

## Factsheet May 2010

### Asset Allocation

The Fund's asset allocation will broadly follow the illustrated pie chart, with a margin of around plus or minus 10% to each sector.



### Top Five Holdings

Investec Enhanced Natural Resources

First State Asia Pacific Leaders

Neptune Global Equity

Ignis Hexam Global Emerging Markets

Jupiter Absolute Return Fund

Initial Charge: Nil  
(5% less 5% discount for Allenbridge clients)  
Annual Management Charge 1.5%  
Min. Monthly Savings £100  
Min. Lump Sum £1,000  
Sedol: B3B4CW7  
Accumulation: GBP  
NAV: 104.19p  
(Information correct at 31.05.2010)

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### Investment Philosophy

The **Strategic Alpha Fund** reflects the Allenbridge team's best fund ideas for capital growth. The core of the portfolio will be invested in UK equity funds and further complemented with overseas equity managers. In addition, the Fund may also invest a proportion in specialist vehicles to provide an additional source of 'alpha' (the superior return of the Fund relative to its benchmark index), and this may include alternative asset classes. The Fund's benchmark is the **IMA Active Managed Sector**.

### Market Commentary

Equities suffered dramatic losses over May, with Sovereign Debt concerns in the Eurozone rapidly transforming into worries over a wider threat to global liquidity. In response, the European Union and the International Monetary Fund agreed to inject 750 billion Euros of emergency funding. The European Central Bank (ECB) also announced it would purchase government and corporate bonds from its fragile peripheral members. Thus, the ECB has now introduced a form of Quantitative Easing (QE) similar to its Central Bank counterparts in the US and UK.

Market relief in response to the rescue package was short-lived. Germany added to the sense of crisis by introducing a ban on certain types of short-selling, which took equity markets and Germany's European neighbours by surprise. Such was the magnitude of the increase in risk that the VIX volatility index, a gauge of investor sentiment, shot up above 48, having recently settled around a three year low of 15.

Whilst many analysts attribute the weakness in equity markets over May to the Eurozone's budget deficits fears and continued efforts in China to tighten monetary conditions, another variable could be that in the weeks prior to May, the US Federal Reserve stopped buying up mortgage-backed securities as part of their QE package, thus limiting money flow into equities with the proceeds.

Over the month, your Fund declined broadly in line with the benchmark by **5.73%** against **5.04%**. Looking at the profile of our underlying managers, we conclude that, whilst our alternative investment section of the portfolio helped to dampen losses, this was offset by our deliberate overweighting to Asia ex-Japan and Emerging Markets in the equity section of the portfolio. Had we allocated a larger proportion to US and Japanese equities, as does the benchmark, our downside would have been reduced, since these sectors, whilst they did sell off, were less volatile than the developing Asian and Emerging Markets. The differential of return against benchmark is not material and we remain convinced that our overall asset allocation remains appropriate from a longer-term strategic perspective.

Going into June, whilst the Eurozone will remain under pressure, there are early indications of encouraging economic data coming out of the US. In addition, the Organisation for Economic Co-operation and Development (OECD) has raised its forecast global growth rate for 2010 and 2011, all of which should lend some support to markets.

### Allenbridge Strategic Alpha Performance

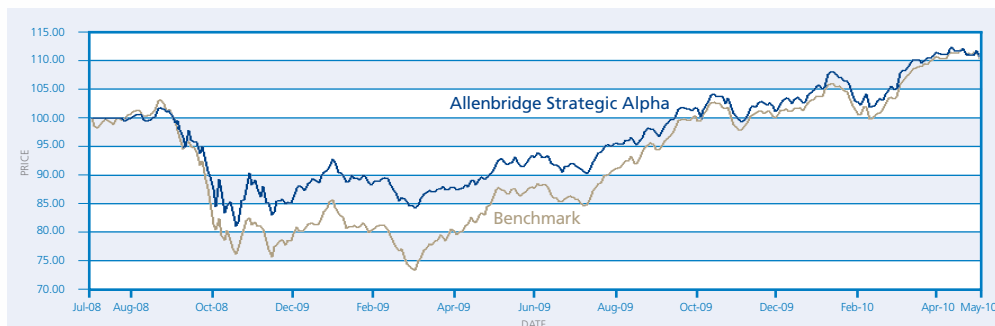


Chart calculated on a bid to bid basis (net income reinvested).

Past performance is not necessarily a guide to future performance. Strategic Alpha inception date: 14.07.08

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The Authorised Corporate Director (ACD) of the EFA Allenbridge Strategic Alpha Fund is Elite Fund Administration. Elite Fund Administration (EFA) is a trading name of WAY Fund Managers Limited. WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB Registered No. 4011838 England and Wales. Authorised and regulated by the Financial Services Authority. A member of the IMA (Investment Management Association). The investment adviser to the Fund is Capital Advisory Partners Limited, which is authorised and regulated by the Financial Services Authority.