Net Other Assets	26,739	21.40	
Net Assets		124,939	100.00

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

Total Value of Investments	98,200
A-1+	46,200
A-1	52,000
	Value £000

The calculation of the % Net Asset Value may not add up due to rounding.

The ACD applied fair value adjustments of £483,425 to the broker priced security valuations to reflect a reasonable bid valuation for these securities. As these investments trade in a limited market and may not be able to be immediately liquidated they have been written down to zero.

### **UK Cash Fund**

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### **Portfolio statement**

			% of
		Value	Net Asset
Holding	Investment	£000	Value
Total Value of Inve	stments	-	-
Net Other Assets	(March 2009 – 100%)	13	100.00
Net Assets		13	100.00

# **European Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM (2.87	%, March 2009 – 4.52%)				Household Goods & Textiles – 0.51	%	
DEEGIONI (2.07	Banks – 1.18%				(March 2009 – 0.00%)		
	(March 2009 – 0.00%)			49,132	LVMH Moet Hennessy Louis Vuitto	n 2,870	0.51
2,431,623	Fortis NPV	6,598	1.18				
					Insurance – 0.74%		
	Chemicals – 0.00%			301,592	(March 2009 – 0.00%) AXA	4,166	0.74
	(March 2009 – 1.88%)			301,332		4,100	0.74
	Food & Drug Retailers – 1.69%				Media & Photography – 1.46%		
	(March 2009 – 2.64%)				(March 2009 – 2.63%)		
67,635	Colruyt NV	9,483	1.69	467,994	Vivendi	8,172	1.46
	Total Belgium	16,081	2.87		Oil & Gas – 4.01%		
					(March 2009 – 2.96%)		
DENMARK (2.4	1%, March 2009 – 1.74%)			639,060	Total	22,435	4.01
	Pharmaceuticals & Biotechnology	y – 2.41%					
145 504	(March 2009 – 1.74%)	F 404	0.00		Pharmaceuticals & Biotechnology	- 3.36%	
145,531 152,573	Novo Nordisk Novozymes	5,401 8,096	0.96 1.45		(March 2009 – 2.07%)		
152,575				456,129	Sanofi Aventis	18,806	3.36
	Total Denmark	13,497	2.41		Telecommunication Services – 0.0 (March 2009 – 2.16%)	0%	
FINLAND (1.21%	%, March 2009 – 1.30%)	,				120 142	24.05
	Engineering & Machinery – 0.69% (March 2009 – 0.70%)	0			Total France	139,142	24.85
184,663	Kone	3,876	0.69	GERMANY (19.	57%, March 2009 – 16.84%) Automobiles & Parts – 0.50%		
	Insurance – 0.52%				(March 2009 – 0.00%)		
	(March 2009 – 0.60%)			98,089	DaimlerChrysler Registered	2,778	0.50
204,251	Sampo Oyj	2,916	0.52		, 0		
	Total Finland	6,792	1.21		Chemicals – 2.88% (March 2009 – 4.19%)		
FRANCE (24.85	%, March 2009 – 22.94%)			173,088	K+S	5,703	1.02
	Automobiles & Parts – 0.74% (March 2009 – 0.00%)			171,035	Linde Electricity – 2.57%	10,411	1.86
90,997	Michelin	4,166	0.74		(March 2009 – 0.00%)		
	Banks – 7.18%			229,376	E.On	5,775	1.03
	(March 2009 – 3.84%)			158,522	RWE NPV	8,647	1.54
447,044	BNP Paribas	21,665	3.87				
402,912	Societe Generale	18,549	3.31		Electronic & Electrical Equipment	- 1.35%	
				212,321	<b>(March 2009 – 1.55%)</b> Wincor Nixdorf	7667	1.35
	Chemicals – 2.20%			212,321		7,557	1.55
101 462	( <b>March 2009 – 3.53%)</b> Air Liquide	12,296	2.20		Engineering & Machinery – 0.76%		
191,402	All Liquide	12,290	2.20		(March 2009 – 0.00%)		
	Electronic & Electrical Equipment	t – 1.34%		90,639	MAN	4,273	0.76
	(March 2009 – 2.82%)						
173,660	Alstom	7,501	1.34		Health – 2.94% (March 2009 – 2.71%)		
				264,519	Fresenius Medical Care	7,155	1.28
	Food Producers & Processors – 1 (March 2009 – 1.08%)	.51%		674,457	Rhoen-Klinikum	9,268	1.66
248,457	Danone	8,468	1.51				
2-10,407	Health – 1.80%	0,+00	1.01		Insurance – 4.24% (March 2009 – 4.92%)		
	(March 2009 – 1.85%)			133,490	Allianz	9,059	1.62
309,645	Essilor International	10,048	1.80	161,557	Münchener Rückversicherung	14.000	0.00
					Registered	14,692	2.62
					Software & Computer Services – 2 (March 2009 – 1.09%)	2.63%	
				497,940	SAP	14,696	2.63

## **European Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Speciality & Other Finance – 1.7( (March 2009 – 1.37%)				Telecommunication Services – 1. (March 2009 – 2.01%)		
196,460	Deutsche Börse Registered	9,540	1.70	865,905	Koninklijke KPN NV	8,055	1.44
	Telecommunication Services – 0. (March 2009 – 1.01%)	.00%			Total Netherlands	58,464	10.44
	Total Germany	109,554	19.57	PORTUGAL (2.	33%, March 2009 – 1.54%)		
GREECE (1.83%	– , March 2009 – 0.00%)			1,255,363	Food & Drug Retailers – 1.08% (March 2009 – 0.93%) Jeronimo Martins	6,057	1.08
	Banks – 1.83% (March 2009 – 0.00%)			1,200,303	Oil & Gas – 1.25%	0,057	1.00
519,369	National Bank of Greece	10,221	1.83		(March 2009 – 0.61%)		4.05
	Total Greece	10,221	1.83	//3,419	Galp Energia SGPS	7,019	1.25
ITALV (0 520/ N	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -				Total Portugal	13,076	2.33
11ALY (0.52%, IV	1arch 2009 – 0.00%)			REPUBLIC OF I	RELAND (6.65%, March 2009 -	4.76%)	
	Banks – 0.52%						
1,300,345	(March 2009 – 0.00%) Unicredito Italian	2,926	0.52		Banks – 0.97% (March 2009 – 0.12%)		
.,,	Total Italy	2,926	0.52	2,631,502	Bank of Ireland	5,424	0.97
LUXEMBOURG	(0.00%, March 2009 – 2.04%)				Beverages – 1.26% (March 2009 – 0.00%)		
	Steel & Other Metals – 0.00% (March 2009 – 2.04%)			2,968,488	C&C Group	7,049	1.26
	Total Luxembourg	_			Construction & Building Material (March 2009 – 1.80%)	ls – 0.71%	
	-			261,458	CRH	4,002	0.71
NETHERLANDS	6 (10.44%, March 2009 – 10.859	%)			Food Producers & Processors – 0	0.51%	
	Beverages – 1.94% (March 2009 – 1.60%)			170,260	( <b>March 2009 – 0.00%)</b> Kerry Group	2,854	0.51
416,971	Heineken NV	10,841	1.94		Leisure Entertainment & Hotels -	- 1 46%	
	Chemicals – 1.54%				(March 2009 – 1.89%)	- 1.40 /0	
	(March 2009 – 2.01%)			2,920,626	Ryanair Holdings	8,160	1.46
250,710	Akzo Nobel	8,614	1.54		Life Assurance – 1.08%		
	Food & Drug Retailers – 2.53% (March 2009 – 2.91%)			1,394,561	(March 2009 – 0.24%) Irish Life & Permanent	6,069	1.08
1,946,168	Koninklijke Ahold NV	14,181	2.53		Support Services – 0.66%		
	Health – 0.00% (March 2009 – 1.24%)			1,152,389	<b>(March 2009 – 0.62%)</b> Grafton	3,672	0.66
	Insurance – 1.10% (March 2009 – 0.00%)				Transport – 0.00% (March 2009 – 0.09%)		
648,508	ING Groep NV	6,157	1.10		Total Republic of Ireland	37,230	6.65
	Life Assurance – 1.40% (March 2009 – 0.00%)			SPAIN (3.91%, I	March 2009 – 4.08%)		
1,748,344	Aegon	7,849	1.40		Banks – 1.52% (March 2009 – 0.00%)		
	Media & Photography – 0.49% (March 2009 – 1.08%)			325,323	Banco Bilbao Vizcaya Argentaria	3,509	0.62
419,523	Reed Elsevier NV	2,767	0.49	534,177	Banco Santander	5,039	0.90
				168,705	General Retailers – 0.98% (March 2009 – 1.20%) Inditex	5,475	0.98
				100,700		5,475	0.00

# **European Fund**

### **Portfolio statement**

			% of				% of
		Value	Net Asset			Value	Net Asset
Holding	Investment	£000	Value	Holding	Investment	£000	Value
	Investment Companies – 0.00% (March 2009 – 0.79%)			UNITED STATES	S OF AMERICA (0.00%, N Health – 0.00% (March 2009 – 0.95%)	larch 2009 – 0.9	5%)
	Telecommunication Services – 1.4	41%			Total United States of Ame	rica –	
	(March 2009 – 2.09%)			Total Value of Inve			00.16
509,353	Telefonica	7,889	1.41	lotal value of inve	estments	555,216	99.16
	Total Spain	21,912	3.91		(March 2009 – 0.98%)	4,700	0.84
	%, March 2009 – 1.61%)			Net Assets		559,916	100.00
SWEDEN (0.30	Engineering & Machinery – 0.00% (March 2009 – 1.61%)	, 0		The calculation of	f the % Net Asset Value may	not add up due to	o rounding.
461.012	Tobacco – 0.96% (March 2009 – 0.00%) Swedish Matsh AB	E 2E1	0.06				
401,913	Swedish Match AB	5,351	0.96				
	Total Sweden	5,351	0.96				
SWITZERLAND	) (21.61%, March 2009 – 25.85% Banks – 2.72% (March 2009 – 3.24%)	<b>b</b> )					
497,214	Credit Suisse Group Registered	15,216	2.72				
	Chemicals – 2.26%						
00 171	(March 2009 – 3.54%)	10.000	0.00				
88,171	Syngenta Registered	12,660	2.26				
	Diversified Industrials – 1.69% (March 2009 – 1.75%)						
7,090		5,620					
84,662	Sulzer	3,862	0.69				
	Engineering & Machinery – 0.00% (March 2009 – 1.19%)	, o					
	Food & Drug Retailers – 1.05%						
259,130	<b>(March 2009 – 1.11%)</b> Aryzta	5,878	1.05				
200,100		5,070	1.00				
	Food Producers & Processors – 6	.43%					
	(March 2009 – 7.29%)						
1,429,399	Nestle Registered	35,998	6.43				
	Household Goods & Textiles – 0.6 (March 2009 – 0.52%)	5%					
27,004	Swatch Group	3,633	0.65				
	Pharmaceuticals & Biotechnology (March 2009 – 6.45%)	y – 6.30%					
134,005	Actelion	4,803	0.86				
259,740	Novartis	7,345					
241,952	Roche Holding	23,104	4.13				
	Speciality & Other Finance – 0.51 (March 2009 – 0.00%)	%					
258,678	UBS Registered	2,851	0.51				
	Support Services – 0.00% (March 2009 – 0.76%)						
	Total Switzerland	120,970	21.61				

## **European Select Fund**

### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
						0/	
BELGIUM (7.20%	%, March 2009 – 6.26%) Banks – 2.01%				Food Producers & Processors – (March 2009 – 2.03%)	0.00%	
4,954,205	<b>(March 2009 – 0.00%)</b> Fortis NPV	13,443	2.01		Health – 2.84% (March 2009 – 2.52%)		
	Chemicals – 0.00% (March 2009 – 1.26%)			587,494	Essilor International	19,065	2.84
					Household Goods & Textiles – 2	.11%	
	Food & Drug Retailers – 5.19% (March 2009 – 5.00%)			277,828	<b>(March 2009 – 1.02%)</b> Neopost	14,110	2.11
247,791	Colruyt NV	34,744	5.19				
	Total Belgium	48,187	7.20		Personal Care & Household Proc (March 2009 – 1.07%)	ducts – 0.00'	/o
CZECH REPUBL	IC (0.00%, March 2009 – 0.99%) Electronic & Electrical Equipment –				Pharmaceuticals & Biotechnolog (March 2009 – 0.00%)	gy – 0.52%	
	(March 2009 – 0.99%)			63,998	Virbac	3,466	0.52
	Total Czech Republic	-	_		Total France	105,312	15.72
DENMARK (3.3	5%, March 2009 – 1.89%) Insurance – 1.02% (March 2009 – 0.00%)			GERMANY (14.	67%, March 2009 – 14.01%) Chemicals – 0.00% (March 2009 – 5.01%)		
176,546	TrygVesta	6,842	1.02		(Maich 2005 - 5.01/0)		
	Pharmaceuticals & Biotechnology - (March 2009 – 1.89%)	- 2.33%			Electronic & Electrical Equipmen (March 2009 – 0.47%)	nt – 0.00%	
285,846	Novo Nordisk	10,609	1.59		General Retailers – 0.78%		
93,459	Novozymes	4,959	0.74		(March 2009 – 0.88%)		
	Total Denmark	22,410	3.35	132,113	Fielmann	5,228	0.78
FINLAND (4.03%	%, March 2009 – 3.22%)				Health – 5.16%		
	Engineering & Machinery – 3.00%			922,502	<b>(March 2009 – 5.26%)</b> Fresenius Medical Care	24,951	3.73
957,848	( <b>March 2009 – 3.22%)</b> Kone	20,104	3.00	699,490	Rhoen-Klinikum	9,612	1.43
		20,101	0.00		Insurance – 3.99%		
	Insurance – 1.03% (March 2009 – 0.00%)				(March 2009 – 0.91%)		
482,611	Sampo Oyj	6,889	1.03	194,399	Allianz	13,192	1.97
	Total Finland	26,993	4.03	148,670	Münchener Rückversicherung	12 520	2.02
					Registered	13,520	2.02
FRANCE (15.72)	%, March 2009 – 13.29%) Banks – 2.97%				Software & Computer Services (March 2009 – 0.56%)	- 3.66%	
	(March 2009 – 0.00%)			830,980		24,525	3.66
411,342	BNP Paribas	19,935	2.97				
	Beverages – 0.00%				Speciality & Other Finance – 1.0 (March 2009 – 0.92%)	18%	
	(March 2009 – 0.49%)			148,712	Deutsche Börse Registered	7,221	1.08
	Chemicals – 5.16%				Total Germany	98,249	14.67
	(March 2009 – 5.57%)						
538,152	Air Liquide	34,561	5.16	11ALY (0.49%, N	/larch 2009 – 0.52%) Health – 0.49% (March 2009 – 0.52%)		
	Electronic & Electrical Equipment – (March 2009 – 0.59%)	1.59%		172,619	DiaSorin	3,314	0.49
246,019	Alstom	10,627	1.59		Total Italy	3,314	0.49
	Engineering & Machinery – 0.53% (March 2009 – 0.00%)			LUXEMBOURG	(0.63%, March 2009 – 0.71%) Telecommunication Services – 0		
37,914	Vallourec	3,548	0.53		(March 2009 – 0.71%)		
				348,092	SES	4,209	0.63

	(March 2009 – 0.71%)			
348,092	SES	4,209	0.63	
	Total Luxembourg	4,209	0.63	

# **European Select Fund**

### **Portfolio statement**

		Malara	% of			Malara	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
NETHERLANDS	(9.86%, March 2009 – 16.41%) Beverages – 0.00% (March 2009 – 1.03%)				Engineering & Machinery – 0.00% (March 2009 – 1.28%)		
	Chemicals – 1.42% (March 2009 – 1.83%)			2,988,463	Tobacco – 5.17% (March 2009 – 0.00%) Swedish Match AB	34,620	5.17
276,301	Akzo Nobel	9,493	1.42	_,,	Total Sweden	41,193	6.15
	Food & Drug Retailers – 0.00% (March 2009 – 2.06%)			SWITZERLAND	(24.11%, March 2009 – 26.90%) Chemicals – 5.75%		
	Food Producers & Processors – 1.9	5%		268,293	(March 2009 – 3.74%) Syngenta Registered	38,522	5.75
752,850	(March 2009 – 1.98%) Sligro Food Group	13,054	1.95	200,200	Construction & Building Materials		0.10
	Health – 0.00% (March 2009 – 1.28%)				(March 2009 – 0.11%) Diversified Industrials – 1.05%		
	Insurance – 2.07%			8,852	(March 2009 – 1.37%)	7,017	1.05
1,458,380	(March 2009 – 0.00%) ING Groep NV	13,847	2.07	-,	Engineering & Machinery – 2.02%	.,	
	Life Assurance – 0.92%			347,209	(March 2009 – 2.24%) Schindler Holdings	13,562	2.02
1,381,867	(March 2009 – 0.00%) Aegon	6,204	0.92		Food Producers & Processors – 8.5	0%	
	Media & Photography – 0.00% (March 2009 – 2.33%)			2,260,150	(March 2009 – 9.42%) Nestle Registered	56,920	8.50
	Telecommunication Services – 1.39 (March 2009 – 3.87%)	1%			Health – 0.00% (March 2009 – 0.56%)		
998,237	Koninklijke KPN NV	9,286	1.39		Household Goods & Textiles – 0.00' (March 2009 – 1.06%)	%	
358,409	Transport – 2.11% (March 2009 – 2.03%) Koninklijke Vopak NV	14,129	2.11		Pharmaceuticals & Biotechnology -	- 4.19%	
,	Total Netherlands	66,013	9.86	98,226	(March 2009 – 5.70%) Actelion	3,520	0.53
SPAIN (3.07%, N	 /arch 2009 – 2.70%)			256,649	Roche Holding	24,507	3.66
	Banks – 1.35% (March 2009 – 0.00%)				Support Services – 2.05% (March 2009 – 2.70%)		
958,468	Banco Santander	9,042	1.35	18,242	SGS	13,715	2.05
	General Retailers – 0.00% (March 2009 – 0.46%)			77,680	Transport – 0.55% (March 2009 – 0.00%) Kuehne & Nagel International		
	Pharmaceuticals & Biotechnology -	- 1.00%			Registered	3,720	0.55
631,849	(March 2009 – 0.91%) Grifols	6,667	1.00		Total Switzerland	161,483	24.11
	Software & Computer Services – 0 (March 2009 – 1.33%)	.72%		UNITED KINGD	OM (7.60%, March 2009 – 7.15%) Food & Drug Retailers – 4.96%	)	
338,168	Indra Sistemas	4,851	0.72	8,814,238	<b>(March 2009 – 4.77%)</b> Tesco	33,230	4.96
	Total Spain	20,560	3.07	.,,			
SWEDEN (6.15%	6, March 2009 – 2.21%)			1 754 400	Oil & Gas – 2.64% (March 2009 – 2.38%) Tullaur Oil	17.004	0.04
	Banks – 0.98% (March 2009 – 0.93%)			1,754,439	Tullow Oil	17,691	2.64
421,665	Svenska Handelsbanken A	6,573	0.98		Total United Kingdom	50,921	7.60

## **European Select Fund**

### **Portfolio statement**

(continued)

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			% of
		Value	Net Asset
Holding Investment	t	£000	Value
UNITED STATES OF AMER Health – 0. (March 200	00%	1.5 – 1.5 1	5%)
Total Unite	d States of America	-	-
Total Value of Investments	-	648,844	96.88
Net Other Assets (March 2009	20,888	3.12	
Net Assets		669,732	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# **European Smaller Companies Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA (3.87%	%, March 2009 – 2.77%) Engineering & Machinery – 1.98%			FRANCE (17.54%	%, March 2009 – 17.68%) Beverages – 0.38%		
	(March 2009 – 1.79%)				(March 2009 – 0.41%)		
520,448	Andritz	14,354	1.98	61,542		2,743	0.38
020,110		,		01/012	2001011101101	2,7.10	0.00
	Oil & Gas – 1.14%				Electronic & Electrical Equipment	t – 2.10%	
	(March 2009 – 0.98%)				(March 2009 – 2.68%)		
298,042	Schoeller Bleckmann Oilfield	8,204	1.14	1,011,452	Ingenico	15,228	2.10
	0 (0 : 0 75%)						
	Support Services – 0.75%				Health – 4.10%		
88,597	(March 2009 – 0.00%)	E 410	0.75	216,988	<b>(March 2009 – 4.66%)</b> bioMerieux	13,430	1.86
00,097	Mayr-Melnhof Karton	5,412		16,680	Guerbet	1,478	0.20
	Total Austria	27,970	3.87	499,985	Orpea	14,735	2.04
				400,000	orpea	14,700	2.04
BELGIUM (3.18	%, March 2009 – 5.27%)				Household Goods & Textiles – 2.1	6%	
	Chemicals – 0.00%				(March 2009 – 2.02%)		
	(March 2009 – 2.04%)			308,189	Neopost	15,652	2.16
	Electronic & Electrical Equipment	0.25%					
	Electronic & Electrical Equipment - (March 2009 – 0.45%)	- 0.35 /0			Insurance – 1.73%		
64,157	EVS Broadcast Equipment.	2,535	0.35		(March 2009 – 0.97%)		
04,107		2,000	0.00	528,835	April Group	12,512	1.73
	Food & Drug Retailers – 2.83%				Madia & Photography 145%		
	(March 2009 – 2.78%)				Media & Photography – 1.45% (March 2009 – 1.99%)		
145,951	Colruyt NV	20,464	2.83	212,252	lpsos SA	3,956	0.55
	Total Belgium	22,999	3.18	313,858	SeLoger.com	6,475	0.90
				010,000	00209010011	0,470	0.00
DENMARK (2.0 <sup>°</sup>	1%, March 2009 – 1.96%)				Pharmaceuticals & Biotechnology	y – 2.00%	
D 211117 (210	Insurance – 2.01%				(March 2009 – 2.14%)		
	(March 2009 – 1.96%)			266,890	Virbac	14,456	2.00
375,335	TrygVesta	14,546	2.01				
	Total Denmark	14,546	2.01		Software & Computer Services –	0.00%	
		14,540	2.01		(March 2009 – 0.03%)		
	, March 2009 – 1.31%)				Support Services – 1.53%		
	Collective Investment Schemes – 0	1 48%			(March 2009 – 2.78%)		
	(March 2009 – 0.76%)			218,227	Audika	3,927	0.54
3,835,348	Threadneedle Euro Liquid			246,174	Eurofins Scientific	7,138	0.99
	Assets Fund	3,461	0.48				
					Telecommunication Services – 2.	09%	
	Transport – 0.00%				(March 2009 – 0.00%)		
	(March 2009 – 0.55%)			907,133	Eutelsat Communications	15,154	2.09
	Total Europe	3,461	0.48		Total France	126,884	17.54
FINLAND (7.15%	∕₀, March 2009 – 6.58%)			GERMANY (21.	12%, March 2009 – 21.61%)		
	Electronic & Electrical Equipment	- 1.67%			Chemicals – 1.93%		
	(March 2009 – 2.26%)				(March 2009 – 1.93%)		
541,802	Vacon	12,109	1.67	185,966	Wacker Chemie	13,968	1.93
	Engineering & Machinery – 3.15%				Electronic & Electrical Equipment	t – 2.40%	
776 270	(March 2009 – 2.76%)	10.005	0.05	FF 400	(March 2009 – 2.86%)	0.505	0.05
776,379 366,000	Kone Konecranes	16,295 6,519	2.25 0.90	55,486 417,222	Pfeiffer Vacuum Technology Wincor Nixdorf	2,565 14,851	0.35 2.05
300,000	Konceranes	0,010	0.00	417,222		14,001	2.05
	Software & Computer Services – 2	.33%			Engineering & Machinery – 3.04%	6	
	(March 2009 – 1.56%)				(March 2009 – 3.78%)		
2,548,464	F Secure Oyj	5,696	0.79	18,487	KSB	6,245	0.86
2,240,346	Tekla Oyj	11,149	1.54	16,827	Rational	1,331	0.18
	Total Finland	51,768	7.15	199,283	Vossloh	14,456	2.00

# **European Smaller Companies Fund**

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	General Retailers – 2.08% (March 2009 – 1.97%)			NETHERLANDS	(8.40%, March 2009 – 7.27%) Food Producers & Processors –		
379,894	Fielmann	15,035	2.08	859,723	<b>(March 2009 – 2.21%)</b> Sligro Food Group	14,907	2.06
1 462 020	Health – 2.78% (March 2009 – 2.19%)	20 110	0.70		Health – 0.00%		
1,463,838	Rhoen-Klinikum	20,116	2.78		(March 2009 – 2.00%)		
047.070	Information Technology Hardwa (March 2009 – 1.75%)		0.05		Information Technology Hardwa (March 2009 – 0.97%)		
917,076	Stratec Biomedical Systems	14,820	2.05	505,904	Gemalto NV	13,288	1.83
	Leisure Entertainment & Hotels (March 2009 – 0.49%)	- 0.00%		136,424	Leisure Entertainment & Hotels (March 2009 – 0.00%) Accell Group	- <b>0.55%</b> 3,969	0.55
	Oil & Gas – 1.91% (March 2009 – 0.72%)				Speciality & Other Finance – 1.7	4%	
309,532	Fuchs Petrolub	13,809	1.91	1,286,747	(March 2009 – 0.00%) BinckBank NV	12,576	1.74
	Packaging – 0.00% (March 2009 – 1.96%)				Transport – 2.22% (March 2009 – 2.09%)		
	Software & Computer Services (March 2009 – 0.00%)	- 1.50%		407,306	Koninklijke Vopak NV Total Netherlands	16,057 <b>60,797</b>	2.22 8.40
219,469	Software	10,847	1.50			00,707	0.40
581,619	Speciality & Other Finance – 1.7 (March 2009 – 2.00%) Grenkeleasing	<b>'9%</b> 12,913	1.79	NORWAY (1.15%	%, March 2009 – 2.71%) Aerospace & Defence – 0.16% (March 2009 – 1.00%)		
501,010	2	12,010	1.75	168,032	Kongsberg Gruppen ASA	1,162	0.16
1,654,379	Support Services – 1.64% (March 2009 – 1.96%) Takkt	11,873	1.64		Oil & Gas – 0.00% (March 2009 – 0.15%)		
	Total Germany	152,829	21.12		Pharmaceuticals & Biotechnolog	gy – 0.00%	
ISRAEL (0.05%,	March 2009 – 0.00%) Software & Computer Services	- 0.05%			(March 2009 – 0.61%) Support Services – 0.00%		
185,631	<b>(March 2009 – 0.00%)</b> Vizrt	335	0.05		(March 2009 – 0.45%)		
	Total Israel	335	0.05	574.400	Telecommunication Services – 0 (March 2009 – 0.50%)		0.00
ITALY (4.64%, N	larch 2009 – 6.13%) Engineering & Machinery – 0.00	0/2		574,100	Tandberg	7,197 <b>8,359</b>	0.99
	(March 2009 – 2.19%)			DODTUCAL (A			
	Health – 2.08% (March 2009 – 2.30%)			PORTUGAL (0.0	0%, March 2009 – 2.00%) Food & Drug Retailers – 0.00% (March 2009 – 2.00%)		
783,835	DiaSorin	15,048	2.08		Total Portugal _	_	_
8,626,676	Speciality & Other Finance – 0.5 (March 2009 – 0.32%) Alerion Industries	5 <b>7%</b> 4,135	0.57	REPUBLIC OF IF	RELAND (5.28%, March 2009 Food Producers & Processors – (March 2009 – 0.00%)		
	Transport – 1.99% (March 2009 – 1.32%)			959,257 4,924,419	Kerry Group Total Produce	16,082 1,677	2.23 0.23
1,195,321	Ansaldo STS Total Italy	14,422 33,605	1.99 <b>4.64</b>		Life Assurance – 0.82%		
	iotal huly	55,005	4.04	1,367,263	(March 2009 – 0.00%) Irish Life & Permanent	5,951	0.82

# **European Smaller Companies Fund**

#### **Portfolio statement**

(continued)

Usters	Luce de conte		% of Net Asset	Helder e	lum du nut		% of Net Asset
Holding	Investment	£000	Value	Holding	Investment	£000	Value
	Pharmaceuticals & Biotechnology (March 2009 – 1.50%)	- 2.00%			Engineering & Machinery – 0.47% (March 2009 – 0.83%)		
7,061,927	United Drug	14,489	2.00	5,824	Belimo Holdings	3,380	0.47
	Support Services – 0.00% (March 2009 – 0.18%)				Food & Drug Retailers – 0.08% (March 2009 – 1.65%)		
	Total Republic of Ireland	38,199	5.28	27,235	Aryzta	618	0.08
SPAIN (6.29%,	March 2009 – 4.05%)				Food Producers & Processors – 0. (March 2009 – 0.77%)	00%	
	Construction & Building Materials	- 1.83%			General Retailers – 0.31%		
375,326	( <b>March 2009 – 0.00%)</b> Tecnicas Reunidas	13,264	1.83	17200	(March 2009 – 0.00%)	2 2 2 0	0.31
				17,200	Valora Holding	2,229	0.31
	Food Producers & Processors – 0.8 (March 2009 – 0.00%)	51%			Health – 2.33%		
268,087	Viscofan S.A.	3,696	0.51	49,307	(March 2009 – 3.64%) Coltene Holding	1,417	0.20
		0 (		266,585	Sonova Holding Registered	15,412	2.13
	Pharmaceuticals & Biotechnology (March 2009 – 1.90%)	- 1.98%					
1,355,083	Grifols	14,297	1.98		Investment Companies – 0.00% (March 2009 – 0.40%)		
	Software & Computer Services – ′ (March 2009 – 2.15%)	1.97%			Pharmaceuticals & Biotechnology (March 2009 – 0.49%)	- 0.33%	
992,983	Indra Sistemas	14,244	1.97	44,820		2,359	0.33
	Total Spain	45,501	6.29				
SWEDEN (3.08	%, March 2009 – 1.65%)			475,793	Speciality & Other Finance – 2.050 (March 2009 – 0.41%) Swissquote Group Holding	/0	
	Automobiles & Parts – 0.35%				Registered	14,821	2.05
007440	(March 2009 – 0.00%)	0 500	0.05		Total Switzerland	84,572	11.69
237,113	Mekonomen	2,529	0.35	Total Value of Invo	estments	694,093	95.93
	Health – 0.61%				(March 2009 – 2.36%)	29,477	4.07
403,723	(March 2009 – 0.42%) Elekta	4,374	0.61	Net Assets		723,570	100.00
100// 20		.,071	0.01	The coloulation of	f the % Net Asset Value may not ad	d up dua t	a rounding
	Tobacco – 2.12%				T THE % NET ASSET VALUE THAY NOT AU	u up uue i	o rounung.
1,326,344	( <b>March 2009 – 1.23%)</b> Swedish Match AB	15,365	2.12				
.,==;;= : :	Total Sweden	22,268	3.08				
SWITZERLAND	) (11.69%, March 2009 – 14.97%)						
	Construction & Building Materials (March 2009 – 1.66%)	- 0.00%					
	Distributors – 0.81% (March 2009 – 0.85%)						
5,720	Vetropack Holding	5,887	0.81				
	Diversified Industrials – 3.29% (March 2009 – 1.98%)						
18,054	Sika	14,311	1.98				
207,435	Sulzer	9,462	1.31				
	Electronic & Electrical Equipment (March 2009 – 2.29%)						
9,345	Carlo Gavazzi Holding	678	0.09				
87.769	LEM Holding Registered	13,998	1.93				

13,998

1.93

87,769 LEM Holding Registered

## Pan European Smaller Companies Fund

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA (3.149	%, March 2009 – 1.51%) Engineering & Machinery – 2.04	%			Media & Photography – 1.00% (March 2009 – 3.18%)		
	(March 2009 – 1.13%)			332,087	Havas SA	746	0.52
105,240	Andritz	2,902	2.04	33,288	SeLoger.com	687	0.48
	Oil & Gas – 0.58% (March 2009 – 0.38%)				Pharmaceuticals & Biotechnolog (March 2009 – 2.15%)	gy – 2.04%	
30,140	Schoeller Bleckmann Oilfield	830	0.58	53,505	Virbac	2,898	2.04
	Support Services – 0.52% (March 2009 – 0.00%)				Software & Computer Services (March 2009 – 0.64%)	- 1.49%	
12,007	Mayr-Melnhof Karton	733	0.52	21,032	lliad	1,308	0.92
	Total Austria	4,465	3.14	41,243	Meetic	811	0.57
BELGIUM (2.69	%, March 2009 – 3.98%) Chemicals – 0.00%			26.466	Support Services – 0.46% (March 2009 – 0.57%)	CEC.	0.46
	(March 2009 – 0.92%)			36,466	Audika	656	0.46
Electronic & Electrical Equipment – 0.77%					Telecommunication Services – 1 (March 2009 – 0.00%)	.55%	
27,587	( <b>March 2009 – 0.86%)</b> EVS Broadcast Equipment.	1,090	0.77	131,944	Eutelsat Communications	2,204	1.55
27,307	Evo broadcast Equipment.	1,050	0.77		Total France	15,741	11.06
	Food & Drug Retailers – 1.92% (March 2009 – 2.20%)			GERMANY (16.	29%, March 2009 – 15.50%)		
19,532	Colruyt NV	2,739	1.92		Chemicals – 1.97% (March 2009 – 0.51%)		
	Total Belgium _	3,829	2.69	37,297	Wacker Chemie	2,801	1.97
DENMARK (1.92%, March 2009 – 0.90%) Insurance – 1.92%					Electronic & Electrical Equipmer (March 2009 – 1.27%)	nt – 1.01%	
	(March 2009 – 0.90%)			40,397	Wincor Nixdorf	1,438	1.01
70,437	TrygVesta	2,730	1.92				
	Total Denmark	2,730	1.92	0 170	Engineering & Machinery – 1.86 (March 2009 – 2.30%)		0.46
EUROPE (0.00%	6, March 2009 – 1.20%)			8,172 27,474	Rational Vossloh	647 1,993	0.46 1.40
	Transport – 0.00% (March 2009 – 1.20%) 			27,474	General Retailers – 2.00%	1,000	1.40
	Total Europe	-	_		(March 2009 – 2.00%)		
FINLAND (1.16%	%, March 2009 – 2.20%)			71,987	Fielmann	2,849	2.00
	Electronic & Electrical Equipmer (March 2009 – 1.84%)	1t – 0.00%			Health – 2.27% (March 2009 – 1.98%)		
				235,132	Rhoen-Klinikum	3,231	2.27
	Software & Computer Services	- 1.16%					
681,757	( <b>March 2009 – 0.36%)</b> F Secure Oyj	1 50/	1.07		Information Technology Hardwar	re – 1.99%	
25,592	Tekla Oyj	1,524 127	1.07 0.09	175,578	(March 2009 – 1.27%) Stratec Biomedical Systems	2,837	1.99
	Total Finland	1,651	1.16		·····	,	
<b>FRANCE (11.06</b> 9		.,			Leisure Entertainment & Hotels (March 2009 – 1.41%)		
	Electronic & Electrical Equipmer	nt – 2.03%		47,536	CTS Eventim	1,212	0.85
191,570	<b>(March 2009 – 1.70%)</b> Ingenico	2,884	2.03		Packaging – 0.00% (March 2009 – 1.56%)		
	Health – 1.42% (March 2009 – 2.00%)				Oil & Gas – 1.06% (March 2009 – 0.00%)		
68,716	Orpea	2,025	1.42	33,882	Fuchs Petrolub	1,512	1.06
	Household Goods & Textiles – 1. (March 2009 – 0.50%)	07%			Software & Computer Services	- 2.10%	
29,964		1,522	1.07	60,529	<b>(March 2009 – 0.00%)</b> Software	2,992	2.10

# Pan European Smaller Companies Fund

#### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Speciality & Other Finance – 1.18%				Speciality & Other Finance – 2.16%		
75,630	<b>(March 2009 – 1.84%)</b> Grenkeleasing	1,679	1.18	314,190	<b>(March 2009 – 1.39%)</b> BinckBank NV	3,071	2.16
	Support Services – 0.00% (March 2009 – 1.36%)				Transport – 2.36% (March 2009 – 1.47%)		
	Total Germany	23,191	16.29	85,328		3,364	2.36
	, March 2009 – 0.00%)				Total Netherlands	14,539	10.21
GREECE (1.11%)	(March 2009 – 0.00%) Speciality & Other Finance – 1.11% (March 2009 – 0.00%)			NORWAY (3.00%	%, March 2009 – 2.82%) Construction & Building Materials -	- 0.54%	
222,649	Hellenic Exchanges Holding	1,578	1.11	174,500	(March 2009 – 0.00%) Veidekke	763	0.54
	Total Greece	1,578	1.11	174,300	VEIGENNE	705	0.54
ITALY (5.31%, N	larch 2009 – 3.63%) Engineering & Machinery – 0.00% (March 2009 – 0.61%)				Pharmaceuticals & Biotechnology – (March 2009 – 0.83%) Oil & Gas – 1.07%	0.00%	
					(March 2009 – 0.00%)		
	Health – 2.32% (March 2009 – 2.51%)			180,000	TGS-NOPEC Geophysical	1,524	1.07
172,243	DiaSorin	3,307	2.32		Support Services – 0.00%		
	Speciality & Other Finance – 1.01% (March 2009 – 0.00%)				(March 2009 – 1.99%) Telecommunication Services – 1.39 <sup>6</sup>	2/	
2,999,193	Alerion Industries	1,438	1.01		(March 2009 – 0.00%)	70	
	Transport – 1.98%			158,400	Tandberg	1,986	1.39
	(March 2009 – 0.51%)				Total Norway	4,273	3.00
233,211	Ansaldo STS	2,814	1.98	PORTUGAL (0.0	00%, March 2009 – 1.16%)		
	Total Italy	7,559	5.31		Food & Drug Retailers – 0.00% (March 2009 – 1.16%)		
LUXEMBOURG	(0.36%, March 2009 – 0.00%) Personal Care & Household Product (March 2009 – 0.00%)	ts – 0.36	5%		Total Portugal	_	-
16,579	Oriflame Cosmetics SDR	507	0.36	REPUBLIC OF I	RELAND (1.98%, March 2009 – 0.	00%)	
	Total Luxembourg	507	0.36		Beverages – 0.80% (March 2009 – 0.00%)		
	(10.21%, March 2009 – 7.67%)			478,039		1,135	0.80
NETHERLANDS	Food Producers & Processors – 2.09	%			Leisure Entertainment & Hotels – 0.	.50%	
171,916	(March 2009 – 1.86%) Sligro Food Group	2,981	2.09		(March 2009 – 0.00%)	= 4.0	0.50
,		_,		256,409	Ryanair Holdings	716	0.50
	Health – 0.00% (March 2009 – 1.43%)			004.007	Life Assurance – 0.68% (March 2009 – 0.00%)		0.00
	Information Technology Hardware –	1.95%		221,227		963 2,814	0.68
105,647	(March 2009 – 1.52%) Gemalto NV	2,775	1.95		Total Republic of Ireland	2,014	1.30
100,047		2,770	1.00	SPAIN (5.94%, I	Vlarch 2009 – 5.36%)		
	Leisure Entertainment & Hotels – 0. (March 2009 – 0.00%)	.58%			Construction & Building Materials - (March 2009 – 1.08%)	- 1.75%	
28,184	Accell Group	820	0.58	70,416	Tecnicas Reunidas	2,489	1.75
	Oil & Gas – 1.07% (March 2009 – 0.00%)				Food Producers & Processors – 1.47 (March 2009 – 1.55%)	%	
46,114	Fugro NV	1,528	1.07	151,919	Viscofan SA	2,094	1.47
					Pharmaceuticals & Biotechnology – (March 2009 – 1.69%)	1.81%	
				244,672	Grifols	2,581	1.81

# Pan European Smaller Companies Fund

#### **Portfolio statement**

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			0/ 6	
		Value	% of Net Asset	
Holding	Investment	£000	Value	Holdi
	Software & Computer Services (March 2009 – 1.04%)	- 0.91%		
89,879		1,289	0.91	862,3
	Total Spain	8,453	5.94	108,7
SWEDEN (2.969	%, March 2009 – 1.94%)			
	Health – 0.87% (March 2009 – 0.00%)			185,3
113,984	• •	1,235	0.87	145,3
				280,4
	Tobacco – 2.09%			
257,449	( <b>March 2009 – 1.94%)</b> Swedish Match AB	2,982	2.09	
207,440	Total Sweden	4,217	2.96	726,5 429,4
	Iotal Sweden	4,217	2.30	912,8
SWITZERLAND	(7.47%, March 2009 – 8.74%)			540,3
	Distributors – 1.12% (March 2009 – 1.07%)			
1,554	Vetropack Holding	1,599	1.12	
				501,4
	Diversified Industrials – 0.95%			293,1 134,5
1,712	( <b>March 2009 – 0.79%)</b> Sika	1,357	0.95	104,0
1,7 12	ond	1,007	0.00	
	Electronic & Electrical Equipme	nt – 1.33%		
11,895	<b>(March 2009 – 1.57%)</b> LEM Holding Registered	1,897	1.33	
,		.,		077.0
	Food & Drug Retailers – 1.11%			377,6
69,489	<b>(March 2009 – 1.58%)</b> Aryzta	1,576	1.11	
00,400		1,070	1.11	
	Health – 1.94%			118,0
05 570	(March 2009 – 2.34%)	1 000	0.05	
26,756	Nobel Biocare Holding Sonova Holding Registered	1,209 1,547	0.85 1.09	
20,700		1,017		528,5
	Investment Companies – 0.00%			514,3
	(March 2009 – 1.00%)			
	Pharmaceuticals & Biotechnolog	gy – 0.00%		
	(March 2009 – 0.39%)			330,5 392,6
	Software & Computer Services	- 1 02%		854,7
	(March 2009 – 0.00%)	1.02 /0		
118,668	Temenos Group	1,454	1.02	Total Value of
	Total Switzerland	10,639	7.47	Net Other Ass
		0.440/1		Net Assets
UNITED KINGD	OM (25.00%, March 2009 – 2 Aerospace & Defence – 2.86%	3.41%)		
	(March 2009 – 4.14%)			The calculatio
113,029	Chemring Group	2,488	1.75	
754,316	Cobham	1,586	1.11	
	Chemicals – 1.09%			
	(March 2009 – 1.07%)			
242,880	Croda International	1,548	1.09	

Holding	Investment	Value £000	% of Net Asset Value
	Electronic & Electrical Equipme	ent – 1.42%	
000 050	(March 2009 – 0.76%)	1 070	0.00
862,352 108,768	Chloride Group Spectris	1,276 746	0.90 0.52
100,700	opeenis	740	0.52
	Engineering & Machinery – 3.03 (March 2009 – 0.00%)	3%	
185,348	Charter International	1,116	0.78
145,367	Rotork	1,416	0.99
280,408	Weir Group	1,793	1.26
	General Retailers – 6.05% (March 2009 – 5.27%)		
726,531	Connaught	2,809	1.97
429,499	Dignity	2,609	1.83
912,827	Domino's Pizza	2,003	1.59
540,315	Game Group	936	0.66
540,515	dame droup	550	0.00
	Health – 2.67%		
	(March 2009 – 3.93%)		
501,419	CareTech Holdings	1,834	1.29
293,164	Dechra Pharmaceuticals	1,244	0.87
134,561	Synergy Healthcare	719	0.51
	Oil & Gas – 0.00% (March 2009 – 0.39%)		
	Personal Care & Household Pro (March 2009 – 0.00%)	oducts – 1.52	%
377,603	SSL International	2,169	1.52
	Pharmaceuticals & Biotechnolo	ogy – 0.37%	
	(March 2009 – 0.60%)		
118,093	Hikma Pharmaceuticals	531	0.37
	Software & Computer Services (March 2009 – 2.58%)	- 2.00%	
528,500	Micro Focus International	2,014	1.41
514,331	Velti	833	0.59
	Support Services – 3.99% (March 2009 – 4.67%)		
330,534	Aggreko	2,201	1.55
392,685	Asos	1,250	0.88
854,728	Mitie Group	2,225	1.56
	Total United Kingdom	35,612	25.00
lue of Inve	-	141,798	99.60
	(March 2009 – 9.24%)	576	0.40
	(maioli 2005 - 5.24/0)		
ets		142,374	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# Pan European Fund

### **Portfolio statement**

BELGUM (2.28%, March 2009 - 2.69%) Banks - 1.14%, (March 2009 - 0.00%)         S33         L14 Automobile & Parts - 2.35%, 2.4.84 (March 2009 - 0.00%)         S05         L10           3.46,240         fordis N/V         9.33         1.14 (March 2009 - 2.05%)         S05         1.01           5.705         Control N/V         9.40         1.14 (March 2009 - 2.05%)         S05         1.01           5.705         Control N/V         9.40         1.14 (March 2009 - 0.5%)         Banks - 1.05% (March 2009 - 0.5%)         S05         1.01           BERMUDA (0.05%, March 2009 - 0.5%)	Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
Banks - 1.14% (March 2009 - 0.00%)         Automabile & Partar - 2.33% (March 2009 - 0.00%)         March 2009 - 0.00%) (March 2009 - 0.00%)         March 2009 - 2.5%)         March 2	RELGIUM (2.28	% March 2009 - 2 60%)			GERMANY (9.7	0% March 2000 - 10 31%)		
(March 2009 - 0.0°%)         match 2009 - 0.0°%	BELGIOIVI (2.20				GERMANT (5.7			
55,788         DaimlerChryster Registered         1,013         1,23           6,005         Conturt, NV         940         1,14         Banks - 0.87%         March 2009 - 2.60%)         0.57           BERMUDA (0.00%, March 2009 - 0.05%)         Insurance - 0.00%         Chemicals - 0.87%         March 2009 - 0.05%)         705         0.53           FINLAND (0.57%, March 2009 - 0.05%)         -						(March 2009 – 0.00%)		
Food 8 Drug Retailers - 1.14% (March 2009 - 2.0%)         940         1.14         Banks - 0.87% (March 2009 - 0.0%)         Banks - 0.87% (March 2009 - 0.0%)           6,705         Collary INV         940         1.14         10.886         Double Bank         716         0.87           BERMUDA (0.00%, March 2009 - 0.05%) Insurance - 0.00%, (March 2009 - 0.63%)         -	346,240	Fortis NPV	939	1.14				
(March 2009 - 2.80%)         940         1.14         Banks - 0.87%         (March 2009 - 0.07%)           BERMUDA (0.00%, March 2009 - 0.53%)		Food & Drug Retailers - 1 14%			35,758	DaimlerChrysler Registered	1,013	1.23
6,705         Columy NV         940         1.14         (March 2009-0.05%)         716         0.87           BERMUDA (0.00%, March 2009 - 0.05%)		•				Banks – 0.87%		
Iotal Beginin         12/3         228           BERMUDA (0.00%, March 2009 - 0.53%) Insurance - 0.00%, (March 2009 - 0.53%) (March 2009 - 0.57%, (March 2009 - 0.00%)         -	6,705	Colruyt NV	940	1.14		(March 2009 – 0.00%)		
(March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.57%, (March 2009 – 0.00%) (March 2009 – 0.		Total Belgium	1,879	2.28	16,866	Deutsche Bank	716	0.87
(March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.53%) (March 2009 – 0.57%, (March 2009 – 0.00%) (March 2009 – 0.		_				Chemicals – 0.85%		
(March 2009 - 0.53%)         -         -         -         -         Health - 2.66% (March 2009 - 2.00%)         54.30         Fresenius Medical Care         1.739         2.11           FINLAND (0.57%, March 2009 - 0.00%)         -         33.367         Fresenius Medical Care         1.739         2.11           123.597         Tativizara Mining         472         0.57         Insurance - 0.00%         459         0.55           FRANCE (10.85%, March 2009 - 16.32%)         Insurance - 0.00%         Insurance - 0.00%         1.14         1.14         1.14           35.017         Banks - 3.05%         Software 8. Computer Services - 1.41%         1.164         1.41           35.012         BWP Paribas         1.697         2.06         Steel 8. Other Metals - 0.93%         1.164         1.41           (March 2009 - 1.52%)         Software 8. Computer Services - 0.74%         Support Services - 0.74%         1.164         1.41           (March 2009 - 1.52%)         Software 8. Other Metals - 0.93%         Support Services - 0.74%         1.687         1.697         2.033           20.209         Aironical Equipment - 1.35%         GREECE (0.93%, March 2009 - 0.00%)         8.682         9.79           20.239         Aironical Equipment - 1.35%         GREECE (0.93%, March 2009 - 0.00%)         8.682	BERMUDA (0.00							
Total Bernuda         -         Health - 2.66% (March 2009 - 0.00%) (March 2009 - 0.00%)         J.739         2.11           FINLAND (0.57%, March 2009 - 0.00%) (March 2009 - 0.00%)         472         0.57         64,00         Fresenius Medical Care         1.739         2.11           33,087         Total Finland         472         0.57         Insurance -0.00%)         459         0.55           FRANCE (10.85%, March 2009 - 16.32%)         Banks - 3.06%         Software & Computer Services - 1.41%         1.164         1.41           Software 2009 - 0.74%)         (March 2009 - 0.0%)         1.164         1.41           Software & Computer Services - 0.40%         (March 2009 - 0.0%)         772         0.33           Beverages - 0.00%         Steel & Other Metals - 0.93%         (March 2009 - 0.00%)         20.33           Beverages - 0.00%         Support Services - 0.74%         (March 2009 - 0.00%)         20.33           Chemicals - 1.58%         (March 2009 - 0.00%)         Banks - 0.33%         0.74           March 2009 - 1.62%)         Total Germany         8.082         9.79           20.230         Air Liquide         1.303         1.58         GREECE (0.93%, March 2009 - 0.00%)         Banks - 0.33%           Media A 2006 - 1.52%)         Suport Services - 0.74%         March 2009 - 0.00%)					11,575	Linde	705	0.85
FINLAND (0.57%, March 2009 - 0.00%) (March 2009 -		-	_			Health – 2 66%		
FINCENUD (0.57) /s, March 2009 - 0.00%) (March 2009 - 0.00%)       33,367       Rheen-Klinikum       459       0.55         122,597       Tatvizare Mining       472       0.57       (March 2009 - 3.40%)       168       169       0.57         FRANCE (10.85%, March 2009 - 16.32%) Banks - 3.06%       Software & Computer Services - 1.41%       March 2009 - 1.52%)       Software & Computer Services - 1.41%       March 2009 - 1.51%)         35,012       BNP Paribas       1.697       2.06       Steel & Other Metals - 0.93%       March 2009 - 1.52%)         Beverages - 0.00%       (March 2009 - 1.52%)       Support Services - 0.74%       March 2009 - 0.00%)       58,409       Deutsche Post       608       0.74         (March 2009 - 1.52%)       Chernicals - 1.35%       GREECE (0.93%, March 2009 - 0.00%)       Banks - 0.93%       March 2009 - 0.00%)       39,251       National Bank of Greece       772       0.93         25,457       Essilor International       826       1.00       NETHERLANDS (10.77%, March 2009 - 0.00%)       Banks - 0.93%       March 2009 - 0.00%)       39,251       National Bank of Greece       772       0.93         107.25       Essilor International       826       1.00       NETHERLANDS (10.77%, March 2009 - 0.55%)       March 2009 - 0.55%)       0.93         107.82       Louis Vuitton       1.1		-						
Mining - 0.57% (March 2009 - 0.60%)         33,367         Rheen-Killinkum         459         0.55           123,537         Tativaara Mining Tativaara Mining         472         0.57         Insurance - 0.00% (March 2009 - 1.6.2%)         Insurance - 0.00% (March 2009 - 0.4%)         Insurance - 0.00% (March 2009 - 0.4%)         Software & Computer Services - 1.41% (March 2009 - 0.4%)         Insurance - 0.00% (March 2009 - 0.4%)         Software & Computer Services - 1.41% (March 2009 - 0.4%)         Insurance - 0.00% (March 2009 - 0.4%)         Software & Computer Services - 1.41% (March 2009 - 0.4%)         Insurance - 0.00% (March 2009 - 0.4%)         Software & Computer Services - 1.41% (March 2009 - 0.00%)         Insurance - 0.00% (March 2009 - 0.00%)         Software & Computer Services - 0.4% (March 2009 - 0.00%)         Insurance - 0.00% (March 2009 - 0.00%)         Insurance - 0.00%)         Insurance - 0.00%)         Insur	<b>FINLAND (0.57</b> %	%, March 2009 – 0.00%)			64,301			2.11
123,597         Tailvivaara Mining         472         0.57         Insurance -0.00% (March 2009 - 0.4%)         Insurance -0.00% (March 2009 - 0.4%)           FRANCE (10.85%, March 2009 - 0.3%) (March 2009 - 0.3%)         50					33,367	Rhoen-Klinikum	459	0.55
L2,039         Norward mining         472         0.03           Total Finland         472         0.05           FRANCE (10.85%, March 2009 - 16.32%) Banks - 3.06% (March 2009 - 0.7%) (March 2009 - 0.7%) (March 2009 - 0.07%)         Steel & Other Metals - 0.93% (March 2009 - 0.00%) (March 2009 - 1.62%)         1,164         1,41           Beverages - 0.00% (March 2009 - 1.62%)         Steel & Other Metals - 0.93% (March 2009 - 0.00%)         58,409         772         0.33           Chemicals - 1.58% (March 2009 - 1.52%)         Support Services - 0.74% (March 2009 - 0.00%)         58,409         Deutsche Post (March 2009 - 0.00%)         606         0.74           20,209         Air Liquide         1,303         1.58         Support Services - 0.74% (March 2009 - 0.00%)         58,409         Deutsche Post (March 2009 - 0.00%)         8.082         9.79           20,209         Air Liquide         1,303         1.58         GREECE (0.93%, March 2009 - 0.00%) Barkares - 0.93% (March 2009 - 0.00%)         8.082         9.79           25,737         Alstom         1,112         1.35         Total Gereace         772         0.93           (March 2009 - 0.00%) (March 2009 - 0.05%) (March 2009 - 0.05%) (March 2009 - 0.05%)         Severages - 0.00% (March 2009 - 0.05%)         Severages - 0.00% (March 2009 - 0.05%)         1.18           19,728         LVMH Moat Hennessy LVMH Moat Hennessy (March 200	400 507		470	0.57		Insurance – 0.00%		
Software & Computer Services - 1.41% (March 2009 - 1.15%)           Banks - 3.06% (March 2009 - 0.37%)         SAP         1,164         1.41           35.017         BNP Prabas         1,697         2.06         Steel & Other Metals - 0.93% (March 2009 - 0.00%)         39,441         SAP         0.00% (March 2009 - 0.00%)         0.93           Beverages - 0.00% (March 2009 - 1.52%)         Beverages - 0.00% (March 2009 - 1.52%)         Support Services - 0.74% (March 2009 - 0.00%)         58,409         Deutsche Post         608         0.74           20.200         Air Liquide         1,303         1.58         GREECE (0.39% (March 2009 - 0.00%))         8.082         9.79           20.200         Air Liquide         1,112         1.35         GREECE (0.39% (March 2009 - 0.00%))         8.082         9.79           20.200         Air Liquide         1,112         1.35         GREECE (0.39% (March 2009 - 0.00%))         39,251         National Bank of Greece         772         0.93           25,738         Alstom         1,112         1.35         NETHERLANDS (10.77%, March 2009 - 7.52%)         Section International         826         1.00           March 2009 - 0.00% (March 2009 - 1.52%)         Section International         826         1.00         NETHERLANDS (10.77%, March 2009 - 7.52%)         Section International <t< td=""><td>123,597</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	123,597							
FFANCE [10.85%, March 2009 - 1.6.32%)       (March 2009 - 1.15%)         Banks - 3.06%, (March 2009 - 0.74%)       39,441       SAP       1,164       1.41         35,012       BVP Parloas       1,697       2.06       Steel & Other Metals - 0.93% (March 2009 - 0.00%)       722       0.33         172937       Societe Generale       826       1.00       37,414       ThyssenKrupp       772       0.33         Beverages - 0.00% (March 2009 - 1.52%)       Escencie & Electrical Equipment - 1.35% (March 2009 - 0.00%)       58,409       Deutsche Post       608       0.74         20,200       Air Liquide       1,303       1.58       GREECE (0.93%, March 2009 - 0.00%) (March 2009 - 0.00%) (March 2009 - 0.00%)       58,409       Deutsche Post       608       0.74         20,200       Air Liquide       1,303       1.58       GREECE (0.93%, March 2009 - 0.00%) (March 2009 - 0.00%)       772       0.93         25,738       Alstom       1,112       1.35       GREECE (0.93%, March 2009 - 0.00%) (March 2009 - 7.52%)       772       0.93         25,437       Estior International       826       1.00       NETHERLANDS (10.77%, March 2009 - 7.52%)       772       0.93         19.728       Media & Photography - 0.00% (March 2009 - 0.00%)       1.152       1.39       604       0.54		lotal Finland	472	0.57			0/	
Banks - 3.08% (March 2009 - 0.7%)         39,441         SAP         1,164         1.41           (March 2009 - 0.7%)         BNP Paribas         1,697         2.06         Steel & Other Metals - 0.93%         772         0.33           17937         Societe Generale         826         1.00         37,414         ThysenKrupp         772         0.33           Beverages - 0.00%         (March 2009 - 1.52%)         Support Services - 0.74%         608         0.74           (March 2009 - 1.52%)         1.303         1.58         Support Services - 0.74%         608         0.74           (March 2009 - 1.52%)         Air Liquide         1,303         1.58         Support Services - 0.74%         6.082         9.79           20.20         Air Liquide         1,303         1.58         Support Services - 0.74%         6.082         9.79           20.20         Air Liquide         1,303         1.58         GREECE (0.93%, March 2009 - 0.00%)         Banks - 0.93%         6.082         9.79           25,738         Alstom         1,112         1.35         39,251         National Bank of Greece         772         0.93           25,457         Ession International         826         1.00         NETHERLANDS         (10,77%, March 2009 - 7.52%)	FRANCE (10.859	% March 2009 - 16 32%)				-	- 1.41%	
(March 2009 - 0.04%)           35.012         BNP Paribas         1,697         2.06         Steel & Other Metals - 0.93%           17,937         Societe Generate         37,414         ThyssenKrupp         772         0.33           Beverages - 0.00%         37,414         ThyssenKrupp         772         0.33           (March 2009 - 0.00%)         37,414         ThyssenKrupp         772         0.33           (March 2009 - 1.62%)         Support Services - 0.74%         (March 2009 - 0.00%)         58,409         Deutsche Post         608         0.74           (March 2009 - 1.52%)         Air Liquide         1.303         1.58         GREECE (0.93%, March 2009 - 0.00%)         Barks - 0.33%         (March 2009 - 0.00%)           25,738         Alstom         1,112         1.35         GREECE (0.93%, March 2009 - 0.00%)         772         0.93           (March 2009 - 1.28%)         1,112         1.35         GREECE (0.93%, March 2009 - 0.00%)         772         0.93           (March 2009 - 1.28%)         826         1.00         NETHERLANDS (10.77%, March 2009 - 0.52%)         8082         9.79           25.457         Essilor International         826         1.00         NETHERLANDS (10.77%, March 2009 - 7.52%)         80827         0.93	THANOL (10.05)				39,441		1,164	1.41
17,337       Societe Generale       826       1.00       (March 2009 - 0.00%)       37,414       Thysen(Kupp)       772       0.93         Beverages - 0.00%       (March 2009 - 1.62%)       Support Services - 0.74%       (March 2009 - 0.00%)       608       0.74         Chemicals - 1.58%       (March 2009 - 1.52%)       Beverages - 0.74%       608       0.74         20,290       Air Liquide       1,303       1.58       Total Germany       8.082       9.79         20,291       Air Liquide       1,303       1.58       GREECE (0.93%, March 2009 - 0.00%)       8.082       9.79         20,293       Air Liquide       1,303       1.58       GREECE (0.93%, March 2009 - 0.00%)       8.082       9.79         20,293       Alstom       1,112       1.35       GREECE (0.93%, March 2009 - 0.00%)       9.033         25,738       Alstom       1,112       1.35       Say,251       National Bank of Greece       772       0.93         25,547       Essilor International       826       1.00       NETHERLANDS (10.77%, March 2009 - 7.52%)       Beverages - 0.96%       March 2009 - 0.05%)       20.255       Heineken NV       344       0.42         19,728       LVWH Moet Hennessy       1.32       1.33       13,247       Heineken								
Beverages - 0.00% (March 2009 - 1.62%)         37,414         ThyssenKrupp         772         0.93           Chemicals - 1.58% (March 2009 - 1.52%)         Support Services - 0.74% (March 2009 - 0.00%)         608         0.74           20,290         Air Liquide         1,303         1.58         Support Services - 0.74% (March 2009 - 0.00%)         8.082         9.79           20,290         Air Liquide         1,303         1.58         GREECE (0.93%, March 2009 - 0.00%)         8.082         9.79           25,738         Alstom         1,112         1.35         39,251         National Bank of Greece         772         0.33           25,738         Alstom         1,112         1.35         39,251         National Bank of Greece         772         0.33           25,457         Essilor International         826         1.00         NETHERLANDS (10.77%, March 2009 - 7.52%)         Everages - 0.96%         (March 2009 - 0.85%)         Warch 2009 - 0.85%)         UMirch 2009 - 0.85%)         0.42         0.42           19,728         LVMH Moet Hennessy Louis Vuitton         1,152         1.39         Chemicals - 1.18% (March 2009 - 0.85%)         975         1.18           0il & Gas - 0.00% (March 2009 - 2.12%)         2.037         2.47         Food Producers & Processors - 1.48% (March 2009 - 0.05%)         0.955	,							
Beverages - 0.00% (March 2009 - 1.62%)         Support Services - 0.74% (March 2009 - 0.00%)           Chemicals - 1.58% (March 2009 - 1.52%)         58,409         Deutsche Post         608         0.74           20,290         Air Liquide         1,303         1.58         58,409         Deutsche Post         608         0.74           20,290         Air Liquide         1,303         1.58         GREECE (0.93%, March 2009 - 0.00%)         8.082         9.79           25,738         Alstom         1,112         1.35         GREECE (0.93%, March 2009 - 0.00%)         8anks - 0.33%           25,457         Essilor International         826         1.00         NETHERLANDS (10.77%, March 2009 - 7.52%)         8everages - 0.96%           25,457         Essilor International         826         1.00         NETHERLANDS (10.77%, March 2009 - 7.52%)         8everages - 0.96%           19,728         LVMH Moet Hennessy Louis Vuitton         1,152         1.39         Chemicals - 1.18% (March 2009 - 0.80%)         72         0.93           49,403         Sanofi Aventis         2,037         2.47         Food & Drug Retailers - 0.95% (March 2009 - 2.12%)         72.310         Initever NV         1.219         1.48           49,403         Sanofi Aventis         2,037         2.47         Food & Proquese & Processors	17,937	Societe Generale	826	1.00	37414		772	0.93
(March 2009 – 0.00%) (March 2009 – 1.52%)         (March 2009 – 0.00%) (March 2009 – 1.52%)         608         0.74           20,290         Air Liquide         1,303         1.58         Total Germany         8,082         9.79           20,290         Air Liquide         1,303         1.58         GREECE (0.93%, March 2009 – 0.00%) Banks – 0.93% (March 2009 – 0.00%)         8,082         9.79           25,738         Alstom         1,112         1.35         GREECE (0.93%, March 2009 – 0.00%) Banks – 0.93% (March 2009 – 0.28%)         772         0.93           25,738         Alstom         1,112         1.35         Total Greece         772         0.93           25,747         Essitor International         826         1.00         NETHERLANDS (10.77%, March 2009 – 7.52%)         Essitor International         826         1.00           19,728         KMarch 2009 – 0.00% (March 2009 – 1.52%)         1.39         NETHERLANDS (10.77%, March 2009 – 7.52%)         Essitor International         8.26         1.00           19,728         KMeria & Photography – 0.00% (March 2009 – 1.52%)         1.32         Heineken NV         344         0.42           20,925         Heineken NV         24.68         0.54         1.18         1.18           49,403         Sanofi A		Beverages – 0.00%			0,,114	iny oconici app	,,,	0.00
Chemicals - 1.58% (March 2009 - 1.52%) (March 2009 - 1.52%)         58,409         Deutsche Post (March 2009 - 0.00%)         608         0.74           20.290         Air Liquide         1,003         1.58         Total Germany         8,082         9.79           20.290         Air Liquide         1,003         1.58         GREECE (0.93%, March 2009 - 0.00%) Banks - 0.93% (March 2009 - 0.00%)         Banks - 0.93% (March 2009 - 0.00%)         9.93           25,738         Alstom         1,112         1.35         39,251         National Bank of Greece         772         0.93           25,475         Essilor International         826         1.00         NETHERLANDS         10.77%, March 2009 - 7.52%)         Beverages - 0.96% (March 2009 - 0.08%)         9.93           19,728         LVMH Moet Hennessy Louis Vuitton         1,152         1.39         NETHERLANDS         10.77%, March 2009 - 7.52%)         9.44         0.42           19,728         Media & Photography - 0.00% (March 2009 - 1.52%)         1.3247         Heineken Holding NV         446         0.54           19,728         Media & Photography - 0.00% (March 2009 - 1.52%)         28,373         Akzo Nobel         975         1.18           949,403         Sanofi Aventis         2,037         2.47         Food & Drug Retailers - 0.95% (March 2009 - 2.58%)         <		(March 2009 – 1.62%)						
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $		Chomicals 1 59%			E9 400		609	0.74
20,290       Air Liquide       1,303       1,58         20,290       Air Liquide       1,303       1,58         GREECE (0.93%, March 2009 – 0.00%) Banks - 0.93% (March 2009 – 0.00%)         25,738       Alstom       1,112       1.35         Health - 1.00% (March 2009 – 1.28%)       Total Greece       772       0.93         25,457       Essilon International       826       1.00       NETHERLANDS (10.77%, March 2009 – 7.52%) Beverages - 0.96% (March 2009 – 0.00%)       Beverages - 0.96% (March 2009 – 0.85%)       March 2009 – 0.55%)         19,728       LVMH Moet Hennessy Louis Vuitton       1,152       1.39       NETHERLANDS (10.77%, March 2009 – 7.52%) Beverages - 0.96% (March 2009 – 0.85%)       Chemicals - 1.18% (March 2009 – 0.85%)         Media & Photography - 0.00% (March 2009 – 1.52%)       20,225       Heineken Holding NV       446       0.54         0il & Gas - 0.00% (March 2009 – 3.69%)       772       0.93       13,247       Heineken NV       344       0.42         0il & Gas - 0.00% (March 2009 – 3.69%)       Food & Drug Retailers – 0.95% (March 2009 – 2.58%)       107,301       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)       March 2009 – 0.00%)       1.219       1.48					58,405	-		
International Electronic Construction 2009 - 2.08%)       Banks - 0.93%       (March 2009 - 0.00%)         25,738       Alstom       1,112       1.35       39,251       National Bank of Greece       772       0.93         Health - 1.00%       Total Greece       772       0.93         (March 2009 - 1.28%)       Total Greece       772       0.93         25,457       Essilor International       826       1.00       NETHERLANDS       (10.77%, March 2009 - 7.52%)       Beverages - 0.96%         Household Goods & Textiles - 1.39%       (March 2009 - 0.00%)       20.225       Heineken Holding NV       446       0.54         19,728       LVMH Moet Hennessy       20.90       13,247       Heineken NV       344       0.42         Media & Photography - 0.00%       (March 2009 - 1.52%)       28,373       Akzo Nobel       975       1.18         Oil & Gas - 0.00%       Food & Drug Retailers - 0.95%       (March 2009 - 2.58%)       107,301       Koninklijke Ahold NV       782       0.95         Pharmaceuticals & Biotechnology - 2.47%       March 2009 - 0.00%)       1,219       1.48         (March 2009 - 1.75%)       Coninklijke Ahold NV       782       0.95         Food Producers & Processors - 1.48%       (March 2009 - 0.00%)       1.219       1.48	20,290	Air Liquide	1,303	1.58			0,002	5.75
(March 2009 - 2.08%)         Banks - 0.93%           25,738         Alstom         1,112         1.35         39,251         National Bank of Greece         772         0.93           25,737         Health - 1.00% (March 2009 - 1.28%)         Total Greece         772         0.93           25,457         Essilor International         826         1.00         NETHERLANDS         (10.77%, March 2009 - 7.52%)         Essilor International         826         1.00         Beverages - 0.96% (March 2009 - 0.05%)         10.77%, March 2009 - 7.52%)         Essilor International         826         1.00         NETHERLANDS         (10.77%, March 2009 - 7.52%)         Essilor International         826         0.00%         10.77%, March 2009 - 7.52%)         Essilor International         826         1.00         NETHERLANDS         (10.77%, March 2009 - 7.52%)         Essilor International         826         1.00         NETHERLANDS         (10.77%, March 2009 - 7.52%)         Essilor International         826         1.00         NetherLand         1.02		Electronic & Electrical Equipmen	ot _ 1 35%		GREECE (0.93%	o, March 2009 – 0.00%)		
25,736       Alstoffi       1,112       1,33       39,251       National Bank of Greece       772       0,93         Health - 1.00% (March 2009 - 1.28%)       Total Greece       772       0,93         25,457       Essilor International       826       1.00       NETHERLANDS       (10.77%, March 2009 - 7.52%)         Household Goods & Textiles - 1.39% (March 2009 - 0.00%)       Nether Holding NV       446       0.54         19,728       LVMH Moet Hennessy Louis Vuitton       1,152       1.39       13,247       Heineken Holding NV       446       0.54         Media & Photography - 0.00% (March 2009 - 1.52%)       28,373       Akzo Nobel       975       1.18         Oil & Gas - 0.00% (March 2009 - 2.12%)       2,037       2.47       Food & Drug Retailers - 0.95% (March 2009 - 0.00%)       (March 2009 - 0.00%)         49,403       Sanofi Aventis       2,037       2.47       Food Producers & Processors - 1.48% (March 2009 - 0.00%)       0.95         Yelecommunication Services - 0.00% (March 2009 - 1.75%)       10.85       Insurance - 2.20% (March 2009 - 0.00%)       1.219       1.48			1.0070					
Health - 1.00% (March 2009 - 1.28%)       Total Greece       772       0.93         25,457       Essilor International       826       1.00       NETHERLANDS       (10.77%, March 2009 - 7.52%)       Beverages - 0.96% (March 2009 - 0.00%)       Severages - 0.96% (March 2009 - 0.00%)       1.00       Beverages - 0.96% (March 2009 - 0.85%)       Heineken Holding NV       446       0.54         19,728       LVMH Moet Hennessy Louis Vuitton       1,152       1.39       Heineken Holding NV       446       0.54         19,728       Media & Photography - 0.00% (March 2009 - 1.52%)       1.39       Chemicals - 1.18% (March 2009 - 0.85%)       975       1.18         Oil & Gas - 0.00% (March 2009 - 3.69%)       Food & Drug Retailers - 0.95% (March 2009 - 2.58%)       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2.037       2.47       Food Producers & Processors - 1.48% (March 2009 - 0.00%)       1.219       1.48         49,403       Telecommunication Services - 0.00% (March 2009 - 1.75%)       2.47       Insurance - 2.20% (March 2009 - 0.00%)       1.219       1.48	25,738	Alstom	1,112	1.35	20.251		770	0.02
(March 2009 – 1.28%)       25,457       Essilor International       826       1.00       NETHERLANDS       (10.77%, March 2009 – 7.52%)         Household Goods & Textiles – 1.39%       (March 2009 – 0.00%)       20,225       Heineken Holding NV       446       0.54         19,728       L/WH Moet Hennessy       20,225       Heineken NV       344       0.42         Louis Vuitton       1,152       1.39       Chemicals – 1.18%       (March 2009 – 0.85%)         Media & Photography – 0.00%       (March 2009 – 1.52%)       28,373       Akzo Nobel       975       1.18         Oil & Gas – 0.00%       (March 2009 – 3.69%)       2.6373       2.6373       Akzo Nobel       975       1.18         Pharmaceuticals & Biotechnology – 2.47%       (March 2009 – 2.12%)       2.037       2.47       Food & Drug Retailers – 0.95%       (March 2009 – 2.58%)         49,403       Sanofi Aventis       2.037       2.47       Food Producers & Processors – 1.48%       0.95         Heineken NV       1/219       1.48       1.219       1.48         Telecommunication Services – 0.00%       Insurance – 2.20%       <		U kh. 1 00%			39,251	-		
25,457       Essilor International       826       1.00       NETHERLANDS       (10.77%, March 2009 – 7.52%)         Household Goods & Textiles – 1.39%       (March 2009 – 0.00%)       Beverages – 0.96%       (March 2009 – 0.85%)         19,728       LVMH Moet Hennessy       20,225       Heineken Holding NV       446       0.54         LVMH Moet Hennessy       1,152       1.39       Chemicals – 1.18%       March 2009 – 0.80%)       344       0.42         Media & Photography – 0.00%       (March 2009 – 1.52%)       Ession       Chemicals – 1.18%       March 2009 – 0.80%)       344       0.42         Oil & Gas – 0.00%       (March 2009 – 3.69%)       Ession       Ession       Food & Drug Retailers – 0.95%       March 2009 – 2.58%)       107,301       Koninklijke Ahold NV       782       0.95         Pharmaceuticals & Biotechnology – 2.47%       (March 2009 – 2.12%)       Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48%       (March 2009 – 0.00%)       0.95         49,403       Sanofi Aventis       2,037       2.47       Telecommunication Services – 0.00%       107,301       Koninklijke Ahold NV       782       0.95         March 2009 – 1.75%)       Telecommunication Services – 0.00%       March 2009 – 0.00%)       1.219       1.48         March 2009 – 1.7						lotal Greece	112	0.93
Household Goods & Textiles - 1.39% (March 2009 - 0.00%)         Beverages - 0.96% (March 2009 - 0.85%)         (March 2009 - 0.85%)           19,728         LVMH Moet Hennessy Louis Vuitton         20,225         Heineken Holding NV         446         0.54           19,728         LVMH Moet Hennessy Louis Vuitton         1,152         1.39         13,247         Heineken NV         344         0.42           Media & Photography - 0.00% (March 2009 - 1.52%)         28,373         Akzo Nobel         975         1.18           Oil & Gas - 0.00% (March 2009 - 3.69%)         Food & Drug Retailers - 0.95% (March 2009 - 2.58%)         (March 2009 - 2.58%)         107,301         Koninklijke Ahold NV         782         0.95           49,403         Sanofi Aventis         2,037         2.47         (March 2009 - 0.00%)         1.219         1.48           Telecommunication Services - 0.00% (March 2009 - 1.75%)	25,457	Essilor International	826	1.00	NETHERLANDS	(10.77%, March 2009 – 7.52%	)	
(March 2009 – 0.00%)       20,225       Heineken Holding NV       446       0.54         19,728       LVMH Moet Hennessy Louis Vuitton       1,152       1.39       13,247       Heineken NV       344       0.42         Media & Photography – 0.00% (March 2009 – 1.52%)       28,373       Akzo Nobel       975       1.18         Oil & Gas – 0.00% (March 2009 – 3.69%)       5       Food & Drug Retailers – 0.95% (March 2009 – 2.58%)       (March 2009 – 2.58%)         Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)         49,403       Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)       1,219       1.48         Telecommunication Services – 0.00% (March 2009 – 1.75%)								
19,728       LVMH Moet Hennessy Louis Vuitton       1,152       1.39       13,247       Heineken NV       344       0.42         Media & Photography – 0.00% (March 2009 – 1.52%)       Media & Photography – 0.00% (March 2009 – 1.52%)       Chemicals – 1.18% (March 2009 – 0.80%)       Chemicals – 1.18% (March 2009 – 0.80%)       975       1.18         Oil & Gas – 0.00% (March 2009 – 3.69%)       Food & Drug Retailers – 0.95% (March 2009 – 2.12%)       107,301       Koninklijke Ahold NV       782       0.95         Yay,403       Sanofi Aventis       2,037       2.47       March 2009 – 0.00%)       72,310       Unilever NV       1,219       1.48         Telecommunication Services – 0.00% (March 2009 – 1.75%)       Insurance – 2.20% (March 2009 – 0.00%)       Insurance – 2.20% (March 2009 – 0.00%)       1.48			39%		00.005			
Louis Vuitton       1,152       1.39         Media & Photography – 0.00% (March 2009 – 1.52%)       Chemicals – 1.18% (March 2009 – 0.80%)         Oil & Gas – 0.00% (March 2009 – 3.69%)       28,373       Akzo Nobel       975       1.18         Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       Food & Drug Retailers – 0.95% (March 2009 – 2.58%)       0.95         Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)       1.219       1.48         Telecommunication Services – 0.00% (March 2009 – 1.75%)       Telecommunication Services – 0.00% (March 2009 – 1.75%)       Insurance – 2.20% (March 2009 – 0.00%)       Insurance – 2.20%	19,728					0		
Media & Photography – 0.00% (March 2009 – 1.52%)       (March 2009 – 0.80%)         0il & Gas – 0.00% (March 2009 – 3.69%)       28,373       Akzo Nobel       975       1.18         Oil & Gas – 0.00% (March 2009 – 3.69%)       Food & Drug Retailers – 0.95% (March 2009 – 2.58%)       Food & Drug Retailers – 0.95%         Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       107,301       Koninklijke Ahold NV       782       0.95         Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48%       107,301       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2,037       2.47       72,310       Unilever NV       1,219       1.48         Insurance – 2.20% (March 2009 – 1.75%)       Insurance – 2.20%       Insurance – 2.20%       107,209 – 0.00%)       1.219       1.48		Louis Vuitton	1,152	1.39	15,247	Hemeken ivv	344	0.42
(March 2009 – 1.52%)       28,373       Akzo Nobel       975       1.18         Oil & Gas – 0.00% (March 2009 – 3.69%)       Food & Drug Retailers – 0.95% (March 2009 – 2.58%)       107,301       Koninklijke Ahold NV       782       0.95         Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       5000 Producers & Processors – 1.48% (March 2009 – 0.00%)       107,301       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)       1,219       1.48         Telecommunication Services – 0.00% (March 2009 – 1.75%)       Total France       8,953       10.85       (March 2009 – 0.00%)       1,219       1.48		Madia & Photography 0.00%						
Oil & Gas - 0.00% (March 2009 - 3.69%)       Food & Drug Retailers - 0.95% (March 2009 - 2.58%)         Pharmaceuticals & Biotechnology - 2.47% (March 2009 - 2.12%)       107,301         49,403       Sanofi Aventis       2,037       2.47         Telecommunication Services - 0.00% (March 2009 - 1.75%)       Food Producers & Processors - 1.48% (March 2009 - 0.00%)       1,219         Total France       8,953       10.85       (March 2009 - 0.00%)					20 272		075	1 10
(March 2009 – 3.69%)       (March 2009 – 2.58%)         Pharmaceuticals & Biotechnology – 2.47%       (March 2009 – 2.58%)         (March 2009 – 2.12%)       107,301       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2,037       2.47       (March 2009 – 0.00%)         Telecommunication Services – 0.00%       72,310       Unilever NV       1,219       1.48         (March 2009 – 1.75%)       Insurance – 2.20%       (March 2009 – 0.00%)       1.48					20,373	Akzo Nobel	975	1.10
Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       107,301       Koninklijke Ahold NV       782       0.95         49,403       Sanofi Aventis       2,037       2.47       Food Producers & Processors – 1.48% (March 2009 – 0.00%)         Telecommunication Services – 0.00% (March 2009 – 1.75%)       Total France       8,953       10.85       Insurance – 2.20% (March 2009 – 0.00%)						Food & Drug Retailers – 0.95%		
Pharmaceuticals & Biotechnology – 2.47% (March 2009 – 2.12%)       Food Producers & Processors – 1.48% (March 2009 – 0.00%)         49,403       Sanofi Aventis       2,037       2.47       (March 2009 – 0.00%)         49,403       Telecommunication Services – 0.00% (March 2009 – 1.75%)       72,310       Unilever NV       1,219       1.48         Total France       8,953       10.85       (March 2009 – 0.00%)       10.85       10.85		(Warch 2009 – 3.69%)			407004		700	0.05
49,403     Sanofi Aventis     2,037     2.47     (March 2009 - 0.00%)       Telecommunication Services - 0.00% (March 2009 - 1.75%)     72,310     Unilever NV     1,219     1.48       Total France     8,953     10.85     (March 2009 - 0.00%)		Pharmaceuticals & Biotechnolog	jy – 2.47%		107,301	Koninklijke Ahold NV	/82	0.95
Telecommunication Services - 0.00%       72,310       Unilever NV       1,219       1.48         (March 2009 - 1.75%)       Insurance - 2.20%         Total France       8,953       10.85       (March 2009 - 0.00%)	40,400		0.007	0.47		Food Producers & Processors –	1.48%	
Telecommunication Services - 0.00%       Insurance - 2.20%         (March 2009 - 1.75%)       Insurance - 2.20%         Total France       8,953       10.85         (March 2009 - 0.00%)       Insurance - 2.20%	49,403	Sanoti Aventis	2,037	2.47	== ===			4.40
Total France         8,953         10.85         (March 2009 – 0.00%)		Telecommunication Services – 0	.00%		72,310	Unilever INV	1,219	1.48
		(March 2009 – 1.75%)				Insurance – 2.20%		
190,926 ING Groep NV 1,813 2.20		Total France	8,953	10.85				
					190,926	ING Groep NV	1,813	2.20

