



USD \$

Global Balanced \$ Fund

31 December 2009

The Aim: To provide a 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 US Dollar LIBOR plus 2%

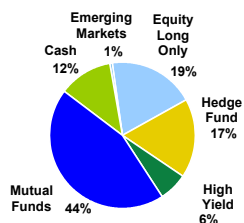
Fund Details

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		\$73.4 million	

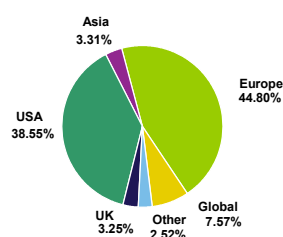
Actual Performance - Global Balanced \$ Fund

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	CUM
2002	(0.86)	(3.75)	0.05	1.19	(0.45)	(2.49)	0.16	2.83	0.02	1.12	1.89	1.43	0.96	(0.70)
2003	0.78	1.36	1.09	1.67	2.23	0.52	(0.99)	0.60	1.67	0.66	0.73	1.37	12.29	11.50
2004	0.71	0.47	0.40	(0.51)	(0.76)	0.47	0.43	0.85	0.83	0.37	1.31	0.91	5.60	17.74
2005	0.46	0.99	(0.29)	(0.04)	0.43	0.90	0.76	0.99	1.17	(0.02)	0.90	1.55	8.04	27.21
2006	1.38	0.86	1.26	0.94	(0.01)	0.21	0.88	0.79	0.68	0.79	1.41	0.75	10.40	40.44
2007	0.47	0.59	0.63	0.68	0.80	(0.03)	(0.26)	(2.96)	0.30	1.70†	(0.43)	0.61	2.04	43.30
2008	(0.92)	1.19	(1.70)	(0.06)	1.03	(0.39)	(1.35)	(0.57)	(4.99)	(4.05)	(2.58)	(2.16)	(15.51)	21.07
2009	0.05	(0.68)	(0.40)	0.55	1.57	(0.16)	4.81	2.31	3.21	(0.04)	0.82	0.42*	13.03	36.85

Sector Breakdown



Geographical Breakdown



Top Ten Holdings

Global Inc Balanced Fund	25.7%
Global Inc Growth Fund	18.3%
Total Cash	12.0%
Pimco Global High Yield Bond	2.7%
Fidelity US High Yield	2.3%
SPDR Trust Series 1	2.2%
I Shares MSCI Emerging Market	1.9%
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%	1.21%	12.02%	13.03%	(2.55%)	16.23%
Index Benchmark Growth	0.19%	0.56%	1.13%	2.35%	15.23%	30.54%
Fund Annualised Growth *				13.03%	(0.86%)	3.05%
Index Benchmark Growth				2.35%	4.84%	5.48%

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.

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Important Notes

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