



GBP £

Global Balanced £ Fund

31 December 2009

The Aim: To provide medium risk/return income strategy through investments in fixed rate bonds and low volatility alternative strategy funds.

The Methodology: Fixed rate bonds provide the income element of the Fund, with assets selected from a range of European corporate and emerging market sovereign linked credits. The focus on the fixed income market presents significant opportunities to identify mis-priced securities that offer both stable income generation and capital appreciation. This strategy is augmented by a selection of low volatility, risk averse alternative strategy funds, that provide additional capital stability without detracting from overall returns. These asset classes include hedge funds and fixed income. Currency exposure is largely hedged.

The Benchmark: 1 Month GBP LIBOR plus 2%

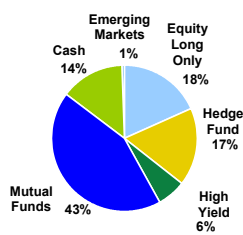
Fund Details

Start Date	31st October 2001	Liquidity	Monthly
Domicile	Cayman Islands	Investment Manager	London & Capital Asset Management Ltd
Custodian	BNPP Trust Company (I.O.M.) Limited	Bloomberg	-
Administrator	Citibank Europe PLC	Reuters	-
Listing	Irish Stock Exchange - Dublin	ISIN Number	-
Auditors	Moore Stephens	Valoren Number	-
Master Fund Assets		£45.4 million	

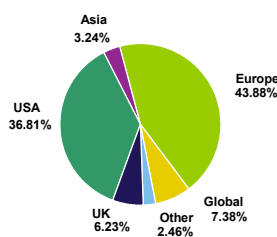
Actual Performance - Global Balanced £ Fund

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	CUM
2002	(0.64)	(4.04)	0.98	0.19	0.48	(0.58)	(0.55)	2.12	(0.21)	0.97	1.25	1.49	1.31	(2.13)
2003	0.77	1.61	0.69	1.80	1.14	1.27	(0.09)	0.41	0.96	0.04	0.62	1.19	10.89	8.53
2004	0.55	0.05	0.68	0.33	(0.94)	0.75	0.67	1.14	0.98	0.46	1.17	1.14	7.18	16.32
2005	0.71	1.00	(0.03)	0.14	0.80	1.13	1.01	1.05	1.29	0.00	0.95	1.58	10.05	28.01
2006	1.31	0.85	1.27	0.77	(0.06)	0.14	0.82	0.73	0.65	0.71	1.07	0.68	9.31	39.93
2007	0.44	0.58	0.62	0.66	0.82	(0.01)	(0.21)	(2.94)	0.31	1.76†	(0.35)	0.68	2.31	43.16
2008	(0.82)	1.36	(1.51)	0.23	1.24	(0.14)	(1.12)	(0.45)	(4.83)	(4.83)	(2.77)	(2.59)	(15.28)	21.28
2009	0.18	(0.70)	(0.39)	0.52	1.37	(0.22)	4.75	2.33	3.28	(0.03)	0.84	0.42*	12.91	36.93

Sector Breakdown



Geographical Breakdown



Top Ten Holdings

Global Inc Balanced Fund	25.2%
Global Inc Growth Fund	17.9%
Total Cash	14.1%
Pimco Global High Yield Bond	2.7%
Fidelity US High Yield	2.2%
SPDR Trust Series 1	2.2%
I Shares MSCI Emerging Market	1.8%
Carbon Assets	1.6%
Brevan Howard Emerging Markets Class B	1.6%
Threadneedle UK Equity Income Fund	1.5%

Performance Record

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund Cumulative Growth *	0.42%	1.23%	12.07%	12.91%	(2.14%)	17.72%
Index Benchmark Growth	0.21%	0.63%	1.27%	2.82%	19.44%	36.61%
Fund Annualised Growth *				12.91%	(0.72%)	3.32%
Index Benchmark Growth				2.82%	6.10%	6.44%

Fund Manager's Commentary

Confidence and optimism continued to build during December helping assets such as equities and credit bonds rally, while significantly undermining government bonds. A surprisingly robust US employment report, acted as a catalyst implying a broader recovery was beginning to take hold. The Fed reaffirmed its intention to maintain low interest rates due to continuing concerns over credit provision to individuals and small-medium sized businesses. In contrast, the ECB began to outline a possible exit strategy by allowing the expiry of supportive liquidity measures. Dark clouds began to gather around the smaller European economies following the Greek rating downgrade. Looking ahead, low interest rates will remain for some quarters, with fiscal policy also likely to remain.

The Fund return was positive for the month. The Balanced Bond Fund and Fallen Angel Bond Fund were the main contributors, benefitting from a strong rally in credit markets. The Equity Recovery Fund benefitted from its full exposure to global equity markets. Management of beta adjusted net exposures added significant alpha in the equity strategies. The Low Volatility Fund of Hedge Funds and Global Fund of Hedge Funds were also positive. Both funds benefited from exposure to long/short equity funds and the active management of the derivative overlay. The Commodity Fund was a drag on performance, undermined by a fall in precious metals.