# Pan European Fund

### **Portfolio statement**

(continued)

			% of				% of
Holding	Investment	Value £000	Net Asset Value	Holding	Investment	Value £000	Net Asset Value
	Life Assurance – 1.08% (March 2009 – 0.00%)				Diversified Industrials – 0.90% (March 2009 – 0.70%)		
199,397	Aegon	895	1.08	940	Sika	745	0.90
	Telecommunication Services – 2. (March 2009 – 2.63%)	05%			Food Producers & Processors – 3 (March 2009 – 5.10%)	8.63%	
182,039	Koninklijke KPN NV	1,693	2.05	118,979	Nestle Registered	2,996	3.63
18,267	<b>Transport – 0.87%</b> ( <b>March 2009 – 0.66%)</b> Koninklijke Vopak NV	720	0.87		Health – 0.00% (March 2009 – 1.85%)		
	Total Netherlands	8,887	10.77		Pharmaceuticals & Biotechnolog (March 2009 – 4.45%)	y – 5.54%	
	DELAND /1 020/ March 2000	1 0 2 9/ )		55,150	Novartis	1,560	1.89
	RELAND (1.83%, March 2009 – Beverages – 1.15% (March 2009 – 0.00%)	1.02 %)		31,567	Roche Holding Support Services – 0.00%	3,014	3.65
398,189	C&C Group	946	1.15		(March 2009 – 0.81%)		
	Construction & Building Material (March 2009 – 0.73%)	ls – 0.00%			Total Switzerland	11,348	13.75
				TURKEY (0.56%	o, March 2009 – 0.00%)		
	Life Assurance – 0.68% (March 2009 – 0.00%)				Food Producers & Processors – 0 (March 2009 – 0.00%)	0.56%	
128,909	Irish Life & Permanent	561	0.68	20,547		461	0.56
	Transport – 0.00% (March 2009 – 0.29%)				Total Turkey	461	0.56
	Total Republic of Ireland	1,507	1.83	UNITED KINGD	OM (35.83%, March 2009 – 37.	.81%)	
					Aerospace & Defense – 0.00% (March 2009 – 1.14%)		
SPAIN (7.69%, N	March 2009 – 3.74%)				D 1 0 000/		
	Banks – 4.67% (March 2009 – 1.52%)				Banks – 6.69% (March 2009 – 1.13%)		
122,096	, 0	1,317	1.60	489,498	Barclays	1,759	2.13
268,470	Banco Santander	2,533	3.07	363,913 99,366	HSBC Standard Chartered	2,404 1,360	2.91 1.65
	General Retailers – 0.92%			00,000		1,000	
23,495	(March 2009 – 0.62%) Inditex	762	0.92		Beverages – 1.10% (March 2009 – 1.83%)		
23,435	mutex	702	0.52	92,949	Diageo	905	1.10
	Telecommunication Services – 2. (March 2009 – 1.60%)	10%			Construction & Building Material	lc 0.00%	
111,808	Telefonica	1,732	2.10		(March 2009 – 0.87%)	15 - 0.0070	
	Total Spain	6,344	7.69		Food & Drug Retailers – 2.43%		
					(March 2009 – 2.57%)		
SWEDEN (1.05%	%, March 2009 – 0.75%) Engineering & Machinery – 1.05% (March 2009 – 0.75%)	6		532,051	Tesco	2,006	2.43
113,555	Atlas Copco AB A	868	1.05		Gas Distribution – 0.00% (March 2009 – 1.07%)		
	Total Sweden	868	1.05				
SWITZERLAND	(13.75%, March 2009 – 17.69% Banks – 2.04%	5)		185,732	General Retailers – 2.94% (March 2009 – 0.80%) Burberry Group	928	1.12
	(March 2009 – 1.50%)			2,250,784	DSG International	667	0.81
54,876	Credit Suisse Group Registered	1,679	2.04	383,515	Kingfisher	830	1.01
	Chemicals – 1.64% (March 2009 – 3.28%)				Insurance – 1.84% (March 2009 – 3.18%)		
9,429	• •	1,354	1.64	106,460 316,661	Admiral Group Royal & Sun Alliance	1,122 399	1.36 0.48

# Pan European Fund

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value		
	Leisure Entertainment & Hote	ls – 0.73%			
	(March 2009 – 0.98%)				
126,692	Greene King	600	0.73		
	Life Assurance – 0.00% (March 2009 – 0.76%)				
	Media & Photography – 0.00% (March 2009 – 0.96%)				
	Mining – 3.74%				
	(March 2009 – 1.61%)				
81,781	Rio Tinto	1,999	2.42		
128,274	Xstrata	1,090	1.32		
	Oil & Gas – 7.89% (March 2009 – 6.49%)				
262,838	BG Group	2,694	3.27		
369,180	BP	1,986	2.41		
166,991	Tullow Oil	1,824	2.21		
74,965	oducts – 2.67 2,204	% 2.67			
74,505	Reckitt Benckiser	2,204	2.07		
	Pharmaceuticals & Biotechnol (March 2009 – 3.05%)	ogy – 0.83%			
24,701	AstraZeneca	688	0.83		
100 242	Real Estate – 0.94% (March 2009 – 0.00%) Hammerson	774	0.94		
188,343	Hammerson	//4	0.94		
112,730	Support Services – 0.91% (March 2009 – 1.92%) Aggreko	751	0.91		
112,750	Aggreko	751	0.51		
	Telecommunication Services – (March 2009 – 3.56%)	0.00%			
132,630	<b>Tobacco – 3.12%</b> ( <b>March 2009 – 3.18%)</b> British American Tobacco	2,574	3.12		
Total United King Total Value of Invo		29,564	35.83 95.90		
Net Other Assets	Net Other Assets (March 2009 – 1.68%)				
Net Assets		3,382	4.10		
		52,513	100.00		

The calculation of the % Net Asset Value may not add up due to rounding.

### **Portfolio statement**

as at 7th September 2009

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUS	TRALIA (0.2	24%, March 2009 – 2.71%) AAA (0.00%, March 2009 – 2.71%)					A (0.00%, March 2009 – 0.10%)		
EUR	400,000	AA- (0.24%, March 2009 - 0.00%) Commonwealth Bank of			EUR	1,000,000	<b>A– (0.65%, March 2009 – 0.61%)</b> France Telecom 5.625% 22/05/2018	968	0.65
		Australia 5.5% 06/08/2019 Total Australia	360 <b>360</b>	0.24 0.24	EUR	700,000	BBB+ (0.28%, March 2009 – 0.00%) Societe Generale 4.196% 26/01/2049	419	0.28
			500	0.24			BBB– (0.38%, March 2009 – 0.36%)		
AUS	TRIA (4.56%	%, March 2009 – 9.10%) AAA (0.00%, March 2009 – 3.70%)			EUR	600,000	Casino Guichard-Perrachon 6.375% 04/04/2013	565	0.38
		Aaa (4.56%, March 2009 – 4.59%)					Total France	4,212	2.84
EUR	7,500,000	Kommunalkredit Austria 4% 24/01/2012	6,770	4.56	GER	MANY (21.:	22%, March 2009 – 2.96%)		
		Aa3 (0.00%, March 2009 – 0.81%)			EUR	32,250,000	AAA (21.22%, March 2009 – 2.96%) Bundesrepublic Deutschland		
		Total Austria	6,770	4.56			4.75% 04/07/2040	31,486 <b>31,486</b>	21.22 21.22
CAN	۵DA (0 77%	%, March 2009 – 0.41%)					Total Germany	31,480	21.22
EUR	650,000	AA- (0.41%, March 2009 – 0.41%) Royal Bank of Canada 5.75%			HUN	GARY (0.53	3%, March 2009 – 0.38%) BB+ (0.53%, March 2009 – 0.38%)		
		25/07/2011	607	0.41	EUR	1,150,000	MOL Magyar Olaj Gazipari 3.875% 05/10/2015	781	0.53
EUR	600,000	BBB (0.36%, March 2009 – 0.00%) Xstrata Canada Finance 6.25%					Total Hungary	781	0.53
		27/05/2015	540	0.36	ITAL	Y (5.23%, N	1arch 2009 – 0.70%)		
		Total Canada	1,147	0.77	FUD	0 500 000	A+ (3.91%, March 2009 – 0.00%)		
CAYN	MAN ISLAN	NDS (0.41%, March 2009 – 0.40% BBB+ (0.41%, March 2009 – 0.40%)	)		EUR	6,500,000	Buoni Poliennali Del Tes 3.5% 01/06/2014	5,800	3.91
EUR	650,000	Thames Water Utilities Cayman 6.125% 04/02/2013	609	0.41			A (0.00%, March 2009 – 0.04%)		
		Total Cayman Islands	609	0.41	FUD	050.000	A- (0.62%, March 2009 - 0.00%)	045	0.44
					EUR EUR	650,000 400,000	Atlantia 5.625% 06/05/2016 Intesa Sanpaola 8.047% 20/06/2049	615 309	0.41 0.21
<b>DENI</b> EUR	700,000	7%, March 2009 – 0.00%) BBB- (0.37%, March 2009 – 0.00%) Dong Energy 5.5% 29/06/2015	555	0.37			BBB+ (0.00%, March 2009 – 0.48%)		
LON	700,000	Total Denmark	555	0.37			BBB (0.70%, March 2009 – 0.18%)		
				0.07	EUR	1,000,000	Telecom Italia 8.25% 21/03/2016	1,044	0.70
FINL	AND (4.10%	%, March 2009 – 0.00%) AAA (4.10%, March 2009 – 0.00%)					Total Italy	7,768	5.23
EUR	6,500,000	Finnish Government 4.25% 04/07/2015	6,083	4.10	LUX	EMBOURG	(1.79%, March 2009 – 2.89%) AAA (0.00%, March 2009 – 1.64%)		
		Total Finland	6,083	4.10					
FRAM	NCE (2.84%	, March 2009 – 21.05%)			EUR	1,000,000	BBB (1.06%, March 2009 – 0.92%) Gaz Capital (Gazprom) 5.03% 25/02/2014	830	0.56
		AAA (0.00%, March 2009 – 19.45%)			EUR	875,000	VTB Capital 4.25% 15/02/2016	741	0.50
		AA (0.00%, March 2009 – 0.31%)					BBB– (0.58%, March 2009 – 0.33%)		
EUR	325,000	<b>AA- (0.20%, March 2009 - 0.00%)</b> Sanofi Aventis 4.5% 18/05/2016	299	0.20	EUR	1,000,000	Glencore Finance Europe 7.125% 23/04/2015	857	0.58
		A+ (1.33%, March 2009 – 0.22%)			EUR	240,000	<b>BB+ (0.15%, March 2009 – 0.00%)</b> Fiat Finance & Trade 9%		
EUR EUR	750,000 1,000,000	AXA 4.5% 23/01/2015 Credit Agricole 5.875% 11/06/2019	681 950	0.46 0.64	LON	240,000	30/07/2012	221	0.15
EUR	350,000	Electricite De France 5.125%					Total Luxembourg	2,649	1.79
		23/01/2015	330	0.23					

### **Portfolio statement**

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
MEXI	CO (0.16%	, March 2009 – 0.14%) BBB+ (0.16%, March 2009 – 0.14%)			SLO	VAKIA (5.58	3%, March 2009 – 0.00%) A+ (5.58%, March 2009 – 0.00%)		
GBP	250,000	United Mexican States 6.75% 06/02/2024	231	0.16	EUR	9,200,000		8,280	5.58
		Total Mexico	231	0.16			Total Slovakia	8,280	5.58
NETH	ERLANDS	(15.57%, March 2009 – 18.04%) AAA (0.00%, March 2009 – 0.80%)				<b>/ENIA (1.17</b> 2,000,000			
EUR 2	2,000,000	Aaa (13.32%, March 2009 – 15.85%) Netherlands Government 4%					09/09/2024 Total Slovenia	1,740 <b>1,740</b>	1.17 1.17
	,,.	15/07/2019	19,764	13.32				1,740	1.17
EUR	650,000	AA (0.41%, March 2009 – 0.00%) Allianz Finance II 5% 22/07/2019	604	0.41			<b>March 2009 – 0.45%)</b> AA (0.61%, March 2009 – 0.00%) BBVA Senior Finance 3.625%		
		AA- (0.41%, March 2009 - 0.00%)					14/05/2012	895	0.61
EUR	650,000	Nederlandse Gasunie NV 5.125% 31/03/2017 A (0.16%, March 2009 – 0.30%)	615	0.41	EUR	1,000,000	AA- (0.60%, March 2009 - 0.00%) Santander Issuances 5.435% 24/10/2017	894	0.60
EUR	260,000	Münchener Rückversicherung Finance BV 6.75% 21/06/2023	238	0.16	EUR	750,000	<b>A– (0.46%, March 2009 – 0.45%)</b> Telefonica Emisones 4.674%		
		A- (0.52%, March 2009 - 0.41%)					07/02/2014	686	0.46
EUR	850,000	EDP Finance BV 4.75% 26/09/2016	774	0.52			Total Spain	2,475	1.67
EUR	500,000	BBB+ (0.33%, March 2009 – 0.31%) Koninklijke KPN NV 6.25% 16/09/2013	484	0.33	SWE	DEN (1.229	%, March 2009 – 6.44%) Aaa (0.00%, March 2009 – 5.87%)		
		BBB– (0.42%, March 2009 – 0.37%)			EUR	1,000,000	<b>AA- (0.61%, March 2009 - 0.00%)</b> Nordea Bank AB 4.5% 12/05/2014	909	0.61
GBP	650,000	Linde Finance 8.125% 14/07/2066	627 23,106	0.42 15.57	ELID	1,000,000	<b>A+ (0.61%, March 2009 – 0.57%)</b> Nordea Bank 6.25% 10/09/2018	907	0.61
			23,100	15.57	LON	1,000,000	Total Sweden	1,816	1.22
NORV	VAY (1.42%	∕, March 2009 – 1.42%) AAA (0.00%, March 2009 – 0.63%)			SWI	TZERLAND	(0.65%, March 2009 – 0.00%) BBB+ (0.65%, March 2009 – 0.00%)	.,	
FLIR	1.300.000	AA- (0.79%, March 2009 - 0.79%) DnB NORBank 4.75% 28/03/2011	1,180	0.79	EUR	1,000,000		961	0.65
Lon	1,000,000		1,100	0.75			Total Switzerland	961	0.65
EUR	1,000,000	BBB+ (0.63%, March 2009 – 0.00%) Statkraft 5.5% 02/04/2015	933 <b>2,113</b>	0.63		fed kingd	OM (26.19%, March 2009 – 20.5 AAA (16.82%, March 2009 – 15.19%	-	
POLA	ND (0.00%	, March 2009 – 2.44%)			EUR GBP	650,000 250,000	4.125% 27/02/2012	580	0.39
		A (0.00%, March 2009 – 1.43%)			GDI	230,000	NTS 15/04/2022	250	0.17
		A- (0.00%, March 2009 - 1.01%)			GBP GBP	9,000,000 14,000,000	UK Treasury 2.25% 07/03/2014 UK Treasury 4.25% 07/12/2030	8,842 15,281	5.96 10.30
		Total Poland	_	-	GDI	14,000,000	AA- (0.00%, March 2009 - 0.60%)	10,201	10.00
REPU	BLIC OF IF	RELAND (0.00%, March 2009 – 6. AAA (0.00%, March 2009 – 6.99%)	99%)				A+ (1.60%, March 2009 – 0.00%)		
		Total Republic of Ireland	-	_	EUR	1,000,000	Bank of Scotland 5.625% 23/05/2013	924	0.62
					EUR	700,000	Credit Suisse International 4.75%		
							05/08/2019	608	0.41

#### **Portfolio statement**

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		A (0.90%, March 2009 – 1.63%)			UNI	TED STATES	S OF AMERICA (3.22%, March 20	009 – 2.4	40%)
EUR GBP	750,000 650,000	Barclays Bank 6% 23/01/2018 BG Energy Capital 5.125%	667	0.45	FUD	050.000	AAA (0.43%, March 2009 – 0.00%)	000	0.40
GDF	650,000	07/12/2017	669	0.45	EUR	650,000	Pfizer 5.75% 03/06/2021	636	0.43
							AAAe (0.00%, March 2009 – 0.69%)		
EUR	275,000	A– (3.07%, March 2009 – 1.01%) BAA Funding 4.6% 30/09/2016	205	0.14			AA- (0.59%, March 2009 - 0.00%)		
EUR	850,000	National Grid Gas 5.125%	200	0111	EUR	900,000	Roche Holdings 5.625% 04/03/2016	873	0.59
EUR	1,000,000	14/05/2013	791	0.53					
EUN	1,000,000	Scottish & Southern Energy 6.125 29/07/2013	952 <sup>952</sup>	0.64			AA-e (0.00%, March 2009 – 0.43%)		
EUR	1,250,000	SL Finance 6.375% 12/07/2022	996	0.67			A+ (0.41%, March 2009 – 0.55%)		
EUR	1,000,000	Standard Chartered Bank 5.875% 26/09/2017	892	0.60	EUR	650,000	J.P. Morgan Chase 5.25%	604	0.41
EUR	750,000	Tesco 5.875% 12/09/2016	725	0.49			08/05/2013	604	0.41
		/ / / / /	<i>.</i>				A (1.54%, March 2009 – 0.67%)		
EUR	350,000	BBB+ (0.83%, March 2009 – 0.00% Royal & Sun Alliance 6.875%	<b>b</b> )		EUR	500,000	BNP Paribas Capital Trust 6.342% 29/01/2049	393	0.26
LON	330,000	15/10/2019	299	0.20	EUR	450,000	Goldman Sachs Group 5.125%	333	0.20
GBP	610,000	RSA Insurance Group 9.375%	700	0.40			24/04/2013	409	0.28
EUR	250.000	20/05/2039 SABMiller 4.5% 20/01/2015	709 223	0.48 0.15	EUR	450,000	Morgan Stanley 3.375% 20/07/2012	386	0.26
	,				EUR	1,000,000	Verizon Wireless Capital 8.75%	000	0.20
	F00.000	BBB (1.18%, March 2009 – 0.85%)					18/12/2015	1,096	0.74
EUR	500,000	Imperial Tobacco Finance 7.25% 15/09/2014	486	0.33			BBB (0.25%, March 2009 – 0.06%)		
EUR	750,000	Imperial Tobacco Finance 8.375%			EUR	1,000,000	American International Group		
EUR	650,000	17/02/2016 Royal Bank of Scotland 4.5%	768	0.52			8% 22/05/2038	378	0.25
LON	000,000	28/01/2016	494	0.33			Total United States of America	4,775	3.22
GBP	645,000	Baa2 (0.00%, March 2009 – 0.41% BBB- (0.46%, March 2009 – 0.43% FirstGroup 6.875% 15/04/2013		0.46	DER	ivatives ((	(0.15%), March 2009 – 0.18%) Forward Foreign Exchange Contrac (March 2009 – 0.18%) Sell GBP 24,000,000	ts – (0.15	5%)
							Buy EUR 27,244,214	(220)	(0.15)
GBP	700.000	Ba1 (0.38%, March 2009 – 0.00%) Investec Finance 7.75% 01/03/2016	5 561	0.38			Total Derivatives	(220)	(0.15)
GDI	700,000		5 501	0.00	Total	Value of Inve	estments	146,572	98.76
		BB (0.00%, March 2009 – 0.03%)					(March 2009 – 0.38%)	1,838	1.24
		BB– (0.19%, March 2009 – 0.00%)			Net A	Assets		148,410	100.00
EUR	725,000	EFG Hellas Funding 4.565% 02/11/2049	282	0.19	The o	calculation of	f the % Net Asset Value may not add	up due t	to rounding.
EUR	850,000	<b>B (0.28%, March 2009 – 0.00%)</b> LloydsTSB Bank 6.35% 29/10/204	9 423	0.28					
EUR	350,000	CCC+ (0.08%, March 2009 – 0.00% Royal Bank of Scotland Group 7.0916% 30/09/2049	6 <b>)</b> 116	0.08					
GBP GBP	295,000 560,000	Not Rated (0.40%, March 2009 – ( Cattles 0% 05/07/2017 First Hydro Finance 9%	<b>).37%)</b> 27	0.02					
		31/07/2021	570	0.38					
		Total United Kingdom	38,875	26.19					

### **Portfolio statement**

	Value £000
ANALYSIS OF INVESTMENTS BY CREDIT RA	ATINGS
Aaa	89,692
AA	1,499
AAe	1,740
AA-	5,737
A+	19,933
A	3,858
A–	7,913
BBB+	4,868
BBB	5,281
BBB-	3,290
BB+	1,002
Ba1	561
BB-	282
В	423
CCC+	116
Not Rated	597
Total Bonds	146,792
Derivatives	(220)
Total Value of Investments	146,572

### **Portfolio statement**

AUSTRALIA (3 01%, March 2009 - 3.5%) AA (0.00%, March 2009 - 1.2%).         AA (3.0%, March 2009 - 2.5%) EUR         AA (3.0%, March 2009 - 2.5%) EUR         500,000 AXA A.5% 20012015         454         1.28           EUR         400,000 Commonweith Bank of Australia 5.5% 000020219         405         1.09         2301/2015         235         0.63           EUR         500,000 Commonweith Bank of Australia 5.5% 000020219         710         1.92         EUR         500,000 Creath Australia         235         0.63           A - (0.5%, March 2009 - 1.7%) CANADA (1.85%, March 2009 - 1.7%) AA - (0.6%, March 2009 - 1.7%) AA - (0.6%, March 2009 - 0.4%)         EUR         500,000 Frame Telecoment 4.30%, Knorb 2009 - 1.06%) Frame Telecoment 4.30%, Knorb 2009 - 1.06%) AA - (0.6%, March 2009 - 0.4%)         EUR         500,000 Frame Telecoment 4.30%, Knorb 2009 - 1.06%) Frame Telecoment 4.30%, Knorb 2009 - 1.06%) AA - (0.6%, March 2009 - 0.4%)         EUR         500,000 Frame Telecoment 4.30%, Knorb 2009 - 1.2%) Frame Telecome Telecoment 4.30%, Knorb 2009 - 1.2%) Frame Variat Canada Frames 2.48% Stort 2000 - 0.2%)         1.28         60.98           EUR         800,00 AA (1.42%, March 2009 - 0.3%) EUR         A.10.2%, March 2009 - 0.3%) EUR         662         1.62         A.10.2%, March 2009 - 0.3%) EUR         800.00 Stort Frames 2.48% Stort 2009 - 0.3%) EUR         80.00 Stort Frames 2.48% Stort 2009 - 0.0%) AA (1.00%, March 2009 - 0.0%) AA (0.0%, March 2009 - 0.2%) Frame Variat Variat Frames 2.48% Stort 2009 - 0.0%) AA (1.04%, March 2009 - 0.6%) AA (1.2%, March 2009 - 0.6%) AA (1.2%, March 2009		Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AA (60%, March 2009 - 1.2%)         EUR         50.0000         AXA 4.5% 2301/2015         44.5         1.28           EUR         40.000         Continuonse Unitability Bank of Australia         0.5%         606/2019         405         1.09           EUR         80.000         National Australia         1.115         3.01         2301/2014         280         0.63           CANADA (1.86%, March 2009 - 1.27%)         1.115         3.01         A.6.0.69%, March 2009 - 0.27%)         426         1.15           CANADA (1.86%, March 2009 - 1.27%)         A.6.0.69%, March 2009 - 1.23%)         EUR         500.000         A.1.15%, March 2009 - 0.57%)         426         1.15           CANADA (1.86%, March 2009 - 1.27%)         A.6.0.69%, March 2009 - 1.23%)         EUR         700.000         Scient Columption 5% 2201/2014         282         0.76           BB1 (1.35%, March 2009 - 0.48%)         EUR         700.000         Scient Columption 5% 2201/2014         380         0.39         1.13           EUR         400.000         Artable frame 6.25%         237         0.89         EUR         700.000         Scient Columption 4.137%         1.13           EUR         400.000         Artable frame 6.25%         237         0.28         238         0.39         1.28         1.13	AUS	STRALIA (3.	01%, March 2009 – 3.87%)					A+ (3.14%, March 2009 – 1.18%)		
AA. (201%, March 2009 - 2.12%)         EUR         25.00         Electricitio De France 5.12%, 2301/2015         235         0.63           EUR         800.00         National Australia Bank 6.75%, 2606/2023         710         1.92         EUR         65.000         Credit Logement 4.604% 2303/2049         426         1.15           CANADA (1.86%, March 2009 - 1.27%) Acto 0.89%, March 2009 - 1.27%)         EUR         300.000         France Telecom 5% 22/01/2014         220         720         220         70         1.32           EUR         350.000         Phorps Bank of Canada 5.75%, 2706/2015         327         0.89         EUR         300.000         France Telecom 5% 22/01/2014         220         7.0           EUR         400.000         Karrata Canada Finance 2.5% 2706/2015         360         0.97         EUR         300.000         France Telecom 5% 22/01/2014         419         1.13           EUR         400.000         Karrata Canada Finance 2.5% 2706/2015         360         0.97         EUR         400.000         Restrict All Stance Finance 2.5% 2706/2015         360         0.97           EUR         40.00%         Ar (1.82%, March 2009 - 0.6%%)         Acta 2.2%, March 2009 - 0.5%         Carino Guidinard Pernation A.27%, March 2009 - 1.2%         Total Canada         550         0.96         1.82		• -				EUR	500,000	AXA 4.5% 23/01/2015	454	1.23
EUR         450,000         Commonwealth Bank of Australia 5,5% 666/02079         235         0.63           EUR         800,000         National Australia 2006/2023         109         EUR         650,000         710         192         EUR         650,000         710         192         EUR         650,000         Crindl Australia         1,115         3.01           CANADA (1.86%, March 2009 - 1,71%) AA-(0.87%, March 2009 - 1,27%) EUR         AC-(0.76%, March 2009 - 1,05%) Foraia Canada 5,75%         EUR         700,000         Societe Generate 4,196% 2007/2014         429         0,78           EUR         850,000         Royal Bank of Canada 5,75%         220         0,88         EUR         700,000         Societe Generate 4,196% 2007/2014         419         1,13           EUR         400,000         Xetrata Canada Finance 6,25%         2705/2015         300         0.97         1607/2017         305         0.82           EUR         400,000         Xetrata Canada Finance 6,25%         2705/2015         300         0.97         1004/2014         356         0.96           EUR         400,000         March 2009 - 0.86%)         LIC 22%, March 2009 - 5.55%)         AA (0.00%, March 2009 - 1.63%)         218         0.59           Gentarid 1,12%, March 2009 - 0.86%)         197 <t< td=""><td></td><td></td><td></td><td></td><td></td><td>EUR</td><td>500,000</td><td>Credit Agricole 5.875% 11/06/2019</td><td>475</td><td>1.28</td></t<>						EUR	500,000	Credit Agricole 5.875% 11/06/2019	475	1.28
EUR         5.5% obless2019         Autoral Australia         Autoral A			AA– (3.01%, March 2009 – 2.12%)			EUR	250,000	Electricite De France 5.125%		
EUR         800,000         National Australia Bank 6.75% 2008/2023         710         ISE         FUR         60,000         Cell Logenent 4.60% 2009-0.57%)         220         730 <th< td=""><td>EUR</td><td>450,000</td><td>Commonwealth Bank of Australia</td><td></td><td></td><td></td><td></td><td>23/01/2015</td><td>235</td><td>0.63</td></th<>	EUR	450,000	Commonwealth Bank of Australia					23/01/2015	235	0.63
2000/2023         710         192         EUR         650,000         Credit Logement 4.604% 2803/2049         4/26         1.15           CANADA (1.85%, March 2009 – 1.71%)         A (0.85%, March 2009 – 1.25%)         A (0.85%, March 2009 – 1.25%)         BBB         (1.95%, March 2009 – 1.25%)         BBB         (1.95%, March 2009 – 1.25%)           EUR         350,000         Royal Bank of Canada 5.75%         2007/2011         327         0.89         BBB         (1.95%, March 2009 – 1.25%)         419         1.13           EUR         400,000         Xartata Canada Finance 6.25%         2007/2011         300         0.97         Total Canada         687         1.86         BBB         (0.95%, March 2009 – 1.24%)         2009         300.000         Cartata Canada         356         0.98           CAYMAN ISLANDS (4 62%, March 2009 – 0.85%)         2007/2013         602         1.62         BBB         (0.95%, March 2009 – 1.24%)         218         0.59           EUR         650,000         Hutchison Whampos 5.875%         602         1.62         GERMANY (2.22%, March 2009 – 2.3%)         218         0.59           2007/2013         602         1.62         S55,000         Theance 2.25%         1.04         218         0.59           2007/2014         171         4.5			5.5% 06/08/2019	405	1.09					
Total Australia         1,115         3,01         A- (0,75%, March 2009 - 1,05%)         A- (0,75%, March 2009 - 1,05%)           CANADA (1,86%, March 2009 - 1,21%)         300,000         France Telecom 5% 2201/2014         282         0,76           EUR         350,000         Royal Bant (0,89%, March 2009 - 1,23%)         BBB (0,97%, March 2009 - 0,48%)         EUR         350,000         Statrat Canada Finance 6,25%         130         0,97           EUR         400,000         Xatrata Canada Finance 6,25%         360         0,97         138         840           CAYMAN ISLANDS (4,62%, March 2009 - 6,85%)         A- (0,69%, March 2009 - 6,85%)         A- (0,26%, March 2009 - 6,35%)         A- (0,26%, March 2009 - 1,24%)         218         0,55           EUR         650,000         Huthison Mampos 5,875%         BBB (1,42%, March 2009 - 2,85%)         AA (0,00%, March 2009 - 6,35%)         A- (0,00%, March 2009 - 1,32%)         EUR         250,000         Bundeschiption 2,25%, 10/4/2/14         218         0,59           EUR         350,000         Tharnes Vaiter Utilities Cayman 6,125%, 00         333         0,32         EUR         550,000         Bas2 (0,68%, March 2009 - 0,05%)         A- (0,	EUR	800,000		710	1 92	EUR	650.000		426	1.15
CANADA (1.86%, March 2009 - 1.71%) AA- (0.39%, March 2009 - 1.23%)         EUR BUR         300,000         France Telecom 5% 22(01/2014)         282         0.76           EUR         350,000         Royal Bank of Canada 5.75% 23(07/2011)         327         0.89         EUR         700,000         Societic General 4.195% 26(01/2014)         419         1.13           EUR         400,000         Xattata Canada Finance 6.25% 27/05/2015         360         0.97         EUR         400,000         Societic General 4.195%, March 2009 - 1.24%)         16(01/2014)         355         0.62           EUR         400,000         Xattata Canada Finance 6.25%         360         0.97         EUR         400,000         Societic Generate 4.195%, March 2009 - 1.24%)         10/04/2014         356         0.96           CAYMAN ISLANDS (4.62%, March 2009 - 0.68%)         A         (1.62%, March 2009 - 0.58%)         EUR         2500/2004         A41(2.25%, March 2009 - 1.24%)         210         218         0.59           EUR         280,000         Murch 2009 - 0.86%)         EUR         2500/2004         218         0.59           EUR         280,000         Murch 2009 - 0.39%)         EUR         2500/2004         218         0.59           EUR         280,000         March 2009 - 0.40%)         EUR         5							,			
CANADA (1.86%, March 2009 - 1.71%) AA- (0.89%, March 2009 - 1.23%) EUR 350,000 Royal Bank of Canada 5.75% 2507/2011 S127 Total Canada BBB (0.97%, March 2009 - 0.48%) EUR 400,000 X strata Canada Finance 6.25% 2705/2015 Total Canada 687 Total Canada 602 Total Canada 603 Total Canada 603 Total Canada 603 Total Canada 604 70,000 70			lotal Australia	1,115	3.01			A– (0.76%, March 2009 – 1.05%)		
AA- (0.89%, March 2009 - 1.23%) 2507/2011         BBA (1.95%, March 2009 - 1.69%) 2507/2011         BBB (0.97%, March 2009 - 0.49%) 2507/2011         BBB (0.97%, March 2009 - 0.49%) 2705/2015         BBB (0.97%, March 2009 - 0.49%) 2705/2015         EUR         800,00         Solitize formania 4.375% 10/04/2014         305         0.82           CAYMAN ISLANDS (4.62%, March 2009 - 6.89%) 7 total Canada         687         1.86         1.86         0.97         687         3.00         0.97         0.82         0.82         0.82           CAYMAN ISLANDS (4.62%, March 2009 - 6.89%) A (0.00%, March 2009 - 0.89%)         687         1.86         0.97         687         3.01         8.40           CAYMAN ISLANDS (4.62%, March 2009 - 2.1%) HURSHOW Mampaa 5.875%         602         1.62         GERMANY (2.22%, March 2009 - 5.55%) AA (1.62%, March 2009 - 3.32%)         CER         50.000         March 2009 - 0.33%)         602         1.62           EUR         200,000         Mundeschligation 2.28%         605         1.63           607         Mundeschligation 2.28%         605         605         1.63           619         4.102%, March 2009 - 0.35%         605         1.63           628         24.000         1.712         4.62         605         1.64           628         24.00         0.665         1.24         1.00						EUR	300,000	France Telecom 5% 22/01/2014	282	0.76
EUR         350,000         Poyal Bank of Canada 5.75% 25097/2011         327         0.89         EUR         700,000         Societe General 4.195% (2001/2019)         113           EUR         400,000         Xstrata Canada 5.75% 2705/2015         360         0.97         305         0.82           EUR         400,000         Xstrata Canada Finance 6.25% 2705/2015         360         0.97         1004/2014         366         0.98           CAYMAN ISLANDS (4,62%, March 2009 - 6.89%) A (100%, March 2009 - 0.86%)         A         (1.62%, March 2009 - 6.89%) A (100%, March 2009 - 0.86%)         GERMANY (2.22%, March 2009 - 5.57%) AA (2.02%, March 2009 - 1.32%) BBB (1.58%, March 2009 - 0.85%) (0407/2013         GERMANY (2.22%, March 2009 - 1.22%) EUR         550,000         BBB (1.58%, March 2009 - 0.39%) BBB (1.58%, March 2009 - 0.39%) BBB (1.58%, March 2009 - 0.05%) (0402/2013         EUR         250,000         Band (2.59%, March 2009 - 1.17%) A + (0.00%, March 2009 - 1.27%) A + (0.00%, March 2009 - 0.07%) A + (0.00	CAN	IADA (1.86)								
2507/2011         327         0.89         EUR         100/000         Stocked Path 4, 300 a, 200 a, 2								BBB+ (1.95%, March 2009 – 1.06%)		
BBB (0.57%, March 2009 - 0.46%)         Control (Bio)(2017)         305         0.82           EUR         400,000         Xintrata Canada Finance 6.25% 2705/2015         360         0.97         Casino Guibard-Perrachon 4.875% 100/4/2014         0.982           CAYMAN ISLANDS (4.62%, March 2009 - 0.86%) A (0.00%, March 2009 - 0.86%)         A (1.62%, March 2009 - 0.86%)         GERMANY (2.22%, March 2009 - 5.55%) A. (1.62%, March 2009 - 0.86%)         GERMANY (2.22%, March 2009 - 5.55%) A (1.62%, March 2009 - 0.38%)         GERMANY (2.22%, March 2009 - 1.25%)         EUR         250,07000           EUR         280,000         MUFG Capital Finance 2.4.85% 2507/2049         197         0.53         EUR         250,07000         Bundescolligation 2.25% 10/4/2014         218         0.59           EUR         350,000         Total Germany         823         2.22         Murch 2009 - 1.27%)           EUR         500,000         EUR         500,000         Total Germany         823         2.22           BBB (1.58%, March 2009 - 0.00%)         EUR         500,000         EUR         500,000         1.62         1.62           GBP         245,000         South East Water Finance 2.48%         3.32         0.92         1.04           EUR         500,000         CEZ 5.125% 127/102012         460         1.24         1.24 <t< td=""><td>EOR</td><td>350,000</td><td>•</td><td>0.07</td><td>0.00</td><td></td><td>700,000</td><td>Societe Generale 4.196% 26/01/2049</td><td>419</td><td>1.13</td></t<>	EOR	350,000	•	0.07	0.00		700,000	Societe Generale 4.196% 26/01/2049	419	1.13
BBB (0.57%, March 2009 - 0.48%)         Stratta Canada Finance 6.59%         360         0.57         BBB- (0.96%, March 2009 - 1.24%)         Stratta Canada Finance 6.59%           2705/2015         360         0.57         687         1.86         1004/2014         356         0.96           CAYMAN ISLANDS (4.62%, March 2009 - 0.68%)         A (0.00%, March 2009 - 0.68%)         Carmon (2.22%, March 2009 - 5.55%)         A.4         3.113         8.40           CAYMAN ISLANDS (4.62%, March 2009 - 2.11%)         EUR         602         1.62         BBB- (1.62%, March 2009 - 2.15%)         A.4         0.00%, March 2009 - 3.32%)         BBB- (1.62%, March 2009 - 3.32%)         EUR         50.000         BBBB (1.42%, March 2009 - 3.32%)         BBB (1.56%, March 2009 - 0.00%)         EUR         50.000         Thames Water Utilities Cayman 6.125%, Odf/2015         328         0.89           EUR         500,000         EES Finance 4.5% 2012/2049         339         0.92         EUR         53.000         OTF March 2009 - 0.00%)         EUR         53.000         OTF March 2009 - 0.00%)         EUR         54.000%, March 2009 - 0.00%)         EUR         54.000%, March 2009 - 0.00%)         EUR         54.000%, March			25/07/2011	327	0.89	EUR	350,000			
EUR         400,000         Xitrata Canada Finance 6.25%, 27/06/2015         360         0.97 360         U         BBB- (0.95%, March 2009 - 1.24%) 10/04/2014         356         0.96 01/04/2014           CAYMAN ISLANDS (4.62%, March 2009 - 0.86%) A (0.00%, March 2009 - 0.86%)         687         1.86         1.86         1.86         3.113         8.40           EUR         650,000         A (0.00%, March 2009 - 0.86%)         Fotal France         3.113         8.40           EUR         650,000         A (1.62%, March 2009 - 2.17%) Hutchison Whampoa 5.875% 0907/2013         602         1.62         GERMANY (2.22%, March 2009 - 5.55%) AA(0.00%, March 2009 - 3.32%)         BB# (1.42%, March 2009 - 3.32%)         EUR         50,000         Bundesobiligation 2.25% (1.04/2014)         218         0.59           EUR         280,000         MUFG Capital Finance 2.485%         197         0.53         602         1.62           EUR         500,000         BBK (158%, March 2009 - 0.00%)         328         0.89         HUNGARY (1.50%, March 2009 - 0.03%)         44 (0.00%, March 2009 - 0.03%)         45 (0.00%, March 2009 - 0.03%)         55         55,577% 3.009/2019         246         0.66           GBP         245,000         South Early (March 2009 - 1.68%)         460         1.24         100.00%, March 2009 - 0.08%)         10.60         3.31         <			DDD (0.07% March 2000 0.49%)					16/01/2017	305	0.82
27.05/2015         360         0.97         EUR         400,000         Cosino Guichard-Perrachon 4,875%         Cosino Guichard-Perrachon 4,875%           CAYMAN ISLANDS (4.62%, March 2009 – 0.86%)         A (0.00%, March 2009 – 0.86%)         A (0.00%, March 2009 – 0.36%)         GERMANY (2.22%, March 2009 – 2.55%)         AA4 (2.25%, March 2009 – 2.55%)           A (0.00%, March 2009 – 0.86%)         A (1.62%, March 2009 – 0.36%)         EUR         250,000         Bundesrepublic Deutschland 3.25%         AA4 (2.25%, March 2009 – 1.25%)           EUR         280,000         MUFG Capital Finance 2.4.85%         197         0.53         BB8 (1.42%, March 2009 – 0.00%)         EUR         250,000         Bundesrepublic Deutschland 3.25%         4.4 (0.00%, March 2009 – 0.33%)           EUR         500,000         Thames Water Utilities Cayman 6.125%         BB8 (1.58%, March 2009 – 0.00%)         EUR         535,000         Baa2 (0.68%, March 2009 – 0.33%)         EUR         535,000         BB8 (1.68%, March 2009 – 0.33%)         EUR         535,000         COP = 0.48%)         EUR         535,000         COP = 0.48%, March 2009 – 0.33%)         EUR         535,000         COP = 0.48%, March 2009 – 0.33%)         EUR         535,000         COP = 0.48%, March 2009	ELID	400.000								
Total Canada         687         1.86	EUR	400,000		260	0.07					
CAYMAN ISLANDS (4.62%, March 2009 - 6.89%) A (0.0%, March 2009 - 0.86%)         Total France         3,113         8.40           CAYMAN ISLANDS (4.62%, March 2009 - 0.86%)         A (0.0%, March 2009 - 0.86%)         AA (0.22%, March 2009 - 5.55%) AAA (2.22%, March 2009 - 5.55%)         AAA (2.22%, March 2009 - 5.55%)         AAA (2.22%, March 2009 - 5.55%)           EUR         650,000         Hutchison Whampoa 5.875% 0807/2013         602         1.62         BBB+ (1.42%, March 2009 - 3.32%)         EUR         250,000         Bundescoligation 2.25% 11/0/4/2014         218         0.59           EUR         280,000         MURG Capital Finance 2 4.85% 25/07/2049         197         0.53         A+ (0.00%, March 2009 - 1.22%)         605         1.63           EUR         350,000         Thames Water Utilities Cayman 6.125% 04/07/2013         328         0.89         HUNGARY (1.50%, March 2009 - 0.12%)         823         2.22           EUR         500,000         BES (1.58%, March 2009 - 0.00%)         EUR         55,000         OTP Bank 5.875% 07/11/2049         251         0.68           GBP         245,000         South East Water Finance 5.677% 30/032019         246         0.66         1.24         Murch 2009 - 0.8%)         EUR         450,000         GEIAS%, March 2009 - 0.8%)         EUR         450,000         MURG Cazis in a sarsis (57)/0005         366         0.						EUR	400,000			
CAYMAN ISLANDS (4.62%, March 2009 - 0.86%) A (0.00%, March 2009 - 0.86%)       GERMANY (2.22%, March 2009 - 5.5%) AAA (2.22%, March 2009 - 5.5%) AAA (2.22%, March 2009 - 5.5%) AAA (2.22%, March 2009 - 4.33%)       218       0.59         EUR       650.000       Hutchison Whampoa 5.875% 08/07/2013       602       1.62       EUR       670,000       Bundescobligation 2.25% 11/04/2014 21/07/2015       218       0.59         EUR       280,000       MUFG Capital Finance 2.4.85% 25/07/2049       197       0.53       A+ (0.00%, March 2009 - 1.22%)       44       0.00%, March 2009 - 0.33%)       823       2.22         EUR       500,000       BEB (1.58%, March 2009 - 0.00%)       EUR       500,000       BEB (1.58%, March 2009 - 0.00%)       EUR       500,000       BEB (1.58%, March 2009 - 0.16%)       EUR       500,000       BEB (1.58%, March 2009 - 1.68%)       EUR       500,000       OTP Bank 5.875% 07/11/2049       251       0.68         CZECH REPUBLIC (1.24%, March 2009 - 1.68%)       1.712       4.62       EUR       450,000       MUC Bazyar Diaj Gazipari 3.875% 05/10/2015       306       0.82         CZECH REPUBLIC (1.24%, March 2009 - 1.68%)       460       1.24       Total Hungary       557       1.50         EUR       500,000       CEZ 5.15% March 2009 - 0.85%)       EUR       350,000       A (1.00%, March 2009 - 0.49%)       268			Total Canada	687	1.86			10/04/2014	356	0.96
A (0.00%, March 2009 - 0.86%)       GERMANY (2.22%, March 2009 - 5.55%) AAA (2.22%, March 2009 - 5.55%) AAA (2.22%, March 2009 - 5.55%) BURGESDIGGID 2.22%       Content of the								Total France	3,113	8.40
EUR       650,000       A- (1.62%, March 2009 - 2.11%) Hutchison Whampoa 5.875% 0807/2013       EUR       250,000       Bundesobligation 2.25% 11/04/2014 2.25% March 2009 - 4.25% 04/07/2015       218       0.59         EUR       280,000       MUFG Capital Finance 2.4.85% 2507/2049       197       0.53       A+ (0.00%, March 2009 - 1.22%) 04/07/2015       605       1.63         EUR       350,000       MUFG Capital Finance 2.4.85% 2507/2049       197       0.53       A+ (0.00%, March 2009 - 1.22%) A+ (0.00%, March 2009 - 0.33%)       823       2.22         EUR       350,000       South East Water Finance 5.6577% 30/09/2019       246       0.66       1.24       HUNGARY (1.50%, March 2009 - 0.33%)       823       2.51       0.68         EUR       500,000       BES Finance 4.5% 291/2/2049       339       0.92       EUR       535,000       OTP Bank 5.875% 07/11/2049       251       0.68         CZECH REPUBLIC (1.24%, March 2009 - 1.68%) A- (1.24%, March 2009 - 0.95%) EUR       124       Total Hungary       557       1.50         DENMARK (2.51%, March 2009 - 2.76%) A- (1.55%, March 2009 - 0.95%) EUR       500,000       Base (0.00%, March 2009 - 0.00%) A- (1.94%, March 2009 - 0.95%) EUR       350,000       A- (1.94%, March 2009 - 0.00%) A- (1.94%, March 2009 - 0.95%) EUR       500,000       BBB (1.41%, March 200	CAY	MAN ISLA	NDS (4.62%, March 2009 – 6.89%	6)						
A - (1.62%, March 2009 - 2.1%)       EUR       650,000       Bundesceptublic Deutschland 3.25%       218       0.59         EUR       650,000       MUFG Capital Finance 2.4.85%       250,000       MuFG Capital Finance 2.4.85%       602       1.62         EUR       350,000       Thames Water Utilities Cayman 6.125%       0.53       A+ (0.00%, March 2009 - 1.2%)       7total Germany       823       2.22         EUR       350,000       Thames Water Utilities Cayman 6.125%       0.40/02/2013       328       0.89       HUNGARY (1.50%, March 2009 - 0.33%)       823       2.22         EUR       350,000       ESE Finance 4.5%       328       0.89       HUNGARY (1.50%, March 2009 - 0.33%)       823       2.22         EUR       500,000       ESE Finance 4.5%       328       0.89       HUNGARY (1.50%, March 2009 - 0.00%)       EUR       500,000       Finance 4.5%       557       1.68         GEP       246,000       50,77% 30/09/2019       246       0.66       1.712       4.62       EUR       500,000       CEZ 5.15% 12/10/2012       460       1.24         Total Cayman Islands       1.712       4.62       1.24       1.24       1.000%, March 2009 - 0.08%)       331       0.30         EUR       500,000       CEZ 5.15% 12/10/2012			A (0.00%, March 2009 – 0.86%)			GERI	/IANY (2.2			
EUR       650.000       Hutchison Whampoa 5.875% 08/07/2013       602       1.62       EUR       670,000       Bundesrepublic Deutschland 3.25% 04/07/2015       605       1.63         EUR       280,000       MUFG Capital Finance 2 4.85% 25/07/2049       197       0.53       A+ (0.00%, March 2009 - 1.22%)       823       2.22         EUR       350,000       Thames Water Utilities Cayman 6.125% 04/02/2013       197       0.53       HUNGARY (1.50%, March 2009 - 0.33%)       823       2.22         BBB (1.58%, March 2009 - 0.00%)       BES Finance 4.5% 29/12/2049       339       0.92       EUR       535,000       OTP Bank 5.875% 07/11/2049       251       0.68         GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66       1.712       4.62       EUR       535,000       OTP Bank 5.875% 07/11/2049       251       0.68         CZECH REPUBLIC (1.24%, March 2009 - 1.68%) A- (1.24%, March 2009 - 1.68%)       1.712       4.62       EUR       450,000       MCI Magyar 010 Gazipari 3.875% 05/10/2015       306       0.82         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       TALY (4.07%, March 2009 - 0.06%)       A- (1.94%, March 2009 - 0.00%)       A- (1.94%, March 2009 - 0.00%)       A- (1.94%, March 2009 - 0.00%)       A- (1.94%, March 2009 - 0.06%)			A– (1.62%, March 2009 – 2.11%)			FLIR	250.000		218	0 59
BBB (142%, March 2009 - 3.92%)     1.62     04/07/2015     605     1.63       EUR     280,000     MUFG Capital Finance 2.4.65% 25/07/2049     197     0.53     Total Germany     823     2.22       EUR     350,000     Thames Water Utilities Cayman 6.125% 04/02/2013     0.89     HUNGARY (1.50%, March 2009 - 1.17%) A1 (0.00%, March 2009 - 0.33%)     823     2.22       EUR     500,000     BES Finance 4.5% 29/12/2049     339     0.92     Baa2 (0.68%, March 2009 - 0.33%)     70     70     70     70     70     70     823     2.22       CZECH REPUBLIC (1.24%, March 2009 - 0.00%)     5.677%     30/09/2019     246     0.66     70 al Gayman Islands     1.712     4.62       EUR     500,000     CEZ 5.125% (12/10/2012     460     1.24     450,000     MOL Margyar Olaj Gazipari     3575     0.67       EUR     500,000     CEZ 5.125% (12/10/2012     460     1.24     11ALY (4.07%, March 2009 - 0.06%)     6.124       EUR     700,000     Danske Bank 6% 20/03/2016     574     1.55     1.55     4.00%, March 2009 - 0.05%)     800       EUR     450,000     Dong Energy 5.5% 29/06/2016     357     0.96     1.24     4.00%, March 2009 - 0.49%)     331     0.30       EUR     450,000     Danske Bank 6% 20/03/2016     537 </td <td>EUR</td> <td>650,000</td> <td>Hutchison Whampoa 5.875%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>210</td> <td>0.55</td>	EUR	650,000	Hutchison Whampoa 5.875%						210	0.55
BBB+ (1.42%, March 2009 - 3.32%)         A+ (0.00%, March 2009 - 1.22%)           EUR         2507/2049         197         0.53         Total Germany         823         2.22           EUR         350,000         Thames Water Utilities Cayman 6.125% 04/02/2013         197         0.53         Total Germany         823         2.22           EUR         350,000         BBB (1.58%, March 2009 - 0.00%)         BBB (1.58%, March 2009 - 0.00%)         BES Finance         BBB (1.58%, March 2009 - 0.00%)         BES Finance         Son (0.00%, March 2009 - 0.00%)         EUR         500,000         BES Finance 4.5% 20/12/2049         339         0.92         EUR         535,000         OTP Bank 5.87% 07/11/2049         251         0.68           CZECH         REPUBLIC (1.24%, March 2009 - 1.68%)         1.712         4.62         EUR         450,000         MOL Margyar Olaj Gazipari         3.875% 05/10/2015         306         0.82           EUR         500,000         CEZ 5.125% (Janch 2009 - 1.68%)         1.24         1.24         1.24         1.24         1.24           EUR         700,000         Danske Bank (6.209, 2.076%)         4.         1.55         EUR         350,000         A- (1.24%, March 2009 - 2.06%)         A- (1.94%, March 2009 - 0.09%)         331         0.90         1.188a Sanpaola 8.047% 20/06/2016			08/07/2013	602	1.62	LOII	070,000	•	605	1.63
EUR       280,000       MUFG Capital Finance 2 4.85%       Total Germany       823       2.22         EUR       350,000       Themes Water Utilities Cayman 6.125%       0.63       Total Germany       823       2.22         EUR       350,000       Themes Water Utilities Cayman 6.125%       0.402/2013       328       0.89       HUNGARY (1.50%, March 2009 – 0.33%)       A1 (0.00%, March 2009 – 0.33%)       A1 (0.00%, March 2009 – 0.33%)         EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       EUR       535,000       OTP Bank 5.875% 07/11/2049       251       0.68         South East Water Finance       1,712       4.62       EUR       535,000       OTP Bank 5.875% 07/11/2049       251       0.68         CZECCH REPUBLIC (124%, March 2009 – 1.68%)       1,712       4.60       1.24       Total Cayman Islands       1.712       460       1.24         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       Total Cayman 2019       2.06%)       A- (1.24%, March 2009 – 1.68%)       A- (1.44%, March 2009 – 0.00%)       A- (1.44%, March 2009 – 0.00%)       EUR       350,000       Altantia 5.625% 06/10/2015       331       0.90         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350								0-101/2010	000	1.00
EUR       280,000       MUFG Capital Finance 2 4.85% 250/70/2049       197       0.53       Total Germany       823       2.22         EUR       350,000       Thames Water Utilities Cayman 6.125% 04/02/2013       328       0.89       HUNGARY (1.50%, March 2009 – 1.17%) A1 (0.00%, March 2009 – 0.03%)       823       2.22         EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       Baa2 (0.68%, March 2009 – 0.03%)       8aa2 (0.68%, March 2009 – 0.03%)         EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       EUR 535,000       OTP Bank 5.875% 07/11/2049       251       0.68         GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66       124       450,000       BB+ (0.82%, March 2009 – 0.84%)       EUR       306       0.82         EUR       500,000       CEZ 5.125% (12/10/2012       460       1.24       Total Hungary       557       1.50         DENMARK (2.51%, March 2009 – 1.68%) A- (1.24%, March 2009 – 1.68%) A- (1.55%, March 2009 – 1.68%)       EUR       350,000       Total Hungary       557       1.50         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlanta 5.625% 06/05/2016       331       0.90			BBB+ (1.42%, March 2009 – 3.92%)					A+ (0.00%, March 2009 – 1.22%)		
250/07/249       197       0.53         EUR       350,000       Thames Water Utilities Cayman 6.125% 04/02/2013       328       0.89       HUNGARY (1.50%, March 2009 - 0.33%)         EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       Ba2 (0.68%, March 2009 - 0.00%)         GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66         Total Cayman Islands       1,712       4.62       BB+ (0.82%, March 2009 - 0.84%)       EUR         CZECCH REPUBLIC (124%, March 2009 - 1.68%) A - (1.24%, March 2009 - 1.68%)       EUR       450,000       MOL Magyar Olaj Gazipari 3.875% 05/10/2015       306       0.82         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       Total Cayman Islands       1.712       460       1.24         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       Total Hungary       557       1.50         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       700,000       Danske Bank 6% 20/03/2016       577       1.55       EUR       350,000       Intesa Sanpaola 8.047% 20/06/2049       386       1.04	EUR	280,000	MUFG Capital Finance 2 4.85%					· · · · · · · · · · · · · · · · · · ·	022	2 22
EUR       04/02/2013       328       0.89       HUNGARY (1.50%, March 2009 - 0.03%) AT (0.00%, March 2009 - 0.33%)         EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       Ba2 (0.68%, March 2009 - 0.00%)         GBP       245,000       South East Water Finance 5.657% 30/09/2019       246       0.66       BB+ (0.82%, March 2009 - 0.04%)       OTP Bank 5.875% 07/11/2049       251       0.68         CZECCH REPUBLIC (1.24%, March 2009 - 1.68%)       1,712       4.62       EUR       450,000       BB+ (0.82%, March 2009 - 0.84%)       MOL Magyar Olaj Gazipari 3.875% 05/10/2015       306       0.82         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       HUNGARY (4.07%, March 2009 - 4.22%)       A (0.00%, March 2009 - 2.06%)       A - (1.24%, March 2009 - 1.81%)       ITALY (4.07%, March 2009 - 4.22%)       A (0.00%, March 2009 - 2.06%)       A - (1.94%, March 2009 - 0.00%)       A - (1.94%, March 2009 - 0.49%)       BBB + (0.00%, March 2009 - 0.49%)       BBB + (0.00%, March 2009 - 0.49%)       Intess Sanpaola 8.047% 20/06/2049       386       1.04         EUR       700,000       Danske Bank 6% 20/03/2016       557       0.96       EUR       500,000       BBB + (0.00%, March 2009 - 0.49%)					0.53				023	2.22
EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       Baa2 (0.68%, March 2009 - 0.33%)         GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66         5.6577% 30/09/2019       246       0.66         5.6577% 30/09/2019       246       0.66         Total Cayman Islands       1,712       4.62         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         FUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         TOtal Czech Republic       1.24       1.24       Total Czech Republic       1.24         FUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         TALY (4.07%, March 2009 - 0.26%)       A- (1.45%, March 2009 - 1.68%)       A- (1.44%, March 2009 - 2.06%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         EUR       350,000       Danske Bank 6% 20/03/2016       577       0.96         BBB (1.096%, March 2009 - 0.95%)       EUR       350,000       A- (1.94%, March 2009 - 0.09%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         BBB (1.096%, March 2009 - 0.95%)       EUR       500,000	EUR	350,000								
BBB (1.58%, March 2009 - 0.00%)         BES Finance 4.5% 29/12/2049         339         0.92         Baa2 (0.68%, March 2009 - 0.00%)         CTP Bank 5.875% 07/11/2049         251         0.68           GBP         245,000         South East Water Finance 5.6577% 30/09/2019         246         0.66         0.66         0TP Bank 5.875% 07/11/2049         251         0.68           CZECH REPUBLIC (1.24%, March 2009 - 1.68%)         1.712         4.62         EUR         450,000         BB+ (0.82%, March 2009 - 0.84%)         MOL Magyar 01aj Gazipari         3.875% 05/10/2015         306         0.82           EUR         500,000         CEZ 5.125% 12/10/2012         460         1.24         Total Czech Republic         460         1.24         A (0.00%, March 2009 - 2.06%)         A - (1.94%, March 2009 - 2.06%)         A - (0.00%, March 2009 - 0.00%)         A - (1.94%, March 2009 - 0.00%)         A - (0.00%, March 2009 - 0.00%)         A - (1.94%, March 2009 - 0.00%)         A - (1.94%, March 2009 - 0.00%)         A - (0.00%, March 2009 - 0.95%)         BBB+ (0.00%, March 2009 - 0.49%)         BBB+ (0.00%, March 2009 - 0.49%)         386         1.04           EUR         450,000         Denmark         931         2.51			04/02/2013	328	0.89	HUNG	JARY (1.5			
EUR       500,000       BES Finance 4.5% 29/12/2049       339       0.92       Baa2 (0.68%, March 2009 - 0.00%)         GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66         5.6577% 30/09/2019       246       0.66         Total Cayman Islands       1,712       4.62         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         FUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         TOtal Cayman Islands       1.24       Total Cayman Islands       1.24         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         TALY (4.07%, March 2009 - 4.22%)       A (0.00%, March 2009 - 2.06%)       A - (1.94%, March 2009 - 4.22%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         FRANCE (8.40%, March 2009 - 5.98%)       AA (0.00%, March 2009 - 0.88%)       EUR       500,000       BBB+ (0.00%, March 2009 - 0.69%)       EUR       BBH								A1 (0.00%, March 2009 – 0.33%)		
GBP       245,000       South East Water Finance 5.6577% 30/09/2019       246       0.66         Total Cayman Islands       1,712       4.62         CZECH REPUBLIC (1.24%, March 2009 - 1.68%) A- (1.24%, March 2009 - 1.68%)       EUR       450,000       BB+ (0.82%, March 2009 - 0.84%) MOL Magyar Olaj Gazipari 3.875% 05/10/2015       306       0.82         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         Total Czech Republic       460       1.24         Total Czech Republic       460       1.24         DENMARK (2.51%, March 2009 - 2.76%) A- (1.55%, March 2009 - 2.76%)       A- (1.94%, March 2009 - 2.06%)       A- (1.94%, March 2009 - 0.00%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       EUR       500,000       BBB+ (0.00%, March 2009 - 0.68%)         EUR       500,000       BBB+ (0.00%, March 2009 - 0.88%)       EUR       500,000       BBB+ (0.00%, March 2009 - 0.68%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       EUR       500,000       BBB+ (0.00%, March 2009 - 0.68%)       522       1.41         FRANCE (8.40%, March 2009 - 5.9		500.000			0.00			Bas2 (0.68% March 2000 0.00%)		
5.6577% 30/09/2019       246       0.66         Total Cayman Islands       1,712       4.62         CZECH REPUBLIC (1.24%, March 2009 – 1.68%)       A- (1.24%, March 2009 – 1.68%)         A- (1.24%, March 2009 – 1.68%)       Total Czech Republic         A- (1.24%, March 2009 – 1.68%)       Inclaid Czech Republic         Full       500,000       CEZ 5.125% 12/10/2012       460       1.24         Total Czech Republic       460       1.24       ITALY (4.07%, March 2009 – 4.22%)         A (0.00%, March 2009 – 2.76%)       A- (1.55%, March 2009 – 2.76%)       A- (1.55%, March 2009 – 2.76%)         A- (1.55%, March 2009 – 2.76%)       A- (1.55%, March 2009 – 0.95%)       EUR       350,000         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         BBB- (0.96%, March 2009 – 0.95%)       EUR       350,000       A- (1.94%, March 2009 – 0.09%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       EUR       500,000       BBB (1.00%, March 2009 – 0.49%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBH (0.72%, March 2009 – 0.00%)         AA- (0.44%, March 2009 – 0.08%)       AA (0.00%, March 2009 – 0.00%) <t< td=""><td></td><td></td><td></td><td>339</td><td>0.92</td><td></td><td>E2E 000</td><td></td><td>051</td><td>0.00</td></t<>				339	0.92		E2E 000		051	0.00
Total Cayman Islands       1,712       4.62         CZECH REPUBLIC (1.24%, March 2009 – 1.68%)       306       0.82         A- (1.24%, March 2009 – 1.68%)       306       0.82         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         Total Czech Republic       460       1.24       Total Czech Republic       306       0.82         DENMARK (2.51%, March 2009 – 2.76%)       460       1.24       ITALY (4.07%, March 2009 – 4.22%)       A (0.00%, March 2009 – 2.06%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR 350,000       A- (1.94%, March 2009 – 0.00%)       A- (1.94%, March 2009 – 0.00%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       31       0.90         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       8BB+ (0.00%, March 2009 – 0.49%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBB (1.41%, March 2009 – 1.67%)       522       1.41         FRANCE (8.40%, March 2009 – 0.88%)       AA (0.44%, March 2009 – 0.08%)       EUR       500,000       BBB (1.41%, March 2009 – 0.00%)       522       1.41	GBP	245,000		0.40	0.00	EUK	535,000	OTP Bank 5.875% 07/11/2049	251	0.68
Ideal Cayman Istands       1,712       4.82       EUR       450,000       MOL Magyar Olaj Gazipari 3.875% 05/10/2015       306       0.82         CZECH REPUBLIC (1.24%, March 2009 – 1.68%) A – (1.24%, March 2009 – 1.68%)       Total Hungary       557       1.50         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       ITALY (4.07%, March 2009 – 4.22%) A (0.00%, March 2009 – 2.06%)       ITALY (4.07%, March 2009 – 4.22%) A (0.00%, March 2009 – 2.06%)       A - (1.94%, March 2009 – 2.06%)         DENMARK (2.51%, March 2009 – 2.76%) A – (1.55%, March 2009 – 2.76%) A – (1.55%, March 2009 – 1.81%)       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       BBB (1.41%, March 2009 – 0.49%)       EUR       BBB (1.41%, March 2009 – 1.67%)       Telecom Italia 8.25% 21/03/2016       522       1.41         FRANCE (8.40%, March 2009 – 5.98%) AA - (0.44%, March 2009 – 0.08%)       EUR       500,000       BBB + (0.72%, March 2009 – 0.00%)       Baca Popolare Novara 6.156% 21/06/2049       268       0.72								BB+ (0.82% March 2009 - 0.84%)		
3.875% 05/10/2015       306       0.82         CZECH REPUBLIC (1.24%, March 2009 – 1.68%)         A- (1.24%, March 2009 – 1.68%)       1.24       Total Hungary       557       1.50         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       17ALY (4.07%, March 2009 – 4.22%)       A (0.00%, March 2009 – 2.06%)         DENMARK (2.51%, March 2009 – 2.76%)       460       1.24       17ALY (4.07%, March 2009 – 4.22%)       A (0.00%, March 2009 – 2.06%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR 350,000       A- (1.94%, March 2009 – 0.00%)       BBB- (0.96%, March 2009 – 0.95%)       BBB - (0.96%, March 2009 – 0.95%)       BBB + (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)       BBB + (0.00%, March 2009 – 0.49%)       BBB + (0.00%, March 2009 – 0.49%)       Itelecom Italia 8.25% 21/03/2016       522       1.41         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBH + (0.72%, March 2009 – 0.00%)       EUR       S00,000       BBH + (0.72%, March 2009 – 0.00%)       Italia 8.25% 21/03/2016       522       1.41			Total Cayman Islands	1,712	4.62	FUR	450 000			
CZECH REPUBLIC (1.24%, March 2009 – 1.68%) A– (1.24%, March 2009 – 1.68%)       Total Hungary       557       1.50         EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24       ITALY (4.07%, March 2009 – 4.22%) A (0.00%, March 2009 – 2.06%)       ITALY (4.07%, March 2009 – 4.22%) A (0.00%, March 2009 – 2.06%)       A- (1.55%, March 2009 – 2.76%) A- (1.55%, March 2009 – 1.81%)       A- (1.94%, March 2009 – 0.00%)       A- (1.94%, M						LOII	400,000		306	0.82
EUR       500,000       CEZ 5.125% 12/10/2012       460       1.24         Total Czech Republic       460       1.24         ITALY (4.07%, March 2009 – 4.22%)       A (0.00%, March 2009 – 2.06%)         DENMARK (2.51%, March 2009 – 2.76%)       A - (1.55%, March 2009 – 2.76%)       A - (1.55%, March 2009 – 1.81%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       700,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)       Ital         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBH+ (0.72%, March 2009 – 0.00%)       EUR       500,000         AA- (0.44%, March 2009 – 0.00%)       AA- (0.44%, March 2009 – 0.00%)       EUR       500,000       Banca Popolare Novara 6.156%       21/06/2049       268       0.72	CZE	CH REPUB	LIC (1.24%, March 2009 – 1.68%)							
Total Czech Republic       460       1.24       ITALY (4.07%, March 2009 – 4.22%) A (0.00%, March 2009 – 2.06%)         DENMARK (2.51%, March 2009 – 2.76%) A- (1.55%, March 2009 – 1.81%) EUR       A- (1.94%, March 2009 – 0.00%)       A- (1.94%, March 2009 – 0.00%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         BBB- (0.96%, March 2009 – 0.95%)       BBB- (0.96%, March 2009 – 0.95%)       BBB+ (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)       1.04         FUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       1.04         FRANCE (8.40%, March 2009 – 5.98%)       931       2.51       EUR       500,000       BBB+ (0.72%, March 2009 – 0.00%)       522       1.41         FRANCE (8.40%, March 2009 – 0.00%)       AA (0.00%, March 2009 – 0.00%)       EUR       500,000       BB+ (0.72%, March 2009 – 0.00%)       522       1.41			A– (1.24%, March 2009 – 1.68%)						557	1.50
India Czech Nepublic       400       1.24       A (0.00%, March 2009 – 2.06%)         DENMARK (2.51%, March 2009 – 2.76%)       A- (1.55%, March 2009 – 2.76%)       A- (1.94%, March 2009 – 0.00%)         A- (1.55%, March 2009 – 1.81%)       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)       EUR       500,000       BBB (1.41%, March 2009 – 0.49%)       1.41         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBB+ (0.72%, March 2009 – 0.00%)       522       1.41         FRANCE (8.40%, March 2009 – 0.00%)       AA (0.04%, March 2009 – 0.00%)       EUR       500,000       BB+ (0.72%, March 2009 – 0.00%)       522       1.41	EUR	500,000	CEZ 5.125% 12/10/2012	460	1.24					
DENMARK (2.51%, March 2009 – 2.76%)       A (0.00%, March 2009 – 2.06%)         A - (1.55%, March 2009 – 1.81%)       A - (1.55%, March 2009 – 1.81%)         EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55         BBB- (0.96%, March 2009 – 0.95%)       EUR       350,000       Atlantia 5.625% 06/05/2016       331       0.90         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB+ (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)       BBB+ (0.00%, March 2009 – 0.49%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBB+ (0.72%, March 2009 – 0.00%)       522       1.41         FRANCE (8.40%, March 2009 – 0.00%)       AA - (0.44%, March 2009 – 0.00%)       EUR       500,000       BB+ (0.72%, March 2009 – 0.00%)       522       1.41			Total Czech Republic	460	1.24	ITALY	(4.07%, N			
A- (1.55%, March 2009 - 1.81%)       A- (1.55%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB+ (0.00%, March 2009 - 0.49%)       BBB+ (0.00%, March 2009 - 0.49%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB + (0.00%, March 2009 - 0.49%)       BBB + (0.00%, March 2009 - 0.49%)         FRANCE (8.40%, March 2009 - 5.98%)       AA (0.00%, March 2009 - 0.88%)       EUR       500,000       BBB + (0.72%, March 2009 - 0.00%)       522       1.41         FRANCE (8.40%, March 2009 - 0.00%)       AA- (0.44%, March 2009 - 0.00%)       EUR       500,000       BB+ (0.72%, March 2009 - 0.00%)       Barca Popolare Novara 6.156%       21/06/2049       268       0.72			· · · · ·					A (0.00%, March 2009 – 2.06%)		
A- (1.55%, March 2009 - 1.81%)       A- (1.55%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB- (0.96%, March 2009 - 0.95%)       BBB+ (0.00%, March 2009 - 0.49%)       BBB+ (0.00%, March 2009 - 0.49%)         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96       BBB + (0.00%, March 2009 - 0.49%)       BBB + (0.00%, March 2009 - 0.49%)         FRANCE (8.40%, March 2009 - 5.98%)       AA (0.00%, March 2009 - 0.88%)       EUR       500,000       BBB + (0.72%, March 2009 - 0.00%)       522       1.41         FRANCE (8.40%, March 2009 - 0.00%)       AA- (0.44%, March 2009 - 0.00%)       EUR       500,000       BB+ (0.72%, March 2009 - 0.00%)       Barca Popolare Novara 6.156%       21/06/2049       268       0.72	DEN	IMARK (2 5	1% March 2009 – 2 76%)							
EUR       700,000       Danske Bank 6% 20/03/2016       574       1.55       EUR       500,000       Attainta 3.025% 00005/2010       531       0.30         EUR       450,000       BBB- (0.96%, March 2009 – 0.95%)       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       EUR       500,000       BBB (1.41%, March 2009 – 0.49%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBH (0.72%, March 2009 – 0.00%)         AA- (0.44%, March 2009 – 0.00%)       EUR       500,000       EUR       500,000						FUD	250.000		001	0.00
EUR       450,000       BBB- (0.96%, March 2009 – 0.95%)       357       0.96         EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       BBB (1.41%, March 2009 – 0.49%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       Telecom Italia 8.25% 21/03/2016       522       1.41         FRANCE (8.40%, March 2009 – 0.00%)       EUR       500,000       EUR       500,000       BB+ (0.72%, March 2009 – 0.00%)       Banca Popolare Novara 6.156%       21/06/2049       268       0.72	EUR	700,000		574	1.55					
EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       BBB (1.41%, March 2009 – 1.67%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBB + (0.72%, March 2009 – 0.00%)         AA- (0.44%, March 2009 – 0.00%)       EUR       500,000       EUR       500,000						EON	500,000	intesa Sanpaola 8.047 % 20/00/2049	300	1.04
EUR       450,000       Dong Energy 5.5% 29/06/2015       357       0.96         Total Denmark       931       2.51       BBB (1.41%, March 2009 – 1.67%)         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       EUR       500,000       BBB + (0.72%, March 2009 – 0.00%)         AA- (0.44%, March 2009 – 0.00%)       EUR       500,000       EUR       500,000			BBB- (0.96%, March 2009 - 0.95%)					BBB+ (0.00% March 2009 0.49%)		
Total Denmark       931       2.51       BBB (1.41%, March 2009 – 1.67%)         EUR       500,000       Telecom Italia 8.25% 21/03/2016       522       1.41         FRANCE (8.40%, March 2009 – 5.98%)       AA (0.00%, March 2009 – 0.88%)       BB+ (0.72%, March 2009 – 0.00%)       500,000       Banca Popolare Novara 6.156%       21/06/2049       268       0.72	EUR	450,000		357	0.96			555+ (0.0070, March 2003 - 0.4970)		
EUR       500,000       Telecom Italia 8.25% 21/03/2016       522       1.41         FRANCE (8.40%, March 2009 – 5.98%) AA (0.00%, March 2009 – 0.88%)       BB+ (0.72%, March 2009 – 0.00%)       Banca Popolare Novara 6.156% 21/06/2049       268       0.72								BBB (1.41% March 2009 - 1.67%)		
BB+ (0.72%, March 2009 – 5.98%)       BB+ (0.72%, March 2009 – 0.00%)         AA (0.00%, March 2009 – 0.88%)       EUR       500,000       Banca Popolare Novara 6.156%         AA- (0.44%, March 2009 – 0.00%)       21/06/2049       268       0.72				391	2.31	FUR	500 000		522	1 4 1
AA (0.00%, March 2009 – 0.88%) EUR 500,000 AA- (0.44%, March 2009 – 0.00%) Banca Popolare Novara 6.156% 21/06/2049 <u>268</u> 0.72	<b>FD</b> -					LON	555,000	101000111 Italia 0.2070 21700/2010	JZZ	1.41
AA (0.00%, March 2009 – 0.00%)       EUR 500,000       Banca Popolare Novara 6.156%         AA - (0.44%, March 2009 – 0.00%)       21/06/2049       268       0.72	FKA	INCE (8.40%						BB+ (0.72%, March 2009 – 0.00%)		
AA- (0.44%, March 2009 - 0.00%) 21/06/2049 268 0.72			AA (0.00%, March 2009 – 0.88%)			EUR	500.000			
			A.A. (0.449/ Marsh 0000 0.000/)				,		268	0.72
EUN 173,000 Satioli Avenus 4.5% 18/05/2010 101 0.44 Iotal italy 1,507 4.07	EUD	175 000		104	0.44					
	EOR	175,000	Sanon Avenus 4.5% 18/05/2016	101	0.44				1,307	4.07

