



How the Fund Works

The Equity Managed Funds aim is to achieve above average performance through active asset allocation and stock selection.

Based on the view of the market and economies, a decision is taken firstly of which countries we should invest in (asset allocation). The next decision is which stocks (company shares) to hold within each country portfolio (stock selection). We believe that picking the best undervalued stocks is a key driver in achieving consistent above average performance. Our stock selection process is a highly disciplined systematic approach, combined with in-depth company analysis and visits.

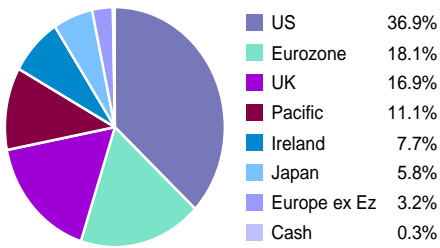
Investment Risk



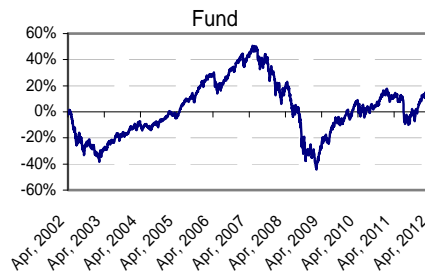
This is a very high risk fund which can have a very high level of volatility. Therefore it may not be suitable for investors who have less than 13 years to retirement. The fund is most suitable for long term investment.

Warning: The value of your investment may go down as well as up.

Country Distribution



Performance



Year	Return	Benchmark
2012 YTD	6.6%	8.7%
1 Year	-2.1%	4.0%
3 Year %p.a.	13.5%	15.4%
5 Year %p.a.	-4.9%	-3.9%

These returns are based on a standard annual management charge of 0.75%. Management charges may vary. **The return of this fund since launch (1st January 1986) is 7.5% p.a.**

Warning: Past Performance is not a reliable guide to future performance.

Warning: This fund may be affected by changes in currency exchange rates.

Market Commentary

The positive sentiment and increased liquidity from central banks that have been driving asset prices since the start of the year waned in April. Many of the asset classes that had been outperforming gave back some gains, particularly European and Japanese equities, Spanish government bonds and commodities. The outlook for the US economy remains a support for equity markets, particularly US equities which are now outperforming global equity markets since the start of the year, despite the more demanding valuations levels than other regions are trading on.

This fund may engage in securities lending to earn returns.