Individual Class Historical Performance

	£ Fund	\$ Fund	€ Fund	£ (i) Fund	\$ (i) Fund
Jan 2009	0.18%	0.05%	0.11%	0.03%	(0.09%)
Feb 2009	(0.70%)	(0.68%)	(0.65%)	(0.81%)	(0.79%)
Mar 2009	(0.39%)	(0.40%)	(0.33%)	(0.51%)	(0.53%)
Apr 2009	0.52%	0.55%	0.54%	0.40%	0.43%
May 2009	1.37%	1.57%	0.92%	1.24%	1.37%
Jun 2009	(0.22%)	(0.16%)	(0.43%)	(0.34%)	(0.34%)
Jul 2009	4.75%	4.81%	4.54%	4.65%	4.71%
Aug 2009	2.33%	2.31%	2.04%	2.23%	2.17%
Sep 2009	3.28%	3.21%	2.95%	2.79%	2.72%
Oct 2009	(0.03%)	(0.04%)	(0.05%)	(0.14%)	(0.16%)
Nov 2009	0.84%	0.82%	0.83%	0.71%	0.69%
Dec 2009 *	0.42%	0.42%	0.43%	0.27%	0.27%
Fund Annualised Growth *	12.91%	13.03%	11.33%	10.88%	10.82%

Individual Class Monthly Net Asset Value

	£ Fund	\$ Fund	€ Fund	£ (i) Fund	\$ (i) Fund
November 09 NAV	32.12	32.06	105.69	25.01	24.65
December 09 NAV *	32.26	32.19	106.14	25.08	24.71
% Performance *	0.42%	0.42%	0.43%	0.27%	0.27%

Fund Charges

	Initial Charge	Annual Management Charges	Performance Fees (in excess of benchmark)
Insurance Classes	Up To 6%	-	-
Institutional Classes (i)	Up To 6%	1.5%	20%

Application Information

Investments can be made directly into this product, or through an existing custodial account. London & Capital are also able to assist with the establishment of an account in order to hold the investment. In accordance with our statutory requirements, Know Your Customer information will be sought for any investment.

Private Clients	Trustees / Private Companies	Financial Institutions
<ul style="list-style-type: none"> - A signed application form - Source of fund & wealth - ID & address verification 	<ul style="list-style-type: none"> - A signed application form - Source of funds & wealth - ID verification on investing structure, contributor(s) & controllers - Details on beneficial ownership of investor 	<ul style="list-style-type: none"> - A signed application form - Source of fund & wealth - Information on licence / regulator

Note that these are basic, generic requirements, and may be subject to change based on the investment, and the requirements to which London & Capital must adhere. London & Capital reserve the right to amend these requirements at any time.

Contact Details

Website : www.londonandcapital.com

	London	New York
Address	: London & Capital AM Ltd 4 Triton Square London NW1 3HG	: London & Capital IA Inc 12 East 49th Street New York NY 10017
Tel	: +44 (0)20 7396 3200	: +1 212 663 1595
Fax	: +44 (0)20 7396 3201	: +1 212 688 2831

Important Notes

Issued by London & Capital Asset Management Ltd (LCAM) of 4 Triton Sq, London NW1 3HG, (the Investment Manager) which is authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS. The source of data is LCAM unless otherwise stated (basis NAV to NAV). The Fund is a Segregated Portfolio Company formed under The Companies Law (2007 Revision) of the Cayman Islands and is structured in a similar way to an open ended unit trust or mutual fund. The Company also falls within the definition of a "mutual fund" for the purposes of the Mutual Funds Law (2007 Revision) of the Cayman Islands and, accordingly is regulated by such law. The Fund may not be sold direct or indirectly in the US or to a US person. Shares in the Fund are not available for sale in any jurisdiction in which the sale would be prohibited. Subscriptions will only be received and shares issued on the basis of the current offering document for the Fund. It is intended solely for the use of the person to whom it is sent. It is not an invitation to subscribe and is by way of information only. Please note that the price of shares and the income from the Fund may go down as well as up and may be affected by changes in rate of exchange. Past performance is not indicative of future returns. An investor may not get back the amount invested. It is only suitable for investors who can afford the risks involved. Copies of the Offering document can be obtained from Citi Hedge Fund Services (Ireland) Ltd (Fund Administrator), 1 George's Quay Plaza, George's Quay, Dublin 2, Ireland, where the constitutional documents may be inspected, or from LCAM. Although Dublin listed, the Fund is not subject to approval or regulation by the Irish Authorities. Investors into the Fund do not qualify for any compensation under any compensation scheme. The Fund is not regulated under the Financial Services and Markets Act 2000 and consequently no protection is provided by the UK regulatory system. *Figures are estimates only. ** "Investment Management Firm of the Year for High Net Worth Investors - 2007". ^ 2006 Portfolio International Awards: Best Wealth Management Product, for the Conservative, Balanced & Growth strategy. † The UK Real Estate Fund suspended the calculation of its NAV in October. Therefore to enable continued dealing into the Balanced Fund the UK Real Estate exposure has been segregated from its other assets. The UK Real Estate exposure equated to 25% of the Fund and this was segregated at 29th September 2007.