### **Portfolio statement**

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
LUXE	MBOURG	(4.96%, March 2009 – 5.80%) BBB (3.32%, March 2009 – 3.61%)			REPU	BLIC OF II	RELAND (0.86%, March 2009 – 2 A (0.86%, March 2009 – 2.02%)	2.02%)	
EUR	750,000	Gaz Capital (Gazprom) 5.03% 25/02/2014	623	1.68	EUR	650,000	Freshwater Finance 6.576%	318	0.86
EUR	185,000	Michelin Finance Luxemburg 8.625% 24/04/2014	187	0.50			Total Republic of Ireland	318	0.86
EUR	500,000	VTB Capital 4.25% 15/02/2016	423	1.14	SPAIN	J (4 13% I	Vlarch 2009 – 3.68%)		
EUR	450,000	BBB- (0.99%, March 2009 - 1.10%) Glencore Finance Europe 5.25% 11/10/2013	366	0.99	EUR	500,000	AA (1.21%, March 2009 – 0.00%) BBVA Senior Finance 3.625% 14/05/2012	448	1.21
EUR	260,000	<b>BB+ (0.65%, March 2009 – 0.00%)</b> Fiat Finance & Trade 9% 30/07/2012	239	0.65	EUR	700,000	AA- (1.69%, March 2009 - 1.99%) Santander Issuances 5.435% 24/10/2017	626	1.69
		B– (0.00%, March 2009 – 1.09%)	4 000				A- (1.23%, March 2009 - 1.69%)		
		Total Luxembourg	1,838	4.96	EUR	500,000	Telefonica Emisones 4.674% 07/02/2014	457	1.23
MEXI	CO (0.25%	, March 2009 – 0.31%)					Total Spain	1,531	4.13
GBP	100,000	BBB+ (0.25%, March 2009 – 0.31%) United Mexican States 6.75%							
GDI	100,000	06/02/2024	92	0.25	SWEE	DEN (2.45%	%, March 2009 – 3.22%)		
		Total Mexico	92	0.25	EUR	500,000	AA- (1.23%, March 2009 - 0.00%) Nordea Bank AB 4.5% 12/05/2014	455	1.23
NETH	ERLANDS	(7.29%, March 2009 – 4.68%) AA (1.25%, March 2009 – 0.00%)			EUR	500,000	<b>A+ (1.22%, March 2009 – 1.62%)</b> Nordea Bank 6.25% 10/09/2018	453	1.22
EUR	500,000	Allianz Finance II 5% 22/07/2019	464	1.25		,			
EUR	350,000	<b>AA– (0.89%, March 2009 – 0.00%)</b> Nederlandse Gasunie NV 5.125%					A– (0.00%, March 2009 – 1.60%) Total Sweden	908	2.45
	,	31/03/2017	331	0.89	SWIT	ZERLAND	(2.44%, March 2009 – 1.49%)		
EUR	190,000	A (0.47%, March 2009 – 0.00%) Muenchener Rueckver Finance BV			EUR	450,000	A+ (1.15%, March 2009 – 1.49%) UBS London 6.25% 03/09/2013	425	1.15
		6.75% 21/06/2023	174	0.47			BBB+ (1.29%, March 2009 – 0.00%	)	
		A- (1.60%, March 2009 - 0.98%)			EUR	500,000	Elsevier Finance 6.5% 02/04/2013	480	1.29
EUR	650,000	EDP Finance BV 4.75% 26/09/2016	592	1.60			Total Switzerland	905	2.44
EUR	500,000	BBB+ (1.31%, March 2009 – 1.77%) Koninklijke KPN NV 6.25% 16/09/2013	3 483	1.31	UNIT	ed kingd	OM (30.52%, March 2009 – 26.7 AAA (1.47%, March 2009 – 0.15%)	72%)	
FUR	400.000	BBB (0.95%, March 2009 – 1.04%)			EUR	500,000	Nationwide Building Society 4.125 27/02/2012	5% 446	1.20
EUR	400,000	Repsol International Finance 4.75% 16/02/2017	353	0.95	GBP	100,000	Punch Taverns Financial 7.274% NT 15/04/2022	-S 100	0.27
EUR	350,000	BBB– (0.82%, March 2009 – 0.89%) Linde Finance 7.375% 14/07/2066	304	0.82			AA- (0.00%, March 2009 - 2.73%)		0.27
		Total Netherlands	2,701	7.29			A+ (4.63%, March 2009 – 1.61%)		
NORV	VAY (3.24%	√, March 2009 – 4.40%)			EUR EUR	700,000 575,000	Bank of Scotland 5.625% 23/05/20 Credit Suisse International 4.75% 05/08/2019	13 647 499	1.75 1.35
EUR	700,000	AA- (1.72%, March 2009 - 2.40%) DnB NORBank 4.75% 28/03/2011	636	1.72	EUR	600,000	Lloyds TSB Bank 6.375% 17/06/201		1.53
	,		200				A (4.97%, March 2009 – 6.59%)		
EUR	650,000	BBB+ (1.52%, March 2009 – 2.00%) Statkraft 4.625% 22/09/2017	563	1.52	EUR	600,000	Barclays Bank 6% 23/01/2018	534	1.44
		Total Norway	1,199	3.24	GBP	350,000	BG Energy Capital 5.125% 07/12/2018		0.97
			.,		EUR EUR	500,000 525,000	HSBC Holdings 6.25% 19/03/2018 Royal Bank of Scotland Group 5.2		1.27
							15/05/2013	477	1.29

#### **Portfolio statement**

(continued)

				% of Net Asset					% of Net Asset
	Holding	Investment	£000	Value		Holding	Investment	£000	Value
EUR	500,000	<b>A– (9.52%, March 2009 – 9.86%)</b> Anglian Water Service Finance 6.25%			UNIT	ED STATE	S OF AMERICA (10.52%, March 20 AAA (0.92%, March 2009 – 0.00%)	009 – 10	.75%)
LON	500,000	27/06/2016	, 485	1.31	EUR	350.000	Pfizer 5.75% 03/06/2021	343	0.92
EUR	200,000	BAA Funding 4.6% 30/09/2016	149	0.40	LON	330,000	1 11201 3.73 /0 03/00/2021	545	0.52
EUR	600,000	National Grid Electricity Transmissior	ı				AA– (1.57%, March 2009 – 0.24%)		
		6.625% 28/01/2014	591	1.60	EUR	600,000	Roche Holdings 5.625% 04/03/2016	582	1.57
EUR	500,000	Scottish & Southern Energy 6.125%	470	4.00					
EUR	600,000	29/07/2013 SL Finance 6.375% 12/07/2022	476 478	1.28 1.29			AA-e (0.00%, March 2009 – 1.04%)		
EUR	700,000	Standard Chartered Bank 5.875%	470	1.25			A+ (1.39%, March 2009 – 3.94%)		
Lon	,00,000	26/09/2017	624	1.68	EUR	325,000	General Electric Capital 5.5%		
GBP	500,000	Tesco 5% 24/02/2014	519	1.40	2011	020,000	15/09/2067	190	0.51
EUR	215,000	Tesco 5.875% 12/09/2016	208	0.56	EUR	350,000	J.P. Morgan Chase 5.25% 08/05/2013	325	0.88
		BBB+ (2.72%, March 2009 – 0.00%)					A (5.21%, March 2009 – 4.28%)		
EUR	700,000	Aviva 4.7291% 29/11/2049	383	1.03	EUR	350,000	Bank of America 5.125% 26/09/2014	310	0.84
EUR	150,000	Royal & Sun Alliance 6.875% 15/10/2019	128	0.35	EUR	500,000	BNP Paribas Capital Trust 6.342% 29/01/2049	202	1.00
GBP	235,000	RSA Insurance Group 9.375%	120	0.55	EUR	200,000	Citigroup 7.375% 04/09/2019	393 180	1.06 0.49
GDI	200,000	20/05/2039	273	0.74	EUR	250,000		100	0.45
EUR	250,000	SABMiller 4.5% 20/01/2015	223	0.60	LON	200,000	24/04/2013	227	0.61
					EUR	250,000	Morgan Stanley 3.375% 20/07/2012	214	0.58
		BBB (3.27%, March 2009 – 2.89%)			EUR	550,000	Verizon Wireless Capital 8.75%		
GBP	300,000	British Telecom 8% 07/12/2016	340	0.92			18/12/2015	603	1.63
EUR	250,000	Imperial Tobacco Finance 7.25%							
FUD	050.000	15/09/2014	243	0.66			BBB+ (0.92%, March 2009 – 1.07%)		
EUR	350,000	ImperialTobacco Finance 8.375% 17/02/2016	358	0.97	EUR	370,000	Pemex Project Funding Master 6.375		0.00
EUR	350,000	Royal Bank of Scotland 4.5%	350	0.57			05/08/2016	343	0.92
Lon	000,000	28/01/2016	266	0.72			BBB (0.51%, March 2009 – 0.18%)		
					EUR	500,000			
		BBB– (1.00%, March 2009 – 0.95%)					22/05/2038	189	0.51
GBP	350,000	FirstGroup 6.875% 15/04/2013	372	1.00			Total United States of America	3,899	10.52
		BB+ (0.00%, March 2009 – 1.70%)							
					DERI	VATIVES (	0.12%, March 2009 – 0.12%)		,
		BB (0.00%, March 2009 – 0.09%)					Forward Foreign Exchange Contracts	s – 0.12%	0
		/					(March 2009 – 0.12%) Sell GBP 160,000		
FUD	F00 000	BB– (2.02%, March 2009 – 0.00%)					Buy EUR 184,531	1	_
EUR	500,000	EFG Hellas Funding 4.565%	194	0.52			Sell GBP 340,000		
EUR	650,000	02/11/2049 ITV 4.75% 03/10/2011	557	1.50			Buy EUR 396,022	6	0.02
LON	030,000	11 4.7578 05/10/2011	557	1.50			Sell GBP 1,806,397		
		B (0.67%, March 2009 – 0.00%)					Buy EUR 2,113,420	39	0.10
EUR	500,000	Lloyds TSB Bank 6.35% 29/10/2049	249	0.67			Total Derivatives	46	0.12
					Total \	/alue of Invo	estments	35,652	96.21
		CCC+ (0.18%, March 2009 – 0.00%)							
EUR	200,000	Royal Bank of Scotland Group			Net O	ther Assets	(March 2009 – 2.98%)	1,404	3.79
		7.0916% 30/09/2049	66	0.18	Net As	ssets		37,056	100.00
		Not Rated (0.07%, March 2009 – 0.15	%)						
GBP	300,000	Cattles 0% 05/07/2017	27	0.07					
EUR	350,000	Lehman Bros Capital Fund 0%	-						
		22/02/2049	-	-					
		Total United Kingdom	11,310	30.52					

#### **Portfolio statement**

(continued)

	Value £000
ANALYSIS OF INVESTMENTS BY CREDIT R	ATINGS
AAA	1,712
AA	912
AA-	4,233
A+	4,269
A	4,688
A–	7,214
BBB+	4,217
BBB	4,449
Baa2	251
BBB-	1,755
BB+	813
BB-	751
В	249
CCC+	66
Not Rated	27
Total Bonds	35,606
Derivatives	46
Total Value of Investments	35,652

The calculation of the % Net Asset Value may not add up due to rounding.

### **Portfolio statement**

as at 7th September 2009

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUS	RALIA (1.	76%, March 2009 – 1.91%) B+ (0.00%, March 2009 – 1.91%)	)		CZE	CH REPUBI	LIC (0.31%, March 2009 – 0.29%) B+ (0.31%, March 2009 – 0.29%)		
					EUR	2,721,860	Sazka 8.5% 12/07/2021	1,378	0.31
ELID	8,470,000	B (1.76%, March 2009 – 0.00%) FMG Finance 9.75% 01/09/2013	7,765	1.76			Total Czech Republic	1,378	0.31
LON	0,470,000	Total Australia	7,765	1.76					
			1,703	1.70	DEN	MARK (1.9	6%, March 2009 – 4.35%) BB– (1.41%, March 2009 – 1.65%)		
AUST	<b>RIA (0.91</b>	%, March 2009 – 0.00%)			EUR	75,000			
	-	BB (0.79%, March 2009 – 0.00%	)				8.25% 01/05/2016	67	0.02
EUR	4,020,000	PE Paper Escrow 11.75%	0 504	0 70	EUR	480,000		405	0.00
		01/08/2014	3,501	0.79	EUR	6,402,000	6.399% 01/05/2016 TDC AS 6.5% 19/04/2012	405 5,757	
USD	1,020,000	<b>B+ (0.12%, March 2009 – 0.00%)</b> Sappi Papier Holding 6.75%		0.40	Lon	0,402,000	B+ (0.00%, March 2009 – 1.19%)	0,707	
		15/06/2012	515	0.12			B (0.55%, March 2009 – 1.51%)		
		Total Austria	4,016	0.91	EUR	2,787,000		2,409	0.55
REDI		0%, March 2009 – 1.44%)					Total Denmark	8,638	1.96
DENN		BB- (0.00%, March 2009 – 1.30%	<b>%</b> )						
	1,300,000	Not Rated (0.10%, March 2009 - Sea Production 4.69969%	- 0.14%)			AND (0.26	%, March 2009 – 0.00%) CCC+ (0.26%, March 2009 – 0.00%) M-Real 6.152% 15/12/2010	1 120	0.26
030	1,300,000	14/02/2012	435	0.10	EUN	1,500,000	Total Finland	1,139 1,139	0.26
		Total Bermuda	435	0.10				1,139	0.20
CAN	ADA (4.37%	— %, March 2009 – 3.14%)				-	%, March 2009 – 8.01%) AA-e (0.24%, March 2009 – 0.16%)		
EUR	2,415,000	BBB (1.45%, March 2009 – 1.19% Xstrata Canada Finance 5.25% 13/06/2017	‰ <b>)</b> 2,014	0.46	EUR	1,300,000	BNP Paribas 7.781% 07/02/2049 A (0.00%, March 2009 – 0.30%)	1,078	0.24
EUR	4,845,000	Xstrata Canada Finance 5.875%		0.40			A (0.00%, March 2003 - 0.30%)		
		27/05/2011	4,367	0.99	GBP	1,970,000	BBB+ (0.40%, March 2009 – 0.00%) Societe Generale 8.875%		
EUR	6,620,000	BB+ (2.19%, March 2009 – 1.68% Bombardier Incorporation 3.998					16/06/2049	1,773	0.40
	F 000 000	15/11/2013	5,230	1.18		4 500 000	BBB (0.20%, March 2009 – 0.10%)		0.00
EUR	5,300,000	Bombardier Incorporation 7.25% 15/11/2016	4,442	1.01	USD	1,500,000	Legrand 8.5% 15/02/2025	863	0.20
		1.2370 13/11/2010	7,772	1.01			BB+ (2.58%, March 2009 – 0.11%)		
		CCC (0.73%, March 2009 – 0.279	%)			8,614,000	Crown 6.25% 01/09/2011	7,821	1.77
	1,235,000	GMAC Canada 6% 23/05/2012	965	0.22	EUR	2,600,000	Crown Euro Holdings 6.25%	0.061	0.52
GBP	2,450,000	GMAC Canada 6.625% 17/12/2010	2,278	0.51	EUR	930,000	01/09/2011 Nexans 1.5% 01/01/2013	2,361 643	0.53 0.15
		Total Canada	19,296	4.37	EUR	700,000		559	0.13
			10,200	1.07					
CAYI	IAN ISLAI	NDS (0.35%, March 2009 – 0.4 Not Rated (0.35%, March 2009 -	-		EUR	11,855,000	BB (2.49%, March 2009 – 5.94%) Tereos Europe 6.375%	0.626	0.10
NOK	6,000,000	PetroProd 0% 26/11/2012	-	-	FUR	2,000,000	15/04/2014 Wendel 4.875% 21/09/2015	9,626 1,362	
GBP	1,700,000				Lon	2,000,000		1,002	0.01
		31/12/2013	1,530	0.35			BB– (1.49%, March 2009 – 0.23%)		
		Total Cayman Islands	1,530	0.35	EUR	3,085,000	Gecina 4.875% 25/01/2012	2,491	0.56
CVDD	110 10 250	Marah 2009 0.00%)			EUK	5,650,000	Rhodia 3.746% 15/10/2013	4,131	0.93
UIFR	0.23/	6, March 2009 – 0.00%) Not Rated (0.25%, March 2009 -	- 0.00%)				B+ (1.13%, March 2009 – 1.06%)		
USD	1,900,000		· · · · · · · · · · · · · · · · · · ·		EUR	5,705,000	SPCM 8.25% 15/06/2013	4,981	1.13
		24/03/2011	1,121	0.25					
		Total Cyprus	1,121	0.25					

### **Portfolio statement**

			% of					% of
Holding	Investment	Value £000	Net Asset Value		Holding	Investment	Value £000	Net Asset Value
	CCC (0.00%, March 2009 – 0.05%)			FUR	4,710,000	<b>B (0.69%, March 2009 - 1.63%)</b> Codere Finance 8.25% 15/06/2015	3,022	0.69
	D (0.00%, March 2009 - 0.06%)			LON	4,710,000	B– (0.64%, March 2009 – 2.70%)	3,022	0.05
EUR 946,667	<b>Not Rated (0.07%, March 2009 – 0.0</b> Korreden 11% 01/08/2014	<b>00%)</b> 322	0.07	EUR	3,396,000	Beverage Packaging Holdings 9.5% 15/06/2017	2,817	0.64
2011 940,007	Total France	38,011	8.60			CCC- (0.00%, March 2009 - 0.03%)	2,017	0.04
GERMANY (5 1	0%, March 2009 – 6.07%)							
	BBB– (0.00%, March 2009 – 0.38%)			EUR	1,140,000	<b>D (0.00%, March 2009 – 0.00%)</b> Hayes Lemmerz Finance 0% 15/06/2015	5	_
EUR 12,771,000	BB+ (2.40%, March 2009 – 0.00%) IESY Hessen 3.778% 15/04/2013	10,592	2.40			Not Rated (0.21%, March 2009 – 0.2		
	BB (0.00%, March 2009 – 3.60%)			EUR	1,500,000	Signum Luxemburg 5.379% 18/06/2015	930	0.21
	B+ (1.69%, March 2009 – 0.00%)					Total Luxembourg	42,617	9.65
USD 1,000,000 USD 700,000	Unity Media 10.375% 15/02/2015 Unitymedia 10.375% 15/02/2015	643 448	0.14 0.10	NFT	HERI ANDS	5 (11.27%, March 2009 – 15.54%)		
EUR 600,000	Unitymedia 10.125% 15/02/2015	550	0.12			BBB– (1.37%, March 2009 – 1.47%)		
EUR 6,503,000	Unitymedia 8.75% 30/12/2014	5,876	1.33	EUR		Linde Finance 7.375% 14/07/2066	5,685	1.29
	B (0.00%, March 2009 – 2.09%)			GBP	350,000	Linde Finance 8.125% 14/07/2066	338	0.08
						BB (1.30%, March 2009 – 1.25%)		
	CCC+ (1.01%, March 2009 – 0.00%) Tui 2.831% 10/12/2010	2 202	0 50	EUR	250,000	Fresenius Finance 5% 31/01/2013	223	0.05
EUR 2,835,000 EUR 3,445,000	Tui 5.125% 10/12/2010	2,203 2,241	0.50 0.51		2,380,000 4,223,000	Fresenius Finance 5.5% 31/01/2016 OI European Group 6.875%	2,052	0.46
2011 0,110,000	Total Germany	22,553		2011	.,0,000	31/03/2017	3,503	0.79
						BB- (2.08%, March 2009 - 3.29%)		
ITALY (2.37%, N	/larch 2009 – 1.99%)			GBP	1,620,000	Cable & Wireless International		
EUR 13,160,000	BB (2.37%, March 2009 – 1.99%) Lottomatica 8.25% 31/03/2066	10,455	2.37			Finance 8.625% 25/03/2019	1,620	0.37
2011 13,100,000	Total Italy	10,455	2.37		1,050,000 1,050,000	Ifco Systems NV 10% 30/06/2016 Impress Holdings BV 3.63438%	976	0.22
		10,455	2.57	000	1,030,000	15/09/2013	589	0.13
LUXEMBOURG	i (9.65%, March 2009 – 10.06%)			EUR	6,500,000	Impress Holdings BV 4.121%		
	BBB- (0.00%, March 2009 - 0.25%)			GBP	810,000	15/09/2013	5,221 802	1.18 0.18
	BB+ (1.01%, March 2009 – 0.00%)			GDF	810,000	Intergen NV 9.5% 30/06/2017	002	0.16
EUR 250,000	Fiat Finance & Trade 5.625%					B+ (0.07%, March 2009 – 0.01%)		
	15/11/2011	219	0.05	EUR	438,000	Clondalkin Acquisition 3.277% 15/12/2013	306	0.07
EUR 1,855,000	Fiat Finance & Trade 6.625%	1,599	0.26			15/12/2013	300	0.07
EUR 2,860,000	15/02/2013 Fiat Finance & Trade 9%	1,599	0.36			B (0.40%, March 2009 – 0.50%)		
	30/07/2012	2,630	0.60	EUR	2,550,000	New World Resources 7.375% 15/05/2015	1 750	0.40
	BB– (4.82%, March 2009 – 2.71%)					15/05/2015	1,759	0.40
EUR 9,744,000	Lighthouse International 8%					B- (2.32%, March 2009 - 2.67%)		
	30/04/2014	4,168	0.94	EUR	1,420,000	Ardagh Glass Finance 8.875% 01/07/2013	1,240	0.28
EUR 13,160,000	Wind Acquisition Finance 11.75% 15/07/2017	11,805	2.67	EUR	2,670,000	Calbecom Luxembourg 8%	1,240	0.20
EUR 6,010,000	Wind Acquisition Finance 9.75%	,		FUD	0.445.000	01/11/2016	2,075	0.47
	01/12/2015	5,339	1.21	EUR	3,445,000	Impress Holdings BV 9.25% 15/09/2014	3,023	0.68
	B+ (2.28%, March 2009 – 2.52%)			EUR		UPC Holding 7.75% 15/01/2014	1,728	0.39
EUR 5,925,000	Beverage Packaging Holdings 8%				1,500,000	UPC Holding 8.625% 15/01/2014	1,264	0.29
ELID 1 960 000	15/12/2016 Circa Capital Luxambaura 7875%	5,147	1.17	EOK	1,125,000	UPC Holding BV 9.75% 15/04/2018	943	0.21
EUR 1,860,000	Cirsa Capital Luxembourg 7.875% 15/07/2012	1,429	0.32					
EUR 2,970,000	Cirsa Finance Luxembourg 8.75%	, -				CCC+ (0.00%, March 2009 - 0.13%)		
ELID 1 000 000	15/05/2014	2,178				CCC (0.00%, March 2009 – 0.98%)		
EUR 1,990,000	Lecta 3.498% 15/02/2014	1,329	0.30					

#### **Portfolio statement**

(continued)

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	Holding	Investment	Value £000	% of Net Asset Value
EUR	2,875,000	<b>CCC- (0.61%, March 2009 – 0.00%)</b> Carlson Wagonlit 6.649%		
EUR	2,125,000	01/05/2015 Magyar Telecom 10.75%	1,249	0.28
	_,0,000	15/08/2012	1,466	0.33
EUR	5,320,000	Not Rated (3.12%, March 2009 – 5. Art Five BV No 97 3.96733% 26/05/2014	<b>24%)</b> 4,203	0.95
EUR	4,610,000	Art Five BV No 164 9.98884% 16/06/2015	2,717	0.62
GBP	1,344,292	Asset Repacking Trust 0% 30/09/2011	2,717	0.02
EUR	2,500,000	Asset Repacking Trust 7.17567% 26/11/2014	2 294	0.52
USD	2,000,000	Bluewater Holding 3.51375% 30/07/2014	2,284	0.52
EUR	7,460,439	Boats Investment Netherlands	523	
EUR	4,520,454	11% 13/03/2017 Elektrim Finance 0% 15/11/2010	3,842 118	0.87 0.03
EUR			34	0.01
		Total Netherlands	49,783	11.27
NOR GBP	2,235,000	%, March 2009 – 2.15%) A (0.00%, March 2009 – 0.20%) BBB+ (0.38%, March 2009 – 0.00%) Den Norske Bank 6.0116%		
0.5.	_,,	29/12/2049	1,689	0.38
	4 400 000	Not Rated (2.11%, March 2009 – 1.9	95%)	
USD	1,400,000	DDI Holding 6.65375% 15/03/2012	724	0.16
NOK	4,335,568	MPU Offshore Lift ASA 0% 23/07/2008	_	_
USD	1,200,000	Offrig Drilling ASA 9.75%	700	0.10
NOK	1,600,000	27/04/2011 Petrojack AS 11% 19/04/2010	723 41	0.16 0.01
NOK		Petrojack AS 8.24% 30/05/2012	140	0.03
USD	2,400,000	PetroMena ASA 10.85% 19/11/2010	482	0.11
NOK	34,000,000	Sevan Drilling 7.41% 07/12/2012	2,731	0.62
USD	2,900,000	Sevan Marine 4.43% 14/05/2013	1,323	0.30
USD	5,000,000	Sevan Marine 9.25%		
NOK	3,322,074	20/12/2011 Skeie Drilling & Production	2,586 155	0.59 0.03
USD	309,600	Skeie Drilling & Production ASA 11.25% 08/03/2013	90	0.02
USD	1,232,000	Skeie Drilling & Production ASA 11.25% 22/02/2013	337	0.02
		Total Norway	11,021	2.49
REPL	JBLIC OF II	RELAND (1.70%, March 2009 – 1	.49%)	
	-	BB (0.68%, March 2009 – 0.05%)		
EUR	2,776,000	Ardagh Glass Finance 9.25% 01/07/2016	2,569	0.58
USD	935,000	Smurfit Kappa Treasury 7.5% 20/11/2025	442	0.10

20/11/2025

	Holding	Investment	Value £000	% of Net Asset Value
		B+ (0.00%, March 2009 – 0.57%)		
EUR	80,000	<b>B (0.11%, March 2009 – 0.00%)</b> Smurfit Kappa Funding 7.75% 31/01/2015	65	0.02
USD	840,000	Smurfit Kappa Funding 7.75% 31/01/2015	414	0.02
EUR	4,620,000	<b>B– (0.79%, March 2009 – 0.87%)</b> Ardagh Glass Finance 7.125% 15/06/2017	3,509	0.79
GBP	1,450,000	<b>CCC+ (0.12%, March 2009 – 0.00%)</b> Argon Capital 8.162% 30/09/2049	522	0.12
EUR	1,405	Not Rated (0.00%, March 2009 – 0.0 Smurfit Kappa Funding Warrants 30/09/2013	0%) _	_
		Total Republic of Ireland	7,521	1.70
	APORE (0.	04%, March 2009 – 0.07%) Not Rated (0.04%, March 2009 – 0.0 Nexus 1 PTE 10.5% 07/03/2012	<b>7%)</b> 183	0.04
002	2,000,000	Total Singapore	183	0.04
SOU	TH AFRICA	(1.80%, March 2009 – 1.26%)		
EUR	2,725,000	<b>BB– (0.46%, March 2009 – 0.00%)</b> Consol Glass 7.625% 15/04/2014	2,022	0.46
EUR	2,570,000	<b>B+ (0.44%, March 2009 – 0.52%)</b> Savcio Holdings 8% 15/02/2013	1,930	0.44
EUR EUR	3,095,000 2,643,758	B (0.90%, March 2009 – 0.74%) Foodcorp 8.875% 15/06/2012 New Reclamation Group 8.125% 01/02/2013	2,405 1,616	0.54 0.36
		Total South Africa	7,973	1.80
SWE	DEN (1.79%	 %, March 2009 – 1.22%)		
	6,245,000 1,950,000	<b>BB+ (1.29%, March 2009 - 0.50%)</b> Stena 6.125% 01/02/2017 Stena AB 5.875% 01/02/2019	4,416 1,302	1.00 0.29
EUR	2,497,157	Not Rated (0.50%, March 2009 – 0.7 Corral Finans AB 2.496% 15/04/2010	<b>2%)</b> 1,722	0.39
USD	1,008,847		470	0.35
		Total Sweden	7,910	1.79
UNIT	ed Kingd	OM (23.10%, March 2009 – 16.29 A (0.37%, March 2009 – 0.19%)	1%)	
USD	3,400,000	A (0.37%, March 2009 – 0.19%) Barclays Bank 0.80125% 27/06/2016	1,633	0.37
0.05	070.000	A- (0.22%, March 2009 - 0.29%)		

0.10

### **Portfolio statement**

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		BBB+ (0.77%, March 2009 – 0.00%)					CCC- (0.68%, March 2009 - 0.04%)		
EUR	2,260,000	Royal & Sun Alliance 6.875% 15/10/2019	1,934	0.44	EUR	7,013,000	Ineos Group Holdings 7.875% 15/02/2016	2,679	0.61
GBP	1,450,000	Standard Chartered Bank	1,934	0.44	GBP	570,000	Pipe Holding 9.75% 01/11/2013	2,679	0.01
	.,,	8.103% 11/05/2049	1,450	0.33			CC (0.00%, March 2009 – 0.07%)		
		BBB (0.96%, March 2009 – 0.18%)							
EUR	4,160,000	Imperial Tobacco Finance					Not Rated (1.51%, March 2009 - 1.6	5%)	
		8.375% 17/02/2016	4,259	0.96		2,415,000	Avis Finance 3.528% 31/07/2013	1,782	0.40
		BBB– (0.91%, March 2009 – 0.83%)			GBP	4,800,000	First Hydro Finance 9% 31/07/2021	4,884	1.11
EUR	4,700,000	Rexam 4.375% 15/03/2013	4,014	0.91	EUR	850	Jazztel Warrants 15/07/2010	+,00+	-
							Total United Kingdom	102,037	23.10
		BB+ (0.00%, March 2009 – 0.18%)							
		BB (1.87%, March 2009 – 1.39%)			UNIT	ED STATE	S OF AMERICA (12.33%, March 2	2009 – 9	.54%)
GBP	800,000	British Airways 8.75% 23/08/2016	654	0.15	FLIR	5,250,000	BBB (1.01%, March 2009 – 0.00%) Standard Chartered Capital		
GBP	590,000	Daily Mail & General Trust 10%	E10	0.10	LON	5,250,000	Trust 8.16% 29/03/2049	4,446	1.01
GBP	2,240,000	09/04/2021 Daily Mail & General Trust 7.5%	513	0.12				.,	
GDI	2,240,000	29/03/2013	1,949	0.44			BBB- (0.25%, March 2009 - 0.15%)		
USD	700,000	Inmarsal Finance II 10.375%			GBP	1,089,000	Ahold Finance 6.5% 14/03/2017	1,111	0.25
		15/11/2012	442	0.10			BB+ (0.45%, March 2009 – 0.31%)		
EUR	6,360,000	Rexam 6.75% 29/06/2067	4,678	1.06	EUR	2,700,000	Fiat Finance North America 5.625%		
		BB– (2.46%, March 2009 – 2.39%)				_,,	12/06/2017	1,986	0.45
GBP	3,670,000	Cable & Wireless 8.75%							
		06/08/2012	3,780	0.86	FUD	7415 000	BB (3.66%, March 2009 – 4.05%)		
EUR	4,415,000	ITV 4.75% 03/10/2011	3,781	0.86	EUR	7,115,000	Chesapeake Energy 6.25% 15/01/2017	5,513	1.25
EUR	4,255,000	TVN Finance 9.5% 15/12/2013	3,269	0.74	GBP	4,330,000	Constellation Brands 8.5%	5,515	1.25
		B+ (1.57%, March 2009 – 2.25%)					15/11/2009	4,362	0.99
EUR	7,624,000	Eco Bat Finance 10.125%			EUR	1,395,000	Fresenius Medical Capital 7.375%		
		31/01/2013	6,922	1.57	EUR	2,630,000	15/06/2011 Fresenius US Finance II 8.75%	1,276	0.29
					LON	2,030,000	15/07/2015	2,520	0.57
FLIR	1,650,000	B1 (0.19%, March 2009 – 0.09%) Investec Tier UK 7.075%			USD	2,000,000	Fresenius US Finance II 9%	_,	
LON	1,050,000	24/06/2049	850	0.19			15/07/2015	1,314	0.30
					EUR	1,370,000	Owens-Brockway Glass 6.75%	1 1 0 0	0.00
		B (4.55%, March 2009 – 0.00%)					01/12/2014	1,160	0.26
EUR	5,705,000	ISS Financing 11% 15/06/2014 Lloyds Banking Group 13%	5,118	1.16			BB– (0.81%, March 2009 – 1.58%)		
GBP	1,150,000	21/07/2049	1,092	0.25	GBP	1,335,000	AES Corporation 8.375% 01/03/2011	1,338	0.30
GBP	305,000	Lloyds TSB Bank 8% Variable	206	0.05	EUR	2,565,000	Nalco 7.75% 15/11/2011	2,239	0.51
EUR	800,000	National Westminster Bank					P. (1.42% March 2000 0.08%)		
ELID.	0 500 000	6.625% 29/10/2049	594	0.13	EUR	2,200,000	<b>B+ (1.42%, March 2009 – 0.98%)</b> Iron Mountain 6.75% 15/10/2018	1,815	0.41
EUR	6,560,000	Virgin Media Finance 8.75% 15/04/2014	5,813	1.32	GBP	4,560,000	Iron Mountain 7.25% 15/04/2014	4,446	1.01
GBP	5,944,000	Virgin Media Finance 9.75%	5,015	1.52					
	-,- ,	15/04/2014	6,093	1.38	FUR	0.070.000	B (1.03%, March 2009 – 1.79%)		
EUR	1,300,000	Virgin Media Finance 9.5%			EUR	2,272,000	Central European Distribution 8% 25/07/2012	1,984	0.45
		15/08/2016	1,158	0.26	EUR	340,000	Nalco 9% 15/11/2013	303	0.43
		B– (7.04%, March 2009 – 6.74%)			EUR		Nalco 9% 15/11/2013		
EUR	8,590,000	FCE Bank 2.12% 30/09/2009	7,434	1.68			XS0195292403	2,262	0.51
EUR	8,450,000	FCE Bank 7.125% 15/01/2013	6,492	1.47			P (0.46% March 2000 0.00%)		
EUR		FCE Bank 7.125% 16/01/2012	1,827	0.41	FLIR	2,465,000	<b>B– (0.46%, March 2009 – 0.00%)</b> Johnson Diversey 9.625%		
GBP	4,200,000	FCE Bank 7.875% 15/02/2011	3,948	0.89	LON	2,403,000	15/05/2012	2,023	0.46
USD	4,356,000	Global Crossing UK Finance 10.75% 15/12/2014	2,399	0.54				, -	
GBP	8,151,000	Global Crossing UK Finance	2,000	0.04			CCC+ (0.00%, March 2009 – 0.11%)		
		11.75% 15/12/2014	7,662	1.73					
GBP	1,720,000	Pipe Holding 7.75% 01/11/2011	1,428	0.32					

#### **Portfolio statement**

(continued)

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Holdiı	g Investment	Value £000	% of Net Asset Value
	CCC (2.51%, March 2009 – 0.	57%)	
EUR 3,400,0	0 GMAC 5.375% 06/06/2011	2,642	0.60
EUR 7,500,0		6,499	1.47
USD 2,580,00		1,401	0.32
USD 977,00	0 GMAC 6.625% 17/12/2010	537	0.12
EUR 500,00	<b>CC (0.73%, March 2009 – 0.00</b> 0 CIT Group 1.174% 30/11/2011	<b>)%)</b> 244	0.05
EUR 150,00	0 CIT Group 4.25% 22/09/2011	73	0.01
EUR 1,200,0	0 CIT Group 4.65% 19/09/2016	540	0.12
EUR 585,00	•	271	0.06
GBP 1,180,0	•	614	0.14
GBP 3,050,00	0 CIT Group 5.5% 20/12/2016	1,556	0.35
USD 5	Not Rated (0.00%, March 200 0 Preferred Blocker – Preferenc shares		_
	Total United States of Americ	ca 54,486	12.33
DERIVATIVE	6 (0.74%, March 2009 – (0.28% Credit Default Swaps – 0.50% (March 2009 – 0.00%)		
EUR 500,00	0 British Airways 3.80% 20/06/2	2013 34	0.01
EUR 2,500,0		009 41	0.01
EUR 20,000,00			
EUR 333,00	20/06/2014 0 Thomson 9.75% 20/06/2014	2,222 (72)	0.50 (0.02)
2011 333,0	0 momson 3.7370 20/00/2014	(72)	(0.02)
	Forward Foreign Exchange C	ontracts – 0.24	%
	(March 2009 – (0.28%))		
	Sell NOK 22,915,000 Buy EUR 2,577,276	(78)	(0.02)
	Sell NOK 3,300,000	(78)	(0.02)
	Buy EUR 379,175	(4)	_
	Sell NOK 735,000	( )	
	Buy EUR 84,657	(1)	-
	Sell NOK 1,780,000		
	Buy EUR 195,884	(10)	-
	Sell NOK 1,800,000		
	Buy EUR 205,642	(4)	-
	Sell GBP 44,715,000	075	0.45
	Buy EUR 52,000,656 Sell GBP 2,750,000	675	0.15
	Buy EUR 3,182,137	28	0.01
	Sell GBP 2,700,000 Buy EUR 3,160,963	59	0.02
	Sell GBP 3,640,000		
	Buy EUR 4,226,184 Sell GBP 6,960,000	49	0.01
	Buy EUR 7,981,999	7	-
	Sell USD 1,000,000 Buy EUR 705,884	8	_
	Sell USD 33,905,000	200	0.07
	Buy EUR 23,997,033 Sell USD 645,000	320	0.07
	Buy EUR 456,655	7	
	Total Derivatives	3,281	0.74
Total Value of		403,149	91.25
Net Other Ass	ets (March 2009 – 15.04%)	38,665	8.75
Net Assets		441,814	100.00

Holding Investment	Value £000	% of Net Asset Value
ANALYSIS OF INVESTMENTS BY ASSET (	CLASS	
Fixed Interest	327,061	81.13
Floating Rate Notes	72,641	18.02
Equity	166	0.04
Derivatives	3,281	0.81
Total Value of Investments	403,149	100.00

#### ANALYSIS OF INVESTMENTS BY CREDIT RATINGS

ANALYSIS OF INVESTIMENTS BY CREDIT	RATINGS
AA-e	1,078
A	1,633
A-	969
BBB+	6,846
BBB	15,949
BBB-	11,148
BB+	43,800
BB	58,114
BB-	59,800
B+	39,893
B1	850
В	44,078
B-	49,812
CCC+	6,105
CCC	14,322
CC-	5,725
CC	3,298
D	5
Not Rated	36,443
Total Bonds	399,868
Derivatives	3,281
Total Value of Investments	403,149

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £22,771,042 (5.15% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

### **American Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	TRIES (1.44%, March 2009 – 4.3	<b>(7%</b> )			Real Estate – 2.31%		
DAGIC INDOG	Chemicals – 0.63%	/0]			(March 2009 – 0.00%)		
	(March 2009 – 3.91%)			410,000	Jones Lang LaSalle	11,249	1.36
100,000	CF Industries Holdings	5,222	0.63	382,227	SL Green Realty	7,805	0.95
	Forestry & Paper – 0.00% (March 2009 – 0.29%)			150.000	Speciality & Other Finance – 3.7 (March 2009 – 0.67%)		1.80
	Steel & Other Metals – 0.81%			150,000 65,000		14,873 8,144	0.99
	(March 2009 – 0.17%)			485,000	. ,	8,154	0.99
430,000		6,683	0.81	100,000	Total Financials	155,861	18.89
	Total Basic Industries	11,905	1.44			,	10.00
CYCLICAL SEF		12.00%)			JSTRIALS (10.34%, March 200 Aerospace & Defence – 1.00% (March 2009 – 0.89%)		
	(March 2009 – 4.86%)			180,000	Lockheed Martin	8,245	1.00
1,050,000		13,813	1.68				
560,000	-	11,531	1.40		Diversified Industrials – 1.04% (March 2009 – 2.39%)		
	Leisure Entertainment & Hotels (March 2009 – 0.00%)	- 1.55%		307,164	Philip Morris International	8,607	1.04
700,000 222,300		8,941	1.08		Electronic & Electrical Equipmer (March 2009 – 2.91%)		
	Resorts Worldwide	3,863	0.47	300,000		6,223	0.75
				290,000	Mettler-Toledo International	15,321	1.86
	Media & Photography – 3.57% (March 2009 – 3.90%)			200,000	Waters	6,173	0.75
1,200,000		11,917	1.45		Engineering & Machinery – 4.94	%	
950,000		14,469	1.75		(March 2009 – 2.82%)		
123,500	•	3,059	0.37	340,000		13,593	1.65
				740,000	Ingersoll-Rand	14,067	1.71
	Support Services – 4.62%			479,242	Thermo Electron	13,035	1.58
500.000	(March 2009 – 2.08%)	40 5 45	1.00		Total General Industrials	85,264	10.34
500,000		10,545	1.28 0.85				
300,381 300,000		7,043 4,733	0.85	INFORMATION	TECHNOLOGY		
430,000		3,980	0.48	(23.10%, March	2009 – 23.40%)		
1,075,000		11,886	1.44		Information Technology Hardwar (March 2009 – 8.87%)	re – 10.51%	
	Transport – 3.71%			800,000		16,249	1.97
	(March 2009 – 1.16%)			255,000		26,417	3.20
350,000	CSX	9,646	1.17	1,250,122	Cisco Systems Dell	16,606	2.01 2.29
310,000	Norfolk Southern	9,047	1.10	1,980,000 605,000		18,904 8,589	1.04
315,642	Union Pacific	11,912	1.44	000,000	Netroph	0,000	1.04
	Total Cyclical Services	136,385	16.53		Software & Computer Services - (March 2009 – 14.53%)	- 12.59%	
FINANCIALS (	18.89%, March 2009 – 8.09%)			1,080,000	CA	14,103	1.71
	Banks – 7.65%			45,533	Google	12,759	1.55
	(March 2009 – 1.66%)			390,348	IBM	27,895	3.38
2,190,000		22,748	2.76	1,759,721	Microsoft	26,373	3.20
3,250,000	<b>o</b>	9,572	1.16	1,697,815	Oracle	22,697	2.75
500,000		3,192	0.39		Total Information Technology	190,592	23.10
1,070,000	J.P. Worgan Chase	27,554	3.34		. CONSUMER GOODS		
	Insurance – 5.15%				2009 – 23.52%)		
	(March 2009 – 5.76%)		<u>.</u>		Beverages – 2.10%		
430,000		10,955	1.33		(March 2009 – 4.32%)		
200,741 650,000	•	10,353	1.25	570,000		17,325	2.10
000,000	Group	8,773	1.06				
410,000		12,489	1.00				
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### **American Fund**

#### **Portfolio statement**

(continued)

			% of
Holding	Investment	Value I £000	Net Asset Value
	Health – 6.45%		
	(March 2009 – 6.54%)		
630,000	Covidien	15,165	1.84
331,719	Henry Schein	10,954	1.33
340,000	Humana	7,812	0.95
400,000	Laboratory Corporation of		
	America Holdings	16,914	2.05
140,946	Sirona Dental Systems	2,313	0.28
	Personal Care & Household Pro (March 2009 – 1.78%)	ducts – 1.26%	0
240,000	Colgate-Palmolive	10,370	1.26
240,000	colgate-r annonve	10,370	1.20
	Pharmaceuticals & Biotechnolo (March 2009 – 8.63%)	gy – 5.93%	
440,000	Biovail	3,400	0.41
540,393	Johnson & Johnson	19,825	2.40
660,000	Merck & Co	12,317	1.49
1,350,000	Pfizer	13,464	1.63
	Tobacco – 2.05% (March 2009 – 2.25%)		
1,507,164	Altria Group	16,948	2.05
	Total Non-Cyclical Consumer Goods	146,807	17.79
NON-CYCLICAL	SERVICES (3.03%, March 20 Food & Drug Retailers – 1.29% (March 2009 – 2.52%)	)09 – 4.20%)	
800,000	Kroger	10,690	1.29
	Telecommunication Services – ( (March 2009 – 1.68%)	1.74%	
905,000	CommScope	14,329	1.74
	Total Non-Cyclical Services	25,019	3.03
RESOURCES (8	8.73%, March 2009 – 12.29%)		
	Mining – 0.00% (March 2009 – 1.37%)		
	Oil & Gas – 8.73% (March 2009 – 10.92%)		
350 000	Concho Resources	7,017	0.85
450,000	Ensco International	10,211	1.24
188,680	Exxon Mobil	7,940	0.96
130,000	InterOil	2,429	0.29
350,000	Nexen	4,334	0.53
380,000	Noble	8,202	0.99
237,753	Occidental Petroleum	10,507	1.27
355,000			
	Suncor Energy Ultra Petroleum	6,746 6 264	0.82
220,582 675,000	Weatherford International .	6,264 8,400	0.76 1.02
675,000			
	Total Resources	72,050	8.73
UTILITIES (0.00	%, March 2009 – 0.48%) Electricity – 0.00% (March 2009 – 0.48%)		
	Total Utilities		

