

# Monthly Investment Update



## What's Been Happening?

The Portfolios have performed well through April will all sectors provide very encouraging returns. <sup>(1)</sup>

We shall maintain our cautious approach as we move forward into the next quarter, however, we do feel that *we may possibly* be turning a corner and are encouraged by the progress made this quarter.

For further details of the portfolio performance, please refer to the Portfolio Information Documents attached.

After our analysis of the general Market Consensus, it would appear that some measure of confidence is returning to the markets and in particular to fixed interest sectors. <sup>(2)</sup>

Confidence within the property sectors remains low and the Japanese and European equity consensus has deteriorated since the last review.

The table below illustrates the general market consensus and highlights which sectors investment houses favour moving forward: <sup>(2)</sup>

<p><b>POSITIVE</b> UK Corporate Bond US Equity Asia Pacific Equity UK Equity Emerging Market Equity International Fixed Interest</p>
<p><b>NEUTRAL</b> UK Gilts BRIC (Brazil, Russia, India, China) Equities UK Smaller Companies US Smaller Companies</p>
<p><b>NEGATIVE</b> European Equities Japanese Equities Global Properties UK Commercial Properties</p>

## New Star

There have been developments with the Henderson Acquisition of New Star as this was finally completed on the 9<sup>th</sup> of April 2009, following shareholder and regulatory approval. <sup>(3)</sup>

Henderson have assured us that this will bring financial stability to New Star and that investors need no longer worry about any further corporate uncertainty. <sup>(3)</sup>

There has been no news regarding the suspension of the New Star International Property fund, which looks set to remain in place for the foreseeable future. Henderson has however stated 'Roger Dossett, previously Chief Executive of Property Fund Management at New Star, has joined Henderson along with members of his team, including Marcus Langlands Pears. They will work with Henderson's property team to establish a stable, integrated management model and drive performance and liquidity in the New Star International Property Fund.' <sup>(3)</sup>

*In Summary*, we feel that liquidity within the fund may prove to be an issue for some time, however, we are confident that Henderson are determined to bring the fund to a position where the suspension in dealing can be lifted.

This is the position as we understand it as at the 17<sup>th</sup> of April 2009 and as any further developments are announced, we shall inform you.

## Moving Forward

Our outlook remains the same as per the last review in February, therefore, as we move into the next quarter, we will not be making any recommendations to amend the portfolio.

### ***Research/Information Source***

- 1) U-Skan Reports
- (2) Skandia Informer Market Consensus Table
- (3) Henderson Integration with New Star Booklet

***The Value of your investment will go down as well as up and you may not get back the full amount invested  
Equity investments do not include the same security of capital which is afforded with a deposit account***

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