

# Monthly Investment Update



## What's Been Happening?

We are very happy with the February performance of the portfolio. The move to a neutral position has capitalised on global market growth and the Strategic Fixed Interest funds have also made a positive impact.

The Euro has risen against the dollar due to the expected measures the Greek government are expected to announce to reduce the €300bn debt.

Greece is attempting to convince European leaders that it is doing enough to reduce the deficit from 12.7% to 8.7% during the course of 2010.

Some of the measures, which have been suggested such as raising VAT to 21% and cutting civil servant bonus payments during holidays have already provoked huge street protests in Greece.

The European funds that we have selected for the portfolio have positioned themselves to avoid any potential fall-out from the problems Greece is facing and remain the Managers remain positive towards the Eurozone as a whole.

The European funds have also produced encouraging returns for February, however, we will continue to liaise with the fund managers and Investment Houses regarding warnings of any potential negative impact.

## General Market Consensus

European equities have moved down the General Market Consensus, however it still remains neutral.

Japanese equities have moved up the Consensus to a Positive position.

There are no other significant movement to report at this time.

The table below illustrates the current market consensus:

### POSITIVE

Asia Pacific Equity  
Global Emerging Markets  
UK Equity  
UK Corporate Bond  
BRIC (Brazil, Russia, India, China) Equities  
US Equity  
Japan Equity

### NEUTRAL

UK Smaller Companies  
International Fixed Interest  
UK Commercial Properties  
European Equity  
Global Properties  
US Smaller Companies

### NEGATIVE

UK Gilt

## Moving Forward:

The situation with Greece will be monitored closely to avoid any short to medium term negative affect on European Markets and investments.

We have had further discussions with Ignis regarding the UK Property fund and have been informed that they are looking to purchase new commercial properties in the near future.

Ignis are very positive about the potential for medium to long term returns for the fund, however they have warned there may be some short term volatility while the property purchase completion takes place as the liquidity of the fund will reduce sharply.

We are happy to accept any short term volatility and believe the medium term to long term returns will justify the inclusion of this fund in the portfolio.