Holding	Investment	Value M £000	% of Net Asset Value
DERIVATIVES (	0.00%, March 2009 – 0.00%)		
	Forward Foreign Exchange Con	tracts - 0.00%	
	(March 2009 – 0.00%)		
	Sell USD 290,956		
	Buy EUR 203,138	-	-
	Total Derivatives	-	-
Total Value of Inve	estments	823,883	99.85
Net Other Assets	(March 2009 – 2.64%)	1,217	0.15
Net Assets		825,100	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

## **American Select Fund**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (2.58%, March 2009 – 5.40	)%)			Real Estate – 2.05%		
	Chemicals – 0.96%				(March 2009 – 0.00%)		
	(March 2009 – 5.40%)			439,290	Jones Lang LaSalle	12,053	1.09
202,873	CF Industries Holdings	10,594	0.96	519,383	SL Green Realty	10,606	0.96
	Construction & Building Materials	6 – 1.62%			Speciality & Other Finance – 5.1 (March 2009 – 3.60%)	18%	
1,015,360	( <b>March 2009 – 0.00%)</b> Foster Wheeler	17,930	1.62	202.921	Goldman Sachs Group	20,120	1.82
1,013,300				72,268		9,055	0.82
	Total Basic Industries	28,524	2.58	1,160,778		17,220	1.56
				643,410	Morgan Stanley	10,817	0.98
CYCLICAL CON (0.00%, March 2	SUMER GOODS 2009 – 0.80%)				Total Financials	233,537	21.13
	Household Goods & Textiles – 0.0 (March 2009 – 0.80%)	0%		GENERAL INDU	JSTRIALS (7.31%, March 2009	9 – 8.17%)	
	Total Cyclical Consumer Goods	_			Aerospace & Defence – 0.88%		
					(March 2009 – 1.31%)		
	VICES (19.38%, March 2009 – 1	5 00%)		212,943	Lockheed Martin	9,754	0.88
GIGLICAL SER	General Retailers – 4.30%	5.55701			Diversified Industrials – 0.00%		
391,405	(March 2009 – 3.03%) Costco Wholesale .	13,209	1.19		(March 2009 – 1.90%)		
836,041	GameStop	12,240	1.19				
1,071,638	Walgreen	22,067	2.00		Electronic & Electrical Equipme	nt – 1.47%	
1,07 1,000	Malgroom	22,007	2.00	269 201	(March 2009 – 3.35%)	7000	0.72
	Leisure Entertainment & Hotels -	3.33%		368,201 400,000	Amphenol Cooper Industries	7,922 8,297	0.72
	(March 2009 – 0.00%)			400,000	cooper muustries	0,237	0.75
1,004,311	International Game Technology	12,827	1.16		Engineering & Machinery – 4.96	1%	
1,525,414	Starbucks	17,655	1.60		(March 2009 – 1.61%)	//0	
361,142	Starwood Hotels & Resorts			1,764,794	Ingersoll-Rand	33,548	3.03
	Worldwide	6,276	0.57	783,889	Thermo Electron	21,322	1.93
					Total General Industrials	80,843	7.31
	Media & Photography – 3.21%				-	,	
1,538,581	( <b>March 2009 – 6.14%)</b> Directv Group	23,434	2.12	INFORMATION	TECHNOLOGY		
486,277	VistaPrint	12,046	1.09		2009 – 22.63%)		
,	Support Services – 3.85%	,			Information Technology Hardwa (March 2009 – 10.25%)	re – 11.85%	
	(March 2009 – 5.40%)			877,809		17,830	1.61
1,427,579	Accenture	30,108	2.72	527,756	Apple	54,674	4.95
791,389	Republic Services	12,487	1.13	3,142,205	Dell	30,000	2.71
				964,266	NetApp	13,689	1.24
	Transport – 4.69%			2,934,878	ON Semiconductor	14,841	1.34
	(March 2009 – 1.42%)						
1,071,656		29,533	2.67		Software & Computer Services	- 8.78%	
593,264	Union Pacific	22,389	2.02	702 562	(March 2009 – 12.38%)	15 205	1 20
	Total Cyclical Services	214,271	19.38	702,563 3,776,944	BMC Software CA	15,305 49,320	1.39 4.46
				66,334	Google	49,320 18,588	1.68
FINANCIALS (2	1.13%, March 2009 – 13.64%)			460,788	IHS	13,829	1.25
	Banks – 7.89%			,	-		
	(March 2009 – 1.12%)				Total Information Technology	228,076	20.63
2,472,735	Bank of America	25,684	2.32				
5,488,765	Citigroup	16,165	1.46				
1,700,775	Fifth Third Bancorp	10,856	0.98	(13.34%, Warch	2009 – 16.92%)		
1,341,757	J.P. Morgan Chase	34,552	3.13		Beverages – 0.00% (March 2009 – 1.73%)		
	Insurance – 6.01%				Haalth 2 719/		
000.004	(March 2009 – 8.92%)	17010	1 5 6		Health – 3.71% (March 2009 – 2.79%)		
333,861 885,050	Everest Re Group Hartford Financial Services Group	17,219 11,945	1.56 1.08	409,261	(March 2009 – 2.79%) Covance	13,508	1.22
1,222,698	Travelers	37,245	3.37	305,025	Covidien	7,343	0.66
1,222,030	114401013	57,240	5.57	551,105	Humana	12,663	1.15
				177,635		,000	
				,	America Holdings	7,511	0.68
					<u> </u>		

### **American Select Fund**

### **Portfolio statement**

(continued)

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Holding	Investment	Value I £000	% of Net Asset Value
	Pharmaceuticals & Biotechnolo	ogy – 8.31%	
	(March 2009 – 9.04%)		
271,844	Gilead Sciences	7,629	0.69
569,744		12,456	1.13
946,807		34,735	3.14
3,711,752	Pfizer	37,018	3.35
	Tobacco – 1.32% (March 2009 – 3.36%)		
1,300,344	Altria Group	14,622	1.32
	Total Non-Cyclical Consumer Goods	147,485	13.34
2,501,548	SERVICES (4.85%, March 20 Food & Drug Retailers – 3.02% (March 2009 – 3.38%) Kroger	<b>)09 – 3.38%)</b> 33,427	3.02
2,001,040	110901	00,427	0.02
	Telecommunication Services – (March 2009 – 0.00%)	1.83%	
1,276,336	CommScope	20,208	1.83
	<b>Total Non-Cyclical Services</b>	53,635	4.85
<b>RESOURCES (9</b> 498,890	9.96%, March 2009 – 10.95%) Mining – 0.67% (March 2009 – 0.00%) Teck Resources	7,383	0.67
	Oil & Gas – 9.29%		
	(March 2009 – 10.95%)		
911,317	Noble	19,669	1.78
651,969		24,184	2.19
819,461	Suncor Energy	15,572	1.41
431,933 2,488,039	Ultra Petroleum Weatherford International .	12,266 30,960	1.11 2.80
2,400,039	Total Resources	110,034	9.96
	lotal Resources	110,034	9.90
DERIVATIVES (	0.00%, March 2009 – 0.00%) Forward Foreign Exchange Con (March 2009 – 0.00%) Sell USD 1,549,162	tracts – 0.00%	0
	Buy EUR 1,081,853	2	_
	Total Derivatives	2	_
Total Value of Inv	estments	1,096,407	99.18
Net Other Assets	(March 2009 – 2.12%)	9,012	0.82
Net Assets	· · ·	1,105,419	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

# **American Smaller Companies Fund (US)**

### **Portfolio statement**

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (7.50%, March 2009 – 6.09	%)		88,661	AmeriCredit	881	0.96
	Chemicals – 2.03%			89,037	Lazard	2,064	2.25
	(March 2009 – 3.36%)			94,117	Moodys	1,396	1.52
152,323	H.B. Fuller	1,869	2.03		Total Financials	14,300	15.56
	Construction & Building Materials (March 2009 – 1.83%)	- 3.33%		GENERAL INDU	JSTRIALS (13.07%, March 2009	- 11.90%	6)
99,537	Foster Wheeler	1,758	1.91		Aerospace & Defence – 0.82%		
49,520	URS	1,308	1.42	53,104	( <b>March 2009 – 1.14%)</b> FLIR Systems	750	0.82
	E			,			
	Forestry & Paper – 0.00% (March 2009 – 0.90%)				Diversified Industrials – 1.43% (March 2009 – 0.00%)		
	Steel & Other Metals – 2.14%			78,341	IDEX	1,319	1.43
	(March 2009 – 0.00%)						
69,514		1,080	1.18		Electronic & Electrical Equipment	- 9.05%	
34,087	United States Steel	877	0.96		(March 2009 – 9.07%)		
,				80,548	Amphenol	1,733	1.89
	Total Basic Industries	6,892	7.50	36,039	Mettler-Toledo International	1,904	2.07
				176,090	SanDisk	1,869	2.03
CYCLICAL SERV	VICES (15.32%, March 2009 – 10	).39%)		49,634	0	770	0.84
	General Retailers – 7.43%			66,236	Waters	2,044	2.22
	(March 2009 – 1.07%)				<b>F</b> · · · <b>O M</b> · · · · · · · · · · · · · · · · · · ·		
123,644		1,132	1.23		Engineering & Machinery – 1.77%		
97,428	GameStop	1,426	1.55	53304	(March 2009 – 1.69%)	4 000	4 77
193,673	IAC InterActive	2,214	2.41	57,761	Navistar International	1,629	1.77
220,205	Limited Brands	2,058	2.24		Total General Industrials	12,018	13.07
	Leisure Entertainment & Hotels -	3.27%		INFORMATION	TECHNOLOGY		
	(March 2009 – 0.11%)				2009 – 19.76%)		
154,527 168,284	International Game Technology Orient Express Hotels	1,974 1,026	2.15 1.12	(1010 170) 110101	Information Technology Hardware (March 2009 – 2.03%)	- 6.47%	
	Madia 8 Dhata waa haa 2 00%			458,871	Micron Technology	2,050	2.23
	Media & Photography – 2.06% (March 2009 – 2.72%)			130,830	NetApp	1,857	2.02
76,592		1,897	2.06	403,419	ON Semiconductor	2,040	2.22
	Support Services – 2.56%				Software & Computer Services – 1	2.87%	
	(March 2009 – 5.61%)				(March 2009 – 17.73%)		
64,435	Interactive Data	915	0.99	129,533		888	0.97
11,501	Strayer Education	1,440	1.57	44,560	Blue Nile	1,458	1.59
,		.,		58,732	BMC Software	1,279	1.39
	Transport – 0.00%			155,363	Chordiant Software	373	0.40
	(March 2009 – 0.88%)			68,667	IHS	2,061	2.24
	· · · · · · · · · · · · · · · · · · ·	14 002	15.22	100,843	MedAssets	1,321	1.44
	Total Cyclical Services	14,082	15.32	51,373	Micros Systems	897	0.97
				38,520	MicroStrategy	1,522	1.66
FINANCIALS (1	5.56%, March 2009 – 12.82%) Banks – 3.66%			18,268 100,000	Open Text Solera Holdings	386 1,643	0.42 1.79
	(March 2009 – 3.11%)			100,000		.,0-10	
361,472	Fifth Third Bancorp	2,307	2.51		Total Information	4777-	10.04
98,882	FirstMerit	1,061	1.15		Technology	17,775	19.34
	Insurance – 3.98%				. CONSUMER GOODS 2009 – 29.82%)		
00.005	(March 2009 – 5.86%)	0.45	1.00		Beverages – 0.00%		
23,895 52,577	Arch Capital Group Everest Re Group	945 2,712	1.03 2.95		(March 2009 – 1.57%)		
	Deal Estata 2 190/				Food Producers & Processors – 2.0	)7%	
	Real Estate – 2.18% (March 2009 – 0.00%)				(March 2009 – 6.92%)		
98,088	SL Green Realty	2,003	2.18	60,445	J.M. Smucker	1,900	2.07
30,000	CE Groon nearry	2,003	2.10				
	Speciality & Other Finance – 5.74% (March 2009 – 3.85%)	%					
23,456	Affiliated Managers Group	931	1.01				
20,400	Annated Managers Group	551	1.01				

# **American Smaller Companies Fund (US)**

#### **Portfolio statement**

(continued)

Net Assets

			% of				
Holding	Investment	Value £000	Net Asset Value				
-	Health – 8.36%						
	(March 2009 – 7.94%)						
43,326	Covance	1,430	1.56				
298,016		2,731	2.97				
67,715	Stericycle	2,044	2.22				
506,460	Tenet Healthcare	1,482	1.61				
	Personal Care & Household Pro	oducts – 2.50	%				
142,846	(March 2009 – 7.89%) Alberto-Culver	2,294	2.50				
142,040	Alberto-Culver	2,234	2.50				
	Pharmaceuticals & Biotechnolo (March 2009 – 5.50%)	ogy – 3.26%					
88,775	Illumina	1,941	2.11				
26,259	Millipore	1,058	1.15				
	Total Non-Cyclical						
	Consumer Goods	14,880	16.19				
NON-CYCLICAL (2.27%, March 2	2009 – 0.00%)	0.070/					
	Telecommunication Services – (March 2009 – 0.00%)	2.21%					
131,565		2,083	2.27				
. ,	Total Non-Cyclical Services	2,083	2.27				
<b>RESOURCES (7</b>	.95%, March 2009 – 3.42%)						
	Oil & Gas – 7.95%						
07055	(March 2009 – 3.42%)	004	0.00				
87,855		881	0.96				
70,895 186,446		1,619 2,038	1.76 2.22				
48,261		2,038	0.92				
64,266	Whiting Petroleum	1,918	2.09				
	Total Resources	7,304	7.95				
UTILITIES (1.81	UTILITIES (1.81%, March 2009 – 2.34%)						
	Electricity – 0.00% (March 2009 – 2.34%)						
	Water – 1.81% (March 2009 – 0.00%)						
160,149	Nalco Holding	1,668	1.81				
	Total Utilities	1,668	1.81				
Total Value of Invo	91,002	99.01					
Net Other Assets (March 2009 – 3.46%)		908	0.99				

The calculation of the % Net Asset Value may not add up due to rounding.

91,910

100.00

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### **Dollar Bond Fund**

### **Portfolio statement**

as at 7th September 2009

		Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		Holding	investment	FOOD	value		Holding	investment	1000	value
F	IXE	D INTERES	T (92.46%, March 2009 – 88.35%) AAA (48.23%, March 2009 – 23.74%)			USD	700,000	Philip Morris International 5.65% 16/05/2018	454	0.99
ι	JSD	2,000,000	European Bank for Reconstruction an	d		USD	740,000	RAS Laffan LNG 5.298% 30/09/2020	446	0.97
			Development 3.625% 17/06/2013	1,275	2.78					
ι	JSD	2,750,000	European Investment Bank 4.625% 15/05/2014	1,813	3.96	USD	640,000	A- (7.30%, March 2009 - 10.76%) EDP Finance BV 5.375% 02/11/2012	417	0.91
ι	JSD	2,000,000	National Australia Bank 3.375%	1,010	0.00	USD	720,000	France Telecom 4.375% 08/07/2014	459	1.00
			08/07/2014	1,221	2.67	USD	605,000	France Telecom 7.75% 01/03/2011	400	0.87
ι	JSD	750,000	Nationwide Building Society 5.5%	470	1.00	USD	999,000	HSBC Capital Funding 4.61% 27/12/2049	456	1.00
	JSD	700,000	18/07/2012 Pfizer 6.2% 15/03/2019	470 476	1.03 1.04	USD	525,000	Petronas Capital 7% 22/05/2012	450 352	0.77
	JSD	715,000	USTreasury 1.375% 15/05/2012	436	0.95	USD	675,000	Telefonica 5.877% 15/07/2019	446	0.97
	JSD	9,049,900	US Treasury 3.125% 15/05/2019	5,359	11.70	USD	620,000	Telefonica Emisiones 5.984%		0107
	JSD	3,410,000	US Treasury 4.25% 15/05/2039	2,069	4.52			20/06/2011	403	0.88
	JSD	2,667,600	US Treasury N/B 0.875% 28/02/2011	1,628	3.56	USD	660,000	Tesco 5.5% 15/11/2017	414	0.90
ι	JSD	6,050,000	USTreasury N/B 2.375% 31/08/2014	3,685	8.05					
ι	JSD	2,940,000	US Treasury N/B 3.5% 15/05/2018	1,808	3.95			BBB+ (4.65%, March 2009 – 17.01%)		
ι	JSD	2,702,700	USTreasury N/B 5% 16/01/2017	1,840	4.02	USD	990,000	AXA 6.463% 29/12/2049	437	0.95
						USD	655,000	Comcast 6.5% 15/01/2017	439	0.96
	ופח	2,150,000	Aaa (2.98%, March 2009 – 0.00%) Inter-American Development Bank			USD	700,000	Deutsche Telekom International Finance BV 6.75% 20/08/2018	478	1.04
C	50	2,150,000	4.25% 10/09/2018	1,365	2.98	USD	715,000	MUFG Capital Finance 1 6.346%	470	1.04
				.,	2.00		-,	25/07/2049	399	0.87
			AA (3.47%, March 2009 – 3.79%)			USD	590,000	Rio Tinto Finance 5.875% 15/07/2013	378	0.83
ι	JSD	635,000	BP Capital Markets 2.75% 27/02/2012	395	0.86					
ι	JSD	615,000	Emirate of Abu Dhabi 6.75%					BBB (5.09%, March 2009 – 7.98%)		
			08/04/2019	410	0.90		1,825,000	ArcelorMittal 5.375% 01/06/2013	1,118	2.44
	JSD	500,000	TDIC Finance 6.5% 02/07/2014	324	0.71	USD	637,000	British Telecom 9.625% 15/12/2030	483	1.06
	JSD	375,000	Wal Mart Stores 3.2% 15/05/2014	233	0.51	USD	500,000	Standard Chartered 6.409%	222	0.51
U	JSD	375,000	Wal Mart Stores 4.125% 01/02/2019	226	0.49	USD	725,000	30/07/2049 Telecom Italia Capital 6.999%	233	0.51
			Aa2 (0.65%, March 2009 – 0.00%)			050	725,000	04/06/2018	489	1.08
ι	JSD	478,000	TAQA Abu Dhabi National 5.875%							
		.,	27/10/2016	297	0.65			Baa2 (0.00%, March 2009 – 1.62%)		
								DDD (0.000/ Marsh 0000 0.500/)		
			AA- (6.36%, March 2009 - 4.94%)	000	0.00			BBB– (0.00%, March 2009 – 2.53%)		
	JSD	600,000	Proctor & Gamble 3.15% 01/09/2015	368	0.80			Baa3 (0.90%, March 2009 – 0.57%)		
	JSD JSD	640,000 610,000	Rabobank Nederland 11% 29/12/2049 Roche Holdings 5% 01/03/2014	458 401	1.00 0.88	USD	930,000	Old Mutual Capital Funding 8%		
	JSD	1,600,000	Santandar Issuances 5.911%	401	0.00	COD	330,000	29/05/2049	411	0.90
C	00	1,000,000	20/06/2016	959	2.09			20,00,20 10		0.00
ι	JSD	500,000	State of Qatar 6.55% 09/04/2019	332	0.73			BB+ (1.08%, March 2009 – 0.00%)		
	JSD	625,000	Wells Fargo 4.375% 31/01/2013	395	0.86	USD	860,000	TNK-BP Finance 7.5% 18/07/2016	492	1.08
			A+ (4.12%, March 2009 – 2.45%)					BB (0.00%, March 2009 – 3.28%)		
		1,000,000	CBA Capital Trust 5.805% 31/12/2049	509	1.11					
ι	JSD	750,000	Credit Suisse New York 5.3%	40.4	4.04		1 000 000	B– (0.55%, March 2009 – 0.00%)	051	0.55
		C4E 000	13/08/2019	464	1.01	050	1,000,000	HBOS 6.071% 30/06/2049	251	0.55
	JSD JSD	645,000 750,000	Electricite De France 6.5% 26/01/2019 Unilever NV 3.125% 11/02/2013	444 470	0.97 1.03			CCC+ (0.34%, March 2009 – 0.00%)		
C	130	750,000	Officever NV 3.125% 11/02/2013	470	1.03	USD	600,000	Royal Bank of Scotland Group		
			A+e (1.00%, March 2009 – 0.00%)			002	000,000	7.64% 31/03/2049	155	0.34
ι	JSD	750,000	Royal Bank of Scotland 4.875%						42,336	92.46
			25/08/2014	458	1.00				42,330	J2.40
						FLO4	TING RATE	E NOTES (2.48%, March 2009 – 7.	41%)	
		070 000	A (5.75%, March 2009 – 9.68%)	400	0.04	. 207		BBB+ (0.82%, March 2009 – 2.20%)		
	JSD	670,000 750,000	AT&T 4.95% 15/01/2013 Bank of America 7.275% 15/05/2014	432	0.94	USD	617,010	Gazprom International 7.201%		
	JSD JSD	750,000 625,000	Bank of America 7.375% 15/05/2014 Coca-Cola Enterprises 4.25%	500	1.09			01/02/2020	376	0.82
C	,50	023,000	01/03/2015	399	0.87					
ι	JSD	650,000	E.On International Finance BV 3.125%		0.07			BBB (0.72%, March 2009 – 2.63%)		
			22/06/2022	407	0.89	USD	584,187	Petroleum Export/Cayman 5.265%	000	0.70
								15/06/2011	330	0.72

### **Dollar Bond Fund**

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Holding	Investment	Value £000	% of Net Asset Value
Portfolio st (continued)	tatement		
USD 742,684	Baa3 (0.94%, March 2009 – 1.71 Tengizchevroil Finance 6.124% 15/11/2014	430	0.94
	Not Rated (0.00%, March 2009	- 0.87%)	
	Total Floating Rate Notes	1,136	2.48
COLLECTIVE IN (1.39%, March 2 EUR 1,000,000	IVESTMENT SCHEMES 2009 – 0.00%) Not Rated – 1.39% (March 2009 Threadneedle Focus Credit	- 0.00%)	
2011 1,000,000	Opportunities Fund	638	1.39
	Total Collective Investment Schemes	638	1.39
Total Value of Inv	estments	44,110	96.33
Net Other Assets	(March 2009 – 4.24%)	1,681	3.67
Net Assets		45,791	100.00
ANALYSIS OF I	NVESTMENTS BY CREDIT RA	TINGS	
		Value	
		£000	
AAA		22,080	
Aaa		1,365	
AA		1,588	
Aa2		297	
AA-		2,913	
A+		1,887	
A+e		458	
A		2,638	
A-		3,347	
BBB+		2,507	
BBB Baa3		2,653 841	
Baa3 BB+		841 492	
вв+ В-		492 251	
Б- ССС+		155	
Not Rated		638	
Total Value of Inv	estments	44,110	
	++, 110		

The calculation of the % Net Asset Value may not add up due to rounding.

At 7th September 2009, there were investments totalling £1,395,296 (3.05% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

% of

### **Japan Fund**

#### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (12.99%, March 2009 – 1	10.44%)	
	Chemicals – 7.11%		
000.000	(March 2009 – 4.73%)	1 0 4 7	1.00
282,000 35,000		1,947 329	1.28 0.22
130,100	JSR	1,406	0.22
88,000		439	0.29
99,000		866	0.57
83,100		3,094	2.03
1,303,000		1,748	1.15
128,000 40,800	Sumitomo Chemical Taiyo Ink Manufacturing	351 634	0.23 0.42
40,800		034	0.42
	Construction & Building Materia (March 2009 – 2.05%)	als – 2.33%	
116,000	Daiwa House Industry	767	0.50
330,000		710	0.46
198,000 108,200		1,118 518	0.73 0.34
56,200	Taikisha	454	0.34
00,200			0.00
	Forestry & Paper – 0.93% (March 2009 – 0.00%)		
35,200	Nippon Paper Group	631	0.41
279,000	Oji Paper	792	0.52
	Steel & Other Metals – 2.62% (March 2009 – 3.66%)		
78,300		1,665	1.09
694,000	Sumitomo Metal Industries	1,035	0.68
94,000	8	919	0.60
21,700	Yamato Kogyo	388	0.25
	Total Basic Industries	19,811	12.99
	SUMER GOODS 2009 – 14.01%)		
(14.02 /0, March	Automobiles & Parts – 11.56%		
	(March 2009 – 13.02%)		
56,400	Aisin Seiki	871	0.57
96,500	0	1,065	0.70
50,800	Denso Fuji Heavy Industries	901	0.59
595,000 136,600	JTEKT	1,514 1,038	0.99 0.68
	NHK Spring	776	0.51
31,400	Shimano	777	0.51
300,800	Toyota Motor	7,616	4.99
161,100	Honda Motor	3,083	2.02
	Household Goods & Textiles – 2 (March 2009 – 0.99%)	46%	
357,000	Gunze	972	0.64
141,000	Mizuno	382	0.25
201,600 31,200	Panasonic Sony	1,893 506	1.24 0.33
51,200	Total Cyclical Consumer Goods		14.02
	istal oyonda oonsumer doods	21,004	17.02
CYCLICAL SER	/ICES (7.75%, March 2009 – 6 General Retailers – 1.27%	.14%)	
108,000	<b>(March 2009 – 0.50%)</b> J. Front Retailing	387	0.25
28,300	Ryohin Keikaku	750	0.49
20,180	Yamada Denki	805	0.53

Holding	Investment	Value £000	Net Asset Value
	Leisure Entertainment & Hotels - 0	.64%	
	(March 2009 – 0.00%)		
2,310	Pacific Golf Group	981	0.64
	Media & Photography – 1.44% (March 2009 – 0.82%)		
29,700	Asatsu	364	0.24
174,000	Dai Nippon Printing	1,462	0.96
45,000	Toppan Forms	364	0.24
57,300	Support Services – 0.27% (March 2009 – 1.73%) Sohgo Security Services	414	0.27
	Transport – 4.13% (March 2009 – 3.09%)		
340,000	All Nippon Airways	605	0.40
383	Central Japan Railway	1,574	1.03
57,000	East Japan Railway	2,245	1.47
124,000	Mitsui O.S.K. Lines	464	0.31
290,000	Sumitomo Warehouse	812	0.53
206,000	Tokyu	598	0.39
	Total Cyclical Services	11,825	7.75
FINANCIALS (18	8.79%, March 2009 – 11.87%) Banks – 9.11% (March 2009 – 6.77%)		
506,000	Bank of Yokohama	1,632	1.07
508,000	Fukuoka Financial Group	1,373	0.90
1,093,900	Mitsubishi UFJ Financial Group	3,958	2.59
1,412,200	Mizuho Financial Group	1,931	1.26
128,000	Shizuoka Bank	759	0.50
119,500	Sumitomo Mitsui Financial Group	2,955	1.94
234,000	The Bank of Kyoto	1,295	0.85
128,900	Insurance – 1.49% (March 2009 – 1.91%) Tokio Marine Holdings	2,269	1.49
	Life Assurance – 0.49% (March 2009 – 0.00%)		
42,900	T & D Holdings	745	0.49

Real Estate - 3.75% (March 2009 - 2.45%)

Nippon Building Fund

(March 2009 – 0.74%)

Japan Securities Finance

Osaka Securities Exchange

Speciality & Other Finance – 3.95%

Mitsubishi Estate

Mitsui Fudosan

Tokyo Tatemono

201,000

123,000

156,700

371,000

18,400

73,100

36,520

429

73

тос

Jafco

364,300 Nomura Holdings

318,000 Tokai Tokyo Securities

**Total Financials** 

Orix

2,121

1,437

389

451

350

342

1,800

1,680

1,187

28,674

670

1,330

1.39

0.94

0.25

0.30

0.87

0.23

0.22

1.18

1.10

0.78

0.44

18.79

## Japan Fund

### **Portfolio statement**

(continued)

Value Ner Asset         Value         Holding         Investment         Value           GENERAL INDUSTRIALS (20.42%, March 2009 – 21.34%) Diversified industrials – 34% (March 2009 – 31%)         NON-CYCLICAL CONSUMER GOODS (6.19%, March 2009 – 11.6%)         NON-CYCLICAL CONSUMER GOODS (6.19%, March 2009 – 11.7%)         Beverage – 1.17% (March 2009 – 2.35%)         NON-CYCLICAL CONSUMER GOODS (6.19%, March 2009 – 2.15%)         1000           222.300         Mitsubihi         1.772         1.16         Food Producers & Producers & Processors – 1.04%, (March 2009 – 2.17%)         1000         Ashi Proventions         1.791           222.300         Tenron         319         0.21         March 2009 – 2.17%)         600         601           138,600         Canon         3.210         2.10         March 2009 – 1.05%)         1000         March 2009 – 1.05%)           138,600         Dainippon Screen Manufacturing         822         0.57         Personal Care & Houseshold Products – 0.56%           10000         March 2009 – 0.15%)         March 2009 – 1.05%)         March 2009 – 1.05%)         1.749           110000         March 2009 – 0.15%         March 2009 – 0.45%         March 2009 – 0.45%         1.749           128.000         Notar 2007 – 2.42%         March 2009 – 0.45%         March 2009 – 0.45%         1.749           128.00         March 2009 – 0.1			Value	% of			Value	% of	
Diversified Industrials - 3.64%         (6.19%, March 2009 - 11.66%)           85,000         Itochu         368         0.24           85,000         Itochu         368         0.24           155,700         Mitsubishi         1.927         1.26           122,22,300         Mitsubishi         1.927         1.26           122,2300         Terricon         319         0.21           122,2300         Terricon & Steptical Equipment - 11.76%         (March 2009 - 2.17%)         607           138,600         Canon         3.210         2.10         (March 2009 - 2.17%)         907           138,600         Canon         3.210         2.10         (March 2009 - 2.17%)         907           138,600         Canon         3.210         2.10         (March 2009 - 1.25%)         907           138,600         Canon         3.210         2.10         (March 2009 - 1.25%)         907           100,000         Dialippon Screen Manufacturing         1.217         918         918         918         918         918         918         918         918         918         918         918         918         918         918         918         918         918         918         918 <t< th=""><th>Holding</th><th>Investment</th><th></th><th></th><th>Holding</th><th>Investment</th><th></th><th>Net Asset Value</th></t<>	Holding	Investment			Holding	Investment		Net Asset Value	
(March 2009 - 3.51%)         Bevarages - 117%           85,000         JSP         487         0.32         170,800         Asahi Breweries         1.791           155,700         Mitsubishi         1.227         1.16         Food Produces & Processors - 1.04%         607           41,200         Tamron         319         0.21         March 2009 - 2.57%         607         604         600         607           52,200         Telectronic & Electrical Equipment - 1.78%         Food Produces & Processors - 1.04%         607           (March 2009 - 14, 15%)         3.210         2.10         March 2009 - 1.05%)         607           (March 2009 - 14, 15%)         0.81         0.81         (March 2009 - 1.05%)         857           138,600         Canon         3.210         2.10         (March 2009 - 1.25%)         857           170,000         Hirose Electric         7.88         0.48         (March 2009 - 1.25%)         857           170,000         Markita         1.97         1.02         Parsonal Care & Household Products - 0.86%           170,000         Markita         1.974         1.29         Pharmaceutical & Biotechnology - 3.42%           170,000         March 2009 - 6.42%)         7.200         Kasel Pharmaceutical         1.03 </td <td>GENERAL INDU</td> <td>JSTRIALS (20.42%, March 2009</td> <td>- 21.34%</td> <td>)</td> <td>NON-CYCLICAL</td> <td>CONSUMER GOODS</td> <td></td> <td></td>	GENERAL INDU	JSTRIALS (20.42%, March 2009	- 21.34%	)	NON-CYCLICAL	CONSUMER GOODS			
85,000         Incohu         368         0.24         (March 2009 - 25%)           125,700         Mitsubishi         1,927         1.26           125,700         Mitsubishi         1,927         1.26           122,2300         Mitsui         1,772         1.26           122,200         Tarron         319         0.21           12,200         Tarron         319         0.21           123,200         Taikoku Electric Maurfacturing         690         0.45           138,600         Canon         3.210         2.10           138,600         Screen Manufacturing         1.231         0.81           138,600         Paronal Care & Household Products - 0.857           134,600         Karat         1.637         10.70           170,700         Marita         1.781         1.797           134,600         Ohara         1.637         10.70           134,600         Ohara         1.637         10.70           14,700         Marat 2009 - 0.42%)         1.749           15,200         Mirata         1.781         1.791           16,200         Nirata         1.793         1.793           16,200         Nirata		Diversified Industrials – 3.64%			(6.19%, March 2	2009 – 11.66%)			
92,800         JSP         487         0.32         170,800         Asahi Broweries         1,791           122,300         Mitsubishi         1,272         1.16         Food Producers & Processors - 1.04%           41,200         Tamron         319         0.21         Mirach 2009 - 2.1%)         607           52,200         Teikoku Electrin Manufacturing         690         0.45         70,800         Fuji Oil         607           138,600         Canon         3,210         2.10         (March 2009 - 1.09%)         607           603,000         Daimpoon Screen Manufacturing         1,231         0.81         708,800         Fuji Oil         607           138,600         Canon         3,210         2.16         (March 2009 - 1.69%)         607           100,00         Horas Electric         738         0.48         55,400         Kao         657           110,100         Hirose Electric         1,837         1.07         Pharmaceutical S & Biotechnology - 3.42%         (March 2009 - 1.64%)         1,749           216,000         Nicke Sankyo         752         0.49         77000         Kissei Pharmaceutical         1,707           100,000         Sumitoron Electric Industries         800         0.53		(March 2009 – 3.51%)				Beverages – 1.17%			
155,700         Mitsubishi         1,227         1.26           222,300         Mitsui         1,772         1.16           41,200         Tarron         319         0.21           52,200         Telkoku Electric Manufacturing         690         0.45           138,600         Canon         3.210         2.10           138,600         Canon         3.210         2.10           138,600         Dainipon Screen Manufacturing         1.231         0.81           17800         Kinach 2009 - 14.1%)         Mirach 2009 - 1.09%)         657           10100         Hirose Electric         738         0.48         March 2009 - 1.09%)           17800         Kinach 2009 - 1.09%)         557         Personal Care & Houschold Products - 0.86%           10100         Hirose Electric         1.637         107         Pharmaceutical & Biotechnology - 3.42%           116,00         Nirac         1.647         0.62         39.300         Scree - 0.09%           10100         Mirose Auge - 0.42%         1.64         0.76         39.300         Scree - 0.09%           10100         March 2009 - 5.45%         Total Mon-Cyclical & 30.300         Scree - 0.09%         March 2009 - 0.87%           10000         Sh	85,000	Itochu	368	0.24		(March 2009 – 0.25%)			
222,300       Mitsui       1,772       1.16       Food Producers & Processors - 1.04%         41,200       Tarron       319       0.21       (March 2009 - 2.17%)       607         52,200       Teikoku Electrical Equipment - 11.76%       (March 2009 - 1.05%)       607       45,700       Nissin Foods Holdings       981         138,600       Canon       3.210       2.10       (March 2009 - 1.05%)       603       Dainippon Screen Manufacturing       1.231       0.61       March 2009 - 1.05%       (March 2009 - 1.05%)       603       603       0.57       Personal Care & Household Products - 0.56%       (March 2009 - 1.05%)       603       603       603       603       603       603       603       603       603       0.64       603       1.013       1.013       1.013       1.013       1.013       1.013       1.013       1.013       1.	92,800	JSP	487	0.32	170,800	Asahi Breweries	1,791	1.17	
41,200       Tarron       313       0.21       (March 2009 - 2.17%)       (March 2009 - 2.17%)         52,200       Teikoku Electric Manufacturing       690       0.45       70,0800       Fuji Di       607         138,600       Canon       3,210       2,10       (March 2009 - 1.05%)       March 2009 - 1.05%)         10,000       Dainippon Screen Manufacturing       1,231       0.81       Personal Care & Household Products - 0.56'         118,600       Canon       2,214       1.43       0.81       (March 2009 - 1.25%)         110,700       Makita       1,974       1.29       Pharmaceutical & Biotechnology - 3.42%         66,200       Nidec       1,164       0.76       140,300       Dainippon Screen Manufacturing       1,862         110,700       Makita       1,974       1.29       Pharmaceutical & Biotechnology - 3.42%         70,000       Nidec       1,164       0.76       140,300       Dainippon Screen Manufacturing       1,682         110,700       Makita       1,974       0.29       1,490       0.7000       Nissin Foods Molders       1,493         24,800       Nidec       1,164       0.75       57,000       Sinkyo       1,410         116,900       Sartyo       5,75 <td>155,700</td> <td>Mitsubishi</td> <td>1,927</td> <td>1.26</td> <td></td> <td></td> <td></td> <td></td>	155,700	Mitsubishi	1,927	1.26					
52,200         Teikoku Electric Manufacturing         690         0.45         70,800         Fuji Oli         607           Electronic & Electrical Equipment - 11.76% (March 2009 - 14.15%)         Health - 0.00%         981           138,600         Canon         3,210         2.10         Nissin Foods Holdings         981           138,600         Canon         3,210         2.10         (March 2009 - 1.09%)         100%           158,200         Hoys         2.184         143         55,400         Kao          857           10,100         Hirose Electric         738         0.48         (March 2009 - 1.09%)         100%			1,772				.04%		
Electronic & Electrical Equipment - 11.76% (March 2009 - 14,15%)         45,700         Nissin Foods Holdings         981           138.600         Canon         3.210         2.10         (March 2009 - 1.0%)         100%           603.000         Dainippon Screen Manufacturing         1.231         0.81         Personal Care & Household Products - 0.56%           17.800         Fanue         882         0.44         0.45         (March 2009 - 1.25%)           1158.200         Hoya         2.184         1.43         55,400         Kao         657           66.200         Murata Manufacturing         1.862         1.22         (March 2009 - 1.25%)         677           26.800         Nidec         1.64         0.76         140,000         Sankyo         1.749           27.800         Nidec         1.64         0.75         57.000         Sankyo         1.749           27.800         Nidec         1.64         0.75         57.000         Sankyo         1.779           100,000         Sumitomo Electric Industries         800         0.53         67.000         Total Non-Cyclical         772           100,000         Sumitomo Electric Industries         801         0.54         Consumer Goods         9.446	41,200	Tamron	319	0.21		(March 2009 – 2.17%)			
Electronic & Electronic = Liquipment = 11.76%; (March 2009 - 14.15%)         Health - 0.00%; (March 2009 - 1.09%)           138,600         Canon         3.210         2.10         (March 2009 - 1.09%)           603,000         Dainippon Screen Manufacturing         1.231         0.81         Personal Care & Household Products - 0.567           10,100         Hirose Electric         7.38         0.48         Personal Care & Household Products - 0.567           110,100         Hirose Electric         7.38         0.48         Personal Care & Household Products - 0.567           110,100         Hirose Electric         7.38         0.48         Personal Care & Household Products - 0.567           110,100         Mirose Electric         7.38         0.48         Personal Care & Household Products - 0.567           110,000         March Manufacturing         1.862         1.22         (March 2009 - 6.42%)         1.749           216,000         Nidec Sankyo         7.52         0.49         77.000         Kiasei Pharmaceutical         1.03           164,000         Sharp         1.145         0.75         57.000         Shinongi         772           100,000         Sumitomo Electric Industries         801         0.55         Tobacc - 0.00%;         (March 2009 - 0.87%)         March 2009 - 0.87%) <td< td=""><td>52,200</td><td>Teikoku Electric Manufacturing</td><td>690</td><td>0.45</td><td>70,800</td><td>Fuji Oil</td><td>607</td><td>0.40</td></td<>	52,200	Teikoku Electric Manufacturing	690	0.45	70,800	Fuji Oil	607	0.40	
(March 2009 - 14.15%)         Health - 0.00%           138,800         Canon 3,210         2.10         (March 2009 - 1.09%)           603,000         Dainippon Screen Manufacturing 1,231         0.81         (March 2009 - 1.09%)           172800         Fanuc         862         0.45         (March 2009 - 1.25%)           158,200         Hoya         2,184         1.43         55.400         Kao         557           110,700         Makita         1,974         1.29         Phameseuticals & Biotechnology -3.42%           66,200         Nidec         1,164         0.76         140,300         Dainispon Kissei Pharmaceutical         1.03           26,600         Nidec         1,164         0.76         140,300         Dainispon Kissei Pharmaceutical         1.03           41,800         Ohara         396         0.26         39.300         Shionogi         779           100,000         Sumitomo Electric Industries         800         0.55         67.000         Total Non-Cyclical         779           100,000         Sumitomo Electric Industries         821         0.56         Footace - 0.00%         (March 2009 - 0.48%)         772           53,000         Isury Motors         1,162         0.76         Footace - 0.00% </td <td></td> <td></td> <td></td> <td></td> <td>45,700</td> <td>Nissin Foods Holdings</td> <td>981</td> <td>0.64</td>					45,700	Nissin Foods Holdings	981	0.64	
138,600       Canon       3,210       2.10       (March 2009 - 1.09%)         603,000       Dainippon Screen Manufacturing       623       0.57       Personal Care & Household Products - 0.563         10,100       Hirose Electric       738       0.48       (March 2009 - 1.25%)       (March 2009 - 1.25%)         1158,200       Hoya       2,144       1.43       55.400       Kao       657         31,400       Kycoera       1,637       1.07       Pharmaceuticals & Biotechnology - 3.42%       (March 2009 - 6.42%)       1.749         26,800       Nidec       1,164       0.76       140,000       Dainki Sankyo       1.749         216,000       Nidec Sankyo       752       0.49       77,000       Kissei Pharmaceutical       1.103         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       7.72         100,000       Sumitomo Electric Industries       810       0.53       67,000       Taisho Pharmaceutical       7.72         50,000       Kurita Water Industries       1,162       0.76       Kubota       1,162       0.76         110,000       Nipon Tompson       466       0.31       0.4000       FamityMart       722			- 11.76%						
603.000         Dainippon Screen Manufacturing         1.231         0.81           17.000         Fance         862         0.57           10,100         Hirose Electric         738         0.48           118,200         Hoya         2,184         1.43         55,400         Kao         857           110,700         Makita         1,974         1.29         Pharmaceuticals & Biotechnology - 3.42%           26,800         Nidec         1,164         0.76         140,300         Daichi Sankyo         1,749           216,000         Software Manufacturing         1,482         0.75         57,000         Siasei Pharmaceutical         1,103           141,800         Ohara         396         0.26         39,300         Santen Pharmaceutical         772           100,000         Sumitomo Electric Industries         800         0.53         67,000         Taisho Pharmaceutical         772           100,000         Sumitomo Electric Industries         821         0.54         100         1,03           57,900         Komatsu         646         0.42         100         Non-Cryctical         9,446           86,000         Issue Matrines         31,163         20.42         143,009         2.87%									
17800     Fanze     862     0.57     Personal Care & Household Products - 0.563       10100     Hirose Electric     738     0.48     (March 2009 - 1.25%)       118,200     Hoya     2.184     1.43     55,400     Kao     857       31,400     Kyocera     1.637     1.07     Pharmaceuticals & Biotechnology - 3.42%       66,200     Murata Manufacturing     1.862     1.22     (March 2009 - 6.42%)       26,800     Nidee     1.144     0.76     140,300     Daichi Sankyo     1.749       216,000     Nidee Sankyo     752     0.49     77000     Kissei Pharmaceutical     1.033       41,800     Ohara     396     0.26     393,300     Santen Pharmaceutical     1.073       100.000     Sumitomo Electric Industries     800     0.53     67,000     Taisho Pharmaceutical     772       100.000     Sumitomo Electric Industries     800     0.53     67,000     Taisho Pharmaceutical     772       100.000     Sumitomo Electric Industries     800     0.53     67,000     Taisho Pharmaceutical     772       100.000     Sumitomo Electric Industries     800     0.53     67,000     Taisho Pharmaceutical     772       101.000     Sintorp     41,120     Non-Cyclical Services						(March 2009 – 1.09%)			
10.100         Hirose Electric         738         0.48         (March 2009 - 1.25%)           158,200         Hoya         2,184         1.43         55,400         Kao         857           110,700         Makita         1,974         1.29         (March 2009 - 1.25%)         857           66,200         Murata Manufacturing         1,862         1.22         (March 2009 - 6.42%)         1,749           26,800         Nidec         1,164         0.76         140,300         Daichi Sankyo         1,749           216,000         Suritomo Electric Industries         396         0.26         39,300         Santen Pharmaceutical         807           164,000         Suritomo Electric Industries         800         0.55         67,000         Taisho Pharmaceutical         772           59,100         Glory         831         0.75         140,000         141,00         9,446           86,000         Isuzu Motors         1,162         0.76         100,000         9,446           39,700         Misumi Group         434         0.29         40,400         FamilyMest         722           235,000         Kubota         1,162         0.76         1,714         0.73         31,800         Seven									
188,200       Hoya       2,184       1.43       55,400       Kao       857         31,400       Kyocera       1,637       1.07       Makita       1,974       1.29         66,200       Murata Manufacturing       1,862       1.22       (March 2009 - 6.42%)       1,749         216,000       Nidec Sankyo       752       0.49       77000       Daith Sankyo       1,749         216,000       Sharp       1,145       0.75       57,000       Shionogi       779         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         100,000       Sumitomo Electric Industries       801       0.55       67,000       Taisho Pharmaceutical       772         100,000       Kunta Water Industries       813       0.55       Total Non-Cyclical       9,446         205,000       Kunta Water Industries       821       0.54       Consumer Goods       9,446         124,000       Nippon Thompson       466       0.31       29,800       Lawson       753         124,700       March 2009							ucts – 0.56	%	
31.400       Kyocere       1.637       1.07         110,700       Makita       1.974       1.29         66,200       Murata Manufacturing       1.862       1.22         26,800       Nidec       1,164       0.76       140,000       Daitchi Sankyo       1,749         216,000       Nidec Sankyo       752       0.49       77000       Kissei Pharmaceutical       807         116,400       Ohara       396       0.26       33,300       Santen Pharmaceutical       807         116,000       Sumitomo Electric Industries       800       0.53       67,000       Santen Pharmaceutical       772         Tobacco - 0.00% (March 2009 - 0.48%)         00,000       Sumitomo Electric Industries       821       0.55       Total Non-Cyclical       772         59,100       Glory       831       0.55       Total Non-Cyclical       772         59,100       Kubota       1,162       0.76       700       NON-CYCLICAL       SERVICES (6.22%, March 2009 - 8.87%)         41,700       Kubota       1,162       0.76       700       None cyclical       722         124,000       Nigon Thompson       466       0.42       None cyclical       723       733						. ,			
110,700       Makita       1,974       1.29       Pharmaceuticals & Biotechnology - 3.42%         66,200       Murata Manufacturing       1,862       1.22       (March 2009 - 6.42%)       1,749         216,000       Nidec       1,164       0.76       140,300       Dalichi Sankyo       1,749         216,000       Nidec Sankyo       752       0.49       77000       Kissei Pharmaceutical       1,103         41,800       Ohara       396       0.26       39,300       Santen Pharmaceutical       807         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         100,000       Glory       833       0.55       Total Non-Cyclical       0.46%       0.42         59,000       Komatsu       646       0.42       NON-CYCLICAL       SERVICES (6.22%, March 2009 - 8.87%       752         116,300       SMC       1,114       0.73       31,800       Seven & Holdings       433         116,300       SMC       1,114       0.73       1,800       Seven & Holdings       4,433					55,400	Као	857	0.56	
66,200       Murata Manufacturing       1,862       1.22       (March 2009 - 6.42%)         26,800       Nidec       1,164       0.76       140,030       Dairchi Sankyo       1,749         26,800       Nidec Sankyo       752       0.49       77000       Kissel Pharmaceutical       807         41,800       Ohara       396       0.26       39,300       Santen Pharmaceutical       807         164,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         Compresentation of the construction Machinery 978       0.64       0.55       67,000       Taisho Pharmaceutical       772         59,100       Glory       831       0.55       Total Non-Cyclical       Consumer Goods       9,446         856,000       Isuzu Motors       1,162       0.76       Total Non-Cyclical       Consumer Goods       9,446         39,700       Misuto Mater Industries       821       0.54       Consumer Goods       9,446         39,700       Nipon Thompson       466       0.31       29,800       Lawson       753         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         17									
26,800       Nidec       1,164       0.76       140,300       Dalichi Sankyo       1,749         216,000       Nidec Sankyo       752       0.49       77,000       Kissei Pharmaceutical       1,103         41,800       Ohara       396       0.26       39,300       Santen Pharmaceutical       807         164,000       Sharp       1,145       0.75       67,000       Shionogi       773         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       807         59,100       Glory       831       0.55       67,000       Total Non-Cyclical       9,446         856,000       Iszu Motors       1,162       0.76       Total Non-Cyclical       9,446         7000       Kurita Water Industries       821       0.54       Food & Drug Retailers - 1.24%       (March 2009 - 0.88%)       9,446         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         16,300 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>•</td> <td>y – 3.42%</td> <td></td>						•	y – 3.42%		
216,000       Nidec Sankyo       752       0.49       77,000       Kissei Pharmaceutical       1,03         41,800       Ohara       396       0.26       39,300       Santen Pharmaceutical       807         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         Tobacco - 0.00% (March 2009 - 3.68%)         53,100       Glory       831       0.55         80,700       Hitachi Construction Machinery       978       0.64         866,000       Isuzu Motors       1,193       0.78         53,000       Kubta       1,162       0.76         41,700       Kuurta Water Industries       162       0.76         9,7000       Nispon Thompson       466       0.31         16,300       SMC       1,114       0.73         126,000       Nippon Thompson       466       0.31         126,000       Nigpon Thompson       466       0.31         126,000       Mitsubishi Electric       1,518       1.31         16,000       Failya       2,005       1.31         116,000       Failya       2,005       1.31         115,000       Failya		•							
41,800       Ohara       396       0.26       39,300       Santen Pharmaceutical       807         164,000       Sharp       1,145       0.75       57,000       Shionogi       779         100,000       Sumitomo Electric Industries       800       0.53       67,000       Taisho Pharmaceutical       772         100,000       Sumitomo Electric Industries       801       0.55       67,000       Taisho Pharmaceutical       772         100,000       Glory       831       0.55       67,000       Tobacco - 0.00%       (March 2009 - 3.86%)       9,446         55,000       Kubota       1,162       0.76       Total Non-Cyclical Consumer Goods       9,446         365,000       Kurita Water Industries       821       0.54       NON-CYCLICAL SERVICES (6.22%, March 2009 - 8.87%)         16,300       SMC       1,114       0.73       20,800       Lawson       753         16,300       SMC       1,114       0.73       29,800       Lawson       753         16,300       SMC       1,114       0.73       29,800       Lawson       243         16,300       March 2009 - 6.01%)       Information Technology Hardware - 4.91%       2,653       NTD Docomo       2,451 <td< td=""><td></td><td></td><td></td><td></td><td></td><td>,</td><td></td><td>1.15</td></td<>						,		1.15	
164,000         Sharp         1,145         0.75         57,000         Shionogi         779           100,000         Sumitomo Electric Industries         800         0.53         67,000         Taisho Pharmaceutical         772           Engineering & Machinery = 5.02% (March 2009 - 3.68%)         779         0.64         779         774           59,100         Glory         831         0.55         Total Non-Cyclical         9,446           805,000         Isizu Motors         1,193         0.78         NON-CyclicAL         SERVICES (6.22%, March 2009 - 8.87%, March 2009 - 8.87%, March 2009 - 2.88%)           41,700         Kurita Water Industries         821         0.54         NON-CyclicAL         SERVICES (6.22%, March 2009 - 8.87%, March 2009 - 2.88%)           39,700         Kubota         1,162         0.76         Food & Drug Retailers - 1.24% (March 2009 - 2.88%)         722           124,000         Nippon Thompson         466         0.31         29,800         Lawson         753           116,300         SMC         1,114         0.73         31,800         Seven & I Holdings         433           124,000         Nippon Thompson         4.66         0.31         29,800         Lawson         753           1474         Ma		•						0.72	
100,000         Sumitomo Electric Industries         800         0.53         67,000         Taisho Pharmaceutical         772           Engineering & Machinery - 5.02% (March 2009 - 3.68%)         Tobacco - 0.00% (March 2009 - 0.48%)         772           59,100         Glory         831         0.55         Total Non-Cyclical Consumer Goods         9,446           856,000         Isuzu Motors         1,193         0.78         78         700         NON-Cyclical Consumer Goods         9,446           9,000         Komatsu         646         0.42         700         Non-Cyclical Consumer Goods         9,446           9,000         Kurita Water Industries         821         0.54         700         Non-Cyclical Consumer Goods         9,446           10,000         Kurita Water Industries         821         0.54         700         Non-Cyclical Consumer Goods         9,446           11,000         Kurita Water Industries         821         0.54         700         837         722           11,630         SMC         1,114         0.73         733         740         8200         2,451           11,630         Seven & I Holdings         433         7472         747         748         7472           11,630         Sinfo								0.53	
Tobacco – 0.00% (March 2009 – 3.68%)           59,100         Glory         831         0.55           80,700         Hitachi Construction Machinery         978         0.64         Consumer Goods         9,446           856,000         Isuzu Motors         1,193         0.78         Consumer Goods         9,446           235,000         Kubota         1,162         0.76         Consumer Goods         9,446           39,700         Misumi Group         434         0.29         PamilyMart         722           16,300         SMC         1,114         0.73         29,800         Lawson         753           16,300         Mitsubishi Electric         1,568         1.03         31,800         Seven & I Holdings         433           15,600         Star Micronics         706         0.46         52,900         Nitsubishi Electric         1,568 </td <td></td> <td>•</td> <td></td> <td></td> <td></td> <td>0</td> <td></td> <td>0.51</td>		•				0		0.51	
(March 2009 - 3.68%)         (March 2009 - 0.48%)           59,100         Glory         S31         0.55           80,700         Hitschi Construction Machinery         978         0.64           856,000         Isuzu Motors         1,193         0.78           57,900         Kubota         1,162         0.76           235,000         Kubota         1,162         0.76           41,700         Kurita Water Industries         821         0.54           39,700         Misumi Group         434         0.29           124,000         Nipon Thompson         466         0.31           124,000         Nipon Thompson         466         0.31           124,000         Nipon Thompson         466         0.31           16.30         SMC         1,114         0.73         31,800         Seven & I Holdings         433           (/7,74%, March 2009 - 6.01%)         Information Technology Hardware - 4.91%         (March 2009 - 1.64%)         1,868           105,000         Food & Duno-Cyclical Services - 4.98%         (March 2009 - 0.51%)         3433           32,300         Misubishi Electric         1,568         1.03         32,300         Nitsubishi Electric         1,568         1.03	100,000	Sumitomo Electric Industries	800	0.53	67,000	Taisho Pharmaceutical	772	0.51	
80,700         Hitachi Construction Machinery         978         0.64         Internation Products         9,446           856,000         Isuzu Motors         1,193         0.78         0.64         Consumer Goods         9,446           856,000         Kubota         1,162         0.76         0.76         0.64         0.42           235,000         Kubota         1,162         0.76         Food & Drug Retailers - 1.24%         0.94           39,700         Misumi Group         434         0.29         40,400         FamilyMart         722           16,300         SMC         1,114         0.73         29,800         Lawson         753           16,300         SMC         1,114         0.73         31,800         Seven & I Holdings         433           16,300         SMC         1,114         0.73         31,800         Seven & I Holdings         433           16,300         SMC         1,114         0.73         31,800         Seven & I Holdings         433           10,74%, March 2009 - 6.01%)         1,686         103         2,653         NTT Docomo         2,451           509,000         Fujitsu         2,005         1.31         33         2,653         NT Docomo									
80,700         Hitachi Construction Machinery         978         0.64         Consumer Goods         9,446           856,000         Isuzu Motors         1,193         0.78         0.70	59,100	Glory	831	0.55		Total Non Cyclical			
856,000         Isuzu Motors         1,193         0.78           57,900         Kumatsu         646         0.42           235,000         Kubota         1,162         0.76           41,700         Kurita Water Industries         821         0.54           39,700         Misumi Group         434         0.29           124,000         Nippon Thompson         466         0.31           16,300         SMC         1,114         0.73           Total General Industrials         31,163         20.42           INFORMATION TECHNOLOGY         (March 2009 - 6.01%)         478           (March 2009 - 6.01%)         1,64%)         1,686           509,000         Fujitsu         2,005         1.31           323,000         Rohm         1,295         0.85           31,150         Star Micronics         706         0.46           58,900         Tokyo Electron         1,919         1.26           Kimach 2009 - 0.51%)         119,500         Nippon Mining Holdings         371           7,200         Nintendo         1,149         0.75         119,500         Nippon Mining Holdings         371           7,200         Nintendo         1,149	80,700	Hitachi Construction Machinery	978	0.64		-	9 4 4 6	6.19	
235,000       Kubota       1,162       0.76         41,700       Kurita Water Industries       821       0.54         39,700       Misumi Group       434       0.29         124,000       Nippon Thompson       466       0.31         16,300       SMC       1,114       0.73         16,300       SMC       1,114       0.73         Total General Industrials       31,163       20.42         INFORMATION TECHNOLOGY         (March 2009 - 6.01%)       Total General Industrials       31,163         509,000       Fujitsu       2,005       1.31         353,000       Mitsubishi Electric       1,568       1.03         32,300       Rohm       1,295       0.85         115,600       Star Micronics       706       0.46         58,900       Tokyo Electron       1,919       1.26         (March 2009 - 4.37%)       (March 2009 - 0.51%)       119,500         7,200       Nintendo       1,149       0.75         7,3700       Sumco       1,001       0.66         7,331       Yahoo Japan       1,572       1.03	856,000	Isuzu Motors	1,193	0.78			3,440	0.15	
233,000       Kubta       1,102       0.54         41,700       Kurita Water Industries       821       0.54         39,700       Misumi Group       434       0.29         124,000       Nippon Thompson       466       0.31       29,800       Lawson       753         16,300       SMC       1,114       0.73       29,800       Lawson       753         Total General Industrials       31,163       20.42       Telecommunication Services - 4.98%       (March 2009 - 5.99%)         (NFORMATION TECHNOLOGY       Information Technology Hardware - 4.91%       (March 2009 - 5.99%)       478       KDDI       1,686         10,900       Fujitsu       2,005       1.31       124,700       Nippon Telegraph & Telephone       3,443         32,300       Rohm       1,295       0.85       NTT Docomo       2,451         509,000       Faujitsu       2,005       1.31       Total Non-Cyclical Services       9,488         32,300       Rohm       1,295       0.85       NTT Docomo       2,451         58,900       Tokyo Electron       1,919       1.26       (March 2009 - 0.51%)       98       Inpex Holdings       471         119,500       Nintendo       1,419       0.7	57,900	Komatsu	646	0.42			~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~		
41,7,00       Kultita Water Industries       521       0.34       (March 2009 - 2.88%)         39,700       Misumi Group       434       0.29       40,400       FamilyMart       722         16,300       SMC       1,114       0.73       29,800       Lawson       753         Total General Industrials       31,163       20.42       (March 2009 - 2.88%)       433         INFORMATION TECHNOLOGY       Telecommunication Services - 4.98%       (March 2009 - 5.99%)       1,686         (7.74%, March 2009 - 6.01%)       Information Technology Hardware - 4.91%       1,686       1,24,700       Nippon Telegraph & Telephone       3,443         509,000       Fujitsu       2,005       1.31       2,653       NTT Docomo       2,451         509,000       Fujitsu       2,005       1.31       2,653       NTT Docomo       2,451         33,300       Rohm       1,295       0.86       0il & Gas - 1.01%       9,488         32,300       Tokyo Electron       1,919       1.26       0il & Gas - 1.01%       9,488         March 2009 - 4.37%)       Software & Computer Services - 2.83%       98       Inpex Holdings       371         110,700       Showa Shell Sekiyu       703       703       110,700       Showa She	235,000	Kubota	1,162	0.76	NON-CYCLICAL		19 - 8.87%	)	
33,700       Mislin Group       434       0.23       40,400       FamilyMart       722         124,000       Nippon Thompson       466       0.31       29,800       Lawson       753         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         Total General Industrials       31,163       20.42       29,800       Lawson       753         INFORMATION TECHNOLOGY         (7.74%, March 2009 - 6.01%)       Information Technology Hardware - 4.91%       (March 2009 - 5.99%)       478       KDDI       1,686         124,700       Nippon Telegraph & Telephone       3,443         32,300       Rohm       1,295       0.85       NTT Docomo       2,451         32,300       Rohm       1,295       0.85       NTT Docomo       2,451         33,300       Rohm       1,295       0.85       NT Docomo       2,451         33,300       Rohm       1,295       0.85       NT Docomo       2,451         58,900       Tokyo Electron       1,919       1.26       0il & Gas - 1.01%       (March 2009 - 0.51%)         7,200       Nintendo       1,149       0.75       Nippon Mining Holdings       371	41,700	Kurita Water Industries	821	0.54		•			
124,000       Nipport Holingson       1486       0.31       29,800       Lawson       753         16,300       SMC       1,114       0.73       31,800       Seven & I Holdings       433         Total General Industrials       31,163       20.42       31,800       Seven & I Holdings       433         INFORMATION TECHNOLOGY         (7.74%, March 2009 – 6.01%)       Information Technology Hardware – 4.91%       (March 2009 – 1.64%)       1,686       124,700       Nippon Telegraph & Telephone       3,443         509,000       Fujitsu       2,005       1.31       1,295       0.85       NTT Docomo       2,451         509,000       Rohm       1,295       0.85       NTT Docomo       2,451       Total Non-Cyclical Services       9,488         3115,600       Star Micronics       706       0.46       0.46       0.149       0.75       0.18 & Gas – 1.01%       (March 2009 – 0.51%)       0il & Gas – 1.01%       (March 2009 – 0.51%)       119,500       Nippon Mining Holdings       371         58,900       Tokyo Electron       1,919       1.26       0il & Gas – 1.01%       March 2009 – 0.51%)       98       Inpex Holdings       371         110,700       Nintendo       1,149       0.75       110,7	39,700	Misumi Group	434	0.29					
INFORMATION TECHNOLOGY       I,114       0.73         (7.74%, March 2009 - 6.01%)       Information Technology Hardware - 4.91%       (March 2009 - 6.01%)       1,686         Information Technology Hardware - 4.91%       (March 2009 - 1.64%)       1,686         509,000       Fujitsu       2,005       1.31         352,300       Rohm       1,295       0.85         115,600       Star Micronics       706       0.46         58,900       Tokyo Electron       1,919       1.26         (March 2009 - 4.37%)       (March 2009 - 4.37%)       0.7200         7,200       Nintendo       1,149       0.75         292       NTT Data       587       0.39         73,700       Sumco       1,001       0.66         7,931       Yahoo Japan       1,572       1.03	124,000	NipponThompson	466	0.31				0.47	
Total General Industrials         31,163         20.42           INFORMATION TECHNOLOGY (7.74%, March 2009 - 6.01%)         Telecommunication Services - 4.98% (March 2009 - 5.99%)           Information Technology Hardware - 4.91% (March 2009 - 1.64%)         (March 2009 - 5.99%)           509,000         Fujitsu         2,005           509,000         Fujitsu         2,005           353,000         Mitsubishi Electric         1,568           32,300         Rohm         1,295           115,600         Star Micronics         706           58,900         Tokyo Electron         1,919           7,200         Nintendo         1,149           7,200         Nintendo         1,149           7,200         Nintendo         1,149           7,3700         Sumco         1,001           7,3700         Sumco         1,001           7,3700         Sumco         1,001           7,311         Yahoo Japan         1,572	16,300	SMC	1,114	0.73				0.49	
INFORMATION TECHNOLOGY       (March 2009 – 6.01%)       (March 2009 – 6.01%)       4.91%       (March 2009 – 1.64%)       1,686         (March 2009 – 1.64%)       2,005       1,124,700       Nippon Telegraph & Telephone       3,443         509,000       Fujitsu       2,005       1,11         509,000       Fujitsu       2,005       1,124,700       Nippon Telegraph & Telephone       3,443         509,000       Fujitsu       2,005       1,11         353,000       Mitsubishi Electric       1,568       1,023         332,300       Star Micronics       706       0.46         58,900       Star Micronics       706       0.46         Software & Computer Services - 2.83%       Inpex Holdings       471         (March 2009 - 4.37%)       Stortware & Computer Services - 2.83%       Inpex Holdings       371         7,200       Nintendo       1,149 <th colspan<="" td=""><td></td><td>Total General Industrials</td><td>31,163</td><td>20.42</td><td>31,800</td><td>Seven &amp; I Holdings</td><td>433</td><td>0.28</td></th>	<td></td> <td>Total General Industrials</td> <td>31,163</td> <td>20.42</td> <td>31,800</td> <td>Seven &amp; I Holdings</td> <td>433</td> <td>0.28</td>		Total General Industrials	31,163	20.42	31,800	Seven & I Holdings	433	0.28
(7.74%, March 2009 – 6.01%)       478       KDDI       1,686         Information Technology Hardware – 4.91% (March 2009 – 1.64%)       2,005       1.31       3,443         509,000       Fujitsu       2,005       1.31       2,653       NTT Docomo       2,451         353,000       Mitsubishi Electric       1,568       1.03       2,653       NTT Docomo       2,451         32,300       Rohm       1,295       0.85       115,600       Star Micronics       706       0.46         58,900       Tokyo Electron       1,919       1.26       0il & Gas – 1.01%       (March 2009 – 0.51%)         Mitsubishi Electric       1,149       0.75       98       Inpex Holdings       471         119,500       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         7,200       Nintendo       1,001       0.66       1,545       1,545       1,545         73,700       Sumco       1,001       0.66       1,572       1.03       UTILITIES (3.29%, March 2009 – 5.52%)       1,545							.98%		
Information Technology Hardware - 4.91% (March 2009 - 1.64%)         124,700         Nippon Telegraph & Telephone         3,443           509,000         Fujitsu         2,005         1.31         2,653         NTT Docomo         2,451           509,000         Fujitsu         2,005         1.31         Total Non-Cyclical Services         9,488           353,000         Mitsubishi Electric         1,568         1.03          Provide Composition Composition         9,488           32,300         Rohm         1,295         0.85          Nitsubishi Electric         9,488           115,600         Star Micronics         706         0.46          Oil & Gas - 1.01%            509,000         Tokyo Electron         1,919         1.26          Oil & Gas - 1.01%            (March 2009 - 4.37%)         Software & Computer Services - 2.83%          98         Inpex Holdings         371           7,200         Nintendo         1,149         0.75         Nippon Mining Holdings         371           7,202         NTT Data         587         0.39         Total Resources         1,545           73,700         Sumco         1,001         0.66         UTILITIES (3.29%, March 2009 - 5.52%) <td></td> <td></td> <td></td> <td></td> <td>170</td> <td></td> <td></td> <td></td>					170				
(March 2009 – 1.64%)       2,653       NTT Docomo       2,451         509,000       Fujitsu       2,005       1.31       Total Non-Cyclical Services       9,488         353,000       Mitsubishi Electric       1,568       1.03       RESOURCES (1.01%, March 2009 – 0.51%)       9,488         32,300       Rohm       1,295       0.85       0.18       Gas – 1.01%       9,488         32,300       Star Micronics       706       0.46       0.18       Gas – 1.01%       9,488         509,000       Tokyo Electron       1,919       1.26       0.18       Gas – 1.01%       (March 2009 – 0.51%)         Software & Computer Services – 2.83%       (March 2009 – 4.37%)       98       Inpex Holdings       371         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         7,202       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 – 5.52%)       UTILITIES (3.29%, March 2009 – 5.52%)	7.74%, March 20	-						1.11	
509,000       Fujitsu       2,005       1.31       Total Non-Cyclical Services       9,488         353,000       Mitsubishi Electric       1,568       1.03       1,295       0.85       1,295       0.85       1,15,600       Star Micronics       706       0.46       0il & Gas - 1.01%       March 2009 - 0.51%)       0il & Gas - 1.01%       1,01%			- 4.91%					2.26	
353,000       Mitsubishi Electric       1,568       1.03         32,300       Rohm       1,295       0.85         115,600       Star Micronics       706       0.46         58,900       Tokyo Electron       1,919       1.26 <b>RESOURCES (1.01%, March 2009 – 0.51%)</b> Software & Computer Services – 2.83%       0il & Gas – 1.01%         (March 2009 – 4.37%)       98       Inpex Holdings       471         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         7,202       NTT Data       587       0.39       Total Resources       1,545         7,3700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 – 5.52%)       UTILITIES (3.29%, March 2009 – 5.52%)	F00 000	• • • • • • • • • •	0.005	4.04	2,653			1.61	
32,300       Rohm       1,295       0.85         115,600       Star Micronics       706       0.46         58,900       Tokyo Electron       1,919       1.26 <b>Software &amp; Computer Services - 2.83%</b> (March 2009 - 4.37%)       98       Inpex Holdings       471         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         7,200       Nintendo       1,001       0.66       110,700       Showa Shell Sekiyu       703         73,700       Sumco       1,001       0.66       1,572       1.03       UTILITIES (3.29%, March 2009 - 5.52%)						Total Non-Cyclical Services	9,488	6.22	
115,600       Star Micronics       706       0.46       RESOURCES (1.01%, March 2009 – 0.51%)         58,900       Tokyo Electron       1,919       1.26       Oil & Gas – 1.01%         Software & Computer Services – 2.83%       98       Inpex Holdings       471         (March 2009 – 4.37%)       119,500       Nippon Mining Holdings       371         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         292       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 – 5.52%)       UTILITIES (3.29%, March 2009 – 5.52%)									
113,000       Stat Milconics       700       0.40       Oil & Gas - 1.01%         58,900       Tokyo Electron       1,919       1.26       (March 2009 - 0.51%)         Software & Computer Services - 2.83%       98       Inpex Holdings       471         (March 2009 - 4.37%)       Nippon Mining Holdings       371         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         292       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 - 5.52%)       UTILITIES (3.29%, March 2009 - 5.52%)					<b>RESOURCES</b> (1	.01%, March 2009 – 0.51%)			
Sol,500       Toky of Electron       1,515       1.25       (March 2009 – 0.51%)         Software & Computer Services – 2.83% (March 2009 – 4.37%)       98       Inpex Holdings       471         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         292       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 – 5.52%)									
Nippon Mining Holdings       371         (March 2009 – 4.37%)       119,500       Nippon Mining Holdings       371         7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         292       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       0.66       0         7,931       Yahoo Japan       1,572       1.03       UTILITIES (3.29%, March 2009 – 5.52%)	58,900	lokyo Electron	1,919	1.26		(March 2009 – 0.51%)			
(March 2009 – 4.37%)         119,500         Nippon Mining Holdings         371           7,200         Nintendo         1,149         0.75         110,700         Showa Shell Sekiyu         703           292         NTT Data         587         0.39         Total Resources         1,545           73,700         Sumco         1,001         0.66         UTILITIES (3.29%, March 2009 – 5.52%)         UTILITIES (3.29%, March 2009 – 5.52%)		Software & Computer Services – 2	.83%					0.31	
7,200       Nintendo       1,149       0.75       110,700       Showa Shell Sekiyu       703         292       NTT Data       587       0.39       Total Resources       1,545         73,700       Sumco       1,001       0.66       UTILITIES (3.29%, March 2009 – 5.52%)       1,545		-						0.24	
292         NTT Data         587         0.39         Total Resources         1,545           73,700         Sumco         1,001         0.66             1,572         1.03         UTILITIES (3.29%, March 2009 – 5.52%)	7,200	Nintendo	1,149	0.75	110,700	Showa Shell Sekiyu	703	0.46	
73,700         Sumco         1,001         0.66           7,931         Yahoo Japan         1,572         1.03         UTILITIES (3.29%, March 2009 – 5.52%)	292	NTT Data				Total Resources	1,545	1.01	
7,931         Yahoo Japan         1,572         1.03         UTILITIES (3.29%, March 2009 – 5.52%)						-			
						% March 2009 - 5 52%)			
(March 2009 – 3.97%)	,	·			0 HEIHEO (3.23	Electricity – 1.12%			
123,100 Kansai Electric Power 1,716					123,100	• •	1,716	1.12	

