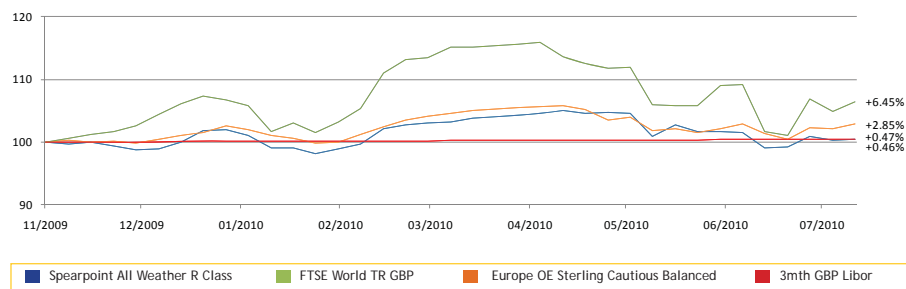


### Fund Objectives

The Fund aims to deliver consistent and attractive returns to investors, considerably in excess of the returns from cash after all fees and expenses. Over rolling three year periods, the Fund also aims to generate returns that are competitive with the returns from other major asset classes such as equities and bonds.

### Performance of the R Class Fund since inception to 27 July 2010



Source: Morningstar

### Performance of the combined Institutional & R Class Funds since inception to 27 July 2010

	Return	Annualised Return	Annualised Volatility	Sharpe Ratio*	Maximum Drawdown**
Spearpoint All Weather GBP	14.34%	7.45%	8.59%	0.47	-5.61%
Europe OE Sterling Cautious Balanced	7.73%	4.07%	8.80%	0.07	-15.32%
FTSE World TR GBP	13.68%	7.11%	22.10%	0.17	-26.32%

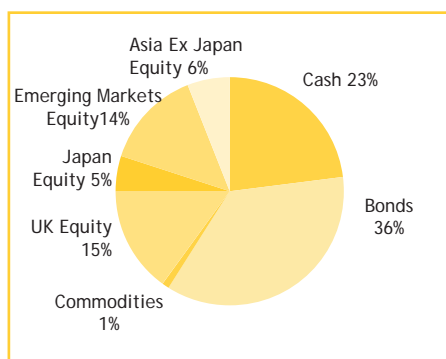
\*Risk free rate 3.45% yield on 10yr UK Gilt \*\*Based on weekly data  
 Data based on combination of Retail class (since 1/12/09) and Institutional class (from launch to 1/12/09)

### Monthly Performance of the combined Institutional and R Class Funds since inception

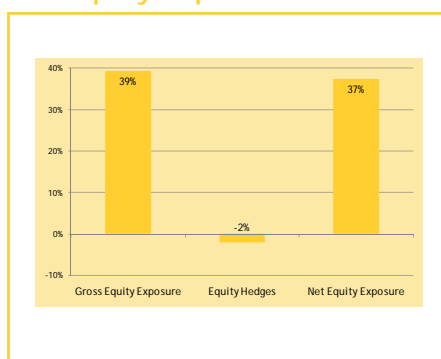
%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	<i>-0.97</i>	<i>0.65</i>	<i>4.07</i>	<i>1.17</i>	<i>-2.14</i>	<i>-3.54</i>	<i>1.40</i>	-	-	-	-	-	<b>0.44</b>
2009	0.20	-0.68	3.24	2.33	2.73	-1.13	3.15	2.16	2.34	-0.13	-0.05	<i>0.31</i>	15.30
2008									-1.20	-2.57	-0.31	2.90	-1.26

Data in italics and bold is the performance of the Retail class, prior monthly returns reflect the proforma of the Institutional share class

### Asset Allocation



### Net Equity Exposure



### Fund Facts

Class: Retail  
 Base Currency: GBP  
 Launch Date: 19th November 2009  
 Launch Price: GBP1.00  
 Minimum Investment: GBP10,000  
 Return Objective: LIBOR cash + 4 to 6% over rolling 3 year cycles  
 Management Fee: 1.5% + Performance Fee  
 Dealing Frequency: Weekly  
 Lead Manager: Kevin Boscher  
 Lipper ID Code: 68052084  
 Sedol: B4TDPK2  
 ISIN: GG00B4TDPK20  
 Bloomberg Ticker Code: SPARALWR GU