# Japan Fund

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Gas Distribution – 2.17% (March 2009 – 1.55%)		
796,000	Tokyo Gas	1,891	1.24
676,000	Osaka Gas	1,415	0.93
	Total Utilities	5,022	3.29
Total Value of Investments		150,170	98.42
Net Other Assets (March 2009 – 3.63%)		2,416	1.58
Net Assets		152,586	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

### **Japan Smaller Companies Fund**

#### **Portfolio statement**

as at 7th September 2009

			% of
Held's s	In sector and		Net Asset
Holding	Investment	£000	Value
BASIC INDUST	RIES (17.81%, March 2009 – 1 Chemicals – 9.19%	6.03%)	
	(March 2009 – 8.00%)		
398,500	Arisawa Manufacturing	1,862	1.92
130,300		1,223	1.26
683		1,546	1.59
120,200	Lintec Nissan Chemical Industries	1,449	1.49
98,500		1,321 1,531	1.36 1.57
00,000	5		1.07
	Construction & Building Materia (March 2009 – 5.05%)	ais - 6.85%	
984,000	Krosaki Harima	1,133	1.16
71,500		581	0.60
793,000		1,681	1.73
305,500 322,200		1,725 1,543	1.77 1.59
522,200	Sumiono Forestry	1,040	1.00
	Forestry & Paper – 0.92%		
	(March 2009 – 0.74%)		
1,078,000	Mitsubishi Paper Mills	896	0.92
	Steel & Other Metals – 0.85%		
	(March 2009 – 2.24%)		
321,000	Yodogawa Steel Works	823	0.85
	Total Basic Industries	17,314	17.81
	SUMER GOODS (7.15%, Marc Automobiles & Parts – 2.56% (March 2009 – 2.78%)		
621,000	Calsonic Kansei .	939	0.97
504,000	Yokohama Rubber .	1,547	1.59
	Household Goods & Textiles – 4	.59%	
400.000	(March 2009 – 3.03%)	4 454	4.40
423,000	Gunze	1,151	1.18
255,000 351,000	Japan Wool Textile Mizuno	1,158 951	1.19 0.98
278,000	Onward Kashiyama	1,200	1.24
	Total Cyclical Consumer Goods	6,946	7.15
CYCLICAL SER	/ICES (20.65%, March 2009 – Distributors – 0.00% (March 2009 – 0.96%)	21.13%)	
	General Retailers – 7.96%		
	(March 2009 – 10.28%)		
113,300	Doutor Nichires Holdings	1,053	1.08
79,100 152,400	Nafco Nishimatsuya Chain	934 876	0.96 0.90
38,000	Ryohin Keikaku	1,007	1.04
73,400	Shimachu	1,007	1.04
445,000	Tokyo Kaikan	1,077	1.11
59,600	Tsuruha Holdings	1,377	1.42
170	Village Vanguard	396	0.41
	Leisure Entertainment & Hotels (March 2009 – 2.86%)	- 3.91%	
2,301	Accordia Golf	1,370	1.41
3,119	Pacific Golf Group	1,324	1.36
1,959	SRI Sports	1,111	1.14

Holding	Investment	Value £000	Net Asset Value
	Media & Photography – 2.17%		
	(March 2009 – 0.01%)		
59,400	Asatsu	729	0.75
700	So net M3	1,379	1.42
	Support Services – 3.84% (March 2009 – 6.10%)		
344,200	Advan	1,435	1.48
111,200	Aeon Delight	937	0.96
188,600	Sohgo Security Services	1,362	1.40
130,100 408,000	Transport – 2.77% (March 2009 – 0.92%) Japan Airport Terminal Mitsui-Soko	921 913	0.95 0.94
524,000	Shinwa Kaiun Kaisha	861	0.88
. ,	Total Cyclical Services	20,073	20.65
FINANCIALS (1	4.69%, March 2009 – 13.09%)		
	Investment Companies – 1.39% (March 2009 – 0.40%)		
325,900	Ichiyoshi Securities	1,354	1.39
	Real Estate – 4.58% (March 2009 – 5.77%)		
148,500	Shoei	706	0.72
24,000	Tachihi Enterprise	785	0.81
77,500	Takamatsu	767	0.79

% of

#### 303,000 Tokyo Tatemono 1,086 1.12 Speciality & Other Finance - 8.72% (March 2009 - 6.92%) 200,400 Century Leasing System 1,361 1.40 102,700 1,952 2.01 Jafco 234,400 **Kyokuto Securities** 1,067 1.10

1,109

544

0.56

1.14

#### 199,000 Matsui Securities 1,047 1.08 715 Osaka Securities Exchange 1,979 2.03 506,000 Tokai Tokyo Securities 1,066 1.10 **Total Financials** 14,279 14.69

385,200

154,300

Yokowo

TOC

GENERAL INDUSTRIALS (20.66%, March 2009 - 18.75%) **Diversified Industrials – 4.12%** (March 2009 - 4.65%) 489,000 Eagle Industry 1,709 1.76 139,800 1,083 Tamron 1.11 91,700 Teikoku Electric Manufacturing 1,212 1.25 Electronic & Electrical Equipment – 8.28% (March 2009 - 5.82%) 704,000 Dainippon Screen Manufacturing 1,437 1.48 661,000 Daishinku 1,669 1.72 60,000 Futaba 614 0.63 64,400 Horiba 916 0.94 189,000 Nidec Sankyo 658 0.68 132,000 Ohara 1,251 1.29 145,000 Osaki Electric 956 0.98

# **Japan Smaller Companies Fund**

#### **Portfolio statement**

(continued)

		Value	% of Net Asset
Holding	Investment	£000	Value
	Engineering & Machinery – 8.26 (March 2009 – 8.28%)	%	
329,000	Kinki Sharyo	1,851	1.90
498,000	, Kitz	1,440	1.48
139,100	Komori	1,016	1.05
94,900	Misumi Group	1,038	1.07
218,000	Nippon Thompson	819	0.84
86,200		1,187	1.22
71,700	Yushin Precision Equipment	676	0.70
	Total General Industrials	20,076	20.66
INFORMATION (5.95%, March 2			
	Information Technology Hardwar (March 2009 – 1.39%)	re – 1.73%	
274,400	Star Micronics	1,675	1.73
	Software & Computer Services - (March 2009 – 9.34%)	- 4.22%	
709	Gourmet Navigator	1,050	1.08
76,800	Ines Corporation	390	0.40
14,650	Obic	1,438	1.48
1,058	So net Entertainment	1,225	1.26
	Total Information Technology	5,778	5.95
NON-CYCLICAL (7.12%, March 2	CONSUMER GOODS 2009 – 6.33%) Food Producers & Processors – 4 (March 2009 – 2.60%)	4.80%	
175,300	Fuji Oil	1,504	1.55
145,900	Hokuto	2,067	2.13
473,000	J-Oil Mills	1,086	1.12
	Health – 0.76% (March 2009 – 2.34%)		
28,400	Sysmex	745	0.76
	Pharmaceuticals & Biotechnolog (March 2009 – 1.39%)	jy – 1.56%	
106,000	Kissei Pharmaceutical	1,519	1.56
	Total Non-Cyclical		
	Consumer Goods	6,921	7.12
NON-CYCLICAL (2.67%, March 2	2009 – 4.21%)		
00.000	Food & Drug Retailers – 1.33% (March 2009 – 1.54%)	4 007	4.00
92,300	Cawachi	1,295	1.33
	Telecommunication Services – 1 (March 2009 – 2.67%)	.34%	
1,081	Okinawa Cellular	1,301	1.34
	Total Non-Cyclical Services	2,596	2.67

Holding	Investment	Value £000	% of Net Asset Value
<b>RESOURCES</b> (1	.89%, March 2009 – 1.22%)		
	Mining – 0.95%		
	(March 2009 – 0.00%)		
182,000	Pacific Metals	918	0.95
	Oil & Gas – 0.94%		
	(March 2009 – 1.22%)		
202,500	Shizuoka Gas	918	0.94
	Total Resources	1,836	1.89
UTILITIES (0.76	%, March 2009 – 0.00%)		
	Electricity – 0.76%		
20.000	(March 2009 – 0.00%)	704	0.70
20,900	Okinawa Electric Power	734	0.76
	Total Utilities	734	0.76
Total Value of Invo	estments	96,553	99.35
Net Other Assets	(March 2009 – 2.70%)	634	0.65
Net Assets		97,187	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

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### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
Tolding	Investment	LUUU	value	Tolding	investment	1000	value
AUSTRALIA (14	l.93%, March 2009 – 16.89%) Banks – 2.76%				Transport – 0.00% (March 2009 – 0.14%)		
	(March 2009 – 1.88%)				Total Bermuda	33,374	3.01
1,890,886	Australia & New Zealand					00,074	0.01
765,589	Bank Group Westpac Banking	21,004 9,613	1.89 0.87	CAYMAN ISLAI	NDS (4.33%, March 2009 – 2.26% Forestry & Paper – 0.00%	%)	
	Engineering & Machinery – 0.18% (March 2009 – 0.04%)				(March 2009 – 0.13%) General Retailers – 0.06%		
14,175,322	Boart Longyear Group	1,956	0.18		(March 2009 – 0.33%)		
	Food & Drug Retailers – 0.64% (March 2009 – 1.83%)			733,000	Lifestyle International Holdings	632	0.06
485,281	Woolworths	7,139	0.64		Personal Care & Household Produ	cts – 0.48	%
				1,544,000	( <b>March 2009 – 0.00%)</b> Hengan International Group	5,364	0.48
	Insurance – 1.34%			1,044,000	nongun monnational Group	0,004	0.40
1,274,946	(March 2009 – 1.68%) QBE Insurance Group	14,913	1.34		Real Estate – 2.63%		
.,_, .,		,		10 110 050	(March 2009 – 0.80%)	14 001	1.00
	Mining – 5.91%			18,416,850 10,420,000	Agile Property Holdings China Resources Land	14,661 14,561	1.32 1.31
4 770 000	(March 2009 – 6.77%)	00.005	0.05	10,420,000		14,001	1.01
1,770,069 680,377	BHP Billiton NPV Newcrest Mining	33,895 11,530	3.05 1.04		Software & Computer Services –	.16%	
685,824	Rio Tinto	20,180	1.82		(March 2009 – 1.00%)		
,		,		1,277,100	Tencent Holdings	12,823	1.16
	Oil & Gas – 0.68%				Total Cayman Islands	48,041	4.33
311,819	<b>(March 2009 – 0.47%)</b> Woodside Petroleum	7,600	0.68				
311,019	Woodside l'ettoleum	7,000	0.08	CHINA (11.90%)	, March 2009 – 12.52%) Banks – 4.23%		
	Pharmaceuticals & Biotechnology	- 1.53%			(March 2009 – 5.57%)		
	(March 2009 – 2.87%)			49,902,000	Bank of China	16,023	1.44
958,909	CSL	16,939	1.53	29,405,000		14,174	1.28
	Speciality & Other Finance – 1.069 (March 2009 – 0.26%)	%		36,867,000	Industrial & Commercial Bank of China	16,700	1.51
464,392	Macquarie Group	11,732	1.06		Chemicals – 0.00% (March 2009 – 0.98%)		
	Telecommunication Services – 0.8	3%					
5,495,883	(March 2009 – 1.09%) Telstra	9,245	0.83		Construction & Building Materials	- 1.76%	
0,-100,000	Total Australia	165,746	14.93	330,000	( <b>March 2009 – 0.67%)</b> Anhui Conch Cement	1,350	0.12
		100,710	11.00	5,776,000	China National Building	7,899	0.71
BERMUDA (3.0 <sup>°</sup>	1%, March 2009 – 4.18%)			4,056,500	China Shenhua Energy	10,366	0.93
	Construction & Building Materials	s – 0.36%				0.049/	
	(March 2009 – 0.93%)				Electronic & Electrical Equipment (March 2009 – 0.49%)	- 0.64%	
1,796,000	Cheung Kong Infrastructure Holdings	4,004	0.36	4,880,000	China High Speed Transmission	7,072	0.64
	General Retailers – 1.56%				Insurance – 1.06%		
	(March 2009 – 1.81%)			0 404 500	(March 2009 – 0.96%)	44 774	1.00
1,927,400	Esprit Holdings	7,399	0.67	2,401,500	Ping An Insurance Group	11,774	1.06
6,591,000	Ports Design	9,883	0.89		Investment Companies – 0.52%		
	Household Goods & Textiles – 1.09	9%			(March 2009 – 0.65%)		
	(March 2009 – 0.92%)			2,409,100	Citic Securities P-Note	5,729	0.52
5,713,400	Li & Fung	12,088	1.09		Life Assurance – 1.61%		
	Real Estate – 0.00%				(March 2009 – 1.50%)		
	(March 2009 – 0.38%)			6,668,000	China Life Insurance	17,877	1.61
					Mining – 0.27% (March 2009 – 0.75%)		
				3,706,000	( <b>March 2009 – 0.75%)</b> China Coal Energy	3,038	0.27
				5,, 00,000		-,000	0.27

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
Portfolio st	atement				Engineering & Machinery – 0.80%		
(continued)				442 626	( <b>March 2009 – 0.52%)</b> Larsen &Toubro	8,860	0.80
				443,626	Larsen & loubro	8,860	0.80
	Oil & Gas – 0.94% (March 2009 – 0.47%)				Oil & Gas – 1.21%		
19,526,000	China Petroleum & Chemical	10,378	0.94		(March 2009 – 0.59%)		
				535,865	Reliance Industries	13,406	1.21
	Real Estate – 0.61%				Software & Computer Services –	1.07%	
5,795,600	(March 2009 – 0.48%) Guangzhou R & F Properties	6,807	0.61		(March 2009 – 1.27%)		
3,733,000	Guangzhou n d i riopenies	0,007	0.01	427,037	Infosys Technologies	11,873	1.07
	Telecommunication Services –	0.26%			Createlity & Other Finance 0.70	<b>b</b> /	
	(March 2009 – 0.00%)				Speciality & Other Finance – 0.70 (March 2009 – 0.73%)	70	
9,182,000	China Telecom	2,927	0.26	248,142	Housing Development Finance	7,811	0.70
	Total China	132,114	11.90		<u> </u>		
	2 40% Manual 2000 44 02%	,			Telecommunication Services – 0.7	9%	
HONG KONG (1	2.40%, March 2009 – 14.93% Banks – 1.60%	)		1,667,722	<b>(March 2009 – 1.23%)</b> Bharti Airtel	8,771	0.79
	(March 2009 – 0.00%)			1,007,722	Total India		6.37
8,656,000	BOC Hong Kong Holdings	11,321	1.02			70,716	0.37
737,000	Hang Seng Bank	6,475	0.58	INDONESIA (4	31%, March 2009 – 1.41%)		
	Diversified Industrials – 1.95%				Automobiles & Parts – 1.33%		
	(March 2009 – 2.03%)				(March 2009 – 0.41%)		
7,580,719	New World Development	9,915	0.89	8,315,500	Astra International	14,818	1.33
3,769,000	Shanghai Industrial Holdings	11,717	1.06		Banks – 1.67%		
					(March 2009 – 0.69%)		
	Electricity – 0.00% (March 2009 – 1.06%)			44,311,500	Bank Mandiri (Persero)	11,060	1.00
	(March 2005 – 1.00 %)			17,040,500	Bank Rakyat Indonesia	7,424	0.67
	Oil & Gas – 1.04%				Cas Distribution 0.60%		
	(March 2009 – 1.37%)				Gas Distribution – 0.69% (March 2009 – 0.00%)		
13,915,000	CNOOC	11,470	1.04	37,980,000	Perusahaan Gas Negara	7,699	0.69
	Real Estate – 5.13%						
	(March 2009 – 6.30%)				Mining – 0.62%		
2,446,000	Cheung Kong Holdings	18,060	1.63	38,962,000	( <b>March 2009 – 0.31%)</b> Bumi Resources	6,837	0.62
10,098,727 6,720,940	China Overseas Land Sino Land	14,017 7,693	1.26 0.69	30,302,000	Total Indonesia	47,838	4.31
1,979,000	Sun Hung Kai Properties	17,230	1.55			47,030	4.31
.,,		,		MALAYSIA (0.9	4%, March 2009 – 1.36%)		
	Speciality & Other Finance – 1.	14%			Banks – 0.51%		
1 120 700	(March 2009 – 0.39%)	10.040	1 1 4		(March 2009 – 0.00%)		
1,130,700	Hong Kong Exchange	12,649	1.14	3,178,700	Bumiputra-Commerce Holdings	5,648	0.51
	Telecommunication Services –	1.54%			Engineering & Machinery – 0.43%		
	(March 2009 – 3.78%)				(March 2009 – 0.42%)		
2,814,000	China Mobile	17,121	1.54	15,057,700	KNM Group Behad	1,917	0.17
	Total Hong Kong	137,668	12.40	5,926,000	WCT Engineering	2,833	0.26
					Telecommunication Services – 0.0	0%	
INDIA (6.37%, N	larch 2009 – 5.52%) Automobiles & Parts – 0.26%				(March 2009 – 0.94%)	070	
	(March 2009 – 0.00%)				Total Malaysia	10,398	0.94
140,666	Hero Honda Motors	2,870	0.26			,	
	D 1 0 70%			PAKISTAN (0.12	2%, March 2009 – 0.30%)		
	Banks – 0.72% (March 2009 – 0.00%)				Banks – 0.12%		
354,793	(March 2009 – 0.00%) State Bank of India	8,045	0.72	050.000	(March 2009 – 0.30%)	1 000	
50 .,. 00		0,010	0.72	858,932	MCB Bank	1,288	0.12
	Electronic & Electrical Equipme	nt – 0.82%			Total Pakistan	1,288	0.12
000 005	(March 2009 – 1.18%)	0.00-					
326,395	Bharat Heavy Electricals	9,080	0.82				

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	
PHILIPPINES (0	.48%, March 2009 – 0.82%)			
1,412,640	Diversified Industrials – 0.48% (March 2009 – 0.00%) Ayala	5,286	0.48	
	Telecommunication Services – (March 2009 – 0.82%)	0.00%		
	Total Philippines	5,286	0.48	
	13%, March 2009 – 5.81%) Banks – 1.94% (March 2009 – 1.98%)	10 000	0.00	
1,993,000 1,477,000	DBS Group Holdings United Overseas Bank	10,902 10,677	0.98 0.96	
1,625,000 6,350,000	Engineering & Machinery – 2.04 (March 2009 – 1.86%) Keppel Wilmar International	<b>4%</b> 5,307 17,341	0.48 1.56	
5,000,000	Real Estate – 0.83% (March 2009 – 0.73%) Ascendas Real Estate Investme Trust City Developments	nt 3,653 5,581	0.33 0.50	TAIWAI
	Support Services – 0.00% (March 2009 – 0.25%)			10
2,509,000	Telecommunication Services – (March 2009 – 0.99%) Singapore Telecommunications		0.32	11 3
	Total Singapore	56,946	5.13	
SOUTH KOREA	(16.45%, March 2009 – 10.72 Automobiles & Parts – 2.58% (March 2009 – 1.00%)	2%)		17
132,739 351,359	,	9,238 19,423	0.83 1.75	14 9
609,417	Banks – 1.47% (March 2009 – 0.26%) KB Financial Group	16,332	1.47	15 1
197,170	Construction & Building Materi (March 2009 – 0.21%) Hyundai Development Compan		0.38	4, 21
211,720	Engineering & Machinery – 0.54 (March 2009 – 0.00%) Hyundai Engineering & Constru		0.54	8 27 14,
120,857 26,848	<b>General Retailers – 1.14%</b> ( <b>March 2009 – 0.96%</b> ) Hyundai Department Store Shinsegae	5,691 6,997	0.51 0.63	32
	Information Technology Hardwa (March 2009 – 4.21%)	are – 5.86%		
271,374 120,577	LG Electronics Samsung Electronics	19,086 46,003	1.72 4.14	

Holding	Investment	Value £000	% of Net Asset Value
	Software & Computer Services (March 2009 – 0.63%)	- 0.42%	
57,991	NHN	4,637	0.42
	Speciality & Other Finance – 1.8 (March 2009 – 0.59%)	31%	
188,674	5	6,649	0.60
624,448	Shinhan Financial Group	13,468	1.21
50.050	Steel & Other Metals – 1.19% (March 2009 – 0.54%)	40.044	1.10
58,959	Posco	13,211	1.19
	Telecommunication Services – ( (March 2009 – 0.73%)		
46,184	SKTelecom	3,841	0.35
	Tobacco – 0.71% (March 2009 – 1.59%)		
238,410	KT&G	7,837	0.71
	Total South Korea	182,623	16.45
WAN (14.059	%, March 2009 – 12.08%) Construction & Building Materia (March 2009 – 0.79%)	als – 0.62%	
147,150	Asia Cement	96	0.01
10,280,542	Taiwan Cement	6,817	0.61
	Electronic & Electrical Equipme (March 2009 – 2.07%)	nt – 2.65%	
11,289,402		25,824	2.33
3,102,000	Synnex Technology Internationa Household Goods & Textiles – 1		0.32
	(March 2009 – 0.90%)		
17,362,897	Far EastTextile	11,449	1.03
	Information Technology Hardwa (March 2009 – 4.40%)	ire – 6.08%	
14,413,804	•	8,797	0.79
9,958,545		6,908 2 971	0.62 0.35
564,900 15,303,630	Inotera Memories	3,871 5,357	0.35
1,463,776	Mediatek	14,044	1.27
4,170,000	Siliconware Precis	3,491	0.31
21,863,408	Taiwan Semiconductor	25,066	2.26
	Speciality & Other Finance – 3.6 (March 2009 – 2.24%)	63%	
8,227,664	Cathay Financial Holding	7,681	0.69
27,806,058	China Trust Financial Holding	10,043	0.91
14,000,000 32 182 000	Fubon Financial Holding Yuanta Financial Holding	8,557 13,948	0.77 1.26
32,182,000	Telecommunication Services – (		1.20
	(March 2009 – 1.68%)		
428,478	Chunghwa Telecom	450	0.04
	Total Taiwan	155,955	14.05

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value
THAILAND (1.2	1%, March 2009 – 1.68%)		
	Banks – 0.82% (March 2009 – 1.26%)		
6,432,328	· · · · · · · · · · · · · · · · · · ·	9,056	0.82
	Mining – 0.39% (March 2009 – 0.42%)		
590,200	Banpu (F)	4,326	0.39
	Total Thailand	13,382	1.21
UNITED KINGD 1,000,790	OM (3.86%, March 2009 – 4.0 Banks – 1.23% (March 2009 – 0.96%) Standard Chartered	<b>)8%)</b> 13,701	1.23
21,117,279	Collective Investment Schemes (March 2009 – 3.12%) Threadneedle Specialist China Opportunities Fund	<b>5 – 2.63%</b> 29,178	2.63
	Total United Kingdom	42,879	3.86
Total Value of Inve	estments	1,104,254	99.49
Net Other Assets	(March 2009 – 5.44%)	5,614	0.51
Net Assets		1,109,868	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

### **Latin America Fund**

### **Portfolio statement**

as at 7th September 2009

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Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value I £000	% of Net Asset Value
Tiolung	investment	2000	Value	Tolding	investment	2000	Value
BERMUDA (0.00	0%, March 2009 – 1.00%) Banks – 0.00%				Oil & Gas – 11.48% (March 2009 – 10.75%)		
	(March 2009 – 1.00%)			42,000 1,132,770		14,543 28,812	1.96 3.89
	Total Bermuda		_	1,939,338	Petroleo Brasileiro ADR	41,680	5.63
BBA7II (65 78%	o, March 2009 – 64.31%)						
BIALL (00.70 A	, Maron 2000 04.0170,				Personal Care & Household Product (March 2009 – 0.73%)	cts – 1.28%	•
	Banks – 13.19%			947,300	Natura Cosmeticos	9,471	1.28
2 5 2 7 2 0 0	<b>(March 2009 – 11.81%)</b> Banco Bradesco	26.200	4.90				
3,537,200 3,470,802	Banco Itau Holdings Financeira	36,299 36,202	4.90		Real Estate – 2.55%		
2,408,259	Itau Unibanco Banco Multiplo	00,202	4.00	1,314,500	( <b>March 2009 – 0.34%)</b> BR Malls Participacoes	8,417	1.14
	ADR	25,190	3.40	742,700	•	5,531	0.75
	<b>D</b>			560,900	Pdg Realty	4,874	0.66
	Beverages – 3.04% (March 2009 – 2.67%)						
496.899	Ambev Cia de Bebid ADR	22,502	3.04		Speciality & Other Finance – 3.32% (March 2009 – 6.90%)	o	
		22,002	0.01	4,016,500	(March 2009 – 6.90%) BM&F Bovespa	15,301	2.06
	<b>Construction &amp; Building Materials</b>	s – 2.14%		775,644	Bradespar – Preference shares	7,468	1.01
	(March 2009 – 1.10%)			221,900	Redecard	1,881	0.25
445,000	MRV Engenharia e Participacoes	4,896	0.66 1.48				
1,378,252	Multiplan Empreendimentos Diversified Industrials – 3.06%	10,947	1.40		Steel & Other Metals – 5.02% (March 2009 – 1.02%)		
	(March 2009 – 2.27%)			1,235,626	Companhia Siderurgica	20.260	0.75
5,805,892	Itausa-Investimentos Itau SA	18,223	2.46	810,584	Nacional ADR Gerdau ADR	20,368 5,874	2.75 0.79
930,600	Weg SA	4,480	0.60	756,400	Usinas Siderurgicas de Minas	0,074	0.70
					Gerais	10,996	1.48
1,205,023	Electricity – 1.43% (March 2009 – 4.06%) Companhia Energetica de Minas				Support Services – 0.66% (March 2009 – 0.85%)		
	Gerais	10,570	1.43	494,638	Companhia de Concessoes		
	Electronic & Electrical Equipment	- 0.00%			Rodoviarias	4,855	0.66
	(March 2009 – 0.84%)				Telecommunication Services – 2.09 (March 2009 – 3.39%)	9%	
	Food & Drug Retailers – 1.82%			1,234,314	GVT Holding	14,037	1.89
433,971	(March 2009 – 2.83%) Companhia Brasileira de			106,763	Vivo Participacoes ADR	1,514	0.20
	Distribuicao Grupo Pao de Acucar ADR	13,478	1.82		Transport – 0.92%		
		10,470	1.02	1,567,254	<b>(March 2009 – 0.78%)</b> All America Latina Logistica	6,809	0.92
	Food Producers & Processors – 0.3	30%		1,507,254	Total Brazil	487.338	65.78
	(March 2009 – 0.51%)					407,330	05.70
446,600	SLC Agricola General Retailers – 2.73%	2,212	0.30	CHILE (2.07%, N	March 2009 – 2.93%) Banks – 0.89%		
	(March 2009 – 0.77%)				(March 2009 – 0.00%)		
2,066,610	Lojas Renner	20,265	2.73	222,336	Banco Santander-Chile	6,636	0.89
	Health – 0.00% (March 2009 – 0.91%)			418,049	<b>Chemicals – 1.18%</b> ( <b>March 2009 – 1.28%)</b> Sociedad Quimica y Minera		
	Media & Photography – 0.89% (March 2009 – 1.89%)				de Chile ADR	8,713	1.18
1,026,738	Net Servicos de Comunicacao	6,567	0.89		Electricity – 0.00% (March 2009 – 1.65%)		
	Mining – 9.86% (March 2009 – 9.89%)				Total Chile	15,349	2.07
6,694,192							
.,	SP ADR	73,076	9.86				

### **Latin America Fund**

### **Portfolio statement**

(continued)

			Value	% of Net Asset			Value	% of Net Asset		
Mining - 1.31% (Mark 2009 - 0.00%) State Colombia         Mining - 1.31% (Mark 2009 - 0.00%)           UXEMBOURG (LOS%, March 2009 - 0.00%) State 3 Other Metate - 1.05%, State 3 Other Metate - 1.05%, March 2009 - 0.00%)         UNITED KINGCOP (I, 1.22%, March 2009 - 0.00%) Mining - 1.23%, March 2009 - 0.00%)         UNITED KINGCOP (I, 1.23%, March 2009 - 0.00%) Mining - 1.23%, March 2009 - 0.00%)         I.12           MEXICO (23.38%, March 2009 - 22.89%) Banks - 1.24%, (March 2009 - 0.00%)         2,200         0.30         March 2009 - 0.00%) (March 2009 - 0.00%)         8,291         1.12           MEXICO (23.38%, March 2009 - 0.00%) 4,004.500         Ganco Compatinos         2,200         0.30         March 2009 - 0.00%) (March 2009 - 0.00%)         1.29           2233 971         March 2009 - 0.00%) (March 2009 - 0.23%) (March 2	Holding	Investment			Holding	Investment				
(March 2009 - 0.0%)         (March 2009 - 0.0%)           (March 2009 - 0.0%)         State 2 other Metals - 1.0%         (March 2009 - 0.0%)           LUXEMBOURG (1.0%, March 2009 - 0.0%)         State 2 other Metals - 1.0%         (March 2009 - 0.0%)           Colspan="2">Colspan="2"           Colspan="2"               Colspan="2" <th <="" colspan="2" td=""><td>COLOMBIA (1.1</td><td>I6%, March 2009 – 0.00%)</td><td></td><td></td><td>PERU (1.31%, N</td><td>/larch 2009 – 3.32%)</td><td></td><td></td></th>	<td>COLOMBIA (1.1</td> <td>I6%, March 2009 – 0.00%)</td> <td></td> <td></td> <td>PERU (1.31%, N</td> <td>/larch 2009 – 3.32%)</td> <td></td> <td></td>		COLOMBIA (1.1	I6%, March 2009 – 0.00%)			PERU (1.31%, N	/larch 2009 – 3.32%)		
400.809         BarColombia         8.580         1.16         555.80         Compania de Minas         9.718         1.31           LUXEMBOURG         (1.6%), March 2009 - 0.00%)         Steel & Other Matals - 1.05%, (March 2009 - 0.00%)         UNITED KINGDOM (1.12%, March 2009 - 0.00%)         Mining - 1.12%, Mining - 1.12%, (March 2009 - 0.00%)         UNITED KINGDOM (1.12%, March 2009 - 0.00%)         Mining - 1.12%, (March 2009 - 0.00%)         Mining - 1.27%, (March 2009 - 0.00%)         UNITED KINGDOM (1.12%, March 2009 - 0.00%)         Mining - 1.27%, (March 2009 - 0.00%)         Mining - 1.27%, (March 2009 - 0.00%)         Mining - 1.27%, (March 2009 - 0.00%)         UNITED STATES OF AMERICA (1.28%, March 2009 - 0.72%)         UNITED STATES OF AMERICA (1.24%, March 2009 - 0.72%)           Beverages - 2.30%, (March 2009 - 0.25%)         Gerupo Financiero Banorte         6.988         0.30         558,195         Southern Copper         9.578         1.29           233.971         Coac-Cole Femsa ADR         6.447         0.87         Total Value of Investments         736,669         99.43           700.788         Desarrolledora Homex ADR         10.613         1.43         Total Value of Investments         736,669         99.43           71.124.6327         Wal Mart de Mexico         26.267         3.55         Met das Abotgraph - 2.01%, (March 2009 - 0.00%)         Total Value of Investments         736,669         99.43 <t< td=""><td></td><td>Banks – 1.16%</td><td></td><td></td><td></td><td>Mining – 1.31%</td><td></td><td></td></t<>		Banks – 1.16%				Mining – 1.31%				
Total Colombia         8,590         1.16         Burensventura ADR Total Peru         9,718         1.31           LUXEMBOURG (1.05%, March 2009 - 0.00%) Steel & Other Metals - 105%, (March 2009 - 0.00%)         7795         1.05         UNITED KINGDOM (1.12%, March 2009 - 0.00%)         Mining - 1.12%, (March 2009 - 0.00%)         8,291         1.12           MEXICO (23.88%, March 2009 - 22.88%) Banks - 1.24%, (March 2009 - 0.00%)         2,200         0.30         0.558,195         0.014164 (Kingdom         8,291         1.12           MEXICO (23.88%, March 2009 - 22.88%) Banks - 1.24%, (March 2009 - 0.00%)         UNITED STITES OF AMERICA (1.23%, March 2009 - 0.72%)         UNITED STITES OF AMERICA (1.23%, March 2009 - 0.72%)         UNITED STITES OF AMERICA (1.23%, March 2009 - 0.72%)         Minor 2009 - 0.72%) <td></td> <td>(March 2009 – 0.00%)</td> <td></td> <td></td> <td></td> <td>(March 2009 – 3.32%)</td> <td></td> <td></td>		(March 2009 – 0.00%)				(March 2009 – 3.32%)				
Inductional Continue         C.320         I.10         Total Peru         9,718         1.31           LUXEMBOURG (1.05%, March 2009 - 0.00%) Steel & Other Matla - 1.05%, (March 2009 - 0.00%) (March 2009 - 0.00%)         UNITED KINGDOM (1.12%, March 2009 - 0.00%)         Mining - 1.12%, (March 2009 - 0.00%)         Mining - 1.12%, (March 2009 - 0.00%)         Mining - 1.12%, (March 2009 - 0.00%)         8.291         1.12           MEXICO (23.39%, March 2009 - 22.88%)         Banks - 1.24%, (March 2009 - 0.00%)         UNITED KINGDOM (1.12%, March 2009 - 0.72%)         Mining - 1.32%, (March 2009 - 0.00%)         8.291         1.12           MEXICO (23.39%, March 2009 - 0.28%)         Banks - 1.24%, (March 2009 - 0.00%)         UNITED STATES OF AMERICA (1.23%, March 2009 - 0.72%)         Mining - 1.32%, (March 2009 - 0.00%)         1.29           323.971         Coac-Cola Femaa ADR         6.447         0.87         Total Value of Investments         736.669         9.9.43           700.788         Construction & Building Materials - 2.43%, (March 2009 - 0.28%)         Net Other Assets (March 2009 - 4.84%)         4.253         0.67           700.788         Construction & Building Materials - 2.43%, (March 2009 - 0.00%)         Total Value of Investments         736.669         9.9.43           712.164.297         Wal Mart de Mexico         26.267         3.55         Total Value of Investments         736.669         9.43	400,809	BanColombia	8,580	1.16	555,490	Compania de Minas				
LUXEMBOURG (1.05%, March 2009 - 0.00%) Steel & Other Metals - 1.05% (March 2009 - 0.00%) Total Luembourg 7.795 1.05 Total Luembourg 7.795 1.05 Total Luembourg 7.795 1.05 March 2009 - 22.88%) Banke - 1.24% (March 2009 - 22.88%) Banke - 1.24% (March 2009 - 0.00%) 1.032.000 Banco Compartamos 2.200 0.30 4.064,500 Grupo Financiero Banorte 6.5968 0.34 Bawerages - 2.30% (March 2009 - 3.55%) (March 2009 - 3.55%) (March 2009 - 3.55%) (March 2009 - 3.55%) (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 12.164.237 Wal Mart de Mesico 26.267 3.55 Media & Photography - 2.07% (March 2009 - 3.27%) 1.2.94.00 - 3.18%) 1.430.138 Grupo Mexice 1.4.475 1.95 Speciality & Other Finance - 0.78% (March 2009 - 3.04%) 1.4.475 1.95 Speciality & Other Finance - 0.78% (March 2009 - 0.00%) 3.108.89 Bolisa Mexicen 4.77,99 9.72 Total Wait de Mexico 2.338 PANAMA (1.67%, March 2009 - 0.00%) Arrespace & Definen - 1.67% (March 2009 - 0.00%) Arrespace & Definen - 1.67%		Total Colombia	8,580	1.16						
Steel & Other Metals = -1.05% (March 2009 - 0.00%)         UNITED KINGEDOM (1.12%, March 2009 - 0.00%)           518,404         Ternium ADR         7.795         1.05           Total Luxembourg         7.795         1.05           MEXICO (23.99%, March 2009 - 22.88%)         Banks - 1.24%         March 2009 - 0.00%)           MEXICO (23.99%, March 2009 - 0.00%)         8.291         1.12           MARCh 2009 - 0.00%)         Banks - 1.24%         UNITED KIMEDOM         8.291         1.12           MARCh 2009 - 0.00%)         Banks - 1.24%         UNITED KIMEDOM         8.291         1.12           March 2009 - 0.00%)         Banks - 1.24%         UNITED KIMEDOM         8.291         1.12           March 2009 - 0.00%)         Banks - 1.24%         UNITED KIMEDOM         8.291         1.12           March 2009 - 0.00%)         Banks - 1.24%         UNITED KIMEDOM         8.291         1.12           March 2009 - 0.00%)         Grapp Financiero Banote         6.968         0.94         1.29         March 2009 - 0.72%)         Total United Kingdom         8.291         1.29           233.971         Coce-Cola Femsa ADR         6.447         0.87         1.29         Total United States of America         9.578         1.29           790,788         Desarrollator Home ADR						Total Peru	9,718	1.31		
Mining - 1.2%, (March 2009 - 0.0%)           Beakes - 1.24%, (March 2009 - 0.0%)         UNITED STATES OF AMERICA (1.29%, March 2009 - 0.72%)         March 2009 - 0.0%)         1.12           MEXICO (23.98%, March 2009 - 0.28%)/ (March 2009 - 0.00%)         UNITED STATES OF AMERICA (1.29%, March 2009 - 0.72%)         March 2009 - 0.0%)         1.29           1,037,000         Banco Compartamos         2,200         0.30         (March 2009 - 0.0%)         1.29           223,971         Coas-Colo Famsa ADR         6.447         0.87         Total United States of America         9.578         1.29           233,971         Coas-Colo Famsa ADR         6.447         0.81         1.43         Total Value of Investments         736,669         99.43           Construction & Building Materiats - 2.43%, (March 2009 - 1.2%)         Net Other Assets (March 2009 - 4.84%)         4.253         0.07           790,788         Desarrolladora Homox ADR         18,035         2.43         Net Other Assets (March 2009 - 4.84%)         4.253         0.05           12,164.227         Well Mart de Maxico         26,267         3.55         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.0%)         Juning - 1.2%         Juning - 1.2%         Juning - 1.2% <td>LUXEMBOURG</td> <td>i (1.05%, March 2009 – 0.00%)</td> <td>)</td> <td></td> <td></td> <td></td> <td></td> <td></td>	LUXEMBOURG	i (1.05%, March 2009 – 0.00%)	)							
518,404         Tenium ADR         7,795         1.05         (March 2009 - 0.00%)         8.291         1.12           MEXICO (23.98%, March 2009 - 2.2.88%)         Banks - 1.24%         Intermediate (1.29%, March 2009 - 0.07%)         8.291         1.12           MEXICO (23.98%, March 2009 - 0.00%)         Gance Compartances         2.200         0.30         0.00         8.291         1.12           Mexico 2009 - 0.00%)         Gance Compartances         2.200         0.30         0.00         9.578         1.29           Beverages - 2.30%         Out & Gas - 0.00%         March 2009 - 0.07%)         1.29         0.018 G Gas - 0.00%         1.29           233.971         Cocs Cola Femsa ADR         6.447         0.87         Total Value of Investments         736,669         9.9.33           233.971         Cocs Cola Femsa ADR         10.613         1.43         Total Value of Investments         736,669         9.9.33           207.98         Deasronalidora Homax ADR         18.035         2.43         Net Other Assets (March 2009 - 4.84%)         4.253         0.57           12.164.297         Wal March 2009 - 3.55%         Media & Photography - 2.01%         March 2009 - 4.84%)         4.253         0.57           12.164.297         Wal March 2009 - 3.55%         Media & Photography - 2.01% <td></td> <td></td> <td></td> <td></td> <td>UNITED KINGD</td> <td>OOM (1.12%, March 2009 – 0.0</td> <td>0%)</td> <td></td>					UNITED KINGD	OOM (1.12%, March 2009 – 0.0	0%)			
Total Luxembourg         2795         1.05           MEXICO (23.98%, March 2009 - 22.88%) Banks - 1.24% (March 2009 - 0.00%)         Intel Kingdom         8.291         1.12           MEXICO (23.98%, March 2009 - 22.88%) Banks - 1.24% (March 2009 - 0.00%)         UNITED STATES OF AMERICA (1.29%, March 2009 - 0.72%)         Intel Kingdom         8.291         1.12           Mining - 1.29% (March 2009 - 0.00%)         0.30         0.30         0.30         0.31         1.32         0.32<		• • • • • • • • • • •				-				
India Luterindung         7.33         1.03           MEXICO (23.98%, March 2009 – 22.88%) Banks - 1.24% (March 2009 – 0.0%) (March 2009 – 0.0%) 4.064,500         Total United Kingdom         8.291         1.12           MEXICO (23.98%, March 2009 – 0.0%) (March 2009 – 0.0%) 4.064,500         Grupo Financiero Banorte         6,968         0.94         UNITED STATES OF AMERICA (1.29%, March 2009 – 0.72%) (March 2009 – 3.6%) (March 2009 – 3.6%)         UNITED STATES OF AMERICA (1.29%, March 2009 – 0.72%)           233,971         Coac-Cola Femsa ADR         6.447         0.87         Total United States of America         9.578         1.29           478,786         Formento Economico Mexicano ADR         10.613         1.43         Total Value of Investments         786,669         99.43           790,780         Desarrolladora Homex ADR         18,035         2.43         Net Other Assets (March 2009 – 4.84%)         4,223         0.67           (March 2009 – 3.17%)         General Retailers – 3.55% (March 2009 – 3.27%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 – 3.27%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 – 3.27%)           12,164,297         Wal Mart de Mexico         26,267         3.55         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 – 3.18%)           1,436,141         Grupo Televisa ADR         1,435	518,404	Ternium ADR	7,795	1.05	4 400 000		0.004	4.40		
MEXICO (23.98%, March 2009 - 22.88%) Banks - 1.24% (March 2009 - 0.05%) (March 2009 - 0.05%) (March 2009 - 0.05%) (March 2009 - 3.65%) (March 2009 - 3.65%) (March 2009 - 3.65%) (March 2009 - 3.25%) (March 2009 - 0.25%) (March 2009 - 0.05%) (March 2009 - 0.05%		Total Luxembourg	7,795	1.05	1,132,603					
Barks - 124% (March 2009 - 0.0%)         UNITED STATES OF AMERICA (1.29%, March 2009 - 0.72%)           1.037,600         Barverages - 2.30%, (March 2009 - 3.58%)         Mining - 1.29%, (March 2009 - 0.0%)         1.29           233,971         Coca-Cola Femsa ADR Fomento Economico Mexicano ADR         6,447         0.87         Total Value of Investments         9,578         1.29           478,786         Construction & Building Materials - 2.43%, (March 2009 - 0.12%)         Net Other Assets (March 2009 - 4.84%)         4,253         0.57           790,786         Desarrolladora Homes ADR         18,035         2.43         Net Other Assets (March 2009 - 4.84%)         4,253         0.57           12,164,297         Wall Mart de Mexico         26,267         3.55         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.18%), (March 2009 - 3.18%), (March 2009 - 0.31%), (March 2009 - 0.31%), (March 2009 - 0.00%)         14,456         2.01           14,313,388         Grupo Mexica         14,475         1.95         5           Speciality & Other Finance - 0.78%, (March 2009 - 0.00%), (March 2009 - 0.00%), 8,180,899         2.380         0.78           Telecommunication Services - 9.72%, (March 2009 - 0.00%), 8,180,089         5,008         0.78           Telecommunication Services - 9.72%, (March 2009 - 0.00%), Acrospace & Defence - 167%, (March 2009 - 0.00%), March 2009 - 0.00%)         3.72						Iotal United Kingdom	8,291	1.12		
10,300       Base Compartances       2,200       0.30       (March 2009 - 0.0%)         4,064,500       Grupo Financiero Banorte       6,968       0.94       558,195       Southern Copper       9,578       1.29         Dia Southern Copper       9,578       1.29         233,971       Coac-Cola Fernas ADR       6,447       0.87       Total United States of America       9,578       1.29         478,786       Formento Economico Mexicano       ADR       10,613       1.43       Total Value of Investments       736,669       99.43         780,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.24%)       4.253       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       Net Assets       740,922       100.00         790,789       Desarrolladora Homex ADR       18,035       2.43       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)       Met Asset Value may not add up due to rounding (March 2009 - 3.27%)       740,922       100.00         12,164,297       Wal Mart de Mexico       26,267       3.55       State add up due to rounding (March 2009 - 3.28%)       State add up due to rounding (March 2009 - 3.28%)       State add up due to rounding (March 2009 - 0.00%)       State add up due to rounding (	MEXICO (23.98							700/1		
1,037600       Banco Compartanos       2,200       0.30       March 2009 - 0.00%)       558,195       Southern Copper       9,578       1.29         4,064,500       Grupo Financiero Banorte       6,688       0.34       558,195       Southern Copper       9,578       1.29         233,971       Coca-Cola Femas ADR       6,447       0.87       Total United States of America       9,578       1.29         478,786       Fomento Economico Mexicano       ADR       10.613       1.43       Total Value of Investments       736,669       99.43         790,788       Desarrolladora Homex ADR       10.053       2.43       Net Other Assets (March 2009 - 4.24%)       4.253       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4.253       0.57         712,164,297       Wal Mart de Mexico       26,267       3.55       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.18%)       14,335,388       Grupo Televisa ADR       14,475       1.95         1,436,141       Grupo Televisa ADR       14,475       1.95       Speciality & Other Finance - 0.78%       March 2009 - 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,508       0.78       717,660       23.98 <td></td> <td></td> <td></td> <td></td> <td>UNITED STATE</td> <td></td> <td>2009 – 0.</td> <td>/2%)</td>					UNITED STATE		2009 – 0.	/2%)		
4,064,500       Grupo Financiero Banorte       6,968       0.94       558,195       Southern Copper       9,578       1.29         Beverages - 2.30% (March 2009 - 3.25%)       Coze-Cola Fermas ADR       6,447       0.87       Oil & Gas - 0.00% (March 2009 - 0.22%)       9,578       1.29         233,971       Coze-Cola Fermas ADR       6,447       0.87       Total United States of America       9,578       1.29         478,786       Fomento Economico Mexicano ADR       10,613       1.43       Total Value of Investments       736,669       99.43         780,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4,2253       0.57         780,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4,2253       0.57         780,789       Desarrolladora Homex ADR       18,035       2.43       Net Asset Value may not ad up due to rounding (March 2009 - 3.27%)       Net Asset Value may not ad up due to rounding (March 2009 - 3.27%)       Net Asset Value may not ad up due to rounding (March 2009 - 2.62%)       The calculation of the % Net Asset Value may not ad up due to rounding (March 2009 - 0.07%)       Net Cohen Asset Value may not ad up due to rounding (March 2009 - 0.07%)         1,4,313,388       Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       3.72       71,991<	1 007 000		0.000	0.00		-				
Beverages - 2.30% (March 2009 - 3.56%)       Oil & Gas - 0.00% (March 2009 - 0.72%)         233.971       Coca-Cola Femsa ADR       6.447       0.87         476,76       Formento Economico Mexicano ADR       10.613       1.43         Construction & Building Materials - 2.43% (March 2009 - 1.21%)       Total Value of Investments       736,669       99.43         Construction & Building Materials - 2.43% (March 2009 - 1.21%)       Net Other Assets (March 2009 - 4.84%)       4.253       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4.253       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)       Net Other Assets (March 2009 - 4.84%)       4.253       0.57         12,164,297       Wal Mart de Mexico       26,267       3.55       Media & Photography - 2.01% (March 2009 - 3.27%)       Inte calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.28%)       Inte calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.28%)         1,433,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       71.931       9.72         2,646,161       America Movil SAB ADR       71.931		•			EE0 10E		0 570	1.00		
(March 2009 - 0.56%)         (March 2009 - 0.72%)           233.971         Coca-Cola Femsa ADR         6,447         0.87         Total United States of America         9,578         1.29           478,788         Fomento Economico Mexicano ADR         10.613         1.43         Total Value of Investments         736,669         99.43           Construction & Building Materials - 2.43% (March 2009 - 1.21%)         Net Other Assets (March 2009 - 4.84%)         4.253         0.57           790,788         Desarrolladora Homex ADR         18,035         2.43         Net Other Assets (March 2009 - 4.84%)         4.253         0.57           790,788         Desarrolladora Homex ADR         18,035         2.43         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)         Net Assets         740,922         100.00           12,164,297         Wal Mart de Mexico         26,267         3.55         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)         March 2009 - 2.62%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 2.62%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 0.00%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 0.00%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 0.00%)         The calculation of the % Net Ass	4,064,500	Grupo Financiero Banorte	6,968	0.94	558, 195	Southern Copper	9,578	1.29		
(March 2009 - 0.56%)         (March 2009 - 0.72%)           233.971         Coca-Cola Femsa ADR         6,447         0.87         Total United States of America         9,578         1.29           478,786         Fomentic Economico Mexicano ADR         10,613         1.43         Total Value of Investments         736,669         99.43           Construction & Building Materials - 2.43% (March 2009 - 1.21%)         Net Other Assets (March 2009 - 4.84%)         4,253         0.57           790,788         Desarrolladora Homex ADR         18,035         2.43         Net Other Assets (March 2009 - 4.84%)         4,253         0.57           790,788         Desarrolladora Homex ADR         18,035         2.43         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)         Net Assets         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)           12,164,297         Wal Mart de Mexico         26,267         3.55         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)         March 2009 - 3.27%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)           1,436,141         Grupo Televisa ADR         14,475         1.95         Speciality & Other Finance - 0.78%           (March 2009 - 0.00%)         Bolsa Mexicana de Valores         5,808         <		Beverages – 2.30%				Oil & Gas – 0.00%				
233,971       Coca-Cola Femsa ADR       6,447       0.87       Total United States of America       9,578       1.29         478,786       Fomento Economico Mexicano       10,613       1.43       Total Value of Investments       736,669       99.43         ADR       Intel Construction & Building Materials - 2.43%       Net Other Assets (March 2009 - 4.84%)       4,253       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4,223       0.57         790,788       Desarrolladora Homex ADR       18,035       2.43       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.18%)       14,856       2.01         12,164,297       Wal Mart de Mexico       26,267       3.55       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.18%)       14,856       2.01         1,436,141       Grupo Televisa ADR       14,856       2.01       Speciality & Other Finance - 0.78%       March 2009 - 9.00%)       5,808       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78       Eleconmunication Services - 9.72%       Speciality & Other Finance - 0.78%       Speciality & Defence - 1.67%       Speciality &										
478,786       Formento Economico Mexicano ADR       10.613       1.43       Total Value of Investments       736,669       99.43         Construction & Building Materials - 2.43% (March 2009 - 1.21%)       Net Other Assets (March 2009 - 4.84%)       4,253       0.57         790,780       Desarrolladora Homex ADR       18,035       2.43       Net Other Assets (March 2009 - 4.84%)       4,253       0.57         790,780       Desarrolladora Homex ADR       18,035       2.43       The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01% (March 2009 - 3.18%)       14,856       2.01         11,436,141       Grupo Televisa ADR       14,856       2.01         Mining - 1.95% (March 2009 - 0.00%)       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       5.808       0.78         2,646,161       America Movil SAB ADR       71.991       9.72         Total Mexico       177.660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67% (March 2009 - 0.00%)       12.360       1.67         513,338       Copa Holdings       12.360       1.67	233.971		6,447	0.87			0 570	1 20		
Construction & Building Materials - 2.43% (March 2009 - 1.21%)         Net Other Assets (March 2009 - 4.84%)         4,253         0.57           740,922         100.00           790,788         Desarrolladora Homex ADR         18,035         2.43           General Retailers - 3.55% (March 2009 - 3.27%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.27%)           12,164,297         Wal Mart de Mexico         26,267         3.55           Media & Photography - 2.01% (March 2009 - 3.1%)         The calculation of the % Net Asset Value may not add up due to rounding (March 2009 - 3.2%)           1,436,141         Grupo Televisa ADR         14,856         2.01           Mining - 1.95% (March 2009 - 2.62%)         Mart de Mexico         14,475         1.95           Speciality & Other Finance - 0.78% (March 2009 - 0.00%)         0.78         740,922         100.00           8,180,899         Bolsa Mexican de Valores         5,808         0.78         1.475         1.95           2,646,161         America Movil SAB ADR         71,991         9.72         1.7660         23.38           PANAMA (1.67%, March 2009 - 0.00%)         Aerospace & Defence - 1.67% (March 2009 - 0.00%)         12,360         1.67           513,338         Copa Holdings         12,360         1.67			-,			Iotal United States of America	9,578	1.29		
March 2009 - 1.21%)       Net Assets         740,922       100.00         790,788       Desarrolladora Homex ADR       18,035       2.43         General Retailers - 3.55% (March 2009 - 3.27%)         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01% (March 2009 - 2.82%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining - 1.95% (March 2009 - 2.62%)       Mining - 1.95% (March 2009 - 2.62%)       Mining - 1.95%         14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72% (March 2009 - 0.00%)       71,991       9.72         701 Mexico       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       71,991       9.72         713,338       Copa Holdings       12,360       1.67		ADR	10,613	1.43	Total Value of Inv	estments	736,669	99.43		
March 2009 - 1.21%)       Net Assets         740,922       100.00         790,788       Desarrolladora Homex ADR       18,035       2.43         General Retailers - 3.55% (March 2009 - 3.27%)         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01% (March 2009 - 2.82%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining - 1.95% (March 2009 - 2.62%)       Mining - 1.95% (March 2009 - 2.62%)       Mining - 1.95%         14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72% (March 2009 - 0.00%)       71,991       9.72         701 Mexico       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       71,991       9.72         713,338       Copa Holdings       12,360       1.67					Net Other Assets	(March 2009 – 4 84%)	4 253	0 57		
790,788       Desarrolladora Homex ADR       18,035       2.43         International Momera ADR         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography – 2.01% (March 2009 – 3.18%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining – 1.95% (March 2009 – 2.62%)       14,475       1.95         14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance – 0.78% (March 2009 – 0.00%)       5,808       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         7elecommunication Services – 9.72% (March 2009 – 0.00%)       17,991       9.72         7total Mexico       17,991       9.72         Total Mexico       177,660       23.98		•	als – 2.43%							
General Retailers - 3.35%         (March 2009 - 3.27%)         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01%       (March 2009 - 3.18%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining - 1.95%       (March 2009 - 2.62%)       14,475       1.95         Speciality & Other Finance - 0.78%       (March 2009 - 0.00%)       5,808       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72%         (March 2009 - 0.00%)       2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)         513,338       Copa Holdings       12,360       1.67	790,788		18,035	2.43	Net Assets	-	740,922	100.00		
General Retailers - 3.35%         (March 2009 - 3.27%)         12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01%       (March 2009 - 3.18%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining - 1.95%       (March 2009 - 2.62%)       14,475       1.95         Speciality & Other Finance - 0.78%       (March 2009 - 0.00%)       5,808       0.78         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72%         (March 2009 - 0.00%)       2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)         513,338       Copa Holdings       12,360       1.67					The calculation o	f the % Net Asset Value may not a	dd un due	to rounding		
12,164,297       Wal Mart de Mexico       26,267       3.55         Media & Photography - 2.01% (March 2009 - 3.18%)							uu up uuo	to rounding.		
Media & Photography – 2.01% (March 2009 – 3.18%)         1,436,141       Grupo Televisa ADR       14,856       2.01         Mining – 1.95% (March 2009 – 2.62%)       Mining – 1.95%       Mining – 1.95%         14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance – 0.78% (March 2009 – 0.00%)       Mining – 0.00%)       N.80,899       Bolsa Mexicana de Valores       5,808       0.78         2,646,161       America Movil SAB ADR       71,991       9.72       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67% (March 2009 – 0.00%)       12,360       1.67		• •								
(March 2009 - 3.18%)       Grupo Televisa ADR       14,856       2.01         Mining - 1.95%       (March 2009 - 2.62%)       14,475       1.95         (March 2009 - 2.62%)       14,475       1.95         Speciality & Other Finance - 0.78%       (March 2009 - 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Z,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67%         Aerospace & Defence - 1.67%       (March 2009 - 0.00%)         Statistic Statis Statisti	12,164,297	Wal Mart de Mexico	26,267	3.55						
(March 2009 - 3.18%)       Grupo Televisa ADR       14,856       2.01         Mining - 1.95%       (March 2009 - 2.62%)       14,475       1.95         (March 2009 - 2.62%)       14,475       1.95         Speciality & Other Finance - 0.78%       (March 2009 - 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Z,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67%         Aerospace & Defence - 1.67%       (March 2009 - 0.00%)         Statistic Statis Statisti		Media & Photography – 2.01%								
Mining - 1.95% (March 2009 - 2.62%)         14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       Speciality & Other Finance - 0.78% (March 2009 - 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72% (March 2009 - 9.04%)       Telecommunication Services - 9.72% (March 2009 - 9.04%)         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67% (March 2009 - 0.00%)       Image: The theory of theory of the theory of theory of theory of the theory of theory of theory of th										
$ \begin{array}{c} (March 2009 - 2.62\%) \\ 14,313,388 & Grupo Mexico & 14,475 & 1.95 \\ \end{array} \\ \begin{array}{c} \text{Speciality & Other Finance - 0.78\%} \\ (March 2009 - 0.00\%) \\ 8,180,899 & \text{Bolsa Mexicana de Valores} & 5,808 & 0.78 \\ \end{array} \\ \begin{array}{c} \text{Telecommunication Services - 9.72\%} \\ (March 2009 - 9.04\%) \\ 2,646,161 & \text{America Movil SAB ADR} & 71,991 & 9.72 \\ \hline \text{Total Mexico} & 177,660 & 23.98 \\ \end{array} \\ \end{array} \\ \begin{array}{c} \text{PANAMA (1.67\%, March 2009 - 0.00\%)} \\ \text{Aerospace & Defence - 1.67\%} \\ (March 2009 - 0.00\%) \\ \hline \text{S13,338 } & \text{Copa Holdings} & 12,360 & 1.67 \\ \end{array} $	1,436,141	Grupo Televisa ADR	14,856	2.01						
$ \begin{array}{c} (March 2009 - 2.62\%) \\ 14,313,388 & Grupo Mexico & 14,475 & 1.95 \\ \end{array} \\ \begin{array}{c} \text{Speciality & Other Finance - 0.78\%} \\ (March 2009 - 0.00\%) \\ 8,180,899 & \text{Bolsa Mexicana de Valores} & 5,808 & 0.78 \\ \end{array} \\ \begin{array}{c} \text{Telecommunication Services - 9.72\%} \\ (March 2009 - 9.04\%) \\ 2,646,161 & \text{America Movil SAB ADR} & 71,991 & 9.72 \\ \hline \text{Total Mexico} & 177,660 & 23.98 \\ \end{array} \\ \end{array} \\ \begin{array}{c} \text{PANAMA (1.67\%, March 2009 - 0.00\%)} \\ \text{Aerospace & Defence - 1.67\%} \\ (March 2009 - 0.00\%) \\ \hline \text{S13,338 } & \text{Copa Holdings} & 12,360 & 1.67 \\ \end{array} $										
14,313,388       Grupo Mexico       14,475       1.95         Speciality & Other Finance - 0.78% (March 2009 - 0.00%)       (March 2009 - 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72% (March 2009 - 9.04%)       (March 2009 - 9.04%)       3.72         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67% (March 2009 - 0.00%)       12,360       1.67		•								
Speciality & Other Finance – 0.78% (March 2009 – 0.00%)         8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services – 9.72% (March 2009 – 9.04%)         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%) Aerospace & Defence – 1.67% (March 2009 – 0.00%)         513,338       Copa Holdings       12,360       1.67	1/ 212 200		14 475	1.05						
(March 2009 - 0.00%)       8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services - 9.72% (March 2009 - 9.04%)       (March 2009 - 9.04%)       9.72         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 - 0.00%)       Aerospace & Defence - 1.67% (March 2009 - 0.00%)       12,360       1.67	14,515,500	drupo mexico	14,475	1.55						
8,180,899       Bolsa Mexicana de Valores       5,808       0.78         Telecommunication Services – 9.72% (March 2009 – 9.04%)         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67% (March 2009 – 0.00%)         513,338       Copa Holdings       12,360       1.67			78%							
Telecommunication Services – 9.72% (March 2009 – 9.04%)         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67% (March 2009 – 0.00%)       12,360         513,338       Copa Holdings       12,360	8 180 899	· · · · · · · · · · · · · · · · · · ·	5 808	0.78						
(March 2009 – 9.04%)       9.72         2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%)       Aerospace & Defence – 1.67%       March 2009 – 0.00%)         513,338       Copa Holdings       12,360       1.67	0,100,033	Doisa Mexicalia de Valores	5,606	0.78						
2,646,161       America Movil SAB ADR       71,991       9.72         Total Mexico       177,660       23.98         PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67%         (March 2009 – 0.00%)       12,360         513,338       Copa Holdings       12,360		Telecommunication Services – S	9.72%							
Total Mexico         177,660         23.98           PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67%         (March 2009 – 0.00%)           513,338         Copa Holdings         12,360         1.67		(March 2009 – 9.04%)								
PANAMA (1.67%, March 2009 – 0.00%)         Aerospace & Defence – 1.67%         (March 2009 – 0.00%)         513,338       Copa Holdings         12,360       1.67	2,646,161	America Movil SAB ADR	71,991	9.72						
Aerospace & Defence – 1.67%           (March 2009 – 0.00%)           513,338         Copa Holdings           12,360         1.67		Total Mexico	177,660	23.98						
Aerospace & Defence – 1.67%           (March 2009 – 0.00%)           513,338         Copa Holdings           12,360         1.67		-								
(March 2009 – 0.00%) 513,338 Copa Holdings 12,360 1.67	PANAMA (1.67									
513,338         Copa Holdings         12,360         1.67		-								
Total Panama 12,360 1.67	513,338									
		Total Panama	12,360	1.67						

## **Emerging Market Bond Fund**

### **Portfolio statement**

as at 7th September 2009

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Holding	Investment	Value £000	% of Net Asset Value	
ARGENTINA (2	.05%, March 2009 – 0.99%)			СС
USD 10,000,000	<b>B– (1.87%, March 2009 – 0.99%)</b> Republic of Argentina 0%			
USD 5,000,000	03/08/2012 Republic of Argentina 0%	1,655	0.35	CC
ARS 4,500,000	03/10/2015 Republic of Argentina 0%	1,870	0.39	
USD 12,845,041	31/12/2033	592	0.13	E
030 12,645,041	Republic of Argentina 8.28% 31/12/2033	4,786	1.00	EC
USD 20,000,000	Not Rated (0.18%, March 2009 – 0. Republic of Argentina 0%			
ARS 31,750,741	15/12/2035 Republic of Argentina GDP	633	0.13	EC
	Linked Bond 2.4548% 15/12/2035	257	0.05	EC
	Total Argentina	9,793	2.05	-
BARBADOS (0.	15%, March 2009 – 0.37%) BBB+ (0.00%, March 2009 – 0.37%)	)		<b>G</b> . U:
USD 1,400,000	BBB (0.15%, March 2009 – 0.00%) Barbados Government 6.625%			
,,	05/12/2035	716	0.15	
	Total Barbados	716	0.15	H
BRAZIL (13.13%	6, March 2009 – 17.14%)	D/ )		
USD 14,166,667	BBB- (10.53%, March 2009 - 17.149 Federal Republic of Brazil 8%	/0]		ΗL
USD 37,000,000	15/01/2018 Federal Republic of Brazil 11%	9,892	2.07	
USD 17,000,000	17/08/2040 Federal Republic of Brazil 5.875%	29,629	6.20	IN
	15/01/2019	10,768	2.26	
	Ba1 (2.60%, March 2009 - 0.00%)			ID
BRL 37,457	Notas do Tesouro Nacional 0% 01/01/2011	12,393	2.60	
	Total Brazil	62,682	13.13	U
CAYMAN ISLA	NDS (0.86%, March 2009 – 0.00%	%)		U
USD 6,000,000	BBB– (0.86%, March 2009 – 0.00%) Petrobras International Finance	)		U
	7.875% 15/03/2019	4,124	0.86	
	Total Cayman Islands	4,124	0.86	ID
COLOMBIA (2.6	8%, March 2009 – 3.68%)			
USD 9,000,000	BBB- (2.27%, March 2009 – 2.81%) Republic of Colombia 7.375%			
USD 2,500,000	18/03/2019 Republic of Colombia 7.375%	6,059	1.27	IR
USD 3,000,000	18/09/2037 Republic of Colombia 7.375%	1,626	0.34	U
USD 1,600,000	27/01/2017 Republic of Columbia 8.125%	2,031	0.43	
1,000,000	21/05/2024	1,110	0.23	

Holding	Investment	Value £000	% of Net Asset Value
COB1 500 000 000	BB+ (0.41%, March 2009 – 0.87%)		
	Republic of Colombia 12% 22/10/2015	530	0.11
COP4,500,000,000	Republic of Columbia 9.85% 28/06/2027	1,416	0.30
	Total Colombia	12,772	2.68
<b>EGYPT (2.52%, I</b> EGP 13,000,000	March 2009 – 0.72%) BB+ (0.30%, March 2009 – 0.72%) Arab Republic of Egypt 8.75% 18/07/2012	1,409	0.30
	Not Dated (2.229/ March 2000 0		
EGP 47,550,000	Not Rated (2.22%, March 2009 – 0. Egypt Treasury 0% 15/12/2009	5,101	1.07
EGP 50,575,000	Egypt Treasury 0% 27/10/2009	5,495	1.15
	Total Egypt	12,005	2.52
GABON (0.41%, USD 3,250,000	March 2009 – 0.76%) BB- (0.41%, March 2009 – 0.76%) Gabonese Republic 8.2%		
	12/12/2017	1,945	0.41
	Total Gabon	1,945	0.41
HUNGARY (1.32	%, March 2009 – 0.83%) BBB (0.00%, March 2009 – 0.83%)		
HUF2,000,000,000	<b>BBB- (1.32%, March 2009 - 0.00%)</b> Hungary Government Bond 7.25% 12/06/2012	6,313	1.32
	Total Hungary	6,313	1.32
-	8%, March 2009 – 6.33%) BB+ (0.51%, March 2009 – 0.00%) Indonesia Recapital Bond 14.25% 15/06/2013	2,425	0.51
USD 8,000,000	<b>BB- (3.30%, March 2009 - 6.33%)</b> Republic of Indonesia 11.625% 04/03/2019	6,581	1.38
USD 7,000,000	Republic of Indonesia 7.75% 17/01/2038	4,409	0.92
USD 7,000,000	Republic of Indonesia 8.5% 12/10/2035	4,773	1.00
			1.00
IDR 140,000,000,000	Not Rated (1.77%, March 2009 – 0. Indonesia Retail Bond 9.5% 12/03/2012	<b>00%)</b> 8,463	1.77
	Total Indonesia	26,651	5.58
IRAO (1.43% M	arch 2009 – 1.83%)		
	Not Rated (1.43%, March 2009 - 1.3		
USD 16,500,000	Republic of Iraq 5.8% 15/01/2028	6,844	1.43
	Total Iraq	6,844	1.43

# **Emerging Market Bond Fund**

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ISRAEL (1.60%,	March 2009 – 0.00%) A (1.60%, March 2009 – 0.00%)			PHILIPPINES (4	.55%, March 2009 – 6.24%) BB– (4.55%, March 2009 – 6.24%)		
USD 12,500,000	State of Israel 5.125% 26/03/2019	7,644	1.60	USD 5,900,000 USD 10,500,000	National Power 9.625% 15/05/2028 Rebublic of Philippines 7.75%	3,949	0.83
	Total Israel	7,644	1.60	USD 10,000,000	14/01/2031 Republic of Philippines 8.375%	7,014	1.47
MALAYSIA (2.2	8%, March 2009 – 0.00%) A– (2.28%, March 2009 – 0.00%)			USD 5,000,000	17/06/2019 Republic of Philippines 8.875%	7,163	1.50
USD 14,000,000 USD 4,000,000	Petronas Capital 5.25% 12/08/2019 Petronas Global Sukut 4.25%	8,464	1.77	000 0,000,000	17/03/2015	3,613	0.75
	12/08/2014	2,429	0.51		Total Philippines	21,739	4.55
	Total Malaysia	10,893	2.28		, March 2009 – 0.93%)		
MEXICO (9.13% USD 5,000,000 USD 20,000,000	<b>b, March 2009 – 14.02%)</b> BBB+ (9.13%, March 2009 – 14.02%) Petroleos Mexicanos 8% 03/05/2019 United Mexican States 5.625%		0.72	PLN 10,000,000	A (0.44%, March 2009 – 0.93%) Poland Government Bond 4.75% 25/04/2012	2,089	0.44
	15/01/2017	12,444	2.61	USD 10,500,000	<b>A– (1.44%, March 2009 – 0.00%)</b> Republic of Poland 6.375%		
USD 10,000,000	United Mexican States 5.875% 17/02/2014	6,463	1.35		15/07/2019	6,877	1.44
USD 33,500,000	United Mexican States 6.75% 27/09/2034	21,277	4.45		Total Poland	8,966	1.88
	Total Mexico	43,611	9.13	QATAR (1.04%,	March 2009 – 0.00%)		
		43,011	9.13	USD 7.500.000	<b>AA– (1.04%, March 2009 – 0.00%)</b> State of Qatar 6.55% 09/04/2019	4,974	1.04
NETHERLANDS	5 (2.11%, March 2009 – 1.24%)				Total Qatar	4,974	1.04
	BBB– (0.00%, March 2009 – 1.24%)					4,574	1.04
USD 10,000,000 USD 5,750,000	BB+ (2.11%, March 2009 – 0.00%) Kazmunaigaz Finance Sub BV 11.75% 23/01/2015 Kazmunaigaz Finance Sub BV	6,678	1.40	RUSSIAN FEDE	RATION (9.19%, March 2009 – 1 BBB (9.19%, March 2009 – 12.81%) Russian Federation 7.5% 31/03/2030	<b>2.81%)</b> 43,893	9.19
	9.125% 02/07/2018	3,414	0.71		Total Russian Federation	43,893	9.19
-	Total Netherlands 6, March 2009 – 0.00%) Not Rated (0.05%, March 2009 – 0.0 Control Darks of Numeric 2009	10,092 0%)	2.11	<b>SOUTH AFRICA</b> USD 8,500,000	(1.16%, March 2009 – 0.00%) BBB+ (1.16%, March 2009 – 0.00%) Republic of South Africa 6.875%	5 554	110
USD 3,000	Central Bank of Nigeria 0% 15/11/2020	210	0.05		27/05/2019	5,554	1.16
	Total Nigeria	210	0.05		Total South Africa	5,554	1.16
PANAMA (0.369	<b>%, March 2009 – 0.89%)</b> BB+ (0.36%, March 2009 – 0.89%) Republic of Panama 7.25%	210	0.00		(0.78%, March 2009 – 0.00%) A (0.78%, March 2009 – 0.00%) Korea National Oil 5.375% 30/07/2014	3,731	0.78
	15/03/2015	678	0.14		Total South Korea	3,731	0.78
USD 1,500,000	Republic of Panama 8.125% 28/04/2034	1,054	0.22		(0.00%, March 2009 – 0.48%)		
	Total Panama	1,732	0.36	SWITZENLAND	Not Rated (0.00%, March 2009 – 0.48%)	48%)	
PERU (2.79%, N	/larch 2009 – 1.95%) BBB– (2.79%, March 2009 – 1.95%)				Total Switzerland	_	
USD 3,000,000 USD 12,500,000	Republic of Peru 6.55% 14/03/2037 Republic of Peru 7.35% 21/07/2025	1,835 8,434	0.38 1.77	TURKEY (8.59%	o, March 2009 – 7.58%) BB– (7.31%, March 2009 – 7.58%)		
USD 4,000,000	Republic of Peru 8.75% 21/07/2025	3,055	0.64	USD 21,500,000	Republic ofTurkey 6.75% 03/04/2018	13 500	2 02
	Total Peru	13,324	2.79	USD 8,100,000	Republic of Turkey 7.25% 15/03/2015	13,508 5,332	2.83 1.12
				USD 12,000,000	Republic of Turkey 7.5% 07/11/2019	5,332 7,864	1.12
				USD 12,300,000	Republic of Turkey 8% 14/02/2034	8,181	1.71

# **Emerging Market Bond Fund**

#### **Portfolio statement**

(continued)

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		Value	% of Net Asset			Value	% of Net Asset
Holding	Investment	£000	Value	Holding	Investment	£000	Value
	Not Rated (1.28%, March 2009 – 0.	00%)		DERIVATIVES (	(0.15%), March 2009 – (0.26	%))	
TRY 17,500,000	Turkey Government Bond 0%				Credit Default Swaps – (0.12%	6)	
	11/05/2011	6,136	1.28		(March 2009 – (0.36%))		
	Total Turkey	41,021	8.59	USD 10,000,000	Boivarian Republic of Venezue 20/11/2017	(405)	(0.08)
UNITED ARAB	EMIRATES (0.00%, March 2009 A+ (0.00%, March 2009 – 0.81%)	- 0.81%)		USD 10,000,000	Kazakhstan Government 5 Yea International Bond 1.61% 20/1		(0.04)
	Total United Arab Emirates	-	_		Forward Foreign Exchange Co (March 2009 – 0.10%)	ontracts – (0.03%	%)
			040/1		Sell HUF 1,983,555		
UNITED STATE	S OF AMERICA (3.00%, March 2 AAA (0.00%, March 2009 – 7.02%)	2009 – 12	.21%)		Buy USD 10,500,000 Sell PLN 10,101,000	40	0.01
	BBB+ (0.56%, March 2009 – 1.16%)				Buy USD 3,500,000	(13)	(0.01)
USD 4,800,000	Pemex Project Funding Master 6.6		0.50		Sell BRL 28,233,000 Buy USD 15,000,000	(149)	(0.03)
	15/06/2035	2,684	0.56				
	BB– (0.32%, March 2009 – 0.17%)				Total Derivatives	(722)	(0.15)
USD 2,700,000	Republic of Serbia 3.75%			Total Value of Invo	estments	422,848	88.55
2,,00,000	01/11/2024	1,512	0.32	Net Other Assets	/(Liabilities)		
		1-		(March 2009 - (0.		54,679	11.45
	B (0.14%, March 2009 – 0.31%)			Net Assets		477,527	100.00
USD 1,000,000	Dominican Republic 8.625%					,	
	20/04/2027	493	0.10	ANALVSIS OF I	NVESTMENTS BY ASSET O	2241	
USD 359,589	Dominican Republic 9.04%			Fixed Interest		358,981	84.90
	23/01/2018	201	0.04	Floating Rate Not	es	64,379	15.22
	CCC: (0.71% March 2000 0.80%)			Equity		210	0.05
USD 5,000,000	CCC+ (0.71%, March 2009 – 0.89%) Ukraine Government 6.75%	)		Derivatives		(722)	(0.17)
000 3,000,000	14/11/2017	2,440	0.51	Total Value of Inv	estments	422,848	100.00
USD 2,000,000	Ukraine Ministry of Finance 6.58%		0.01				
	21/11/2016	970	0.20	ANALYSIS OF I	NVESTMENTS BY CREDIT	BATINGS	
						Value	
	Not Rated (1.27%, March 2009 – 2.	66%)				£000	
USD 12,178,117	HSBC Bank 0% 02/01/2012	6,045	1.27	AA-		4,974	
	Total United States of America	14,345	3.00	A		13,464	
				A-		17,770	
URUGUAY (1.0	2%, March 2009 – 1.60%)			BBB+		51,849	
	BB (1.02%, March 2009 – 1.60%)			BBB		44,609	
USD 7,400,000				BBB-		84,876	
	18/11/2022	4,852	1.02	BB+		17,604	
	Total Uruguay	4,852	1.02	Ba1		12,393	
		.,		BB BB–		4,852	
	.04%, March 2009 – 7.00%)			B		114,554 694	
LITECTER (3	BB- (8.11%, March 2009 - 6.43%)			B2		4,434	
USD 37,000,000	Bolivarian Republic of Venezuela 9	%		B–		8,903	
. ,,	07/05/2023	15,873	3.33	CCC+		3,410	
USD 54,000,000	Bolivarian Republic of Venezuela 9			Not Rated		39,184	
	07/05/2028	22,837	4.78	Total Bonds		423,570	
				Derivatives		(722)	
	B2 (0.93%, March 2009 – 0.57%)			Total Value of Invo	estments	422,848	
USD 13,750,000	Republic of Venezuela 7%				esunellis	+22,040	
	31/03/2038	4,434	0.93	<b>-</b> , ,			
	Total Venezuela	43,144	9.04	The calculation o	f the % Net Asset Value may no	ot add up due to	rounding.
				At 7th September	2009, there were investments	totalling £71.08	1.114

At 7th September 2009, there were investments totalling £71,081,114 (14.89% of the NAV of the fund) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (0.	97%, March 2009 – 1.75%) Pharmaceuticals & Biotechnolo	gy – 0.97%		CAYMAN ISLAI	NDS (0.41%, March 2009 – 0.0 Real Estate – 0.41%	0%)	
280,000	(March 2009 – 1.75%)	4,946	0.97	5 000 000	<b>(March 2009 – 0.00%)</b> KWG Property Holding	2,100	0.41
200,000	Total Australia	4,946	0.97	3,000,000	Total Cayman Islands	2,100	0.41
	%, March 2009 – 0.00%) Banks – 1.32% (March 2009 – 0.00%)				March 2009 – 0.00%) Banks – 0.97% (March 2009 – 0.00%)		
2,500,000	Fortis NPV	6,784	1.32	11,000,000	Industrial & Commercial Bank o China	t 4,983	0.97
	Total Belgium	6,784	1.32		Total China	4,983	0.97
BERMUDA (1.2)	7%, March 2009 – 3.41%) General Retailers – 0.00% (March 2009 – 0.40%)			DENMARK (1.0	- 3%, March 2009 – 0.98%) Electronic & Electrical Equipmer (March 2009 – 0.98%)	nt – 1.03%	
	Insurance – 0.48%			115,000	Vestas Wind Systems	5,286	1.03
55 000	( <b>March 2009 – 1.06%)</b> Partnerre	2,444	0.48		Total Denmark	5,286	1.03
2,981,364	Real Estate – 0.79% (March 2009 – 0.66%) Great Eagle Holdings Support Services – 0.00%	4,045	0.79	FINLAND (0.00	%, March 2009 – 0.67%) Information Technology Hardwa (March 2009 – 0.44%) Mining – 0.00%	re – 0.00%	
	(March 2009 – 1.29%)				(March 2009 – 0.23%)		
	Total Bermuda	6,489	1.27		Total Finland	-	_
	March 2009 – 1.04%) General Retailers – 0.38% (March 2009 – 0.00%) Cia Brasileira De Méios De Pagamento	1,931	0.38	FRANCE (2.18% 40,000 200,000	b, March 2009 – 0.86%) Automobiles & Parts – 1.42% (March 2009 – 0.00%) Michelin Renault Telecommunication Services – 0	1,831 5,446 0 <b>.76%</b>	0.36 1.06
	Oil & Gas – 1.24% (March 2009 – 1.04%)				(March 2009 – 0.86%)		
250,000	Petroleo Brasileiro	6,359	1.24	250,000	France Telecom	3,923	0.76
	Personal Care & Household Pro	ducts – 0.58	%		Total France -	11,200	2.18
300.000	(March 2009 – 0.00%) Natura Cosmeticos	2,999	0.58	GERMANY (5.3	1%, March 2009 – 6.38%)		
300,000			0.58		Aerospace & Defence – 0.59% (March 2009 – 0.48%)		
	Speciality & Other Finance – 0.4 (March 2009 – 0.00%)	40%		115,000	MTU Aero Engines Holding	3,027	0.59
280,000	Redecard	2,374	0.46		Chemicals – 1.97%		
	Total Brazil	13,663	2.66	75,000	(March 2009 – 1.63%) K+S	2,471	0.48
CANADA (1.79%	%, March 2009 – 2.28%)			125,000	Linde	7,609	1.49
	Information Technology Hardwa (March 2009 – 0.30%)	are – 0.00%			Electricity – 1.08%		
	Mining 0.67%			220,000	( <b>March 2009 – 0.99%)</b> E.On	5,539	1.08
	Mining – 0.67% (March 2009 – 1.67%)						
120,000	Barrick Gold	2,924	0.57		Electronic & Electrical Equipmer (March 2009 – 2.10%)	nt – 1.67%	
325,200	First Uranium	511	0.10	160,000	Siemens Registered	8,573	1.67
	Oil & Gas – 1.12% (March 2009 – 0.31%)				Insurance – 0.00% (March 2009 – 1.18%)		
200,000 115,000	Nexen Ultra Petroleum	2,499 3,266	0.49 0.63		Total Germany	27,219	5.31
113,000	Total Canada	9,200	1.79			27,213	0.01
		9,200	1.79				

#### **Portfolio statement**

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100,000       Honda Motor       1,914       0.37       Total Peru       3,499       0.68         Chemicals - 1.09% (March 2009 - 0.00%)       PORTUGAL (0.35%, March 2009 - 0.37%)       0.18 Gas - 0.35%       1.09         150,000       Shin-Etsu Chemical       5,584       1.09       0il & Gas - 0.35%       1.815       0.35         170,000       Canon       3,937       0.77       Total Portugal       1,815       0.35         170,000       Canon       3,937       0.77       REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)       Isupport Services - 0.74%       (March 2009 - 0.35%)       0.74         100,000       Mitsubishi Estate       5,277       1.03       SinGAPORE (0.64%, March 2009 - 0.95%)       3,796       0.74         16,000       Nintendo       2,552       0.50       600,000       DBS Group Holdings       3,282       0.64         Speciality & Other Finance - 1.17% (March 2009 - 0.68%)       1,730       0.33       SOUTH KOREA (2.92%, March 2009 - 0.63%)       SOUTH KOREA (2.92%, March 2009 - 0.63%)       3,282       0.64	Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
(March 2009 - 0.63%) 4.000,000         (March 2009 - 0.63%) (March 2009 - 0.92%) (March 2009 - 0.90%) (March 2009 - 0.00%) (March 2009 - 0.00%) (	Hong Kong (*	1.78%, March 2009 – 1.45%)			LUXEMBOURG	(0.63%, March 2009 – 0.00%)		
4,000,000         Hong Kong & Shanghai Hotels         2,783         0,54         75,000         Millitom International Cellular         3,238         0,63           Beal Extat - 1.24% (March 2009 - 0.2%)         Champion Real Extate Investment Truat         1,154         0,22         100         100         0,63           Champion Real Extate Investment Truat         1,154         0,22         100         0,60         0,683         10,882         2,12           INDIA (0,88%, March 2009 - 0,00%) Banks - 0,88%         9,141         1,78         0,28         10,882         2,12           INDONESIA (1,20%, March 2009 - 0,00%) Banks - 0,72%         Easter Horizant And Angel Cellular         6,155         0,88         100,000         America Movil SAB ADR         10,882         2,12           INDONESIA (1,20%, March 2009 - 0,00%) Banks - 0,72%         Easter Herbitchicant San			- 0.54%				.63%	
Real Estate - 1.24% (March 2009 - 0.92%)         Total Luxembourg         3.238         0.63           5.000.000         Champion Real Estate Investment Trust         1,154         0.22         0.21%         March 2009 - 0.95%)         March 2009 - 0.95%)         March 2009 - 0.95%)         10.882         2.12%           INDIA (0.88%, March 2009 - 0.00%)         Banks - 0.88%         March 2009 - 0.05%)         10.882         2.12           INDONESIA (12.0%, March 2009 - 0.00%)         Banks - 0.28%         March 2009 - 0.05%)         6.171         1.20           INDONESIA (12.0%, March 2009 - 0.00%)         Banks - 0.27%         (March 2009 - 0.00%)         Banks - 0.27%         (March 2009 - 0.00%)         Banks - 0.27%         (March 2009 - 0.00%)         Banks - 0.26%         March 2009 - 0.00%)         Banks - 0.26%         March 2009 - 0.03%)         Banks - 0.27%         (March 2009 - 0.03%)         Banks - 0.26%         March 2009 - 0.33%)         Banks - 0.26%	4 000 000		0 700	0.54	75.000		2 2 2 2	0.62
Real Extate - 123%, (March 2009 - 0.32%)         MEXICO (2.12%, March 2009 - 0.55%)           5.00.000         Sum Hung Kai Properties         5.224         1.02           60.000         Sum Hung Kai Properties         5.224         1.02           1001A (0.88%, March 2009 - 0.00%)         Banks - 0.83%, (March 2009 - 0.00%)         10.882         2.12           100.000         State Bank of India GOR         4.515         0.88         10.882         2.12           100.000         State Bank of India GOR         4.515         0.88         650.00         INS Tetal Hoding March 2009 - 0.00%)         Instatt and 2005         0.00%)         1.200.00%         6.171         1.20           100.000         State Bank of India GOR         4.515         0.88         650.00         ING Free Normanication Scoope - 0.20%         660.00         ING Greep NV         6.171         1.20           12.000.000         Bank Ratyat Indonesia         3.703         0.72         Oil & Gas - 0.65%         March 2009 - 0.03%)         3.314         0.68           12.000.000         Perusahaan Gas Negara         2.433         0.48         1.247         0.28           12.000.000         Perusahaan Gas Negara         2.433         0.48         1.247         0.28           12.000.000         Perusahaan Gas	4,000,000		2,703	0.54	75,000	—		
5.00.000       Champion Real Estate Investment Trust       MEXICO (2.12%, March 2009 - 0.2%)       MEXICO (2.12%, March 2009 - 0.2%)         600.000       Sun Hung Kal Properties       5.224       1.02         10014 (0.88%, March 2009 - 0.0%)       Banke - 0.88%       Intel Hong Kong       1.184       0.22         INDIA (0.88%, March 2009 - 0.0%)       Banke - 0.88%       Intel Hong Kong       10.882       2.12         INDONESIA (1.20%, March 2009 - 0.0%)       Banke - 0.88%       Intel Hondesia       4.515       0.88         INDONESIA (1.20%, March 2009 - 0.0%)       Banke - 0.89%       Intel Hondesia       0.182       2.11         INDONESIA (1.20%, March 2009 - 0.0%)       South Falsy Hondesia       3.703       0.72       March 2009 - 0.49%)       Intel Hondesia       1.347       0.26         INDONESIA (1.20%, March 2009 - 0.0%)       South Falsy Hondesia       3.703       0.72       March 2009 - 0.43%)       March 2009 - 0.43%)         Intel Indonesia       6.136       120       March 2009 - 0.43%)       3.314       0.68         JAPAN (6.10%, March 2009 - 0.68%)       March 2009 - 0.43%)       March 2009 - 0.43%)       3.314       0.68         March 2009 - 0.68%)       March 2009 - 0.43%)       March 2009 - 0.43%)       March 2009 - 0.43%)       1.345       0.58         JAP						lotal Luxembourg	3,238	0.63
Trust.         1,154         0.22         Tust.         Tust. <th< td=""><td>5.000.000</td><td></td><td>nt</td><td></td><td>MEXICO (2.12%</td><td>o, March 2009 – 0.95%)</td><td></td><td></td></th<>	5.000.000		nt		MEXICO (2.12%	o, March 2009 – 0.95%)		
Outcome         Soft Propendies         0.224         Luz         400.000         America Movili SAB ADR         10.882         2.12           INDIA (0.88%, March 2009 - 0.00%) Banks - 0.88% (March 2009 - 0.00%)         NETHERLANDS (2.11%, March 2009 - 0.49%) Insurance - 1.20% (March 2009 - 0.00%)         NETHERLANDS (2.11%, March 2009 - 0.49%)         Index 2009 - 0.49%)           100.000         State Bank of India GDR         4.515         0.88         (March 2009 - 0.00%)         Effect Address and the state and of India GDR         1.21%           INDONESIA (1.20%, March 2009 - 0.00%)         Banks - 0.27%         Gas Distribution - 0.48%         0.00%         1.347         0.26           (March 2009 - 0.00%)         Gas Distribution - 0.48%         0.000         1.0000         Furger NV         5.171         1.20           (March 2009 - 0.00%)         Gas Distribution - 0.48%         0.68         100,000         Furger NV         3.314         0.65           12,000,000         Perustahana dis Negara         2.433         0.48         Total Netherlands         10.822         2.11           JAPAN (6.10%, March 2009 - 0.67%)         (March 2009 - 0.67%)         March 2009 - 0.37%)         0.18         Gas - 0.37%         0.68           100,000         Furger NV         1.914         0.37         0.37         0.18         6.49         <	0,000,000			0.22			.12%	
Total Hong Kong         9,141         1.78         Total Mexico         10,982         2.12           INDIA (0.88%, March 2009 - 0.00%) (March 2009 - 0.00%) (March 2009 - 0.00%) (March 2009 - 0.00%) Banks - 0.72%, (March 2009 - 0.00%) Banks - 0.75%, (March 2009 - 0.00%) Banks - 0.75%, (March 2009 - 0.00%) Banks - 0.75%, (March 2009 - 0.43%) Automobiles & Parts - 0.37%, (March 2009 - 0.43%) Automobiles & Parts - 0.37%, (March 2009 - 0.43%) Automobiles & Parts - 0.37%, (March 2009 - 0.35%) Buenaventura ADR         J.499         0.68           JAPAN (6.10%, March 2009 - 0.89%) (March 2009 - 0.35%) (March 2009 - 0.45%) (March 2009 - 0.	600,000	Sun Hung Kai Properties	5,224	1.02	400.000	. ,	40.000	0.40
INDIA (0.88%, March 2009 - 0.00%) Banks - 0.88%, (March 2009 - 0.00%)         NETHERLANDS (2.11%, March 2009 - 0.49%) Insurance - 1.20% (March 2009 - 0.00%)           100.000         State Bank of India GDR         4.515         0.88           Total India         4.515         0.88           INDONESIA (1.20%, March 2009 - 0.00%)         Eife Assurance - 0.23% (March 2009 - 0.00%)         Eife Assurance - 0.23% (March 2009 - 0.00%)           Bank s - 0.72% (March 2009 - 0.00%)         5.018         0.72           Gas Distribution - 0.48% (March 2009 - 0.00%)         0.33         0.72           (March 2009 - 0.00%)         5.010         0.88           12.000.000         Perusahaan Gas Negara (March 2009 - 0.00%)         2.433         0.48           Total Indonesia         6.136         1.20         PERU (0.68%, March 2009 - 0.43%)         100.000           JAPAN (6.10%, March 2009 - 0.68%)         March 2009 - 0.43%)         March 2009 - 0.43%)         100.000           100.000         Honda Motor         1.914         0.37         100.000         Feru         3.499         0.68           100.000         Shin/Esu Chemical         5.584         1.09         1.815         0.35           100.000         Chemicals - 1.03% (March 2009 - 0.45%)         1.815         0.35           100.000         Chemicals - 0.4		Total Hong Kong	9,141	1.78	400,000			
Banks - 0.89% (March 2009 - 0.00%)         Insurance - 1.20% (March 2009 - 0.00%)         Insurance - 1.20% (March 2009 - 0.00%)           INDONESIA (1.20%, March 2009 - 0.00%)         550,000         I.120           Banks - 0.87% (March 2009 - 0.00%)         1.347         0.26% (March 2009 - 0.00%)           Banks - 0.72% (March 2009 - 0.00%)         1.347         0.26% (March 2009 - 0.00%)           Banks - 0.88%)         3.703         0.72         018 Gas - 0.65% (March 2009 - 0.43%)         1.347         0.26           JAPAN (6.10%, March 2009 - 0.00%)         6.136         1.20         1.347         0.28           JAPAN (6.10%, March 2009 - 0.43%)         1.347         0.28         1.347         0.28           (March 2009 - 0.43%)         1.347         0.28         1.347         0.28           JAPAN (6.10%, March 2009 - 0.43%)         1.347         0.28         1.347         0.28           (March 2009 - 0.43%)         Superaventura ADR         3.499         0.68           (March 2009 - 0.43%)         Superaventura ADR <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>10,002</td><td>2.12</td></td<>							10,002	2.12
Definite 1 Code a (March 2009 - 0.00%) State Bank of India GDR         4.515         0.88         Insurance - 120% (March 2009 - 0.00%)           100,000         State Bank of India GDR         4.515         0.88         106         650,000         ING Groep NV         6,171         1.20           100,000         State Bank of India GDR         4.515         0.88         106         650,000         ING Groep NV         6,171         1.20           100,000         Banks - 0.72%         (March 2009 - 0.00%)         1.347         0.26           (March 2009 - 0.00%)         Gas Distribution - 0.48%         100,000         Aegon         1.347         0.26           12,000,000         Bank Rakya Indonesia         6,136         1.20         100,000         Foral Nathan Gas Negara         2,433         0.48           Total Indonesia         6,136         1.20         100,000         Foral Nathan Gas Negara         2,433         0.48           March 2009 - 0.45%         (March 2009 - 0.45%)         100,000         Foral Nathan Gas Negara         2,433         0.48           100,000         Horda Motor         1,914         0.37         Compania de Minas         Supervisite Code - 0.45%           (March 2009 - 0.45%)         (March 2009 - 0.45%)         Code Chemicia - 1.19%         Chemicia	INDIA (0.88%, N				NETHERI ANDS	(2 11% March 2009 - 0 49%)		
Math 2009 - 0.00%)         March 2009 - 0.00%)         King Groep NU         6,171         1.20           INDONESIA (1.20%, March 2009 - 0.00%)         Elite Assurance - 0.25%         March 2009 - 0.00%)         500,000         Aggon         1.347         0.26           INDONESIA (1.20%, March 2009 - 0.00%)         Banks - 0.72%         300,000         Aggon         1.347         0.26           (March 2009 - 0.00%)         Gas Distribution - 0.43%         (March 2009 - 0.43%)         300,000         Aggon         1.347         0.26           (March 2009 - 0.00%)         Gas Distribution - 0.43%         (March 2009 - 0.43%)         300,000         Aggon         1.347         0.26           (March 2009 - 0.43%)         March 2009 - 0.43%)         1.347         0.26         1.347         0.26           JAPAN (6.10%, March 2009 - 0.43%)         March 2009 - 0.43%)         March 2009 - 0.43%)         1.347         0.26           (March 2009 - 1.07%)         Gard Berlands         March 2009 - 0.43%)         0.68         1.349         0.68           (March 2009 - 0.05%)         March 2009 - 0.37%)         0.37         1.315         0.35           (March 2009 - 0.35%)         March 2009 - 0.37%)         1.815         0.35         1.815         0.35           (March 2009 - 0.35%)         Supp								
Total India         4,515         0.88           INDONESIA (1.20%, March 2009 – 0.00%) Banks – 0.72% (March 2009 – 0.00%)         Life Assume – 0.28% (March 2009 – 0.00%)         Life Assume – 0.28% (March 2009 – 0.00%)         1,347         0.26           S500,000         Bank s – 0.72% (March 2009 – 0.00%)         300,000         Aegon         1,347         0.26           (March 2009 – 0.00%)         Gas Distribution – 0.48% (March 2009 – 0.48%)         0.48         100,000         Furushaan Gas Negara         2,433         0.48           Total Indonesia         6.136         1.20         PERU (0.68%, March 2009 – 0.43%)         U00,000         Furushaan Gas Negara         2,433         0.48           JAPAN (6.10%, March 2009 – 6.88%)         Mining – 0.68%         Mining – 0.68% <td>100 000</td> <td></td> <td>4 515</td> <td>0.88</td> <td></td> <td></td> <td></td> <td></td>	100 000		4 515	0.88				
Life Assurance - 0.26% (March 2009 - 0.00%)         Life Assurance - 0.26% (March 2009 - 0.00%)         Life Assurance - 0.26% (March 2009 - 0.00%)           8.500.000         Bank s - 0.72% (March 2009 - 0.00%)         300.00         Aegon         1.347         0.26           6.8500.000         Bank Rayat Indonesia         3,703         0.72         Oil & Gas - 0.65% (March 2009 - 0.49%)         0.832         2.11           12,000.000         Perusahaan Gas Negara         2,433         0.48         Total Indonesia         10,832         2.11           JAPAN (6.10%, March 2009 - 6.88%)         March 2009 - 0.43%)         Mining - 0.68%         Mining - 0.68%         March 2009 - 0.43%)         Mining - 0.68%         100,000         Comparison de Minas         1.499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3.499         0.68           100,000         Honda Motor         1,914         0.37         Comparison de Minas         1.415         0.35           100,000         Chemicals - 1.09%         March 2009 - 0.37%)         Electronic & Electrical Equipment - 0.77%         200,000         Galp Energia SGPS         1.815         0.35           170,000         Canon         3,937         0.77         Sinde Portugal         1.815         0.35	100,000				650,000	ING Groep NV	6,171	1.20
INDONESIA (1,20%, March 2009 - 0.00%) Banks - 0.7% (March 2009 - 0.00%) (March 2009 - 0.00%) (March 2009 - 0.48%) Gas Distribution - 0.48% (March 2009 - 0.00%) (March 2009 - 0.48%) (March 2009 - 0.37%) (March 2009 - 0.35%) (March 2009 - 0.35%) (March 2009 - 0.35%) (March 2009 - 0.35%) (March 2009 - 0.46%) (March 2009 - 0.46%) (March 2009 - 0.45%) (March 2009 - 0.55%) (March 2009 -			4,515	0.00				
Banks - 0.72% (March 2009 - 0.0%) (March 2009 - 0.0%)         300,000         Aegon         1,347         0.26           8,500,000         Bank Rakyat Indonesia         3,703         0.72         Oil & Gas - 0.65% (March 2009 - 0.0%)         5           12,000,000         Perusahana Gas Negara         2,433         0.48         100,000         Fugro NV         3,314         0.65           JAPAN (6.10%, March 2009 - 0.43%)         Total Indonesia         6,136         1.20         PERU (0.68%, March 2009 - 0.43%)         Milarch 2009 - 0.43%)         Milarch 2009 - 0.43%)         Milarch 2009 - 0.43%)         JAPAN (6.10%, March 2009 - 0.37%)         50.000         Chemicals - 1.09%         Milarch 2009 - 0.37%)         200,000         Compania de Minas         3.499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3.499         0.68           100,000         Shin-Etsu Chemical         5,584         1.09         Milarch 2009 - 0.37%)         200,000         Call Peru         3.499         0.68           170,000         Canon         3,937         0.77         Total Peru         3.499         0.58           170,000         Canon         3,937         0.77         Total Portugal         1.815         0.35           170,000		20% March 2009 0.00%)						
(March 2009 - 0.00%)         Bank Rakyat Indonesia         3,703         0.72         Oil & Gas - 0.65% (March 2009 - 0.48%)         3,314         0.65           (March 2009 - 0.00%)         Gas Distribution - 0.48% (March 2009 - 0.04%)         100,000         Fugro IV         3,314         0.65           JAPAN (6.10%, March 2009 - 0.68%)         6,136         1.20         PERU (0.68%, March 2009 - 0.43%)         10,332         2.11           JAPAN (6.10%, March 2009 - 6.88%)         Automobiles & Parts - 0.37% (March 2009 - 0.07%)         200,000         Compania de Minas         3.499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3.499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3.499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3.499         0.68           100,000         Sinin-Esu Chemical         5,584         1.09         PORTUGAL (0.35%, March 2009 - 0.37%)         UMarch 2009 - 0.37%)         1.815         0.35           100,000         Canon         3,937         0.77         Total Peruga SGPS         1.815         0.35           100,000         March 2009 - 0.68%,         March 2009 - 0.95%)					300,000		1 347	0.26
Gas Distribution - 0.48% (March 2009 - 0.0%)         Gas Distribution - 0.48% (March 2009 - 0.0%)         3,314         0.65           12,000,00         Perusahaan Gas Negara         2,433         0.48         100,000         Fugo NV         3,314         0.65           JAPAN (6.10%, March 2009 - 0.0%)         6.136         1.20         PERU (0.68%, March 2009 - 0.43%)         Mining - 0.68%           JAPAN (6.10%, March 2009 - 0.68%)         Automobiles & Parts - 0.37%         Occopania de Minas         3,499         0.68           100.000         Honda Motor         1.914         0.37         Total Netherlands         3,499         0.68           100.000         Sin-Etsu Chemical         5,584         1.09         Buenaventura ADR         3,499         0.68           1150.000         Sini-Etsu Chemical         5,584         1.09         OB (Gas Pareja SGPS)         1,815         0.35           1170.000         Canon         3,937         0.77         Eequineering & Machinery - 0.00%         March 2009 - 0.37%)         Eeteronic & Electrical Equipment - 0.77%         200,000         Galap Energia SGPS         1,815         0.35           1170.000         Canon         3,937         0.77         Software & Computer Services - 0.74%         March 2009 - 0.00%)         Support Services - 0.74%         March 2009 - 0.05					000,000	, (69011	1,047	0.20
G as Distribution - 0.48% (March 2009 - 0.0%)         100,000         Fugr NV         3,314         0.65           12,000,000         Perusahaan Gas Negara         2,433         0.48         108,322         2.11           JAPAN (6.10%, March 2009 - 6.88%)         6.136         1.20         PERU (0.68%, March 2009 - 0.43%)         Mining - 0.68%           JAPAN (6.10%, March 2009 - 6.88%)         (March 2009 - 0.43%)         Mining - 0.68%         (March 2009 - 0.43%)           March 2009 - 1.07%)         (March 2009 - 0.43%)         Superaventura ADR         3,499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3,499         0.68           100,000         Shin-Etsu Chemical         5,584         1.09         PORTUGAL (0.35%, March 2009 - 0.37%)         UMarch 2009 - 0.37%)           150,000         Shin-Etsu Chemical         5,584         1.09         Oli & Gas P. 0.35%, March 2009 - 0.37%)         UMarch 2009 - 0.07%, March 2009 - 0.07%)         Support Services - 0.47%         March 2009 - 0.07%)         Support Services - 0.47%         March 2009 - 0.05%)         Support Services - 0.47%         March 2009 - 0.05%)         Support Services - 0.47%         March 2009 - 0.05%)         Support Services - 0.4	8,500,000	Bank Rakyat Indonesia	3,703	0.72				
(March 2009 - 0.00%)         Total Netherlands         10,832         2.11           12,000,000         Perusahaan Gas Negara         2,433         0.48         Total Netherlands         10,832         2.11           JAPAN (6.10%, March 2009 - 6.88%)         6.136         1.20         PERU (0.68%, March 2009 - 0.43%)         Mining - 0.68%         March 2009 - 0.43%)         March 2009 - 0.43%)         March 2009 - 0.43%)         March 2009 - 0.43%)         Suenaventura ADR         3,499         0.68           100,000         Honda Motor         1,914         0.37         Total Peru         3,499         0.68           100,000         Shin-Etsu Chemical         5,584         1.09         March 2009 - 0.37%)         Oil & Gas - 0.33%         March 2009 - 0.37%)         1.815         0.35           170,000         Shin-Etsu Chemical         5,584         1.09         March 2009 - 0.35%)         Total Portugal         1,815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0,74%, March 2009 - 0.00%)         March 2009 - 0.46%)         1,815         0.35           100,000         Mistebili Estate         5,277         1.03         Software & Computer Services - 0.50%         March 2009 - 0.55%)         Software & Computer Services - 0.50%         March 2009 - 0.55%)		Gas Distribution – 0.48%			100.000		3.314	0.65
12,000,000       Perusahaan Gas Negara       2,433       0.48         Total Indonesia       6,136       1.20         JAPAN (6.10%, March 2009 - 6,88%)       March 2009 - 0,68%       (March 2009 - 0,43%)         Automobiles & Parts - 0.37%       200,000       Compania de Minas         (March 2009 - 1,07%)       0.37       Total Peru       3,499       0.68         (March 2009 - 0,05%)       Buenaventura ADR       3,499       0.68         (March 2009 - 0,05%)       PORTUGAL (0.35%, March 2009 - 0.37%)       0.68         (March 2009 - 0,05%)       PORTUGAL (0.35%, March 2009 - 0.37%)       0.68         (March 2009 - 0,05%)       PORTUGAL (0.35%, March 2009 - 0.37%)       0.68         (March 2009 - 0.46%)       Natch 2009 - 0.35%       1.815       0.35         (March 2009 - 0.46%)       3,937       0.77       REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)       Support Services - 0.74%       March 2009 - 0.00%)         170,000       Canon       3,937       0.77       Total Perulal       3,796       0.74         Real Estate - 1.03%       March 2009 - 0.55%)       Support Services - 0.74%       March 2009 - 0.95%)       0.74         500,000       Mitsubishi Estate       5,277       1.03       Software & Computer Services - 0.50%       March 2009 - 0.63%) <td></td> <td>(March 2009 – 0.00%)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		(March 2009 – 0.00%)						
JAPAN (6.10%, March 2009 - 6.88%) Automobiles & Parts - 0.37% (March 2009 - 1.07%)       Mining - 0.68% (March 2009 - 0.43%)         100,000       Honda Motor       1,914       0.37         Chemicals - 1.09% (March 2009 - 0.00%)       Total Peru       3,499       0.68         Chemicals - 1.09% (March 2009 - 0.00%)       PORTUGAL (0.35%, March 2009 - 0.37%)       PORTUGAL (0.35%, March 2009 - 0.37%)       PORTUGAL (0.35%, March 2009 - 0.37%)         Electronic & Electrical Equipment - 0.77% (March 2009 - 0.35%)       200,000       Galp Energia SGFS       1,815       0.35         170,000       Canon       3,937       0.77       REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)       Electronic & Electrical Equipment - 0.75% (March 2009 - 0.46%)       1,815       0.35         600,000       Mitsubishi Estate       5,277       1.03       SURGAPORE (0.64%, March 2009 - 0.95%)       180,000       Accenture       3,736       0.74% (March 2009 - 0.66%)         625       Osaka Securities Exchange       1,730       0.33       SUGAPORE (0.64%, March 2009 - 0.95%)       Banks - 0.64% (March 2009 - 0.66%)       5282       0.64         625       Osaka Securities Exchange       1,730       0.33       SUTH KOREA (2.92%, March 2009 - 0.63%)       5282       0.64         625       Osaka Securities Exchange       1,730       0.33       Banks - 0.95%       16	12,000,000	Perusahaan Gas Negara	2,433	0.48		-	10,002	2.11
JAPAN (6.10%, March 2009 - 6.88%) Automobiles & Parts - 0.37% (March 2009 - 1.07%) (March 2009 - 1.07%) (March 2009 - 0.00%) 150,000         (March 2009 - 0.43%) Bulenaventura ADR (March 2009 - 0.37%) (March 2009 - 0.00%) (March 2009 - 0.00%) (March 2009 - 0.03%) (March 2009 - 0.35%) 150,000         (March 2009 - 0.37%) (March 2009 - 0.37%) (March 2009 - 0.37%) (March 2009 - 0.35%) (March 2009 - 0.46%) (March 2009 - 0.68%) 625 0aska Securities Exchange 1.730 5001 Felecommunication Services - 1.17% (March 2009 - 0.06%) 2.555         (March 2009 - 0.63%) Banks - 0.64% (March 2009 - 0.06%) Banks - 0.69% (March 2009 - 0.06%) (March 2009 - 0.06%) (M		Total Indonesia	6,136	1.20	PERU (0.68%, N	-		
Automobiles & Parts - 0.37% (March 2009 - 1.07%)         200,000         Compania de Minas Buenaventura ADR         3,499         0.68           100,000         Hond Motor         1,914         0.37         Total Peru         3,499         0.68           100,000         Hond Motor         1,914         0.37         Total Peru         3,499         0.68           100,000         Shin-Etsu Chemical         5,584         1.09         Oil & Gas - 0.35%         1.815         0.35           150,000         Shin-Etsu Chemical         5,584         1.09         Oil & Gas - 0.35%         1.815         0.35           170,000         Canon         3,937         0.77         Total Portugal         1.815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)         Support Services - 0.74%           (March 2009 - 0.46%)         Mitsubishi Estate         5,277         1.03         SinGAPORE (0.64%, March 2009 - 0.95%)         Same - 0.44%         March 2009 - 0.95%)         50,000         Mitsubishi Estate         5,277         1.03         SinGAPORE (0.64%, March 2009 - 0.95%)         Same - 0.64%         March 2009 - 0.63%)         5,282         0.64         March 2009 - 0.63%)         5,282         0.64         March 2009 - 0.63%)	IA DA NI /6 10%	March 2009 6 99%)				-		
(March 2009 - 1.07%)         Buenaventura ADR         3,499         0.68           100.000         Honda Motor         1,914         0.37         Total Peru         3,499         0.68           Chemicals - 1.09% (March 2009 - 0.00%)         Shin-Esu Chemical         5,584         1.09         OII & Gas - 0.35%, (March 2009 - 0.37%)         PORTUGAL (0.35%, March 2009 - 0.37%)         50.58         1.09         0.00         Galp Energia SGPS         1.815         0.35           170,000         Canon         3,937         0.77         Total Portugal         1.815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)         Support Services - 0.74% (March 2009 - 0.46%)         1.815         0.35           100,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%)         3.796         0.74           500,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%)         3.282         0.64           600,000         DBS Group Holdings         3,282         0.64         1.730         0.33         SOUTH KOREA (2.92%, March 2009 - 0.63%)         3.282         0.64           16,000         Nintendo         2,552         0.50	JAFAN (0. 10 /0,				200.000			
100,000       Honda Motor       1,914       0.37       Total Peru       3,499       0.68         Chemicals - 1.09% (March 2009 - 0.00%)       Formula 1,5,584       1.09       OII & Gas - 0.35%, (March 2009 - 0.37%)       PORTUGAL (0.35%, March 2009 - 0.37%)       Image: Chemical 2,558       1.09       OII & Gas - 0.35%, (March 2009 - 0.35%)       Image: Chemical 2,558       1.815       0.35         170,000       Canon       3,937       0.77       Total Portugal       1.815       0.35         170,000       Canon       3,937       0.77       REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%) (March 2009 - 0.46%)       Image: Chemica 2,527       1.03         Real Estate - 1.03% (March 2009 - 1.52%)       Formula Estate       5,277       1.03       SINGAPORE (0.64%, March 2009 - 0.95%) Banks - 0.64% (March 2009 - 0.95%)       Image: Chemica 3,282       0.64         500,000       Nintendo       2,552       0.50       600,000       DBS Group Holdings       3,282       0.64         500,000       Sontware & Computer Services - 0.17% (March 2009 - 0.68%)       Image: Chemica 3,282       0.64         625       Osak Securities Exchange       1,730       0.33       Banks - 0.96% (March 2009 - 0.00%)       Image: Chemica 3,282       0.64         520000       Desta Securities Exchange       1,730       0.33       Ban					200,000		3,499	0.68
(March 2009 - 0.00%)         PORTUGAL (0.35%, March 2009 - 0.37%)           150,000         Shin-Etsu Chemical         5,584         1.09           Lectronic & Electrical Equipment - 0.77% (March 2009 - 0.35%)         Oil & Gas - 0.35% (March 2009 - 0.37%)         1,815         0.35           170,000         Canon         3,937         0.77         Total Portugal         1,815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)         Support Services - 0.74% (March 2009 - 0.46%)         1,815         0.35           Real Estate - 1.03% (March 2009 - 0.46%)         Support Services - 0.74% (March 2009 - 0.00%)         180,000         Accenture         3,796         0.74           500,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%)         Banks - 0.64% (March 2009 - 0.95%)         5           600,000         DBS Group Holdings         3,282         0.64           Speciality & Other Finance - 1.17% (March 2009 - 0.06%)         0.33         SOUTH KOREA (2.92%, March 2009 - 0.63%)         5           625         Osaka Securities Exchange         1,730         0.33         Sanks - 0.96% (March 2009 - 0.00%)         5           625         Osaka Securities Exchange         1,730         0.33         Sank	100,000		1,914	0.37		-		0.68
(March 2009 - 0.00%)         PORTUGAL (0.35%, March 2009 - 0.37%)           150,000         Shin-Etsu Chemical         5,584         1.09           Lectronic & Electrical Equipment - 0.77% (March 2009 - 0.35%)         Oil & Gas - 0.35% (March 2009 - 0.37%)         1,815         0.35           170,000         Canon         3,937         0.77         Total Portugal         1,815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%)         Support Services - 0.74% (March 2009 - 0.46%)         1,815         0.35           Real Estate - 1.03% (March 2009 - 0.46%)         Support Services - 0.74% (March 2009 - 0.00%)         180,000         Accenture         3,796         0.74           500,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%)         Banks - 0.64% (March 2009 - 0.95%)         5           600,000         DBS Group Holdings         3,282         0.64           Speciality & Other Finance - 1.17% (March 2009 - 0.06%)         0.33         SOUTH KOREA (2.92%, March 2009 - 0.63%)         5           625         Osaka Securities Exchange         1,730         0.33         Sanks - 0.96% (March 2009 - 0.00%)         5           625         Osaka Securities Exchange         1,730         0.33         Sank		Chemicals – 1 09%						
150,000       Similar Else Cheminal       3,384       1.03       (March 2009 - 0.37%)         Electronic & Electrical Equipment - 0.77% (March 2009 - 0.35%)       200,000       Galp Energia SGPS       1,815       0.35         170,000       Canon       3,937       0.77       Total Portugal       1,815       0.35         170,000       Canon       3,937       0.77       Republic OF IRELAND (0.74%, March 2009 - 0.00%)       support Services - 0.74%         Image: Estate - 1.03%       Image: Estate - 1.17%       Image: Estate - 1.17%       Image: Estate - 1.17% <td></td> <td></td> <td></td> <td></td> <td>PORTUGAL (0.3</td> <td></td> <td></td> <td></td>					PORTUGAL (0.3			
Electronic & Electrical Equipment - 0.77% (March 2009 - 0.35%)         200,000         Galp Energia SGPS         1,815         0.35           170,000         Canon         3,937         0.77         Total Portugal         1,815         0.35           170,000         Canon         3,937         0.77         REPUBLIC OF IRELAND (0.74%, March 2009 - 0.00%) Support Services - 0.74% (March 2009 - 0.00%)         500,000         Real Estate - 1.03% (March 2009 - 1.52%)         1,815         0.35           500,000         Mitsubishi Estate         5,277         1.03         180,000         Accenture         3,796         0.74           500,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%) Banks - 0.64% (March 2009 - 0.95%)         500,000         DBS Group Holdings         3,282         0.64           500,000         Nintendo         2,552         0.50         600,000         DBS Group Holdings         3,282         0.64           500,000         Support Services - 0.76%) (March 2009 - 0.68%)         50UTH KOREA (2.92%, March 2009 - 0.63%) Banks - 0.96% (March 2009 - 0.06%)         3,282         0.64           500,000         DBS Group Holdings         3,282         0.64           500,000         DBS Group Holdings         3,282         0.64	150,000		5,584	1.09				
Lifetronic & Electronic & E					200,000		1 015	0.25
170,000       Canon       3,937       0.77         Engineering & Machinery - 0.00% (March 2009 - 0.46%)       Engineering & Machinery - 0.00% (March 2009 - 0.46%)       Support Services - 0.74% (March 2009 - 0.00%)         Real Estate - 1.03% (March 2009 - 1.52%)       Total Republic of Ireland       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       SiNGAPORE (0.64%, March 2009 - 0.95%) Banks - 0.64% (March 2009 - 1.76%)       SiNGAPORE (0.64%, March 2009 - 0.95%)       3,282       0.64         500,000       Nintendo       2,552       0.50       600,000       DBS Group Holdings       3,282       0.64         502,500       Sony Financial Holdings       1,730       0.33       SOUTH KOREA (2.92%, March 2009 - 0.63%)       SOUTH KOREA (2.92%, March 2009 - 0.63%)       SOUTH KOREA (2.92%, March 2009 - 0.63%)       Banks - 0.96% (March 2009 - 0.00%)         1,700       KDDI       5,995       1.17       1.17       KDDI       5,995       1.17			t – 0.77%		200,000			
Replice of IRELAND (0.74%, March 2009 – 0.00%) (March 2009 – 0.46%)         REPUBLIC OF IRELAND (0.74%, March 2009 – 0.00%) (March 2009 – 0.46%)         Real Estate – 1.03% (March 2009 – 1.52%)       (March 2009 – 1.52%)       180,000       Accenture       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       SINGAPORE (0.64%, March 2009 – 0.95%)       0.64%       0.64%         6000       Nintendo       2,552       0.50       600,000       DBS Group Holdings       3,282       0.64         Speciality & Other Finance – 1.17% (March 2009 – 0.68%)       1,730       0.33       SOUTH KOREA       2.92%, March 2009 – 0.63%)       3,282       0.64         625       Osaka Securities Exchange       1,730       0.33       SOUTH KOREA       2.92%, March 2009 – 0.63%)       3,282       0.64         625       Osaka Securities Exchange       1,730       0.33       Banks – 0.96% (March 2009 – 0.00%)       3,282       0.64         Telecommunication Services – 1.17% (March 2009 – 1.04%)       Banks – 0.96% (March 2009 – 0.00%)       183,206       KB Financial Group       4,910       0.96         1,730       5.995       1.17	170.000		2 0 2 7	0.77		Total Portugal	1,815	0.35
Engineering & Machinery - 0.00% (March 2009 - 0.46%)         Support Services - 0.74% (March 2009 - 0.00%)           Real Estate - 1.03% (March 2009 - 1.52%)         3.796         0.74           500,000         Mitsubishi Estate         5,277         1.03           Software & Computer Services - 0.50% (March 2009 - 1.76%)         Total Republic of Ireland         3.796         0.74           16,000         Mitsubishi Estate         5,277         1.03         SINGAPORE (0.64%, March 2009 - 0.95%)         Banks - 0.64%           (March 2009 - 1.76%)         Banks - 0.64%         (March 2009 - 0.95%)         0.64           (March 2009 - 0.68%)         0.500         DBS Group Holdings         3,282         0.64           625         Osaka Securities Exchange         1,730         0.33         SOUTH KOREA (2.92%, March 2009 - 0.63%)         Banks - 0.96%           625         Osaka Securities Exchange         1,730         0.33         Banks - 0.96%         March 2009 - 0.00%)         4,910         0.96           (March 2009 - 1.04%)         5,995         1.17         183,206         KB Financial Group         4,910         0.96	170,000	Callon	3,937	0.77			0.000/)	
(March 2009 – 0.46%)       (March 2009 – 0.00%)         Real Estate – 1.03%       180,000       Accenture       3,796       0.74         (March 2009 – 1.52%)       Total Republic of Ireland       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       SINGAPORE (0.64%, March 2009 – 0.95%)       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       SINGAPORE (0.64%, March 2009 – 0.95%)       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       SINGAPORE (0.64%, March 2009 – 0.95%)       8anks – 0.64%       600,000       DBS Group Holdings       3,282       0.64         500,000       Speciality & Other Finance – 1.17%       March 2009 – 0.68%)       500,000       DBS Group Holdings       3,282       0.64         500,500       Sony Financial Holdings       4,322       0.84       SOUTH KOREA (2.92%, March 2009 – 0.63%)       8anks – 0.96%       8anks – 0.96%       600,000       Banks – 0.96%       183,206       KB Financial Group       4,910       0.96         1,700       KDDI       5,995       1.17       183,206       KB Financial Group       4,910       0.96		Engineering & Machinery – 0.009	%				0.00%)	
Real Estate - 1.03% (March 2009 - 1.52%)       180,000       Accenture       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       Total Republic of Ireland       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       Image: Computer Services - 0.50%       Image: Computer Services - 0.50%       Banks - 0.64%       Image: Computer Services - 0.50%		(March 2009 – 0.46%)						
(March 2009 - 1.52%)       Total Republic of Ireland       3,796       0.74         500,000       Mitsubishi Estate       5,277       1.03       Intervalue       Intervalue <td></td> <td></td> <td></td> <td></td> <td>180,000</td> <td></td> <td>3,796</td> <td>0.74</td>					180,000		3,796	0.74
1000000000000000000000000000000000000						Total Republic of Ireland	3,796	0.74
Software & Computer Services - 0.50% (March 2009 - 1.76%)       SINGAPORE (0.64%, March 2009 - 0.95%)         16,000       Nintendo       2,552       0.50         16,000       Nintendo       2,552       0.50         Speciality & Other Finance - 1.17% (March 2009 - 0.68%)       600,000       DBS Group Holdings       3,282       0.64         625       Osaka Securities Exchange       1,730       0.33       0.33       SOUTH KOREA (2.92%, March 2009 - 0.63%)       Banks - 0.96% (March 2009 - 0.00%)       5,995       1.17         1,700       KDDI       5,995       1.17       1.17       1.17       1.17	500 000		5 277	1.03				
Software & Computer Services - 0.50% (March 2009 - 1.76%)         Banks - 0.64% (March 2009 - 0.95%)           16,000         Nintendo         2,552         0.50         600,000         DBS Group Holdings         3,282         0.64           Speciality & Other Finance - 1.17% (March 2009 - 0.68%)         Total Singapore         3,282         0.64           625         Osaka Securities Exchange         1,730         0.33         SOUTH KOREA         (2.92%, March 2009 - 0.63%)         8anks - 0.96% (March 2009 - 0.00%)         5,995         1.17         183,206         KB Financial Group         4,910         0.96           1,700         KDDI         5,995         1.17         183,206         KB Financial Group         4,910         0.96	500,000		5,277	1.00	SINGAPORE (0.	.64%, March 2009 – 0.95%)		
16,000       Nintendo       2,552       0.50       600,000       DBS Group Holdings       3,282       0.64         Speciality & Other Finance – 1.17% (March 2009 – 0.68%)       Total Singapore       3,282       0.64         625       Osaka Securities Exchange       1,730       0.33       SOUTH KOREA (2.92%, March 2009 – 0.63%)       Banks – 0.96% (March 2009 – 0.00%)       Banks – 0.96%       4,910       0.96         7       Telecommunication Services – 1.17% (March 2009 – 1.04%)       5,995       1.17       183,206       KB Financial Group       4,910       0.96		Software & Computer Services -	- 0.50%					
Speciality & Other Finance – 1.17% (March 2009 – 0.68%)         Total Singapore         3,282         0.64           625         Osaka Securities Exchange         1,730         0.33         SOUTH KOREA (2.92%, March 2009 – 0.63%)         Banks – 0.96% (March 2009 – 0.00%)         Banks – 0.96%         183,206         Banks – 0.96%         183,206         KB Financial Group         4,910         0.96           1,700         KDDI         5,995         1.17         183,206         KB Financial Group         4,910         0.96		(March 2009 – 1.76%)				(March 2009 – 0.95%)		
Speciality & Other Finance – 1.17% (March 2009 – 0.68%)         South KOREA (2.92%, March 2009 – 0.63%)           625         Osaka Securities Exchange         1,730         0.33           2,500         Sony Financial Holdings         4,322         0.84           Telecommunication Services – 1.17% (March 2009 – 1.04%)           1,700         KDDI         5,995         1.17	16,000	Nintendo	2,552	0.50	600,000	DBS Group Holdings	3,282	0.64
625         Osaka Securities Exchange         1,730         0.33         SOUTH KOREA (2.92%, March 2009 – 0.63%)           2,500         Sony Financial Holdings         4,322         0.84         Banks – 0.96%           Telecommunication Services – 1.17%         183,206         Banks – 0.96%           (March 2009 – 0.00%)         183,206         KB Financial Group         4,910         0.96           1,700         KDDI         5,995         1.17         183         1.17		Speciality & Other Finance – 1.17	7%			Total Singapore _	3,282	0.64
625       Osaka Securities Exchange       1,730       0.33       Banks – 0.96%         2,500       Sony Financial Holdings       4,322       0.84       (March 2009 – 0.00%)         Telecommunication Services – 1.17%       183,206       KB Financial Group       4,910       0.96         (March 2009 – 1.04%)       5,995       1.17       1.17       1.17					SOUTH KORFA	(2.92%, March 2009 – 0.63%)		
2,500       Sony Financial Holdings       4,322       0.64       (March 2009 – 0.00%)         Telecommunication Services – 1.17%       183,206       KB Financial Group       4,910       0.96         (March 2009 – 1.04%)       5,995       1.17		0			JUUTINO			
(March 2009 – 1.04%) 1,700 KDDI5,995 1.17	2,500	Sony Financial Holdings	4,322	0.84				
(March 2009 – 1.04%) 1,700 KDDI 5,995 1.17		Telecommunication Services – 1.	17%		183,206	KB Financial Group	4,910	0.96
Total Japan 31,311 6.10	1,700	KDDI	5,995	1.17				
		Total Japan	31,311	6.10				

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value
	Information Technology Hardwa (March 2009 – 0.63%)	re – 1.41%	
19,000		7,249	1.41
35,000	Software & Computer Services (March 2009 – 0.00%) NHN	- <b>0.55%</b> 2,798	0.55
,	Total South Korea	14,957	2.92
SPAIN (1.61%, N	- Aarch 2009 – 1.51%) Banks – 1.10%		
600,000	<b>(March 2009 – 0.00%)</b> Banco Santander	5,660	1.10
	General Retailers – 0.51% (March 2009 – 0.45%)		
80,000	Inditex	2,596	0.51
	Telecommunication Services – 0 (March 2009 – 1.06%)	0.00%	
	Total Spain	8,256	1.61
SWITZERLAND	(6.88%, March 2009 – 8.99%) Chemicals – 1.26%		
45,000	( <b>March 2009 – 1.24%)</b> Syngenta Registered	6,461	1.26
	Food Producers & Processors – (March 2009 – 3.74%)		
500,000	Nestle Registered	12,592	2.45
070.000	Pharmaceuticals & Biotechnolog (March 2009 – 4.01%)		1.40
	Novartis Roche Holding	7,635 8,594	1.49 1.68
	Total Switzerland	35,282	6.88
TAIWAN (0.56%	, March 2009 – 0.00%) Information Technology Hardwa (March 2009 – 0.00%)	re – 0.56%	
2,500,000	Taiwan Semiconductor	2,866	0.56
	Total Taiwan	2,866	0.56
UNITED KINGD	OM (9.75%, March 2009 – 8.3 Banks – 2.02%	3%)	
1,583,734	(March 2009 – 0.54%) HSBC Holdings	10,332	2.02
1,400,000	Electricity – 0.75% (March 2009 – 0.51%) International Power	3,857	0.75
234,833	Engineering & Machinery – 0.29 (March 2009 – 0.00%) Weir Group	% 1,502	0.29
1,300,000	Food & Drug Retailers – 0.96% (March 2009 – 0.85%) Tesco	4,901	0.96