### Tactical Holdings

- JO Hambro Japan
- Martin Currie North America
- Schroders UK Alpha Plus
- M&G Optimal Income
- Investec Asia
- Veritas Asia
- GlaxoSmithKline
- Invista European Real Estate
- Vodafone
- Rabobank 4% 2013 (USD)
- UK Gilt 3.75% 2019
- UK Gilt 4.75% 2030
- Barratt Developments
- GAM China
- Ishares MSCI Far East Ex Japan



PRICE: £1.0046 (as at 27 July 2010)

31 July 2010

### Review

Equities rallied impressively in July from very over-sold levels, thanks to strong earnings reports across a broad range of companies and a sense of relief that Europe's banks appear to have emerged intact from the worst of the eurozone debt crisis. Another notable feature of the month has been US Dollar weakness against both the Euro and Sterling. Persistently weak economic numbers have led investors to start pricing in a slowdown in the US and the possibility of further monetary stimulus. This has weakened the Dollar and kept global government bond yields low. The Fund rose 1.40% over the month.

### Outlook

Deciding on an appropriate investment strategy is a particularly difficult task at present, as evidenced by the schizophrenic nature of the markets, one minute gloomy and the next euphoric. The reason it's so difficult is that the global economy and hence markets are at a crossroads/inflexion point. If the global economy can avoid a renewed bout of economic contraction, then equities are good value and should climb the "wall of worry" higher; if not, then earnings will crumble and stocks will fall a lot further. The problem is that we will not know the outcome for sometime given the current slowdown in the US, problems in Europe and Chinese tightening.

It is our view that the underlying problems in Europe have not gone away and are merely being suppressed. We still think it is likely that Greece will ultimately default and restructure its' debt or leave the Euro, although this could be many months away. Also, although the US economy should avoid a "double-dip", it is clearly slowing on concerns that the consumer is still deleveraging, the Government (and individual States) need to fiscally retrench, companies (whilst cash rich) seem reluctant to spend their cash and unemployment remains an issue. We are less concerned about China. The key risks today are disinflation/deflation (at least for the US/Europe), policy error and falling global liquidity, which is not a good thing for risk assets. Hence, we believe that we need to see more monetary stimulus (central banks expanding balance sheets and buying public and private sector debt), which should be targeted at getting borrowing costs lower and encouraging consumers to spend and companies to hire and invest.

However, we acknowledge that the pendulum had swung too far in the short term and sentiment was overly pessimistic, hence the rally in equities during July. In the absence of "new" bad news or another shock, equities are likely in a trading range but could drift higher over the next few weeks, driven by strong corporate earnings. Emerging markets have started to outperform developed markets again, due to their superior fundamentals and technical outlook. Significantly, they have outperformed the S&P 500 during the recent shakeout, which is the first time that they have not exhibited higher beta in a major sell-off.

In the meantime, whilst it will be right at some point to be bearish on Government bonds (probably when private sector demand for credit revives at a time when Government Debt/GDP ratios are still high), ongoing disinflation, concerns about economic growth and plentiful global savings are putting downward pressure on yields. Corporate bonds are also attractive due to the higher yields, the strong financial position of many companies and the fact that we are likely to be in a loose monetary/low yield environment for a prolonged period of time.

Given this scenario and bearing in mind the risks, we remain focussed on preserving capital and protecting the gains that we have made. We are willing to forego some upside potential in the short term if we are wrong. However, our core view is that disaster will be avoided and thus some risk taking is appropriate. We have positioned the Fund for an unusually wide range of possibilities given the abnormally uncertain outlook and are ready and prepared to change our views and strategy as things change around us. This active and flexible approach should help us continue to perform strongly, whilst differentiating ourselves from many of our peers.



### Contact Details

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