Holding	Investment	Value £000	% of Net Asset Value
	General Retailers – 0.00% (March 2009 – 0.65%)		
	Investment Companies – 0.89% (March 2009 – 0.00%)		
1,500,000	3i Group	4,584	0.89
	Oil & Gas – 3.01% (March 2009 – 3.07%)		
600,000 850,000		6,150 9,282	1.20 1.81
	Software & Computer Services - (March 2009 – 1.08%)	- 0.52%	
200,000	Autonomy	2,656	0.52
	Telecommunication Services – 1 (March 2009 – 1.63%)	.31%	
5,000,000	Vodafone Group	6,720	1.31
	Total United Kingdom _	49,984	9.75
UNITED STATES	S OF AMERICA (42.68%, Marc	h 2009 – 4	8.56%)
	Aerospace & Defence – 1.21% (March 2009 – 0.00%)		
135,000		6,184	1.21
	Banks – 5.97%		
1 000 000	<b>(March 2009 – 2.04%)</b> Bank of America	10,387	2.02
2,500,000		7,363	1.44
500,000	J.P. Morgan Chase	12,876	2.51
	Beverages – 1.18% (March 2009 – 3.07%)		
200,000	Coca-Cola	6,079	1.18
	Diversified Industrials – 0.00% (March 2009 – 0.64%)		
165,000	Engineering & Machinery – 0.87 <sup>4</sup> (March 2009 – 1.07%) Thermo Electron	%	0.87
100,000		4,400	0.07
125,000	Food & Drug Retailers – 0.55% (March 2009 – 1.05%) CVS Caremark	2,828	0.55
120,000		2,020	0.00
110,000	Forestry & Paper – 0.38% (March 2009 – 0.42%) Plum Creek Timber Company	1,938	0.38
	General Retailers – 3.80% (March 2009 – 4.21%)		
360,000	Ebay	4,795	0.93
460,000 80,000	Lowe's Wal Mart Stores	6,052 2,514	1.18 0.49
300,000	Walgreen	6,177	1.20

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value
noiding	investment	2000	value
	Health – 1.76% (March 2009 – 2.29%)		
150,000	Aetna	2,679	0.52
130,000	Humana	2,987	0.58
80,000			
	America Holdings	3,383	0.66
	Information Technology Hardware - (March 2009 – 2.25%)	- 5.41%	
130,000	American Tower	2,641	0.51
50,000	Apple	5,180	1.01
400,000	Cisco Systems	5,313	1.04
1,300,000	Dell	12,411	2.42
80,000	Qualcomm	2,225	0.43
	Insurance – 2.65% (March 2009 – 2.97%)		
100,000		2,548	0.50
500,000	Hartford Financial Services Group	6,748	1.32
140,000	Travelers	4,265	0.83
	Media & Photography – 2.18% (March 2009 – 2.17%)		
320,000	Directv Group	4,874	0.95
400,000	Walt Disney	6,304	1.23
	Mining – 0.42% (March 2009 – 0.49%)		
200,000	Arch Coal	2,132	0.42
	Oil & Gas – 2.32% (March 2009 – 2.83%)		
90,000	Devon Energy	3,380	0.66
115,000	Ensco International	2,609	0.51
150,000	Noble	3,238	0.63
240,000	Valero Energy	2,680	0.52
	Personal Care & Household Produc (March 2009 – 1.76%)	ts – 0.00	%
	Pharmaceuticals & Biotechnology - (March 2009 – 6.69%)	- 3.56%	
130,000	Gilead Sciences	3,648	0.71
300,000	Johnson & Johnson	11,006	2.15
78,540	Merck & Co	1,466	0.29
125,000	Schering-Plough	2,089	0.41
	Real Estate – 0.48% (March 2009 – 0.00%)		
120,000	SL Green Realty	2,451	0.48
	Software & Computer Services – 6. (March 2009 – 11.87%)	.09%	
30,000	Google	8,406	1.64
140,000	IBM	10,005	1.95
500,000	Microsoft	7,494	1.46
400,000	Oracle	5,347	1.04
	Speciality & Other Finance – 0.68% (March 2009 – 0.40%)		
35,000	Goldman Sachs Group	3,470	0.68

Holding	Investment	Value £000	% of Net Asset Value
	Steel & Other Metals – 0.61% (March 2009 – 0.38%)		
200,000	Cliffs Natural Resources	3,108	0.61
	Support Services – 0.52% (March 2009 – 0.67%)		
170,000	Republic Services	2,682	0.52
	Telecommunication Services – 0. (March 2009 – 0.76%)	.00%	
	Transport – 2.04% (March 2009 – 0.53%)		
270,000		7,880	1.54
68,000	Union Pacific	2,566	0.50
	Total United States of America	218,896	42.68
Total Value of Inve	estments	510,558	99.54
Net Other Assets	(March 2009 – 3.09%)	2,382	0.46
Net Assets	_	512,940	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

### **Global Bond Fund**

### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA (8.	63%, March 2009 – 8.25%)			ITALY (2.64%, N	larch 2009 – 0.58%)		
AUD 50,000,000	AAA (8.63%, March 2009 – 8.25%) Treasury Corporation of Victoria			EUR 7,000,000	<b>A+ (2.64%, March 2009 – 0.58%)</b> Buoni Poliennali Del Tes 3.5%		
AOD 50,000,000	5.5% 15/09/2010	26,359	8.63	2011 7,000,000	01/06/2014	6,246	2.05
	Total Australia	26,359	8.63	JPY 275,000,000	Republic of Italy 1.8% 23/02/2010	1,809	0.59
					Total Italy	8,055	2.64
AUSTRIA (4.71	%, March 2009 – 7.72%) AAA (0.54%, March 2009 – 3.25%)					0,000	2.04
JPY 250,000,000				JAPAN (5.92%,	March 2009 – 7.00%)		
	1.8% 22/03/2010	1,647	0.54		Aa2 (5.92%, March 2009 – 0.00%) ) Japan Government 1.393%		
	Aaa (4.17%, March 2009 – 3.98%)			JF 13,000,000,000	10/06/2018	18,095	5.92
JPY1,950,000,000	Pfandbriep Der Oester Lands						
	Hypobank 1.6% 15/02/2011	12,733	4.17		Aa3 (0.00%, March 2009 – 7.00%)	40.005	
	Aa3 (0.00%, March 2009 – 0.49%)				Total Japan	18,095	5.92
	Total Austria	14,380	4.71	LUXEMBOURG	(5.88%, March 2009 – 5.39%) AAA (0.00%, March 2009 – 0.99%)		
CAYMAN ISLAI	NDS (0.00%, March 2009 – 0.50%	-					
	BBB+ (0.00%, March 2009 – 0.50%)			JPY 100,000,000	BBB (5.88%, March 2009 – 4.40%) Gaz Capital 2.63% 15/11/2010	538	0.17
	Total Cayman Islands				) Gaz Capital 2.89% 15/11/2012	17,440	5.71
CANADA (1.18%	%, March 2009 – 0.00%)				Total Luxembourg	17,978	5.88
-	AAAe (1.18%, March 2009 - 0.00%)	)					
USD 6,000,000	Canada Government 2.375% 10/09/2014	3,623	1.18	MEXICO (0.00%	6, March 2009 – 2.42%) A+ (0.00%, March 2009 – 2.42%)		
	Total Canada	3,623	1.18		Total Mexico	_	_
FINLAND (3.06	%, March 2009 – 0.00%) AAA (3.06%, March 2009 – 0.00%)			NETHERLANDS	6 (4.41%, March 2009 – 6.59%) AAA (0.00%, March 2009 – 6.59%)		
EUR 10,000,000	Finnish Government 4.25% 04/07/2015	9,359	3.06		Aaa (4.41%, March 2009 – 0.00%)		
	Total Finland	9,359	3.06	EUR 15,000,000	Netherlands Government 4%		
		3,000	0.00		15/07/2019	13,476	4.41
FRANCE (11.92)	%, March 2009 – 10.67%)				Total Netherlands	13,476	4.41
	AAA (11.92%, March 2009 – 10.67%	5		NORWAY (2 749	%, March 2009 – 2.98%)		
JPY3,000,000,000	0 Cie Financement Foncier 1.25%	,			AAA (2.74%, March 2009 – 2.98%)		
	01/12/2011	19,648	6.43	NOK 80,000,000	Kommunalbanken 5.25%	0.075	0.74
EUR 20,000,000	Government of France 4% 25/04/2055	16,791	5.49		10/11/2010 Total Norway	8,375	2.74
	Total France	36,439	11.92			8,375	2.74
				POLAND (2.11%	6, March 2009 – 1.43%)		
GERMANY (15.	81%, March 2009 – 1.66%)				A (0.00%, March 2009 – 0.99%)		
EUR 49,500,000	AAA (15.81%, March 2009 – 1.66%) Bundesrepublic Deutschland				A– (2.11%, March 2009 – 0.44%)		
,,	4.75% 04/07/2040	48,328	15.81	JPY1,000,000,000	Republic of Poland 0.84%		
	Total Germany	48,328	15.81		09/07/2010	6,451	2.11
	March 2000 1 00%				Total Poland	6,451	2.11
1110IA (2.19%, ľ	Vlarch 2009 – 1.99%) BBB– (2.19%, March 2009 – 1.99%)						
JPY1,100,000,000	) Indian Railway Finance 1.91%						
	23/02/2012	6,679	2.19				
	Total India	6,679	2.19				

### **Global Bond Fund**

#### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF I	RELAND (0.00%, March 2009 – 4 AAA (0.00%, March 2009 – 4.30%)	1.30%)		DERIVATIVES ((	0.32%), March 2009 – 0.85 Forward Foreign Exchange C	-	%)
EUR 175	Not Rated (0.00%, March 2009 – 0. Smurfit Kappa Funding Warrants	00%)			(March 2009 – 0.85%) Sell AUD 48,000,000 Buy GBP 24,613,162	(296)	(0.10)
	30/09/2013 Total Republic of Ireland	-			Sell GBP 38,771,216 Buy EUR 44,000,000	(365)	(0.12)
SLOVAKIA (3.33					Sell GBP 109,685,611 Buy USD 177,000,000	(2,006)	(0.65)
EUR 11,300,000	A+ (3.33%, March 2009 – 0.00%) Slovak Republic 4.375%				Sell JPY 13,000,000,000 Buy GBP 86,712,798	1,691	0.55
	21/01/2015	10,169	3.33		Sell NOK 185,000,000 Buy GBP 18,735,243	(50)	(0.02)
	Total Slovakia	10,169	3.33		Futures & Options – 0.02%		
SLOVENIA (0.8	5%, March 2009 – 0.00%)				(March 2009 – 0.00%) Japanese 10 Year Bond Futur		
EUR 3,000,000	AAe (0.85%, March 2009 – 0.00%) Republica Slovenija 4.625%				Expiring December 2009	47	0.02
2011 3,000,000	09/09/2024	2,611	0.85		Total Derivatives	(979)	(0.32)
	Total Slovenia	2,611	0.85	Total Value of Inve Net Other Liabiliti	estments ies (March 2009 – (1.69%))	307,509 (1,922)	100.63 (0.63)
SWEDEN (3.329	%, March 2009 – 8.88%)			Net Assets		305,587	100.00
NOK100,000,000	AAA (3.32%, March 2009 – 2.86%) Kommuninvest 1.57%			ANALYSIS OF I	VVESTMENTS BY ASSET (	224 1	
	12/11/2010	10,138	3.32	Fixed Interest	WEOTMENTO DI AGGEI (	277,444	90.22
	Aaa (0.00%, March 2009 – 6.02%)			Floating Rate Note	es	31,044	10.10
	Total Sweden	10,138	3.32	Derivatives Total Value of Inve	stmonts	(979) <b>307,509</b>	(0.32)
				Iotal value of linve	stments	307,509	100.00
UNITED KINGD	OM (4.46%, March 2009 – 13.80	-		ANALYSIS OF I	<b>VVESTMENTS BY CREDIT</b>	RATINGS	
GBP 1,000,000	AAA (3.54%, March 2009 – 11.17%) UK Treasury 2.25% 07/03/2014	982	0.32			Value	
GBP 9,000,000	UKTreasury 4.25% 07/12/2030	9,824	3.22	ΑΑΑ		£000	
	·			AAA AAAe		205,296 3,623	
	A+ (0.92%, March 2009 – 1.17%)			Aaa		26,209	
CAD 5,000,000	Nationwide Building Society 0.65286% 18/11/2009	2,811	0.92	Aae		2,611	
	0.05286 % 18/11/2009	2,011	0.92	Aa2		18,095	
	A– (0.00%, March 2009 – 1.46%)			A+ A		21,035 511	
				A A-		6,451	
	Not Rated (0.00%, March 2009 – 0.	00%)		BBB		17,978	
EUR 500	Jazztel Warrants 15/07/2010 Total United Kingdom	- 13,617	4.46	BBB– Not Rated		6,679	
				Total Bonds		308,488	
UNITED STATE	S OF AMERICA (17.79%, March 2 AAA (17.62%, March 2009 – 14.61%		6.68%)	Derivatives		(979)	
GBP 1,800,000	Pfizer 6.5% 03/06/2038	2,138	0.70	Total Value of Inve	estments	307,509	
USD 65,000,000	US Treasury 4.25% 15/05/2039	39,429	12.90	The sector letters of		- 4	
USD 20,000,000	USTreasury N/B 1.75% 15/08/2012	12,278	4.02	The calculation of	the % Net Asset Value may no	ot add up due to	o rounaing.
	AAAe (0.00%, March 2009 – 1.09%)	)					
	A (0.17%, March 2009 – 0.98%)						
USD 800,000	Coca-Cola Enterprises 4.25% 01/03/2015	511	0.17				
	Total United States of America	54,356	17.79				
		,000					

% of

### **UK Institutional Fund**

#### **Portfolio statement**

as at 7th September 2009

Holding	Investment	Value £000	% of Net Asset Value
noranig		2000	Value
BASIC INDUST	RIES (1.58%, March 2009 – 1. Chemicals – 0.41%	.35%)	
450,000	<b>(March 2009 – 0.40%)</b> Croda International	2,869	0.20
2,421,488		1,174	0.20
255,000	Victrex	1,912	0.13
	Construction & Building Mater (March 2009 – 0.95%)	ials – 1.13%	
1,327,959	Balfour Beatty	4,588	0.32
135,000	Bellway	1,170	0.08
351,517	, , , ,	3,248	0.22
219,158		1,110	0.08
485,000		1,433	0.10
658,000	Marshalls Group	803	0.05
114,000 2,356,885	Morgan Sindall SIG	785 3,288	0.05 0.23
2,330,003	510	5,200	0.25
	Forestry & Paper – 0.04% (March 2009 – 0.00%)	- 40	
185,000	Mondi	542	0.04
	Total Basic Industries	22,922	1.58
COLLECTIVE IN (1.58%, March 2 13,715,885	-		
9,000,000	Assets Fund	14,004	0.97
0,000,000	Mid 250 Fund	8,918	0.61
	Total Collective Investment Schemes	22,922	1.58
	ochemes	22,522	1.50
CYCLICAL CON (0.09%, March 2	SUMER GOODS 2009 – 0.04%)		
	Household Goods & Textiles – ( (March 2009 – 0.04%)		
200,000 325,000	Headlam Group Pace	567 716	0.04 0.05
325,000	Total Cyclical Consumer Goods		0.05
	iotal Cyclical Consumer Goods	5 1,203	0.03
CYCLICAL SERV	/ICES (13.11%, March 2009 – General Retailers – 3.22% (March 2009 – 3.08%)	· 13.29%)	
1,702,802	Burberry Group	8,511	0.59
62,221	Carpetright	508	0.03
3,696,195	Carphone Warehouse	6,897	0.48
145,050	Connaught	561	0.04
1,230,000	Debenhams	1,055	0.07
135,000	Dignity	820	0.06
217,000	Domino's Pizza	539	0.04
78,000 425,000	Dunelm Group Halfords Group	218 1,405	0.01 0.10
2,200,000	Inchcape	644	0.10
647,000	Kesa Electricals	959	0.04
9,293,232	Kingfisher	20,120	1.39
172,000	Mothercare	1,026	0.07
625,000	N. Brown Group	1,369	0.09
1,600,000	Pendragon	572	0.04
275,000	Ted Baker	1,086	0.07
520,000	Topps Tiles	463	0.03

			% <b>of</b>
Holding	Investment	Value £000	Net Asset Value
-	Leisure Entertainment & Hotels –	0 20%	
	(March 2009 – 0.24%)	0.29%	
451,200	Greene King	2,136	0.15
374,111	Holidaybreak	1,087	0.07
540,000	Restaurant Group	1,061	0.07
	Media & Photography – 2.28% (March 2009 – 3.12%)		
160,000	Euromoney Institutional Investor	429	0.03
1,646,117	ITE Group	1,630	0.11
2,327,298	Pearson	17,269	1.19
811,927	Reed Elsevier	3,655	0.25
840,000	Wilmington Group	1,042	0.23
1,771,362	WPP	9,114	0.63
	Support Services – 5.24%		
	(March 2009 – 4.65%)		
1,702,226	Aggreko	11,337	0.78
1,260,000	Ashtead Group	1,031	0.07
623,282	Babcock International Group	3,235	0.22
949,557	Capita Group	6,476	0.45
964,092	Compass Group	3,280	0.23
465,000	Eaga	656	0.05
2,648,679	Experian Group	13,349	0.92
1,704,460	Filtrona	2,797	0.19
417,444	Interior Services Group	701	0.05
414,247	Michael Page International	1,330	0.09
720,000	Mitie Group	1,874	0.13
490,000	Mouchel Parkman	847	0.06
330,000	Premier Farnell	530	0.04
21,322,595	Rentokil Initial	24,158	1.66
1,140,000	RPS Group	2,410	0.17
2,030,000	Speedy Hire	771	0.05
112,000	WS Atkins	720	0.05
157,000	WSP Group	463	0.03
	Transport – 2.08%		
	(March 2009 – 2.20%)		
9,660,294	British Airways	18,847	1.30
126,824	Forth Ports	1,640	0.11
155,293	Go Ahead Group	2,191	0.15
4,286,958	Stagecoach Group	6,409	0.44
510,000	Wincanton	1,132	0.08
	Total Cyclical Services	190,360	13.11
FINANCIALS (1	9.23%, March 2009 – 9.58%) Banks – 10.77%		
	(March 2009 – 4.80%)		
8,087,851	Barclays	29,064	2.00
10,623,418	HSBC	70,168	4.83

14,056

5,706

37,396

1,783

3,853

16,639

0.97

0.39

2.58

0.12

0.26

1.15

13,288,211 LloydsTSB Group

10,081,811 Royal Bank of Scotland

Insurance – 1.53% (March 2009 – 2.06%)

2,731,659 Standard Chartered

Beazley

13,216,366 Royal & Sun Alliance

1,605,000

1,128,584 Hiscox

### **UK Institutional Fund**

#### **Portfolio statement**

(continued)

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Holding	Investment	Value £000	% of Net Asset Value
	Investment Companies – 2.16% (March 2009 – 0.49%)		
9,284,064	3i Group	28,372	1.95
3,346,750 3,341,483	Govett Strategic Investment Trust Resolution	_ 3,032	0.21
3,341,403		0,002	0.21
	Life Assurance – 1.85% (March 2009 – 0.96%)		
8,656,336	Friends Provident Group	7,072	0.49
8,181,143	Legal & General	6,001	0.41
2,322,467	Prudential	12,727	0.88
427,000	St. James's Place	966	0.07
	Real Estate – 1.93% (March 2009 – 0.57%)		
119,000	Derwent Valley Holdings	1,387	0.10
73,000	Development Securities	235	0.02
134,985	Development Securities – Referred		0.03
412,000	GraingerTrust	1,126	0.08
3,292,261	Hammerson	13,534	0.93
3,230,000	Hansteen Holdings	2,794	0.19
360,000	Helical Bar	1,345 412	0.09
327,942	London & Stamford LSL Property Services	808	0.03 0.06
410,000 1,131,188	Regus	1,199	0.08
265,000	Savills	942	0.08
1,033,332	Shaftesbury	3,803	0.26
960,000	Speciality & Other Finance – 0.99% (March 2009 – 0.70%) Aberdeen Asset Management	1,301	0.09
429,251	Bluebay Asset Management	1,180	0.08
1,154,424	ICAP	4,918	0.34
1,419,714	Intermediate Capital	4,075	0.28
200,000	Rathbone Brothers	1,717	0.12
1,290,485	Record	1,161	0.08
	Total Financials	279,200	19.23
	JSTRIALS (5.21%, March 2009 – Aerospace & Defence – 2.37% (March 2009 – 4.10%)		
7,467,194	BAE Systems Chemring Group	24,313	1.68
136,000		2,993	0.21
1,365,120 180,000	Meggitt Ultra Electronic	2,945 2,367	0.20 0.16
335,000	VT Group	1,811	0.10
	Diversified Industrials – 0.06% (March 2009 – 0.06%)		
225,000	New Britain Palm Oil	866	0.06
	Electronic & Electrical Equipment - (March 2009 – 0.45%)	0.98%	
1,194,932	Chloride Group	1,768	0.12
2,747,057	Invensys	8,030	0.12
640,000	Laird Group	1,078	0.07
263,000	Oxford Instruments	460	0.03
910,000	PV Crystalox Solar	687	0.05
221,612	Renishaw	1,143	0.08
172,000	Spectris	1,179	0.08

Holding	Investment	Value £000	Net Asset Value
	Engineering & Machinery – 1.80% (March 2009 – 1.64%)		
356,428	Amec	2,661	0.18
132,000	Charter International	795	0.06
57,000	Cookson Group	230	0.02
512,000	Fenner	689	0.05
800,000	Halma	1,609	0.11
1,509,300	Melrose	2,418	0.17
162,000	Rotork	1,578	0.11
340,000	Severfield-Rowen	626	0.04
189,000	Spirax Sarco Engineering	1,830	0.13
2,113,759	Weir Group	13,517	0.93
	Total General Industrials	75,593	5.21
INFORMATION			

% of

(2.39%, March 2009 - 2.65%)

/0, INIAI 011 1	2000 2.00/01		
	Information Technology Hardy	ware – 0.25%	
	(March 2009 – 0.17%)		
200,000	Cambridge Silicon Radio	950	0.07
1,355,000	Spirent Communications	1,111	0.08
300,000	Telecity Group	1,040	0.07
320,000	Wolfson Microelectronics	457	0.03
	Software & Computer Service	es – 2.14%	
	(March 2009 – 2.48%)		
1,504,189	Autonomy	19,976	1.38
137,000	Aveva Group	1,172	0.08
172,813	Fidessa Group	1,949	0.13
255,000	Micro Focus International	972	0.07
2,914,344	Misys	5,234	0.36
210,000	Phoenix IT Group	474	0.03
830,000	RM	1,316	0.09
	Total Information		
	Technology	34,651	2.39

### NON-CYCLICAL CONSUMER GOODS

(16.28%, March 2009 - 20.18%)

2,138,460 Shire

### Food Producers & Processors – 0.00%

(March 2009 – 0.48%)

	Health – 0.16% (March 2009 – 0.17%)
245,000	Care UK

235,000	Dechra Pharmaceuticals	997	0.07
135,000	Synergy Healthcare	721	0.05
	Personal Care & Household Produc	cts – 2.93%	
	(March 2009 – 3.92%)		
1,121,830	Reckitt Benckiser	32,982	2.27
1,677,566	SSL International	9,638	0.66
	Pharmaceuticals & Biotechnology	- 10.55%	
	(March 2009 – 10.05%)		
2,038,857	AstraZeneca	56,762	3.91
6,238,079	GlaxoSmithKline	74,202	5.11

625

22,176

0.04

1.53

# **UK Institutional Fund**

### **Portfolio statement**

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
	Tobacco – 2.64% (March 2009 – 5.56%)			UTILITIES (2.57	%, March 2009 – 4.27%)		
1.970.941	British American Tobacco	38,256	2.64		Electricity – 1.42% (March 2009 – 2.81%)		
1,570,541		30,230	2.04	2,417,942	National Grid	14,350	0.99
	Total Non-Cyclical Consumer Goods	236,359	16.28	552,698	Scottish & Southern Energy	6,229	0.43
NON-CYCLICAL (9.65%, March 2					Water – 1.15% (March 2009 – 1.46%)		
(5.05 /0, March 2	Food & Drug Retailers – 3.80%			1,565,551	Northumbrian Water Group	3,734	0.25
	(March 2009 – 4.68%)			2,793,071	Pennon Group	13,049	0.90
7,958,126	Morrison Supermarkets	22,832	1.58		Total Utilities	37,362	2.57
8,557,308	Tesco	32,261	2.22	Total Value of Inve	estments	1,456,427	100.33
	Telecommunication Services – 5	OE 9/		Net Other (Liabili	ties)/Assets (March 2009 – 0.26%)	(4,744)	(0.33)
	(March 2009 – 10.08%)	.03 /0		Net Assets	_	1,451,683	100.00
5,127,573	Cable & Wireless	7,358	0.51		-		
57,706,846	Vodafone Group	77,558	5.34	The calculation of	f the % Net Asset Value may not a	dd un due i	to rounding
	Total Non-Cyclical Services	140,009	9.65				to rounding.
RESOURCES (2	8.64%, March 2009 – 26.49%) Mining – 8.89%						
	(March 2009 – 4.96%)						
394,621	Aquarius Platinum	1,093	0.08				
480,407	BHP Billiton	7,771	0.54				
2,032,581	Fresnillo	13,750	0.95				
119,000	Gem Diamonds	312	0.02				

			_5.01
	Total Resources	415,766	28.64
170,000	Wellstream Holdings	905	0.06
4,336,532	Tullow Oil	47,355	3.26
693,898	Salamander Energy	1,368	0.09
3,628,925	Royal Dutch Shell 'B' Shares	59,877	4.12
1,006,740	Premier Oil	12,604	0.87
267,000	Hunting	1,338	0.09
220,000	Heritage Oil	1,151	0.08
107,000	Dana Petroleum	1,469	0.10
19,502,299	BP	104,932	7.23
5,459,010	BG Group	55,955	3.85
	(March 2009 – 21.53%)		
	Oil & Gas – 19.75%		
4,542,302	Xstrata	38,587	2.66
459,802	Talvivaara Mining	1,754	0.12
2,036,758	RioTinto	49,778	3.43
775,367	Lonmin	12,848	0.89
507,600	Kirkland Lake Gold	2,919	0.20
119,000	Gem Diamonds	312	0.02
2,032,581	Fresnillo	13,750	0.95

## **UK Overseas Earnings Fund**

### **Portfolio statement**

as at 7th September 2009

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Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC INDUST	RIES (0.00%, March 2009 – 0.	27%)			Life Assurance – 1.69%		
	Forestry & Paper – 0.00%				(March 2009 – 1.53%)		
	(March 2009 – 0.27%)			1,503,223	Legal & General	1,103	1.06
	Total Basic Industries	_	_	120,000	Prudential	658	0.63
COLLECTIVE IN (0.00%, March 2	IVESTMENT SCHEMES 2009 – 0.68%)				Real Estate – 0.00% (March 2009 – 0.71%)		
	Total Collective Investment Schemes	_	_		Speciality & Other Finance – 1.7 (March 2009 – 0.00%)	8%	
	Conomico			515,000		1,850	1.78
CYCLICAL SERV	/ICES (18.88%, March 2009 – General Retailers – 2.98%	12.03%)			Total Financials	16,820	16.17
	(March 2009 – 0.18%)			<b>GENERAL INDU</b>	JSTRIALS (14.79%, March 200	9 – 9.23%	)
43,635	Halfords Group	144	0.14		Aerospace & Defence – 7.22%		
775,000	Kesa Electricals	1,149	1.10		(March 2009 – 5.77%)		
106,500	Next	1,811	1.74	805,000	BAE Systems	2,621	2.52
	Madia 8 Dirata washing 4.040/			1,145,000		2,407	2.31
	Media & Photography – 4.91% (March 2009 – 6.75%)			,	Smiths Group	1,887	1.82
340,000	Daily Mail & General Trust	1,344	1.29	110,000	VT Group	595	0.57
195,500	Pearson	1,344	1.29				
337,517	Reed Elsevier	1,431	1.35		Electronic & Electrical Equipmer	nt – 0.83%	
170,875	United Business Media	798	0.77	510,000	<b>(March 2009 – 0.28%)</b> Laird Group	859	0.83
				0.0,000			0.00
	Support Services – 8.98% (March 2009 – 4.08%)				Engineering & Machinery – 6.74 (March 2009 – 3.18%)	%	
90,000	Aggreko	599	0.58	170,000	Amec	1,269	1.22
245,922	Babcock International Group	1,276	1.23	93,117		428	0.41
60,333	De La Rue	550 826	0.53 0.79	1,520,682	Melrose	2,436	2.34
545,000 100,000	Diploma Experian Group	826 504	0.79	905,000	0	1,392	1.34
1,271,603	Filtrona	2,087	2.01	233,000	Weir Group	1,490	1.43
445,456	John Menzies	1,506	1.45		Total General Industrials	15,384	14.79
800,000	Rentokil Initial	906	0.87		-		
510,000	RPS Group	1,078	1.04	INFORMATION (1.11%, March 2			
	Transport – 2.01%				Software & Computer Services	- 1.11%	
	(March 2009 – 1.02%)				(March 2009 – 0.86%)		
80,000	Go Ahead Group	1,129	1.08		Autonomy	794	0.76
435,000	Wincanton	966	0.93	40,000	•	342	0.33
	Total Cyclical Services	19,644	18.88	131,998	Blinkx –	19	0.02
	6 17% March 2000 0 51%)				Total Information Technology _	1,155	1.11
FINANCIALS (I	6.17%, March 2009 – 8.51%) Banks – 9.23%			NON-CYCLICAL	CONSUMER GOODS		
	(March 2009 – 3.50%)				2009 – 24.09%)		
985,000	Barclays	3,540	3.40		Food Producers & Processors -	1.02%	
689,051	HSBC	4,551	4.38		(March 2009 – 2.38%)		
570,000	LloydsTSB Group	603	0.58	63,500	Unilever	1,060	1.02
66,342	Standard Chartered	908	0.87		U kh. 0.00%		
	Insurance – 1.48%				Health – 0.00% (March 2009 – 0.55%)		
	(March 2009 – 2.55%)						
1,220,000	Royal & Sun Alliance	1,536	1.48		Personal Care & Household Proc (March 2009 – 0.60%)	lucts – 0.00	%
	Investment Companies – 1.99%						
	(March 2009 – 0.22%)				Pharmaceuticals & Biotechnolog	yy - 11.10%	
677,577	3i Group	2,071	1.99		(March 2009 – 13.39%)		
				154,000	AstraZeneca	4,287	4.12
				469,550		5,585	5.37
				162,000	Shire	1,680	1.61

# **UK Overseas Earnings Fund**

#### **Portfolio statement**

(continued)

Holding	Investment	Value N £000	% of let Asset Value
150,500 130,312	Tobacco – 4.99% (March 2009 – 7.17%) British American Tobacco Imperial Tobacco Group	2,921 2,270	2.81 2.18
	Total Non-Cyclical Consumer Goods	17,803	17.11
NON-CYCLICAL	SERVICES (8.09%, March 200 Food & Drug Retailers – 3.16% (March 2009 – 4.82%)	09 – 13.09%	)
871,000	Tesco	3,284	3.16
0.014.404	Telecommunication Services – 4 (March 2009 – 8.27%)		4.00
3,814,161	Vodafone Group	5,126 <b>8,410</b>	4.93 8.09
	-	•	
RESOURCES (2	20.76%, March 2009 – 21.08%) Mining – 6.80% (March 2009 – 2.01%)		
120,000	Hochschild Mining	346	0.33
	Lonmin	746	0.72
- /-	Rio Tinto Xstrata	3,203 2,776	3.08 2.67
443,700 850,163 231,091 146,005	Oil & Gas – 13.96% (March 2009 – 19.07%) BG Group BP Royal Dutch Shell 'B' Shares Tullow Oil	4,548 4,574 3,813 1,594	4.37 4.40 3.66 1.53
	Total Resources	21,600	20.76
-		534 1,066	0.51 1.02
	(March 2009 – 1.06%) Water – 1.08%		
000 404	(March 2009 – 1.15%)	1 110	1.00
239,484	Pennon Group	1,119 <b>2,719</b>	1.08 2.61
DERIVATIVES (	0.00%, March 2009 – (0.02%)) Forward Foreign Exchange Cont (March 2009 – (0.02%))		
	Total Derivatives	-	
Total Value of Inve	estments	103,535	99.52
Net Other Assets	(March 2009 – 0.90%)	497	0.48
Net Assets	-	104,032	100.00

The calculation of the % Net Asset Value may not add up due to rounding.

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	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
UK Fund				2004				
for the year ending 7th March 2007				Class 1	0.7372	14.14	57.40	50.54
Class 1	635,114	75.34p	843,037,829	Class 2	1.0519	20.13	57.52	50.69
Class 2	709,465	75.40p	940,961,833	2005				
for the year ending 7th March 2008				Class 1	0.9188	17.62	68.54	57.09
Class 1	564,358	76.16p	740,973,411	Class 2 2006	1.2616	24.15	68.71	57.16
Class 2	627,941	76.21p	823,943,911	Class 1	0.8535	16.37	77.41	68.02
for the year ending 7th March 2009 Class 1	368,818	49.47p	745,599,151	Class 2	1.3042	24.96	77.62	68.20
Class 2	361,963	49.46p	731,787,318	2007	1100 12	2.100	77102	00.20
for the period ending 7th September 200		40.400	/01,/01,010	Class 1	1.0815	20.74	84.75	73.22
Class 1	506,918	66.68p	760,204,300	Class 2	1.5839	30.31	84.89	73.49
Class 2	488,215	66.70p	731,915,856	2008	4 9 4 5 5			40.47
				Class 1 Class 2	1.2455	23.89	84.04	48.47
				2009	1.7168	32.86	84.28	48.54
				†Class 1	1.3001	24.93	67.61	49.24
				†Class 2	1.6777	32.11	67.82	49.24
				†To 7th September 2009				
				Income shares only available				
UK Select Fund				2004				
for the year ending 7th March 2007				Class 1	0.3347	6.48	57.99	49.11
Class 1	182,368	75.14p	242,711,867	Class 2	0.4960	9.58	58.14	49.38
Class 2	50,693	75.38p	67,246,026	2005				
for the year ending 7th March 2008				Class 1 Class 2	0.5566 0.8845	10.77 17.08	64.01 64.32	51.85 52.05
Class 1	276,769	75.90p	364,640,347	2006	0.8845	17.08	64.32	52.05
Class 2 for the year ending 7th March 2009	51,648	76.13p	67,839,463	Class 1	0.5759	11.14	75.16	64.58
Class 1	196,884	49.99p	393.869.455	Class 2	1.0009	19.33	75.54	64.91
Class 2	35,632	50.10p	71,114,338	2007				
for the period ending 7th September 200			, ,	Class 1	1.1158	21.59	85.63	73.59
Class 1	174,762	65.74p	265,827,905	Class 2	1.6182	31.25	86.00	74.06
Class 2	54,049	65.91p	81,997,805	<b>2008</b> Class 1	0.9779	18.92	84.36	48.99
				Class 2	1.4727	28.44	84.81	40.99
				2009	1.4727	20.44	04.01	40.10
				†Class 1	1.1858	22.94	66.56	49.83
				†Class 2	1.5687	30.29	66.93	49.94
				†To 7th September 2009 Income shares only available				
UK Smaller Companies Fund				<b>2004</b> Class 1	0.3032	4.60	78.33	65.76
for the year ending 7th March 2007 Class 1	87,128	126.03p	69,133,852	Class 2	0.7032	10.64	78.49	65.94
Class 2	76,162	126.23p	60,336,583	2005				
for the year ending 7th March 2008	,	·	,,0	Class 1	0.3924	5.95	95.71	74.46
Class 1	68,250	108.21p	63,069,773	Class 2	0.8391	12.70	95.95	74.56
Class 2	65,369	108.51p	60,242,698	2006 Class 1	0.0047	4.00	104.00	06.00
for the year ending 7th March 2009	00.046	00.05	04 000 407	Class 1 Class 2	0.3247 0.9122	4.92 13.81	124.92 125.36	96.29 96.53
Class 1 Class 2	39,346 37,484	63.85p 63.99p	61,626,137 58,581,325	2007	0.9122	13.01	120.30	30.33
for the period ending 7th September 200		03.99P	00,001,020	Class 1	0.4998	7.58	138.31	109.44
Class 1	58,570	94.47p	62,001,254	Class 2	1.1196	16.95	138.85	109.95
Class 2	57,417	94.71p	60,621,699	2008				
	-			Class 1	0.9918	15.04	114.18	64.10
				Class 2	1.6675	25.24	114.64	64.36
				<b>2009</b> †Class 1	1.3650	20.70	95.80	63.41
				†Class 2	1.3650	20.70	95.80 96.31	63.55
				t To 7th September 2009	1.0704	20.40	50.51	00.00
				Income shares only available				

s	Net asset value of hare class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price P	
UK Growth & Income Fund				2004				
for the year ending 7th March 2007				Class 1	1.2743	29.13	46.64	41.67
Class 1 Class 2	150,696 189,503	61.86p 64.92p	243,589,165 291,901,814	Class 2 2005	1.3557	30.00	48.42	43.14
for the year ending 7th March 2008				Class 1	1.4470	33.07	55.25	45.83
Class 1 Class 2	116,127 168,585	58.56p 61.76p	198,309,737 272,962,390	Class 2 2006	1.5489	34.28	57.65	47.65
for the year ending 7th March 2009	100,000	01.70p	272,002,000	Class 1	1.5454	35.32	62.55	54.49
Class 1 Class 2	77,962	37.85p	205,953,539	Class 2 2007	1.6636	36.81	65.58	56.98
for the period ending 7th September 200	100,233 9	40.12p	249,812,613	Class 1	2.0392	46.61	67.74	59.20
Class 1	105,166	49.97p	210,471,114	Class 2 2008	2.1909	48.48	71.21	62.29
Class 2	135,925	53.08p	256,072,399	Class 1	2.2959	52.48	66.37	39.46
				Class 2 2009	2.4235	53.63	69.96	41.76
				†Class 1	1.9983	45.68	51.14	37.57
				†Class 2	2.1546	47.68	54.34	39.81
				†To 7th September 2009 Income shares only available				
UK Equity Income Fund				2004				
for the year ending 7th March 2007 Class 1 – Net income shares	287,502	60 775	418,093,510	Class 1 – Net income shares Class 2 – Net income shares	1.8783 1.9559	38.38 38.55	53.79 56.10	47.84 49.73
Class 2 – Net income shares	101,913	68.77p 72.44p	140,693,080	2005				
for the year ending 7th March 2008	005 444	04.07	440.050.050	Class 1 – Net income shares Class 2 – Net income shares	2.0694 2.1976	42.28 43.31	62.30 65.30	52.70 54.99
Class 1 – Net income shares Class 2 – Net income shares	285,144 108,016	64.27p 68.04p	443,650,358 158,752,101	2006	2.1370	43.51	05.50	54.55
for the year ending 7th March 2009				Class 1 – Net income shares Class 2 – Net income shares	2.2478 2.4019	45.93 47.34	71.63 75.47	60.78 63.79
Class 1 – Net income shares Class 2 – Net income shares	248,126 135,558	43.92p 46.71p	564,930,491 290,240,119	2007	2.4019	47.34	/5.4/	03.79
for the period ending 7th September 200	9			Class 1 – Net income shares	2.7765	56.73	75.01	67.12
Class 1 – Net income shares Class 2 – Net income shares	347,465 230,181	55.12p 58.77p	630,334,554 391,664,737	Class 2 – Net income shares 2008	2.9732	58.60	79.15	70.89
Class 1 – Net accumulation shares	111	54.95p	202,370	Class 1 – Net income shares Class 2 – Net income shares <b>2009</b>	3.0074 3.2128	61.45 63.32	74.06 78.45	45.58 48.49
				†Class 1 – Net income shares †Class 2 – Net income shares	3.0072 3.2411	61.45 63.88	56.85 60.62	43.51 46.27
				§†Class 1 – Net accumulation shar †To 7th September 2009 Net income and net income and r		19.27 on shares available	55.09	46.22
				§Net accumulation shares commer				
UK Monthly Income Fund for the year ending 7th March 2007				<b>2004</b> Class 1	1.5625	35.89	48.39	42.34
Class 1	719,278	63.69p	1,129,363,785	2005				
for the year ending 7th March 2008 Class 1	617012	E0 77p	1,051,355,640	Class 1 2006	1.6734	38.43	56.16	48.04
for the year ending 7th March 2009	617,913	58.77p	1,051,555,040	Class 1	2.0579	47.26	65.01	54.70
Class 1	390,464	39.02p	1,000,749,738	<b>2007</b> Class 1	2.2512	51.70	69.21	60.99
for the period ending 7th September 200 Class 1	474,546	47.97p	989,315,841	2008 Class 1	2.6592	61.07	67.01	40.61
				2009	2.0002	01.07	07.01	40.01
				†Class 1	1.9560	44.92	48.91	38.74
				†To 7th September 2009 Income shares only available				
Monthly Extra Income Fund				2004				44.42
for the year ending 7th March 2007 Class 1	119,444	61.48p	194,271,871	Class 1 2005	0.6148	13.47	49.32	44.46
for the year ending 7th March 2008				Class 1	1.6659	36.49	55.56	48.63
Class 1 for the year ending 7th March 2009	109,663	55.72p	196,814,123	<b>2006</b> Class 1	2.1379	46.83	61.96	54.13
Class 1	74,580	38.28p	194,837,017	2007				
for the period ending 7th September 200 Class 1	<b>9</b> 98,566	/10 10-	201 925 105	Class 1 2008	2.5657	56.20	64.96	57.85
01033 1	30,000	48.10p	204,925,495	Class 1	2.6873	58.87	62.56	40.93
				<b>2009</b> †Class 1	2.0919	45.82	48.67	38.27
				†To 7th September 2009				
				Income shares only available				

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s	Net asset value of share class £000	Net asset value per share	Shares in issue		ncome r share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
UK Corporate Bond Fund				2004				
for the year ending 7th March 2007				Class 1 – Net income shares	1.0961	19.78	56.21	52.79
Class 1 – Net income shares	118,574	55.02p	215,493,285	Class 1 – Gross income shares	0.6606	11.91	56.26	52.81
Class 1 – Gross income shares	14,186	55.02p	25,775,098	Class 2 – Net income shares	1.1772	21.20	56.31	52.87
Class 2 – Net income shares	284,764	55.11p	516,700,875	Class 2 – Gross accumulation shares	0.7070	12.73	59.40	54.31
Class 2 – Gross accumulation shares	226.043	64.73p	349,189,567	2005				
for the year ending 7th March 2008	220,043	04.73p	343,103,507	Class 1 – Net income shares	2.0248	36.54	57.92	54.77
Class 1 – Net income shares	105,129	50.80p	206,961,515	Class 1 – Gross income shares	2.5208	45.46	58.05	54.81
Class 1 – Gross income shares	11,870	50.80p	23,357,073	Class 2 – Net income shares	2.1833	39.32	58.05	54.87
Class 2 – Net income shares	192,161	50.82p	377,739,855	Class 2 – Gross accumulation shares	2.9171	52.52	64.13	58.61
Class 2 – Gross accumulation shares	216,564	63.09p	343,239,278	2006				
for the year ending 7th March 2009	210,504	03.03p	343,233,270	Class 1 – Net income shares	1.4696	26.52	58.91	55.02
Class 1 – Net income shares	95,535	42.36p	225,534,186	Class 1 – Gross income shares	1.8305	33.01	58.97	55.06
Class 1 – Gross income shares§	11,363	42.43p	26,783,288	Class 2 – Net income shares	1.6087	28.98	59.03	55.12
Class 2 – Net income shares	170,707	42.43p	402,448,733	Class 2 – Gross accumulation shares		40.38	65.36	62.45
Class 2 – Gross accumulation shares	233,657	56.03p	417,042,940	2007				
for the period ending 7th September 200		50.05p	417,042,040	Class 1 – Net income shares	1.9853	35.83	55.82	52.17
Class 1 – Net income shares	109,588	48.71p	224,958,094	Class 1 – Gross income shares	2.4710	44.56	55.95	52.19
Class 1 – Gross income shares	15,917	48.77p	32,635,632	Class 2 – Net income shares	2.1589	38.89	55.95	52.25
Class 2 – Net income shares	215,088	48.79p	440,885,675	Class 2 – Gross accumulation shares	3.1740	57.15	65.06	62.36
Class 2 – Gross accumulation shares	294,327	66.35p	443,604,166	2008				
§Only available to eligible investors	204,027	00.00p	443,004,100	Class 1 – Net income shares	2.3039	41.58	53.41	44.54
sonny available to engible investors				Class 1 – Gross income shares	2.8627	51.63	53.46	44.67
				Class 2 – Net income shares	2.4491	44.11	53.51	44.62
				Class 2 - Gross accumulation shares	3.7869	68.18	65.32	57.15
				2009				
				†Class 1 – Net income shares	1.5973	28.83	50.24	41.18
				†Class 1 – Gross income shares	1.9894	35.88	50.42	41.26
				†Class 2 – Net income shares	1.7068	30.74	50.35	41.24
				†Class 2 – Gross accumulation shares	2.8008	50.43	67.68	54.49
				†To 7th September 2009				
				Net and gross income and net income a	and aros	s accumulation sha	res available	
						5 4554	00 01010010	

High Yield Bond Fund			
for the year ending 7th March 2007			
Class 1 – Net income shares	277,016	46.90p	590,622,516
Class 1 – Gross income shares§	2,050	46.86p	4,375,350
Class 2 – Net income shares	12,796	64.01p	19,990,579
Class 2 – Gross accumulation shares§	63,257	81.99p	77,152,984
for the year ending 7th March 2008			
Class 1 – Net income shares	291,863	40.39p	722,532,396
Class 1 – Gross income shares§	7,347	40.41p	18,179,184
Class 2 – Net income shares	10,694	55.40p	19,305,163
Class 2 – Gross accumulation shares§	81,197	77.04p	105,394,771
for the year ending 7th March 2009			
Class 1 – Net income shares	216,781	29.31p	739,627,411
Class 1 – Gross income shares§	6,809	29.45p	23,122,661
Class 2 – Net income shares	42,538	40.47p	105,100,680
Class 2 – Gross accumulation shares§	71,326	62.95p	113,309,745
Class 2 – Gross income shares§	670	34.96p	1,915,310
for the period ending 7th September 2009			
Class 1 – Net income shares	333,780	38.97p	856,502,103
Class 1 – Gross income shares§	12,375	39.11p	31,639,928
Class 2 – Net income shares	70,940	53.95p	131,492,971
Class 2 – Gross accumulation shares§	102,566	87.91p	116,678,489
Class 2 – Gross income shares§	2,381	46.55p	5,114,306
\$Only available to eligible investors		·	

	2004					
	Class 1 – Net income shares	2.2738	51.98	46.34	42.52	
	Class 1 – Gross income shares	2.5398	58.01	46.37	42.56	
	Class 2 – Net income shares	3.1365	53.40	62.55	57.21	
	Class 2 - Gross accumulation shares	3.4273	58.30	67.64	58.79	
	2005					
	Class 1 – Net income shares	2.3540	53.82	46.84	43.83	
	Class 1 – Gross income shares	3.1391	71.70	46.87	43.83	
	Class 2 – Net income shares	3.2300	54.99	63.29	59.27	
	Class 2 - Gross accumulation shares	4.5143	76.79	72.82	66.16	
	2006					
	Class 1 – Net income shares	2.7175	62.13	47.35	45.66	
	Class 1 – Gross income shares	3.3725	77.03	47.35	45.65	
	Class 2 – Net income shares	3.7785	64.33	64.54	62.10	
	Class 2 - Gross accumulation shares	5.6548	96.19	81.07	72.85	
	2007					
	Class 1 – Net income shares	2.7064	61.87	47.82	44.79	
	Class 1 – Gross income shares	3.3614	76.78	47.84	44.76	
	Class 2 – Net income shares	3.7692	64.17	65.35	61.36	
	Class 2 - Gross accumulation shares	6.0823	103.46	84.67	81.12	
	2008					
	Class 1 – Net income shares	3.2262	73.76	44.96	29.04	
	Class 1 – Gross income shares	4.0379	92.23	44.98	29.19	
	Class 2 – Net income shares	4.4855	76.36	61.61	40.06	
	Class 2 – Gross accumulation shares	7.8545	133.60	83.83	60.38	
1	Class 2 – Gross income shares	2.3382	46.76	50.11	34.62	
	2009					
	Class 1 – Net income shares	2.1225	48.53	39.67	29.31	
	Class 1 – Gross income shares	2.6369	60.23	39.87	29.45	
	Class 2 – Net income shares	2.9639	50.46	54.93	40.47	
	Class 2 – Gross accumulation shares		97.70	88.93	61.93	
§	†Class 2 – Gross income shares	3.1768	63.54	47.47	34.97	

Gross income shares commenced 11th June 2008

	Net asset value of share class £000	Net asset value per share	Shares in issue		ncome r share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Strategic Bond Fund				2004				
for the year ending 7th March 2007				Class 1 – Net income shares	0.8796	17.05	52.90	49.67
Class 1 – Net income shares	298,001	51.43p	579,421,665	Class 1 – Gross income shares	0.7994	15.49	53.00	49.76
Class 1 – Gross income shares	6,361	51.48p	12,356,040	Class 2 – Net income shares	0.9094	17.49	53.73	50.31
Class 2 – Net income shares	33,946	52.81p	64,278,578	Class 2 – Gross accumulation shares	0.8240	15.80	57.43	51.85
Class 2 – Gross accumulation shares§	170,964	64.83p	263,721,961	2005				
for the year ending 7th March 2008	., 0,001	0.000	20077217001	Class 1 – Net income shares	2.1480	41.64	53.32	51.72
Class 1 – Net income shares	235,276	46.21p	509,140,707	Class 1 – Gross income shares	2.6765	51.86	53.43	51.79
Class 1 – Gross income shares§	7,352	46.29p	15,882,785	Class 2 – Net income shares	2.2185	42.67	54.34	52.62
Class 2 – Net income shares	28,019	47.68p	58,766,131	Class 2 – Gross accumulation shares	3.0501	58.48	61.77	57.27
Class 2 – Gross accumulation shares§	153,255	62.57p	244,934,852	2006				
for the year ending 7th March 2009		•		Class 1 – Net income shares	2.5285	49.02	53.72	51.29
Class 1 – Net income shares	166,819	36.15p	461,461,787	Class 1 – Gross income shares	3.1504	61.04	53.80	51.36
Class 1 – Gross income shares§	27,474	36.30p	75,689,973	Class 2 – Net income shares	2.6516	51.00	54.86	52.47
Class 2 – Net income shares	18,289	37.48p	48,791,791	Class 2 – Gross accumulation shares	3.8538	73.88	64.76	61.55
Class 2 – Gross accumulation shares§	115,118	53.52p	215,100,395	2007				
Class 2 – Gross income shares§	535	39.68p	1,349,398	Class 1 – Net income shares	2.4697	47.88	51.97	48.57
for the period ending 7th September 20	009			Class 1 – Gross income shares	3.0721	59.53	52.06	48.64
Class 1 – Net income shares	199,002	43.92p	453,062,378	Class 2 – Net income shares	2.5948	49.91	53.36	50.07
Class 1 – Gross income shares§	32,696	44.06p	74,199,609	Class 2 – Gross accumulation shares	4.0104	76.89	65.21	63.60
Class 2 – Net income shares	21,868	45.66p	47,890,417	2008				
Class 2 – Gross accumulation shares§	137,248	67.70p	202,739,993	Class 1 – Net income shares	2.7517	53.35	49.29	36.86
Class 2 – Gross income shares§	708	48.29p	1,466,855	Class 1 – Gross income shares	3.4554	66.95	49.39	37.00
§Only available to eligible investors				Class 2 – Net income shares	2.8791	55.38	50.83	38.17
				Class 2 – Gross accumulation shares		91.14	65.47	53.24
				§Class 2 – Gross income shares 2009	1.8502	37.00	50.00	40.40
				†Class 1 – Net income shares	1.9325	37.47	44.59	36.04
				†Class 1 – Gross income shares	2.4053	46.61	44.77	36.22
				†Class 2 – Net income shares	2.0407	39.25	46.35	37.39
				†Class 2 - Gross accumulation shares	3.6284	69.56	68.38	53.41
				§†Class 2 – Gross income shares	2.6570	53.14	49.07	39.60
				+To 7th Contorphon 2000				

2009			
†Class 1 – Net income shares	1.9325	37.47	44.59
†Class 1 – Gross income shares	2.4053	46.61	44.77
†Class 2 – Net income shares	2.0407	39.25	46.35
†Class 2 – Gross accumulation shares	3.6284	69.56	68.38
§†Class 2 – Gross income shares	2.6570	53.14	49.07
17 7:1 0 : 1 0000			

tTo 7th September 2009 Net and gross income and gross income and accumulation and net income shares available §Gross income shares commenced 11th June 2008

Sterling Bond Fund for the year ending 7th March 2007			
Class 1 – Net income shares	359,172	45.83p	783,758,497
Class 1 – Gross accumulation shares§	34,753	75.80p	45,846,714
for the year ending 7th March 2008			
Class 1 – Net income shares	385,767	45.70p	844,092,364
Class 1 – Gross accumulation shares§	33,687	79.14p	42,567,378
for the year ending 7th March 2009			
Class 1 – Net income shares	343,233	47.51p	722,514,138
Class 1 – Gross accumulation shares§	36,275	85.67p	42,344,480
for the period ending 7th September 2009	9		
Class 1 – Net income shares	233,826	46.79p	499,768,781
Class 1 – Gross accumulation shares§ §Only available to eligible investors	32,883	85.83p	38,310,579

2004				
Class 1 – Net income shares	2.0556	42.80	48.38	46.28
Class 1 – Gross accumulation shares	3.6136	53.86	71.06	66.37
2005				
Class 1 – Net income shares	1.9503	40.61	48.94	46.17
Class 1 – Gross accumulation shares	3.6206	53.97	75.63	69.64
2006				
Class 1 – Net income shares	1.7407	36.24	49.88	46.41
Class 1 – Gross accumulation shares	3.3968	50.63	77.38	73.54
2007				
Class 1 – Net income shares	1.6526	34.41	46.97	43.09
Class 1 – Gross accumulation shares	3.3730	50.28	78.60	71.46
2008				
Class 1 – Net income shares	1.6082	33.48	48.97	42.87
Class 1 – Gross accumulation shares	3.4447	51.34	86.78	75.77
2009				
†Class 1 – Net income shares	1.4338	29.85	48.96	44.71
†Class 1 – Gross accumulation shares	3.2168	47.95	87.72	80.59
tTo 7th September 2009				

Net income and gross accumulation shares available

UK Money Securities Fund			
for the year ending 7th March 2007			
Class 1 – Net income shares	47,470	49.71p	95,488,984
Class 1 – Gross accumulation shares§	98,441	76.18p	129,215,790
Class 1 – Gross income shares§	352,036	66.13p	532,347,928
for the year ending 7th March 2008			
Class 1 – Net income shares	39,872	45.44p	87,742,663
Class 1 – Gross accumulation shares§	20,671	73.93p	27,959,857
Class 1 – Gross income shares§	383,946	60.48p	634,827,472
for the year ending 7th March 2009			
Class 1 – Net income shares	15,383	36.57p	42,063,807
Class 1 – Gross accumulation shares§	7,657	62.70p	12,213,573
Class 1 – Gross income shares§	143,314	48.76p	293,900,966
for the period ending 7th September 2009	9		
Class 1 – Net income shares	10,495	34.13	30,749,918
Class 1 – Gross accumulation shares§	5,764	58.71	9,818,870
Class 1 – Gross income shares§	108,680	45.52	238,765,378
§Only available to eligible investors			

2	004							
C	lass 1 – Net income shares	1.5698	31	1.28	į	50.59	49	9.75
C	lass 1 – Gross accumulation shares	2.5996	39	9.13	(	69.29	66	6.43
C	lass 1 – Gross income shares	2.1339	32	2.13		67.52	66	5.14
2	005							
C	lass 1 – Net income shares	1.8247	36	6.36	ļ	50.70	49	9.74
C	lass 1 – Gross accumulation shares	3.1129	46	6.86		72.37	69	9.35
C	lass 1 – Gross income shares	2.9749	44	1.79		67.69	66	6.18
2	006							
	lass 1 – Net income shares	1.7031		3.93		50.58		9.73
	Class 1 – Gross accumulation shares	3.0721		6.25		75.51		2.41
	lass 1 – Gross income shares	2.8163	42	2.40		67.56	66	5.14
_	007							
	Class 1 – Net income shares	2.0221		).29		50.66		7.71
	Class 1 – Gross accumulation shares	3.8193	57	7.49		77.82		5.40
	lass 1 – Gross income shares	3.3545	50	0.50		67.69	63	8.69
_	008							
	lass 1 – Net income shares	2.1535		2.91		48.02		).22
	Class 1 – Gross accumulation shares			5.46		75.96		7.48
	lass 1 – Gross income shares	3.5589	53	3.58	(	64.16	53	3.73
_	009							
	lass 1 – Net income shares	0.7910		5.76		41.34		2.95
	lass 1 – Gross accumulation shares			1.71		69.36		6.53
†C	lass 1 – Gross income shares	1.3045	19	9.64	!	55.24	43	8.96
+T	711 0							

 †Class 1 – Gross income shares
 1.3045
 19.64

 †To 7th September 2009
 Net and gross income and gross accumulation shares available

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	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at *launch £	Highest share price p	Lowest share price p
UK Cash Fund				2008				
for the year ending 7th March 2008				Class 1 – Net income shares	2.1940	21.94	101.74	99.07
Class 1 – Net income shares	14	100.00p	14,001	2009	0 5040	5.04	~~~~	05.00
for the year ending 7th March 2009				†Class 1 – Net income shares	0.5313	5.31	99.06	95.69
Class 1 – Net income shares	13	98.20p	13,222	*Launch date – 23rd January 2008	3			
for the period ending 7th September 20 Class 1 – Net income shares	<b>1</b> 3	95.69p	13,277	†To 7th September 2009 Net income shares available				

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
European Fund				2004				
for the year ending 7th March 2007				Class 1	0.2683	3.74	79.49	65.96
Class 1	293,243	116.70p	251,289,296	Class 2	0.6682	9.00	82.64	68.39
Class 2	524,303	122.95p	426,442,442	2005				
for the year ending 7th March 2008	02 1,000	1221000	120,112,112	Class 1	0.1807	2.52	98.62	78.15
Class 1	257,607	115.54p	222,965,764	Class 2	0.6033	8.13	103.12	81.28
Class 2	455,485	122.46p	371,936,003	2006				
for the year ending 7th March 2009				Class 1	0.1982	2.76	116.49	94.68
Class 1	154,371	79.93p	193,128,208	Class 2	0.6878	9.27	122.57	99.24
Class 2	239,777	85.27p	281,202,664	2007				
for the period ending 7th September 2	2009	•		Class 1	0.3657	5.09	130.82	114.12
Class 1	221,819	111.40p	199,119,894	Class 2	1.0955	14.76	138.35	120.36
Class 2	338,097	119.22p	283,583,130	2008				
				Class 1	0.6161	8.58	131.54	82.70
				Class 2	1.5008	20.22	139.33	88.02
				2009				
				†Class 1	1.5949	22.21	113.49	79.97
				†Class 2	2.7783	37.44	121.44	85.31
				†To 7th September 2009 Accumulation shares only av	ailable			

European Select Fund				2004		
for the year ending 7th March 2	007			Class 1	0.1522	2
Class 1	940.239	118.03p	796.643.274	Class 2	0.5608	-
Class 2	154,290	124.42p	124.006.299	2005		
for the year ending 7th March 2		12 II 12p	12 1/000/200	Class 1	0.4392	5
Class 1	730,570	111.23p	656.832.482	Class 2	1.0423	13
Class 2	124,299	117.95p	105.385.624	2006		
for the year ending 7th March 2			,	Class 1	0.2224	3
Class 1	469.551	84.87p	553.247.586	Class 2	0.8572	1
Class 2	62,472	90.57p	68,973,387	2007		
for the period ending 7th Septe	mber 2009			Class 1	0.3245	4
Class 1	580,076	105.47p	549,980,197	Class 2	1.1050	14
Class 2	89,656	112.92p	79,394,639	2008		
				Class 1	0.7542	10

2004				
Class 1	0.1522	2.06	80.72	66.91
Class 2	0.5608	7.32	83.95	69.42
2005				
Class 1	0.4392	5.93	100.08	79.10
Class 2	1.0423	13.61	104.69	82.43
2006				
Class 1	0.2224	3.00	116.94	94.95
Class 2	0.8572	11.19	123.12	99.63
2007				
Class 1	0.3245	4.38	133.10	114.69
Class 2	1.1050	14.43	140.54	121.25
2008				
Class 1	0.7542	10.18	131.61	78.87
Class 2	1.6050	20.96	139.48	83.98
2009				
†Class 1	1.2701	17.15	107.73	84.91
†Class 2	2.6792	34.99	115.32	90.61
tTo 7th September 2009				

†To 7th September 2009 Accumulation shares only available

European Smaller Companies for the year ending 7th March 2007	Fund		
Class 1 – Net accumulation shares	498,597	256.03p	194,743,911
Class 1 – Net income shares	25	255.99p	9,877
Class 2 – Net accumulation shares	372,380	269.19p	138,334,097
for the year ending 7th March 2008			
Class 1 – Net accumulation shares	454,327	248.96p	182,487,447
Class 1 – Net income shares	25	248.69p	9,879
Class 2 – Net accumulation shares	288,670	263.43p	109,580,214
for the year ending 7th March 2009			
Class 1 – Net accumulation shares	275,997	170.39p	161,983,186
Class 1 – Net income shares	39	169.56p	23,220
Class 2 – Net accumulation shares	187,942	181.42p	103,595,014
for the period ending 7th September 200	9		
Class 1 – Net accumulation shares	414,089	233.63p	177,243,467
Class 1 – Net income shares	114	232.50p	48,854
Class 2 – Net accumulation shares	309,367	249.56p	123,965,428

2004				
Class 1 – Net accumulation shares	0.2583	2.42	137.10	103.12
Class 2 – Net accumulation shares	1.1616	10.52	142.25	106.60
2005				
Class 1 – Net accumulation shares	0.1873	1.75	181.71	137.50
*Class 1 – Net income shares	Nil	Nil	181.72	163.08
Class 2 – Net accumulation shares	1.0179	9.22	189.56	142.67
2006				
Class 1 – Net accumulation shares	Nil	Nil	242 46	184.18
*Class 1 – Net income shares	Nil	Nil	242.48	184.19
Class 2 – Net accumulation shares	0.4770	4.32	254.62	192.16
2007	0.4770	4.52	204.02	132.10
Class 1 – Net accumulation shares	0.0732	0.68	296.60	244.71
*Class 1 – Net income shares	0.0611	0.36	296.58	244.72
Class 2 – Net accumulation shares	2.2257	20.16	312.45	257.02
2008				
Class 1 – Net accumulation shares	0.3872	3.62	282.31	169.04
*Class 1 – Net income shares	0.2353	1.38	281.99	168.85
Class 2 – Net accumulation shares	2.5682	23.26	299.03	179.58
2009				
†Class 1 – Net accumulation shares	2.1093	19.72	236.36	170.87
*†Class 1 – Net income shares	0.6211	3.65	235.22	170.66
†Class 2 – Net accumulation shares	3.5215	31.89	252.43	181.94
	0.02.10	0 1100	LOLIIO	

\*Launch date – 8th September 2005

tTo 7th September 2009 Net income and accumulation shares only available

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at *launch £	Highest share price p	Lowest share price p
Pan European Smaller Comp	anies Fund			2006				
for the year ending 7th March 2007				Class 1	Nil	Nil	76.95	54.56
Class 1	37,345	81.88p	45,608,589	Class 2	Nil	Nil	77.49	54.60
Class 2	49,896	82.55p	60,444,170	2007				
for the year ending 7th March 2008	,			Class 1	Nil	Nil	98.42	77.33
Class 1	49,660	79.83p	62,210,699	Class 2	0.0285	0.57	99.44	77.88
Class 2	56,235	81.00p	69,428,581	2008				
for the year ending 7th March 2009				Class 1	Nil	Nil	90.20	53.38
Class 1	31,167	53.74p	57,998,016	Class 2	Nil	Nil	91.63	54.39
Class 2	37,849	54.87p	68,981,542	2009				
for the period ending 7th September 2	009			†Class 1	0.2155	4.31	71.20	53.91
Class 1	77,300	71.07p	108,759,500	†Class 2	0.6857	13.71	72.95	55.05
Class 2	65,074	72.82p	89,368,224	*Launch date – 18th November 200 †To 7th September 2009				

Accumulation shares only available

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Pan European Fund				2004				
for the year ending 7th March 2007				Class 1	0.2820	5.70	52.17	45.07
Class 1	21,781	74.16p	29,370,163	Class 2	0.5785	11.42	53.68	46.26
Class 2	48,133	77.34p	62,235,397	2005				
for the year ending 7th March 2008			Class 1	0.6175	12.47	63.50	50.97	
Class 1	17,177	75.18p	22,847,449	Class 2	0.5940	11.73	65.72	52.54
Class 2	44,548	78.88p		2006				
for the year ending 7th March 2009		•		Class 1	0.3425	6.92	73.75	62.28
Class 1	16,238	55.85p	29,072,030	Class 2	0.7723	15.25	76.81	64.62
Class 2	32,935	58.97p	55,847,025	2007				
for the period ending 7th September 200	09			Class 1	0.4562	9.21	84.75	71.53
Class 1	37,458	74.23p	50,464,688	Class 2	0.9805	19.36	88.84	74.81
Class 2	45,061	78.62p	57,318,146	2008	0.0004	10 70	05.40	F4 40
				Class 1	0.6821	13.78	85.10	54.18
				Class 2	1.1126	21.97	89.21	57.08
				2009 + Close 1	0 5100	10.40	75.05	55.89
				†Class 1	0.5163	10.43	75.05	
				†Class 2	1.1439	22.58	79.49	59.02

tTo 7th September 2009 Accumulation shares only available

European Bond Fund for the year ending 7th March 2007			
Class 1 – Net income shares	44,640	49.78p	89,682,798
Class 1 – Gross accumulation shares§	26,509	74.33p	35,661,686
for the year ending 7th March 2008			
Class 1 – Net income shares	51,261	54.00p	94,923,023
Class 1 – Gross accumulation shares§	66,433	83.76p	79,313,901
for the year ending 7th March 2009			
Class 1 – Net income shares	72,083	62.87p	114,645,914
Class 1 – Gross accumulation shares§	77,076	101.54p	75,908,575
for the period ending 7th September 2009			
Class 1 – Net income shares	67,207	64.69p	103,886,619
Class 1 – Gross accumulation shares§ §Only available to eligible investors	81,203	106.55p	76,210,262

2004				
Class 1 – Net income shares	1.8600	34.79	54.42	49.51
Class 1 – Gross accumulation shares	3.0417	43.56	74.30	66.08
2005				
Class 1 – Net income shares	1.6125	30.16	54.41	51.57
Class 1 – Gross accumulation shares	2.7607	39.54	75.93	72.57
2006				
Class 1 – Net income shares	1.4269	26.69	53.81	50.01
Class 1 – Gross accumulation shares	2.5415	36.40	76.24	72.64
2007				
Class 1 – Net income shares	1.5968	29.86	51.64	47.14
Class 1 – Gross accumulation shares	2.9449	42.18	78.87	70.56
2008				
Class 1 – Net income shares	1.6512	30.88	71.27	51.95
Class 1 – Gross accumulation shares	3.1536	45.17	113.01	79.33
2009				
†Class 1 – Net income shares	2.1730	40.64	69.68	60.75
†Class 1 – Gross accumulation shares	4.2965	61.54	110.98	98.26

To 7th September 2009 Net income and gross accumulation shares available

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s	Net asset value of hare class	Net asset value per	Shares		Net income per share	Net income per £1,000 invested at 2nd January 2004	Highest share price	Lowest share price
	£000	share	in issue	Calendar Year	p	£	, p	р
European Corporate Bond Fund	4			2004				
for the year ending 7th March 2007	•			Class 1 – Net accumulatio	n shares 0.8140	13.53	63.82	56.38
Class 1 – Net accumulation shares	23,222	62.43p	37,197,727	Class 1 – Gross accumulat	tion shares 0.8756	14.42	64.83	57.07
Class 1 – Gross accumulation shares§	1,454	64.28p	2,261,622	2005				
for the year ending 7th March 2008				Class 1 – Net accumulatio	n shares 1.5571	25.88	64.16	60.91
Class 1 – Net accumulation shares	24,819	66.82p	37,144,613	Class 1 – Gross accumulat	tion shares 1.5009	24.72	65.40	62.05
Class 1 – Gross accumulation shares§	1,272	69.34p	1,835,007	2006				
for the year ending 7th March 2009				Class 1 – Net accumulatio		25.58	63.52	60.50
Class 1 – Net accumulation shares	23,558	62.94p	37,426,553	Class 1 – Gross accumulat 2007	tion shares 1.8768	30.91	64.92	62.07
Class 1 – Gross accumulation shares§	2,930	65.99p	4,439,128	Class 1 – Net accumulatio	n shares 1.6278	27.06	64.74	59.69
for the period ending 7th September 2009		75.40	07007744	Class 1 – Gross accumulatio		47.73	67.04	61.41
Class 1 – Net accumulation shares	28,565	75.49p	37,837,741	2008	1011 5118165 2.0370	47.73	07.04	01.41
Class 1 – Gross accumulation shares§	8,491	79.46p	10,686,648	Class 1 – Net accumulatio	n shares 2.2351	37.15	72.44	58.20
§Only available to eligible investors				Class 1 – Gross accumulat		44.36	75.75	60.75
				2009		1 1100	70170	00170
				†Class 1 – Net accumulatio	n shares 2.6924	44.75	76.57	63.68
				†Class 1 – Gross accumulat		41.79	80.58	66.75
				†To 7th September 2009				
				Net and gross accumulation	n shares available			
Furances High Vield Band Fura				2004				
European High Yield Bond Funct for the year ending 7th March 2007	1			Class 1 – Net accumulatio	n shares 1.3736	22.49	67.96	57.54
Class 1 – Net accumulation shares	27,379	73.30p	37,354,138	Class 1 – Gross accumulat		30.35	74.15	62.41
Class 1 – Gross accumulation shares	208,308	82.06p	253,857,996	2005				
for the year ending 7th March 2008	200,000	02.000	200,001,000	Class 1 – Net accumulatio	n shares 3.1104	50.93	68.59	63.18
Class 1 – Net accumulation shares	16,819	73.97p	22,737,139	Class 1 – Gross accumulat	tion shares 3.2723	49.68	75.77	69.28
Class 1 – Gross accumulation shares§	195,649	83.93p	233,113,227	2006				
Class 2 – Gross accumulation shares§	23,939	100.45p	23,831,838	Class 1 – Net accumulatio		56.07	72.64	68.48
for the year ending 7th March 2009				Class 1 – Gross accumulat	tion shares 3.2361	49.13	81.09	75.69
Class 1 – Net accumulation shares	32,999	68.43p	48,219,968	2007				
Class 1 – Gross accumulation shares§	150,530	79.08p	190,349,625	Class 1 – Net accumulatio		52.52	77.36	70.40
Class 2 – Gross accumulation shares§	134,454	94.90p	141,680,845	Class 1 – Gross accumulat		58.36	87.46	79.24
for the period ending 7th September 2009				§Class 2 – Gross accumulat 2008	tion shares -	-	104.57	94.50
Class 1 – Net accumulation shares	74,301	92.71p	80,146,756	Class 1 – Net accumulatio	n shares 4.3707	71.57	89.23	61.23
Class 1 – Gross accumulation shares	250,514	107.96p	232,043,760	Class 1 – Net accumulatio		90.55	89.23 95.27	70.31
Class 2 – Gross accumulation shares§	66,035	129.93p	50,823,267	§Class 2 – Gross accumulat		45.81	114.04	84.40
Class X – Gross accumulation shares§	50,964	51.59p	98,791,467	2009	1011 3110103 4.5555	45.01	114.04	04.40
§Only available to eligible investors				†Class 1 – Net accumulatio	n shares 4.0106	65.67	95.57	69.38
				†Class 1 – Gross accumulat		121.80	111.27	79.94
				§†Class 2 – Gross accumula		43.41	133.90	96.08
				*†Class X – Gross accumula	tion shares Nil	Nil	53.16	50.17
				†To 7th September 2009				
				Net and gross accumulation	n. aross accumulatio	n and aross accum	ulation shares	s available
				§Gross accumulation shares				
				*Gross accumulation shares	commenced 14th Al	ugust 2009		
				0004				
American Fund				2004 Class 1 Not accumulatio	n shares Nil	Nil	68.78	61.28
for the year ending 7th March 2007	050 704	00 5 4	040 440 074	Class 1 – Net accumulatio Class 2 – Net accumulatio				
Class 1 – Net accumulation shares	258,721	82.54p	313,449,874	2005	n shares Nil	Nil	71.51	63.61
Class 1 – Net income shares	14	82.55p	17,478	Class 1 – Net accumulatio	n shares Nil	Nil	82.35	64.65
Class 2 – Net accumulation shares	546,087	87.05p	627,311,028	Sclass 1 – Net income shar		Nil	82.35	73.80
for the year ending 7th March 2008 Class 1 – Net accumulation shares	297.277	78.59p	378,270,195	Class 2 – Net accumulatio		Nil	86.14	67.39
Class 1 – Net accumulation shares Class 1 – Net income shares	297,277	78.59p 78.58p	378,270,195 20,765	2006			00.14	07.00
Class 2 – Net accumulation shares	518,632	78.58p 83.39p	621,901,742	Class 1 – Net accumulatio	n shares Nil	Nil	85.42	74.21
for the year ending 7th March 2009	510,052	03.33P	021,001,742	§Class 1 – Net income shar		Nil	85.42	74.22
Class 1 – Net accumulation shares	181,911	63.09p	288,354,914	Class 2 – Net accumulatio		Nil	89.54	77.90
Class 1 – Net income shares	101,011	63.08p	16,478	2007				
Class 2 Net assumulation shows	400 510	0707-	202 202 202	Class 1 – Net accumulatio	n shares Nil	Nil	9171	81 37

	400,510	07.57p
for the period ending 7th September 2009		
Class 1 – Net accumulation shares	283,994	79.37p
Class 1 – Net income shares	65	79.36p
Class 2 – Net accumulation shares	540,864	85.03p
Class 1 – Hedged net accumulation shares	177	106.97p

406,516

67.37p

603,393,666

357,831,956

81,443 636,082,914 165,452

Class 2 - Net accumulation shares

2007 Class 1 – Net accumulation shares Nil Nil 91.71 81.37 §Class 1 – Net income shares Nil Nil 91.71 81.38 Class 2 - Net accumulation shares Nil Nil 97.22 85.83 2008 Class 1 – Net accumulation shares Nil Nil 90.61 63.56 Sclass 1 – Net income shares Class 2 – Net accumulation shares 90.62 96.06 63.56 67.71 Nil Nil

Nil Nil 2009 
 2009
 1Class 1 – Net accumulation shares
 Nil

 \$†Class 1 – Net income shares
 Nil

 †Class 2 – Net accumulation shares
 0.2291

 \*†Class 1 – Hedged net accumulation shares Nil
 Nil 80.80 80.80 86.56 Nil

†To 7th September 2009 Net income, net accumulation and hedged net accumulation and net accumulation shares available §Net income shares commenced 8th September 2005

3.37 Nil 63.15 63.14 67.44

87.96

108.65

\*Hedged net accumulation shares commenced 2nd April 2009

 American Smaller Companies Fund (US)

 for the year ending 7th March 2007

 Class 1 – Net accumulation shares
 7,776

 Class 1 – Net accumulation shares
 14

 Class 2 – Net accumulation shares
 92,052

 for the year ending 7th March 2008
 1

 Class 1 – Net accumulation shares
 6,578

 Class 1 – Net accumulation shares
 26

 Class 1 – Net accumulation shares
 26

 Class 1 – Net accumulation shares
 26

 Class 2 – Net accumulation shares
 26

Class 2 – Net accumulation shares for the year ending 7th March 2009 Class 1 – Net accumulation shares Class 1 – Net income shares

Class 1 – Net accumulation shares Class 1 – Net income shares Class 2 – Net accumulation shares

Class 2 – Net accumulation shares for the period ending 7th September 2009

	Net asset value of are class £000	Net asset value per share	Shares in issue	Cale
American Select Fund				2004
for the year ending 7th March 2007				Clas
Class 1 – Net accumulation shares	435,175	91.64p	474,893,742	Clas
Class 1 – Net income shares	15	91.31p	16,426	2005
Class 2 – Net accumulation shares	117,979	96.72p	121,974,646	Clas
for the year ending 7th March 2008	-	·		§Clas
Class 1 – Net accumulation shares	693,552	86.71p	799,832,150	Clas
Class 1 – Net income shares	231	86.66p	266,650	2000
Class 2 – Net accumulation shares	223,474	92.10p	242,647,987	Clas
for the year ending 7th March 2009				§Clas
Class 1 – Net accumulation shares	527,459	71.64p	736,285,007	Clas
Class 1 – Net income shares	61	71.60p	84,798	2007
Class 2 – Net accumulation shares	158,688	76.57p	207,238,114	Clas
for the period ending 7th September 2009				§Clas
Class 1 – Net accumulation shares	839,224	92.59p	906,342,590	Clas
Class 1 – Net income shares	419	92.55p	452,704	2008
Class 2 – Net accumulation shares	264,834	99.29p	266,719,396	Clas
Class 1 – Hedged net accumulation shares	942	103.80p	908,001	§Clas Clas

84.68p 84.69p

. 89.54p

74.22p 74.19p

78.94p

65.05p

65.02p

69.63p

87.42p

87.38p

93.88p

67,892

4,596

59,193

11,089 210 80,611

22

9,182,391 16,730 102,801,804

8,863,336 35,030

85,999,086

7,066,085

85,006,381

12,684,770

240,952 85,864,164

34,030

Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
2004				
Class 1 – Net accumulation sha	res Nil	Nil	74.69	65.69
Class 2 – Net accumulation sha		Nil	77.77	68.25
2005	103 111	- NII	,,,,,,	00.25
Class 1 – Net accumulation sha	res Nil	Nil	93.66	69.87
§Class 1 – Net income shares	Nil	Nil	93.66	80.48
Class 2 - Net accumulation sha	res Nil	Nil	98.05	72.89
2006				
Class 1 – Net accumulation sha	res Nil	Nil	97.85	80.72
§Class 1 – Net income shares	Nil	Nil	97.86	80.72
Class 2 – Net accumulation sha	res Nil	Nil	102.66	84.80
2007				
Class 1 – Net accumulation sha		Nil	105.57	90.06
§Class 1 – Net income shares	Nil	Nil	105.54	90.07
Class 2 – Net accumulation sha	res Nil	Nil	111.89	94.96
2008				
Class 1 – Net accumulation sha		Nil	103.96	69.85
SClass 1 – Net income shares	Nil	Nil	103.93	69.82
Class 2 – Net accumulation sha	res Nil	Nil	110.31	74.47
2009				
†Class 1 – Net accumulation share		Nil	94.25	71.70
§†Class 1 – Net income shares	Nil	Nil	94.20	71.66
†Class 2 – Net accumulation sha		Nil	101.05	76.64
*†Class 1 – Hedged net accumulati	on snares Nil	Nil	105.49	85.72

†To 7th September 2009

Net income, net accumulation and hedged net accumulation and net accumulation shares available

*§Net income shares commenced 8th September 2005* 

\*Hedged net accumulation shares commenced 8th July 2009

2004				
Class 1 – Net accumulation shares	Nil	Nil	69.13	56.93
Class 2 – Net accumulation shares	Nil	Nil	72.02	59.26
2005				
Class 1 – Net accumulation shares	Nil	Nil	84.23	63.10
§Class 1 – Net income shares	Nil	Nil	84.24	74.61
Class 2 – Net accumulation shares	Nil	Nil	88.34	65.95
2006				
Class 1 – Net accumulation shares	Nil	Nil	92.81	72.22
§Class 1 – Net income shares	Nil	Nil	92.81	72.22
Class 2 – Net accumulation shares	Nil	Nil	97.54	76.08
2007				
Class 1 – Net accumulation shares	Nil	Nil	98.10	81.54
§Class 1 – Net income shares	Nil	Nil	98.11	81.55
Class 2 – Net accumulation shares	Nil	Nil	104.12	86.13
2008				
Class 1 – Net accumulation shares	Nil	Nil	90.36	61.54
§Class 1 – Net income shares	Nil	Nil	90.37	61.52
Class 2 – Net accumulation shares	Nil	Nil	96.05	65.76
2009				
†Class 1 – Net accumulation shares	Nil	Nil	89.78	65.13
§†Class 1 – Net income shares	Nil	Nil	89.74	65.10
†Class 2 – Net accumulation shares	Nil	Nil	96.40	69.72

†To 7th September 2009

Net income and accumulation and net accumulation shares available \$Net income shares commenced 8th September 2005

Dollar Bond Fund for the year ending 7th March 2007			
Class 1 – Net income shares	56,622	42.95p	131,843,328
Class 1 – Gross accumulation shares§	13,221	66.16p	19,984,488
for the year ending 7th March 2008			
Class 1 – Net income shares	44,165	39.48p	111,875,833
Class 1 – Gross accumulation shares§	8,036	64.35p	12,487,800
for the year ending 7th March 2009			
Class 1 – Net income shares	35,970	44.38p	81,056,761
Class 1 – Gross accumulation shares§	8,450	76.89p	10,990,007
for the period ending 7th September 2009			
Class 1 – Net income shares	36,628	45.55p	80,404,471
Class 1 – Gross accumulation shares§	9,163	80.67p	11,359,205
§Only available to eligible investors			

2004				
Class 1 – Net income shares	1.6856	34.04	50.19	44.53
Class 1 – Gross accumulation shares	2.8014	42.95	66.73	61.21
2005				
Class 1 – Net income shares	1.6105	32.52	50.07	44.03
Class 1 – Gross accumulation shares	2.7871	42.73	71.14	61.70
2006				
Class 1 – Net income shares	1.7692	35.73	49.29	42.54
Class 1 – Gross accumulation shares	3.1963	49.00	70.83	63.09
2007				
Class 1 – Net income shares	1.7468	35.27	44.01	38.53
Class 1 – Gross accumulation shares	3.3268	51.00	66.48	61.13
2008				
Class 1 – Net income shares	1.8412	37.18	48.66	38.68
Class 1 – Gross accumulation shares	3.7104	56.88	81.66	63.39
2009				
†Class 1 – Net income shares	2.1531	43.48	50.51	43.22
†Class 1 – Gross accumulation shares	4.5414	69.62	84.82	74.98
+Te 7th Cantonshar 2000				

†To 7th September 2009

Net income and gross accumulation shares available

# **Comparative Tables**

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	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Japan Fund				<b>2004</b> Class 1	Nil	Nil	40.55	32.91
for the year ending 7th March 2007	70.000	44.00	470 004 477	Class 2	Nil	Nil	40.55	34.14
Class 1 Class 2	79,008 177,867	44.32p 46.84p	178,264,477 379,772,514	2005	NII I	1111	42.05	54.14
for the year ending 7th March 2008	177,007	40.04p	0/0,//2,014	Class 1	Nil	Nil	51.06	33.91
Class 1	46,660	32.43p	143,892,554	Class 2	Nil	Nil	53.55	35.42
Class 2	119,902	34.47p	347,876,487	2006	A.C.	N.''	54.00	40.05
for the year ending 7th March 2009	00 550	0770	404 000 074	Class 1 Class 2	Nil Nil	Nil Nil	54.89 57.66	40.35 42.57
Class 1 Class 2	36,559 93,048	27.70p 29.63p	131,988,374 314,039,117	2007	INIT	INII	57.00	42.57
for the period ending 7th September 200		23.03p	514,055,117	Class 1	Nil	Nil	45.85	34.36
Class 1	41,770	32.11p	130.090.052	Class 2	0.0152	0.41	48.45	36.47
Class 2	110,816	34.46p	321,594,508	2008				
				Class 1	Nil	Nil	38.07	27.69
				Class 2 2009	1.5550	41.81	40.52	29.55
				†Class 1	0.1844	5.14	36.80	27.45
				†Class 2	0.4351	11.70	39.32	29.36
				†To 7th September 2009				
				Accumulation shares only	available			
Japan Smaller Companies Fun	d			2004				
for the year ending 7th March 2007				Class 1	Nil	Nil	95.17	73.61
Class 1	2,687	88.47p	3,036,827	Class 2 2005	Nil	Nil	98.73	76.32
Class 2	110,813	93.43p	118,602,520	Class 1	Nil	Nil	126.22	84.11
for the year ending 7th March 2008 Class 1	1,656	63.38p	2,612,821	Class 2	Nil	Nil	132.28	87.78
Class 2	58,408	67.30p	86,792,580	2006				
for the year ending 7th March 2009				Class 1	Nil	Nil	132.05	81.03
Class 1	1,331	57.44p	2,318,038	Class 2 2007	Nil	Nil	138.43	85.42
Class 2	56,630	61.39p	92,240,003	Class 1	Nil	Nil	91.28	66.97
for the period ending 7th September 200 Class 1	2,038	72.40p	2,814,505	Class 2	0.0073	0.09	96.39	71.09
Class 2	95,149	77.62p	122,586,960	2008				
0.000 2	007110	, 102p	122/000/000	Class 1	Nil	Nil	71.38	48.62
				Class 2	0.4096	4.93	75.92	51.82
				<b>2009</b> †Class 1	0.4939	6.16	75.50	56.41
				†Class 2	0.4939	10.09	80.93	60.27
				†To 7th September 2009	0.0070	10.00	00.00	00.27
				Accumulation shares only	available			
Asia Fund				2004				
for the year ending 7th March 2007				Class 1	0.2049	4.45	49.15	39.32
Class 1	258,691	80.38p	321,838,203	Class 2	0.5087	10.73	50.67	40.56
Class 2	245,130	84.06p	291,610,532	<b>2005</b> Class 1	0.4138	8.99	65.92	48.04
for the year ending 7th March 2008	241 010	101 05-	220 074 005	Class 2	0.4138	16.32	68.52	48.04 49.70
Class 1 Class 2	341,619 341,266	101.05p 106.32p	338,071,995 320,977,156	2006	0.7700	10.02	00.02	.5.70
for the year ending 7th March 2009	5-1,200	100.52P	520,577,100	Class 1	0.6072	13.19	80.76	61.60
Class 1	270,389	66.72p	405,262,793	Class 2	0.9722	20.51	84.38	64.18
Class 2	257,026	70.56p	364,277,320	2007 Class 1	0.0704	0.40	107.04	70.14
for the period ending 7th September 200		404.00	040 500 475	Class 1 Class 2	0.3764 0.8348	8.18 17.62	127.01 133.27	78.14 81.72
Class 1	619,131	101.08p	612,529,175	2008	0.0348	17.02	133.27	01.72
Class 2	490,737	107.22p	457,682,267	Class 1	0.1184	2.57	119.60	57.24
				Class 2	0.7742	16.34	125.72	60.43
				2009				
				†Class 1	0.8726	18.96	100.52	65.84
				†Class 2	1.2673	26.74	106.63	69.63
				†To 7th September 2009				

†To 7th September 2009 Accumulation shares only available

# **Comparative Tables**

	Net asset value of share class £000	Net asset value per share	Shares in issue	Calendar Year	Net income per share p	Net income per £1,000 invested at 2nd January 2004 £	Highest share price p	Lowest share price p
Latin America Fund				2004				
for the year ending 7th March 2007				Class 1	0.3693	5.96	80.81	55.83
Class 1	327.617	164.72p	198.891.019	Class 2	0.8879	14.00	83.08	57.23
Class 2	481,587	171.16p	281,368,549	2005				
for the year ending 7th March 2008				Class 1	0.6722	10.85	137.80	76.93
Class 1	350,113	234.69p	149,181,807	Class 2	1.5255	24.05	142.31	79.12
Class 2	610,859	245.05p	249,283,046	2006	4 0 0 0 0			
Class X	594	57.69p	1,028,935	Class 1	1.8088	29.18	169.18	116.45 120.54
for the year ending 7th March 2009	450.045	100.01	440.075.505	Class 2 2007	2.3081	36.39	175.63	120.54
Class 1	150,345 310,146	133.91p	112,275,525 220,691,269	Class 1	1.3137	21.20	244.52	159.53
Class 2 Class X	879	140.53p 33.35p	2,634,717	Class 2	2.0449	32.24	254.92	165.76
for the period ending 7th September 200		55.55P	2,034,717	§Class X	-	-	60.96	42.38
Class 1	236,574	210.76	112,246,088	2008				
Class 2	504,345	221.88	227,304,903	Class 1	2.2609	36.48	279.39	112.55
Class X	3	84.58	3,000	Class 2	3.1414	49.53	292.07	117.90
				§Class X	0.7610	15.22	68.89	27.90
				<b>2009</b> †Class 1	1.3583	21.92	217.17	131.94
				†Class 2	2.4458	38.56	228.58	131.34
				§†Class X	0.5211	10.42	87.11	32.85
				t To 7th September 2009				
				Accumulation shares only	available			
				§Class X shares commence				
Emerging Market Bond Fund				2004				
for the year ending 7th March 2007	00.405	40.40	50 405 004	Class 1 – Net income sha		55.53	48.79	42.35
Class 1 – Net income shares	29,195	49.10p	59,465,924	Class 1 – Gross accumul		69.40	85.78	73.43
Class 1 – Gross accumulation shares§ Class 1 – Gross income shares§	26,097 62,684	105.22p 83.37p	24,801,963 75,185,395	Class 1 – Gross income s 2005	shares 3.9025	49.22	81.67	72.22
for the year ending 7th March 2008	02,004	00.07p	75,105,555	Class 1 – Net income sha	ares 2.9429	61.99	53.62	44.22
Class 1 – Net income shares	30,565	45.50p	67,173,219	Class 1 – Gross accumul		84.11	103.38	81.75
Class 1 – Gross accumulation shares§	10,991	105.75p	10,392,949	Class 1 – Gross income s		84.11	91.47	75.30
Class 1 – Gross income shares§	69,194	77.25p	89,576,064	2006				
Class 2 – Gross accumulation shares§	506	100.44p	504,001	Class 1 – Net income sha		67.80	55.52	47.09
for the year ending 7th March 2009				Class 1 – Gross accumul		99.07	107.22	94.28
Class 1 – Net income shares	40,900	51.97p	78,695,931	Class 1 – Gross income s	shares 6.8091	85.89	94.86	80.22
Class 1 – Gross accumulation shares§ Class 1 – Gross income shares§	12,167 96,331	130.85p 88.20p	9,298,612 109,219,981	<b>2007</b> Class 1 – Net income sha	ares 2.6631	56.10	51.04	45.03
Class 2 – Gross accumulation sharess	44,928	125.21p	35,881,939	Class 1 – Gross accumul		88.26	107.66	100.09
for the period ending 7th September 200		120.210	00,001,000	Class 1 – Gross income s		71.02	87.17	76.48
Class 1 – Net income shares	158,339	54.12p	292,548,832	§Class 2 – Gross accumul		14.70	101.64	94.33
Class 1 – Gross accumulation shares§	70,603	140.45p	50,268,432	2008				
Class 1 – Gross income shares§	113,204	91.84p	123,258,771	Class 1 – Net income sha		65.79	54.50	42.62
Class 2 – Gross accumulation shares§	19,486	134.84p	14,451,377	Class 1 – Gross accumul		112.15	131.95	102.94
Class X – Gross accumulation shares§	115,895	51.85p	223,540,579	Class 1 – Gross income s		83.39	93.06	72.60
§Only available to eligible investors				§Class 2 – Gross accumula 2009			126.11	98.27
				†Class 1 – Net income sha		70.03	58.24	51.53
				†Class 1 – Gross accumula	ation shares 10.1596	128.16 106.44	145.32	126.54
				†Class 1 – Gross income s §†Class 2 – Gross accumul		99.00	99.48 139.21	87.76 120.97
				*†Class X – Gross accumul		27.05	53.35	47.85
				†To 7th September 2009	1011 3110163 1.3324	27.05	55.55	47.05
				Net and gross income and accumulation shares availa		and gross accumul	ation and gros	S
				§Gross accumulation shares *Gross accumulation shares	s commenced 25th N			
Clobal Calaat Fund				2004				
Global Select Fund for the year ending 7th March 2007				Class 1	Nil	Nil	58.58	49.90
Class 1	440,932	81.41p	541,605,915	2005				
		2 I. T I P	0	Class 1	Nil	Nil	7788	5752

Global Select Fund for the year ending 7th March 2007			
Class 1	440,932	81.41p	541,605,915
for the year ending 7th March 2008			
Class 1	538,935	82.74p	651,335,825
for the year ending 7th March 2009			
Class 1	360,411	60.96p	591,273,233
Class 2	321	82.71p	387,620
Class X	1,678	39.54p	4,242,852
for the period ending 7th September 2009			
Class 1	502,675	79.57	631,752,732
Class 2	7,949	108.31	7,338,676
Class X	2,316	52.05	4,449,703

2004				
Class 1	Nil	Nil	58.58	49.90
2005	INII	INIT	50.50	43.30
Class 1	Nil	Nil	77.88	57.52
2006			7.100	0.02
Class 1	Nil	Nil	84.23	70.81
2007				
Class 1	Nil	Nil	94.50	80.29
2008				
Class 1	0.0073	0.14	93.74	62.18
§Class X	-	-	49.53	40.14
2009				
†Class 1	0.6121	11.64	80.49	61.01
*†Class 2	0.0768	0.77	109.55	82.78
§†Class X	0.3664	7.33	52.62	39.58

To 7th September 2009 Accumulation shares only available \$Class X shares commenced 26th September 2008 \*Class 2 shares commenced 22nd January 2009

# **Comparative Tables**

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	Net asset value of share class £000	Net asset value per share	Shares in issue	Net income per share Calendar Year p	Net income per £1,000 invested at 2nd January 2004 £
Global Bond Fund				2004	
for the year ending 7th March 2007				Class 1 – Net income shares 1.7375	34.53
Class 1 – Net income shares	12,700	45.23p	28,077,172	Class 1 – Gross accumulation shares 2.9543	43.45
Class 1 – Gross accumulation shares§	46,120	70.71p	65,219,698	Class 1 – Gross income shares 2.1451	31.48
Class 1 – Gross income shares§	118,512	61.86p	191,587,711	Class 2 – Net income shares 1.8311	35.19
Class 2 – Net income shares	4,025	47.56p	8,464,589	§Class 2 – Gross accumulation shares 1.0864	21.78
Class 2 – Gross accumulation shares§	27,525	54.02p	50.958.117	2005	
for the year ending 7th March 2008				Class 1 – Net income shares 1.6418	32.63
Class 1 – Net income shares	13,231	48.41p	27.331.000	Class 1 – Gross accumulation shares 2.9150	42.87
Class 1 – Gross accumulation shares§	43,539	78.07p	55,771,515	Class 1 – Gross income shares 2.8033	
Class 1 – Gross income shares§	145,609	66.18p	220,035,770	Class 2 – Net income shares 1.7425	
Class 2 – Net income shares	5,092	51.16p	9,953,431	§Class 2 – Gross accumulation shares 2.2473	45.05
Class 2 – Gross accumulation shares§	30,695	59.98p	51,175,000	2006	
for the year ending 7th March 2009				Class 1 – Net income shares 1.5784	
Class 1 – Net income shares	41,990	63.06p	66,588,005	Class 1 – Gross accumulation shares 2.9225	42.98
Class 1 – Gross accumulation shares§	47,863	105.36p	45,429,824	Class 1 – Gross income shares 2.6924	
Class 1 – Gross income shares§	159,622	86.15p	185,291,538	Class 2 – Net income shares 1.7074	
Class 2 – Net income shares	6,156	67.02p	9,185,338	Sclass 2 – Gross accumulation shares 2.2907	45.92
Class 2 – Gross accumulation shares§	90,689	81.42p	111,383,877	2007	
for the period ending 7th September 2	009			Class 1 – Net income shares 1.3219	26.27
Class 1 – Net income shares	36,843	58.51p	62,969,557	Class 1 – Gross accumulation shares 2.5467	37.45
Class 1 – Gross accumulation shares§	39,661	99.49p	39,862,591	Class 1 – Gross income shares 2.2538	33.08
Class 1 – Gross income shares§	140,727	79.92p	176,090,230	Class 2 – Net income shares 1.4460	
Class 2 – Net income shares	4,149	62.35p	6,655,121	§Class 2 – Gross accumulation shares 2.0197	40.48
Class 2 – Gross accumulation shares§	84,092	77.14p	109,009,835	2008 Oliver 1 - Nucline and a 2001	00.00
Class 1 – Net accumulation shares	115	48.62p	235,866	Class 1 – Net income shares 1.3281	26.39
Only available to eligible investors				Class 1 – Gross accumulation shares 2.6412 Class 1 – Gross income shares 2.2282	
				Class 1 – Gross Income shares 2.2282 Class 2 – Net income shares 14378	32.70

	1.7074	52.01	52.55	47.50
§Class 2 – Gross accumulation shares 2007	2.2907	45.92	55.91	52.49
Class 1 – Net income shares	1.3219	26.27	46.39	41.92
Class 1 – Gross accumulation shares	2.5467	37.45	73.81	65.65
Class 1 – Gross income shares	2.2538	33.08	63.55	57.43
Class 2 – Net income shares	1.4460	27.79	48.99	44.15
§Class 2 – Gross accumulation shares	2.0197	40.48	56.67	50.23
2008				
Class 1 – Net income shares	1.3281	26.39	68.83	46.80
Class 1 – Gross accumulation shares	2.6412	38.84	113.29	74.46
Class 1 – Gross income shares	2.2282	32.70	94.24	64.11
Class 2 – Net income shares	1.4378	27.63	73.18	49.43
§Class 2 – Gross accumulation shares	2.0835	41.76	87.45	57.18
2009				
†Class 1 – Net income shares	1.7443	34.66	67.98	56.23
†Class 1 – Gross accumulation shares	3.6613	53.84	111.94	94.09
†Class 1 – Gross income shares	3.0158	44.26	93.12	76.96
†Class 2 – Net income shares	1.9864	38.17	72.29	59.86
§†Class 2 - Gross accumulation shares	2.8864	57.86	86.44	72.84
*†Class 1 – Net accumulation shares	0.4217	8.43	50.37	46.05

**Highest Lowest** share

price

51.20

69.80 68.26 52.12

50.39

50.78

73.91 69.64 52.97

56.03

50.07

73.75 68.63 52.35

р

share

price

46.40

64.19 63.61 48.13

46.40

48.02

68.86 65.72 50.01

51.96

45.64

69.08 62.55 47.96

47.07

52.73

63.58

68.75

46.71

44.61

р

†To 7th September 2009

Net and gross income and net and gross accumulation and net income and gross accumulation shares available

§Gross accumulation shares commenced 8th March 2004 \*Net accumulation shares commenced 8th May 2009

UK Institutional Fund for the year ending 7th March 200	7		
Class 1	361.023	84.65p	426,487,161
Class 2	2,922,172	86.47p	3,379,359,643
for the year ending 7th March 200	8		
Class 1	264,178	85.09p	310,487,142
Class 2	2,147,783	87.66p	2,450,035,064
for the year ending 7th March 200	9		
Class 1	90,053	55.61p	161,935,299
Class 2	917,411	57.81p	1,586,959,788
for the period ending 7th Septemb	per 2009		
Class 1	130,804	76.89p	170,112,642
Class 2	1,320,879	80.29p	1,645,049,054

71.74p

68.75p

44.98p

59.90p

169.329

135,604

81.922

104,032

UK Overseas Earnings Fund for the year ending 7th March 2007 Class 2

for the year ending 7th March 2008 Class 2

for the year ending 7th March 2009 Class 2

for the period ending 7th September 2009 Class 2

2004				
Class 1	0.6588	11.73	62.04	54.11
Class 2	1.1717	21.00	62.18	54.05
2005				
Class 1	0.8501	15.14	75.02	61.76
Class 2	1.4953	26.80	75.82	62.00
2006				
Class 1	0.9150	16.30	86.04	74.71
Class 2	1.6515	29.60	87.74	75.81
2007				
Class 1	1.1638	20.73	94.78	82.04
Class 2	2.0348	36.47	97.38	84.14
2008				
Class 1	1.4885	26.51	93.60	55.13
Class 2	2.2783	40.83	96.32	57.12
2009				
†Class 1	1.6262	28.97	76.97	55.35
†Class 2	2.3246	41.66	80.36	57.54
†To 7th September 2009				

Accumulation shares only available

	<b>2004</b> Class 2	0.6608	13.39	53.27
236,039,178	<b>2005</b> Class 2	0.8290	16.80	64.33
197,231,683	<b>2006</b> Class 2	0.9018	18.28	72.58
182,122,284	<b>2007</b> Class 2	1.3071	26.49	78.60
173,683,012	2008 Class 2	1.6095	32.62	77.45
	<b>2009</b> †Class 2	1.6727	33.90	60.96

tTo 7th September 2009 Income shares only available

### Performance Summary for the six months ending 31/08/2009

Funds	Fund Sector	Class 1 Net Tax Return %	Class 2 Net Tax Return %	Class 1 Gross Return† %	Sector Median Net Return %
United Kingdom					
UK Fund	(IMA) UK All Companies	27.90	28.31	_	31.82
UK Select Fund	(IMA) UK All Companies	25.94	26.32	_	31.82
UK Smaller Companies Fund	(IMA) UK Smaller Companies	44.32	44.75	_	40.70
UK Growth & Income Fund	(IMA) UK All Companies	26.20	26.54	_	31.82
UK Equity Income Fund	(IMA) UK Equity Income	22.63	22.98	_	27.71
UK Monthly Income Fund	(IMA) UK Equity Income	20.04	_	-	27.71
Monthly Extra Income Fund	(IMA) UK Equity & Bond Income	23.34	_	-	22.64
UK Corporate Bond Fund	(IMA) £ Corporate Bond	15.88	16.05	-	15.94
High Yield Bond Fund	(IMA) £ High Yield	31.91	32.33	-	30.46
Strategic Bond Fund	(IMA) £ Strategic Bond	22.71	23.07	-	18.46
Sterling Bond Fund	(IMA) UK Gilt	2.99	_	3.31	3.12
UK Money Securities Fund	(IMA) Money Market	-3.28	_	-3.26	0.26
UK Institutional Fund	(IMA) UK All Companies	29.70	30.27	_	31.82
UK Overseas Earnings Fund	(IMA) UK All Companies	_	26.31	-	31.82
Europe					
European Fund	(IMA) Europe Excluding UK	34.85	35.28	-	37.16
European Select Fund	(IMA) Europe Excluding UK	23.18	23.56	-	37.16
European Smaller Companies Fund	(IMA) European Smaller Companies	31.79	32.21	_	40.57
Pan European Smaller Companies Fund	(IMA) European Smaller Companies	26.73	28.83	_	40.57
Pan European Fund	(IMA) Europe Including UK	28.42	28.83	-	33.07
European Bond Fund	(IMA) Global Bond	5.69	_	6.28	3.94
European Corporate Bond Fund	(IMA) Global Bond	18.13	_	18.84	3.94
European High Yield Bond Fund	(IMA) Global Bond	32.41	_	33.65	3.94
European High Yield Bond Fund (€)*	(IMA) Global Bond	34.00	_	35.06	-
US					
American Fund	(IMA) North America	18.45	18.83	_	20.52
American Select Fund	(IMA) North America	22.61	23.01	_	20.52
American Smaller Companies Fund (US)	(IMA) North American Smaller Companies	26.97	27.38	_	26.10
Dollar Bond Fund*	(IMA) Global Bond	3.43	-	4.48	3.94
Japan					
Japan Fund	(IMA) Japan	11.61	11.97	_	19.92
Japan Smaller Companies Fund	(IMA) Japanese Smaller Companies	28.99	29.40	_	31.14

# **Performance Summary for the six months ending 31/08/2009** (continued)

Funds	Fund Sector	Class 1 NetTax Return %	Class 2 NetTax Return %	Class 1 Gross Return† %	Sector Median Net Return %			
Pacific Basin & Emerging Markets, Asia Pacific Excluding Japan								
Asia Fund	(IMA) Far East Excluding Japan	44.56	45.00	-	44.12			
Latin America Fund*	(IMA) Specialist	53.37	53.84	_	_			
Emerging Market Bond Fund	(IMA) Global Bond	4.57	-	5.59	3.94			
Global								
Global Select Fund	(IMA) Global Growth	23.14	_	_	26.41			
Global Bond Fund	(IMA) Global Bond	-5.00	-4.39	-4.50	3.94			

All fund and peer group data sourced from Morningstar.

The Fund Sector is taken from the UK UnitTrusts/OEICs universe. Comparing the fund's performance to this Fund Sector is only relevant for UK Investors.

Unless otherwise stated, all of the above returns are in Sterling and on a bid to bid basis with net income reinvested for a UK basic rate taxpayer. These returns are also after annual management charges have been deducted.

\*These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Management Association) is not felt to be representative.

†Gross Return refers to the return for a Gross Share Class. The Gross Return Share class for certain funds is priced at 12:00 UK time in a currency other than UK Sterling and has been converted to UK Sterling using a Global-Close FX rate.

### Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ending 31/08/2009

Funds	Fund Sector	Performance Share Class 1 %	Peer Group Performance %	Performance Share Class 2 %	Currency
UK EQUITY					
UK Fund	Equity UK	28.02	30.11	28.49	GBP
UK Select Fund	Equity UK	26.06	30.11	26.50	GBP
UK Monthly Income Fund	Equity UK (Income)	20.46	21.74	-	GBP
UK Equity Income Fund	Equity UK (Income)	23.23	21.74	23.61	GBP
UK Growth & Income Fund	Equity UK	26.52	30.11	26.86	GBP
UK Smaller Companies Fund	Equity Smaller Companies UK	44.43	32.71	44.93	GBP
UK Institutional Fund	Equity UK	29.85	30.11	30.50	GBP
UK Overseas Earnings Fund	Equity UK	-	30.11	26.51	GBP
Monthly Extra Income Fund	Asset Allocation UK Dynamic	23.84	23.09	_	GBP
EUROPE EQUITY					
European Fund	Equity Europe & Europe ex-UK combined	37.05	35.53	37.69	EUR
European Select Fund	Equity Europe & Europe ex-UK combined	25.11	35.53	25.71	EUR
Pan European Fund	Equity Europe & Europe ex-UK combined	30.35	35.53	30.92	EUR
European Smaller Companies Fund	Equity Smaller Companies Europe & Europe ex-UK combined	33.69	39.02	34.35	EUR
Pan European Smaller Companies Fund	Equity Smaller Companies Europe & Europe ex-UK combined	28.31	39.02	28.84	EUR
AMERICAS					
American Fund	Equity North America	36.20	37.63	36.69	USD
American Select Fund	Equity North America	40.99	37.63	41.45	USD
American Smaller Companies Fund (US)	Equity Smaller Companies North America	45.18	45.35	46.48	USD
Latin America Fund	Equity Latin America	75.56	73.57	77.22	USD
FAR EAST & PACIFIC					
Asia Fund	Equity Asia-Pacific ex-Japan	66.46	63.92	67.07	USD
Japan Fund	Equity Japan	23.37	30.44	23.76	JPY
Japan Smaller Companies Fund	Equity Smaller Companies Japan	42.58	36.99	43.03	JPY

### Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ending 31/08/2009 (continued)

Funds	Fund Sector	Performance Share Class 1 %	Peer Group Performance %	Performance Share Class 2 %	Currency
<b>MONEY MARKET &amp; BOND</b>					
Sterling Bond Fund*	Fixed Income GBP/Governmen	t 3.31	2.88	-	GBP
UK Corporate Bond Fund	Fixed Income GBP/Corporate	16.58	16.26	16.79	GBP
UK Money Securities Fund*	Money Market GBP	-3.26	0.18	_	GBP
European Bond Fund*	Fixed Income Europe	7.55	5.37	_	EUR
Dollar Bond Fund*	Fixed Income USD	19.47	7.09	_	USD
Global Bond Fund*	Fixed Income International	-3.36	3.76	_	EUR
Emerging Market Bond Fund*	Fixed Income Global Emerging Markets	20.74	27.87	_	USD
European High Yield Bond Fund*	Fixed Income European High Yield	35.06	38.13	_	EUR
Strategic Bond Fund	Fixed Income GBP High Yield	23.67	24.91	24.03	GBP
European Corporate Bond Fund*	Fixed Income Europe/Corporat	e 20.26	14.26	_	EUR
High Yield Bond Fund	Fixed Income GBP High Yield	33.17	24.91	33.61	GBP
GLOBAL EQUITY					
Global Select Fund	Equity Global	41.76	43.09	-	USD

Morningstar, Offshore Territories, NAV to NAV in fund currency with gross income reinvested. Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

\*The performance of these funds relates to the gross accumulation shares of class 1.

# **Total Expense Ratio Summary**

for the accounting period 8th March 2009 to 7th September 2009

		September	March
Fund	Share Class	2009*	2009
UK Fund	Class 1 – Net income shares	1.68%	1.69%
	Class 2 – Net income shares	1.04%	1.05%
UK Select Fund	Class 1 – Net income shares	1.68%	1.69%
	Class 2 – Net income shares	1.04%	1.05%
UK Smaller Companies Fund	Class 1 – Net income shares	1.71%	1.72%
·	Class 2 – Net income shares	1.07%	1.07%
JK Growth & Income Fund	Class 1 – Net income shares	1.63%	1.63%
	Class 2 – Net income shares	1.05%	1.06%
JK Equity Income Fund	Class 1 – Net income shares	1.64%	1.63%
	†Class 1 – Net accumulation shares	1.72%	N/A
	Class 2 – Net income shares	1.06%	1.04%
JK Monthly Income Fund	Class 1 – Net income shares	1.63%	1.63%
Monthly Extra Income Fund	Class 1 – Net income shares	1.40%	1.40%
JK Corporate Bond Fund	Class 1 – Net income shares	0.94%	0.94%
	Class 1 – Gross income shares	0.94%	0.93%
	Class 2 – Net income shares	0.55%	0.55%
	Class 2 – Gross accumulation shares	0.55%	0.55%
ligh Yield Bond Fund	Class 1 – Net income shares	1.52%	1.48%
ngn neid bond i dha	Class 1 – Gross income shares	1.52%	1.40%
	Class 2 – Net income shares	0.87%	0.83%
	Class 2 – Gross accumulation shares	0.87%	0.83%
	Class 2 – Gross income shares	0.88%	0.82%
Strategic Bond Fund	Class 1 – Net income shares	1.45%	1.45%
strategic Bond Fund	Class 1 – Gross income shares	1.45%	1.45%
	Class 2 – Net income shares	0.81%	0.80%
	Class 2 – Gross accumulation shares	0.81%	0.80%
	Class 2 – Gross accumulation shares	0.81%	0.80%
Sterling Bond Fund	Class 1 – Net income shares	1.22%	1.21%
	Class 1 – Gross accumulation shares	1.22%	1.21%
IV Manay Convition Fund	Class 1 – Net income shares		
JK Money Securities Fund	Class 1 – Net income shares Class 1 – Gross income shares	0.64% 0.64%	0.62% 0.63%
	Class 1 – Gross accumulation shares	0.64%	0.63%
JK Cash Fund	Class 1 – Net income shares	0.71%	0.67%
European Fund	Class 1 – Net accumulation shares	1.68%	1.72%
	Class 2 – Net accumulation shares	1.04%	1.08%
European Select Fund	Class 1 – Net accumulation shares	1.72%	1.71%
	Class 2 – Net accumulation shares	1.08%	1.09%
European Smaller Companies Fund	Class 1 – Net accumulation shares	1.72%	1.72%
	Class 1 – Net income shares	1.71%	1.70%
	Class 2 – Net accumulation shares	1.08%	1.07%
Pan European Smaller Companies Fund	Class 1 – Net accumulation shares	1.71%	1.71%
	Class 2 – Net accumulation shares	1.07%	1.07%
Pan European Fund	Class 1 – Net accumulation shares	1.74%	1.74%
	Class 2 – Net accumulation shares	1.11%	1.11%
European Bond Fund	Class 1 – Net income shares	1.22%	1.21%
	Class 1 – Gross accumulation shares	1.22%	1.21%
European Corporate Bond Fund	Class 1 – Net accumulation shares	1.51%	1.50%
	Class 1 – Gross accumulation shares	1.51%	1.49%
European High Yield Bond Fund	Class 1 – Net accumulation shares	1.49%	1.50%
aropean mgn neid bond rund	Class 1 – Net accumulation shares	1.49%	1.50%
	Class 2 – Gross accumulation shares	0.85%	0.86%
		0.00 /0	0.00/0

### **Total Expense Ratio Summary**

(continued)

		September	March
Fund	Share Class	2009*	2009
American Fund	**Class 1 – Hedged net accumulation shares	1.70%	N/A
	Class 1 – Net accumulation shares	1.69%	1.70%
	Class 1 – Net income shares	1.70%	1.69%
	Class 2 – Net accumulation shares	1.05%	1.05%
American Select Fund	††Class 1 – Hedged net accumulation shares	1.71%	N/A
	Class 1 – Net accumulation shares	1.70%	1.69%
	Class 1 – Net income shares	1.70%	1.70%
	Class 2 – Net accumulation shares	1.06%	1.05%
American Smaller Companies Fund (US)	Class 1 – Net accumulation shares	1.72%	1.76%
	Class 1 – Net income shares	1.74%	1.75%
	Class 2 – Net accumulation shares	1.08%	1.11%
Dollar Bond Fund	Class 1 – Net income shares	1.24%	1.24%
	Class 1 – Gross accumulation shares	1.24%	1.24%
Japan Fund	Class 1 – Net accumulation shares	1.72%	1.71%
-	Class 2 – Net accumulation shares	1.08%	1.07%
Japan Smaller Companies Fund	Class 1 – Net accumulation shares	1.72%	1.73%
	Class 2 – Net accumulation shares	1.08%	1.08%
Asia Fund	Class 1 – Net accumulation shares	1.70%	1.71%
	Class 2 – Net accumulation shares	1.06%	1.07%
Latin America Fund	Class 1 – Net accumulation shares	1.74%	1.74%
	Class 2 – Net accumulation shares	1.10%	1.10%
	Class X – Net accumulation shares	0.12%	0.09%
Emerging Market Bond Fund	Class 1 – Net income shares	1.71%	1.72%
	Class 1 – Gross accumulation shares	1.71%	1.72%
	Class 1 – Gross income shares	1.71%	1.71%
	Class 2 – Gross accumulation shares	1.07%	1.05%
	§§Class X – Gross accumulation shares	0.07%	N/A
Global Select Fund	Class 1 – Net accumulation shares	1.70%	1.70%
	Class 2 – Net accumulation shares	1.06%	1.04%
	Class X – Net accumulation shares	0.06%	0.04%
Global Bond Fund	†Class 1 – Net accumulation shares	1.45%	N/A
	Class 1 – Net income shares	1.45%	1.44%
	Class 1 – Gross accumulation shares	1.45%	1.45%
	Class 1 – Gross income shares	1.45%	1.44%
	Class 2 – Net income shares	0.81%	0.81%
	Class 2 – Gross accumulation shares	0.81%	0.80%
UK Institutional Fund	Class 1 – Net accumulation shares	1.67%	1.70%
	Class 2 – Net accumulation shares	0.78%	0.80%
UK Overseas Earnings Fund	Class 2 – Net income shares	1.56%	1.57%

A Total Expense Ratio is a figure representing all operating charges and expenses as a percentage of a fund's value. It includes the annual management fee as well as all the administrative costs incurred by the fund.

\*Annualised Ratio.

- § Class X Gross Accumulation shares launched 14th August 2009
- \*\* Class 1 Hedged net accumulation shares launched 2nd April 2009
- tt Class 1 Hedged net accumulation shares launched 8th July 2009
- §§ Class X Gross Accumulation shares launched 3rd April 2009

<sup>†</sup> Class 1 – Net accumulation shares launched 8th May 2009

# **Shares Issued and Redeemed Summary**

for the accounting period 8th March 2009 to 7th September 2009

Fund	Number Issued	Number Redeemed
UK Fund	57,048,440	(42,314,753)
UK Select Fund	18,934,730	(136,092,813)
UK Smaller Companies Fund	4,908,178	(2,492,687)
UK Growth & Income Fund	20,624,967	(9,847,606)
UK Equity Income Fund	173,426,370	(6,395,319)
UK Monthly Income Fund	14,516,720	(25,950,617)
Monthly Extra Income Fund	11,600,667	(1,512,189)
UK Corporate Bond Fund	105,337,077	(35,062,657)
High Yield Bond Fund	245,668,439	(87,316,449)
Strategic Bond Fund	19,613,365	(42,624,423)
Sterling Bond Fund	12,785,509	(239,564,767)
UK Money Securities Fund	11,501,999	(80,346,179)
UK Cash Fund	55	_
European Fund	56,569,634	(48,197,482)
European Select Fund	66,726,717	(59,572,854)
European Smaller Companies Fund	68,004,561	(32,348,232)
Pan European Smaller Companies Fund	103,532,496	(32,384,330)
Pan European Fund	51,336,242	(28,472,463)
European Bond Fund	6,071,164	(16,528,772)
European Corporate Bond Fund	7,414,985	(756,277)
European High Yield Bond Fund	341,428,784	(259,873,972)
American Fund	173,378,744	(72,237,412)
American Select Fund	355,754,468	(126,337,003)
American Smaller Companies Fund (US)	12,637,530	(6,001,638)
Dollar Bond Fund	14,766,461	(15,049,553)
Japan Fund	59,877,087	(54,220,018)
Japan Smaller Companies Fund	31,614,175	(770,751)
Asia Fund	397,276,622	(96,605,293)
Latin America Fund	40,256,278	(36,303,798)
Emerging Market Bond Fund	504,965,120	(33,993,592)
Global Select Fund	68,001,063	(20,363,657)
Global Bond Fund	20,210,062	(43,265,444)
UK Institutional Fund	300,780,034	(234,513,425)
UK Overseas Earnings Fund	2,833,586	(11,272,858)

### **Portfolio Turnover Rate Summary**

for the accounting period 8th March 2009 to 7th September 2009

Fund	September 2009*	March 2009
UK Fund	141%	79%
UK Select Fund	325%	309%
UK Smaller Companies Fund	81%	38%
UK Growth & Income Fund	155%	131%
UK Equity Income Fund	200%	142%
UK Monthly Income Fund	161%	123%
Monthly Extra Income Fund	134%	144%
UK Corporate Bond Fund	103%	122%
High Yield Bond Fund	91%	85%
Strategic Bond Fund	101%	105%
Sterling Bond Fund	836%	831%
UK Money Securities Fund	1,170%	605%
UK Cash Fund	N/A	N/A
European Fund	174%	212%
European Select Fund	312%	448%
European Smaller Companies Fund	169%	189%
Pan European Smaller Companies Fund	69%	59%
Pan European Fund	208%	319%
European Bond Fund	1,098%	848%
European Corporate Bond Fund	188%	159%
European High Yield Bond Fund	0%	0%
American Fund	228%	198%
American Select Fund	306%	373%
American Smaller Companies Fund (US)	274%	107%
Dollar Bond Fund	374%	97%
Japan Fund	376%	213%
Japan Smaller Companies Fund	183%	98%
Asia Fund	13%	0%
Latin America Fund	85%	95%
Emerging Market Bond Fund	107%	173%
Global Select Fund	180%	155%
Global Bond Fund	719%	555%
UK Institutional Fund	53%	0%
UK Overseas Earnings Fund	142%	123%

The Portfolio Turnover Rate is the measure of how frequently assets within a fund are bought and sold. It is calculated as follows:

(Purchase of securities + Sales of securities) - (Issue of shares + Cancellation of shares)

(Average Fund Value over the accounting period) X 100

\* Annualised ratio

# **Total Purchases and Sales**

for the accounting period 8th March 2009 to 7th September 2009

	September 2009 £000	March 2009 £000
UK Fund		
Total purchases for the period	341,755	521,462
Total sales for the period	337,991	564,431
UK Select Fund		
Total purchases for the period	208,805	598,805
Total sales for the period	278,201	542,498
UK Smaller Companies Fund		
Total purchases for the period	22,881	27,272
Total sales for the period	23,295	25,292
UK Growth & Income Fund		
Total purchases for the period	94,306	182,940
Total sales for the period	85,144	191,810
UK Equity Income Fund		
Total purchases for the period	326,696	484,585
Total sales for the period	253,262	333,446
UK Monthly Income Fund		
Total purchases for the period	188,172	343,542
Total sales for the period	179,372	365,603
Monthly Extra Income Fund		,
Total purchases for the period	33,927	74,687
Total sales for the period	30,545	74,309
UK Corporate Bond Fund		,
Total purchases for the period	202,827	433,523
Total sales for the period	159,963	367,977
High Yield Bond Fund		
Total purchases for the period	198,299	255,804
Total sales for the period	133,752	230,429
Strategic Bond Fund	100,702	200,420
Total purchases for the period	107,095	233,472
Total sales for the period	102,884	275,121
Sterling Bond Fund	102,004	273,121
Total purchases for the period	681,791	1,580,983
Total sales for the period	796,119	1,648,985
UK Money Securities Fund	730,113	1,040,000
Total purchases for the period	426,400	1,031,830
Total sales for the period	440,427	1,244,625
UK Cash Fund	440,427	1,244,025
Total purchases for the period	-	-
Total sales for the period		
European Fund	200, 120	000 000
Total purchases for the period	280,120	832,339
Total sales for the period	264,189	928,831
European Select Fund	FF7F04	1 004 400
Total purchases for the period	557,591	1,634,193
Total sales for the period	554,631	1,803,351

# **Total Purchases and Sales**

(continued)

	September 2009	March 2009
	£000	£000
European Smaller Companies Fund		
Total purchases for the period	391,949	736,087
Total sales for the period	324,571	783,415
Pan European Smaller Companies Fund		
Total purchases for the period	86,909	69,905
Total sales for the period	35,282	76,272
Pan European Fund		
Total purchases for the period	67,708	102,952
Total sales for the period	54,102	99,246
European Bond Fund		
Total purchases for the period	409,746	653,145
Total sales for the period	416,848	640,400
European Corporate Bond Fund		
Total purchases for the period	20,083	24,315
Total sales for the period	15,188	20,805
European High Yield Bond Fund		
Total purchases for the period	178,834	208,730
Total sales for the period	146,058	104,669
American Fund		
Total purchases for the period	565,410	1,087,650
Total sales for the period	474,945	1,147,704
American Select Fund		
Total purchases for the period	1,023,899	2,004,196
Total sales for the period	817,856	2,084,082
American Smaller Companies Fund (US)		
Total purchases for the period	67,024	41,883
Total sales for the period	60,184	45,174
Dollar Bond Fund		
Total purchases for the period	48,813	32,806
Total sales for the period	48,725	47,587
Japan Fund		
Total purchases for the period	156,044	190,114
Total sales for the period	152,243	206,716
Japan Smaller Companies Fund		
Total purchases for the period	59,604	51,663
Total sales for the period	37,353	47,799
Asia Fund		
Total purchases for the period	404,205	246,657
Total sales for the period	107,056	136,674
Latin America Fund		
Total purchases for the period	216,813	489,986
Total sales for the period	183,281	641,368
Emerging Market Bond Fund	· · ·	
Total purchases for the period	373,224	233,568
Total sales for the period	162,826	129,958
	,0	0,000

# **Total Purchases and Sales**

(continued)

	September	March 2009
	2009	
	£000	£000
Global Select Fund		
Total purchases for the period	262,470	462,182
Total sales for the period	216,507	500,009
Global Bond Fund		
Total purchases for the period	581,226	864,561
Total sales for the period	617,919	812,388
UK Institutional Fund		
Total purchases for the period	394,595	745,324
Total sales for the period	317,834	1,421,540
UK Overseas Earnings Fund		
Total purchases for the period	35,294	76,669
Total sales for the period	39,343	83,438

### **Further Information**

Threadneedle Investment Funds ICVC is an open-ended investment company with variable capital under regulation 12 (Authorisation) of the Open Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the company.

Threadneedle Investment Funds ICVC is structured as an umbrella company in that different Funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

#### Prospectus

A Prospectus, which describes each fund in detail, is available from Threadneedle Investment Services Limited, Client Services, P.O. Box 1331, Swindon, SN38 7TA and at the Paying Agents and Distributors in the countries where the funds are distributed.

As a fund is not a legal entity, if the assets attributable to any fund were insufficient to meet the liabilities attributable to it, the shortfall would have to be met out of the assets attributable to one or more other funds of Threadneedle Investment Funds ICVC.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FSA rules).

Other funds may be launched in the future.

#### **Changes to the Prospectus**

Over the period 8th March 2009 to 7th September 2009 the only significant changes to the Prospectus of Threadneedle Investment Funds ICVC are as follows:

- Appendix IV and V updated to show the latest figures
- Publication of prices: update of Section "electronic price publication"
- New share classes: Emerging Market Bond Fund launched a Gross Accumulation Class X share class on 3rd April 2009, Global Bond Fund and UK Equity Income Fund launched a Net Accumulation Class 1 share class on 8th May 2009.

#### Management of Company changes:-

Resignation of Tom Challenor as Director of Threadneedle Investment Services Limited (30th June 2009) and the appointment of Nick Ring (2nd July 2009).

No changes have been made to the Instruments of Incorporation over this period.

#### Types of share available

Threadneedle Investment Funds is structured as an umbrella company and currently consists of 34 different sub-funds. Several classes of share may be issued in respect of each Fund, distinguished by their criteria for subscription and fee structure. Details of the investment criteria for Class 1 Shares and Class 2 Shares and Class X Shares are set out in the Prospectus. Typically, Class 1 Shares are available to retail investors seeking income or growth (or a combination of these) over the medium to long-term and Class 2 Shares are available to non-retail investors. Class X Shares are available to eligible investors only and will accommodate an alternative charging structure. The level of net income attributable to each share class will differ.

#### Launch of new Hedged Share Classes ("HSCs")

Threadneedle has launched a range of HSCs in 2009. HSCs will use currency hedging transactions to try and reduce the exposure to the Reference Currency and replace it with an exposure to the Hedged Currency. The terms Reference and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means the currency or currencies against which the currency hedging transaction is applied; and
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but are not hedged. For full details of the HSCs available, including details of the Reference Currency of each Fund where HSCs are available, please refer to the latest version of the Prospectus.

#### **SDRT Provision**

SDRT is chargeable on the surrender, and certain transfers of shares in the Funds. The current rate of SDRT is 0.5%.

The liability for SDRT is calculated weekly by reference to share sales and repurchases in that and the following week but is reduced proportionately to the extent that the investments held by the Fund are exempt investments, which essentially are any assets other than United kingdom equities and other collective investment schemes that are not exempt from SDRT. Any fund which only invests in exempt investments, i.e. holds no United Kingdom equities, will therefore be wholly exempt from SDRT.

How it affects shareholders and potential shareholders:

The Authorised Corporate Director meets the SDRT liability from the property of the Company.

It is not the ACD's intention to require the payment of a further provision for SDRT, however, it reserves the right to do so in respect of large deals (as set out in the Prospectus).

#### **Income Equalisation**

When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the Share's price is a return of capital and is not taxable in the hands of Shareholders. This amount should be deducted from the cost of income Shares in computing capital gains realised on their disposal.

#### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the funds are managed. We continue to show stock market indices for information purposes and for those funds where the Investment Management Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

#### **Report and accounts**

Investors will receive a report on Threadneedle Investment Funds ICVC twice a year. This will be a short form version and a report containing the full accounts will be available from Threadneedle Investment Services Limited, Client Services, P.O. Box 1331, Swindon SN38 7TA and at the Paying Agents and Distributors in the countries where the funds are registered. The report will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual accounting period for the funds ends each year in March and the interim reporting period ends in September.

### Directory

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#### Registered Office Threadneedle Investment Funds ICVC 60 St Mary Axe, London EC3A 8JQ

Authorised Corporate Director (ACD) Threadneedle Investment Services Limited 60 St Mary Axe, London EC3A 8JQ

Registrar Threadneedle Investment Services Limited 60 St Mary Axe, London EC3A 8JQ

Investment Adviser Threadneedle Asset Management Limited 60 St Mary Axe, London EC3A 8JQ

#### Depositary

J.P. Morgan Trustee and Depositary Company Limited (Regulated by the FSA) Chaseside, Bournemouth, Dorset BH7 7DA

Legal Advisers Eversheds LLP Senator House, 85 Queen Victoria Street, London EC4V 4JL

Baum Financial Services Law Team Alte Rabenstrasse 2, 20148 Hamburg, Germany

#### **Independent Auditors**

PricewaterhouseCoopers LLP Hay's Galleria, 1 Hay's Lane, London SE1 2RD

**Client Services** 

UK Investors Tel: 0800 068 3000\*

Website: threadneedle.co.uk (for UK investors only)

Non-UK Investors Tel: 0044 1793 363 900\*

Website: threadneedle.com

#### Paying and Information Agent in Austria

Raiffeisen Zentralbank Österreich AG Am Stadtpark 9 1030 Wien Austria

#### Paying and Information Agent in Belgium

J.P. Morgan Chase 1, Boulevard du Roi Albert II 1210 Brussel Belgium

#### Paying and Information Agent in France

BNP Paribas Securities Services 66 rue de la Victoire 75009 Paris France

#### **Paying and Information Agent in Germany**

J.P. Morgan AG Junghofstr. 14 60311 Frankfurt am Main Germany

Please note that no registration application has been filed for UK Cash Fund with the Bundesanstalt für Finanzdienstleistungsaufsicht and shares in UK Cash Fund must not be publicly marketed in Germany.

#### **Paying and Information Agent in Hong Kong**

HSBC Securities Services Asia-Pacific 39/F Dorset House Taikoo Place 979 King's Road Hong Kong

#### Paying and Information Agent in Italy

Intesa Sanpaolo S.p.A. Piazza San Carlo, n.156 Turin Italy

#### Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A. 49 avenue J.F. Kennedy L-1855 Luxembourg

#### Paying and Information Agent in the Netherlands

Fortis Intertrust Rokin 55 1012 KK Amsterdam The Netherlands

#### **Representative in Switzerland**

Fortis Foreign Fund Services S.A. Rennweg 57 8021 Zurich Switzerland

#### **Paying Agent in Switzerland**

Fortis Banque (Suisse) S.A. Rennweg 57 8021 Zurich Switzerland

#### **Listing Agent**

J.P. Morgan Bank Luxembourg S.A. 5, rue Plaetis L-2338 Luxembourg

### **Important Information**

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Simplified Prospectus and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future performance. The value of investments and any income from them may go down as well as up, and an investor may not get back the amount invested. Changes in exchange rates may also affect the value of investments. The dealing price may include a dilution adjustment where the fund experiences large inflows and outflows of investment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Emerging Markets are generally less well regulated than their established counterparts. Funds investing in these markets can be susceptible to significant fluctuations in price. They may also carry additional risk in other areas including dealing, liquidity and taxation. As such, they are aimed at the more experienced investor. This applies to the Emerging Market Bond Fund, Latin America Fund, Asia Fund and Global Select Fund.

The Select Funds have a concentrated portfolio (hold a limited number of investments) and if one or more of those investments declines or is otherwise adversely affected, it may have a pronounced effect on the Fund's value. As such, they are aimed at the more experienced investor.

The Smaller Companies Funds invest in smaller companies. Smaller companies can be more volatile and less liquid than their larger counterparts. As such, they are aimed at the more experienced investor.

The interest rate on most government and corporate bonds will not increase in line with inflation. Thus, over time, the real value of investor's income could fall. This applies to the European Bond, European Corporate Bond, European High Yield Bond, High Yield Bond, Emerging Market Bond, Dollar Bond, Global Bond, Strategic Bond, Sterling Bond and UK Corporate Bond Funds as well as the bond element of the Monthly Extra Income Fund.

High Yield Bonds carry a higher level of default risk and can be less liquid than government bonds and investment grade corporate bonds. This applies to the European High Yield Bond, High Yield Bond, Emerging Market Bond and Strategic Bond Funds. Some Funds may deduct the annual management charge from capital rather than from income. This may erode capital or reduce the potential for capital growth over time. This applies to the European Bond, High Yield Bond, Emerging Market Bond, Dollar Bond, Global Bond, Strategic Bond, Sterling Bond, Monthly Extra Income, UK Equity Income, UK Growth & Income and UK Monthly Income Funds.

The UK Cash Fund may deduct the annual management charge from capital rather than from income. This may erode capital or reduce the potential for capital growth over time. In extreme market conditions it may be difficult for a Fund to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising his investment or may incur a dilution adjustment. Investors should note that the Funds do not offer any form of guarantee with respect to investment performance and no form of capital protection will apply.

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