



Performance Summary 30 July 2010

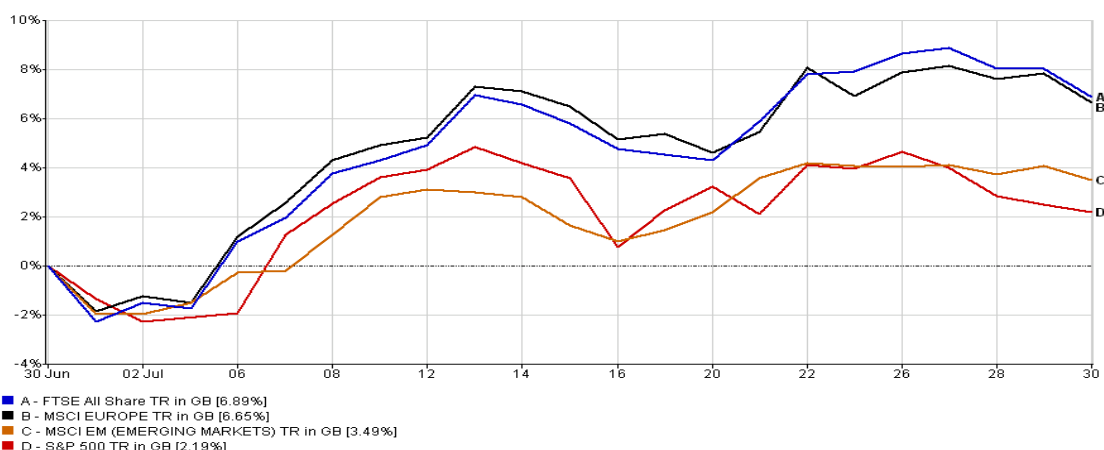
Fundamental Indicators

Index	Value	Last Month's Value
UK 10 Year Gilt Yield	3.33%	3.55%
FTSE Allshare P/E Ratio	12.2x	10.7x
FTSE Allshare Yield	3.0%	3.3%
Spread v Gilt	-0.33%	-0.15%
IBOXX Sterling Corp Bond Yield	5.69%	5.81%
Spread v Gilt	2.23%	2.46%
Breakeven inflation 2016 IL Gilt	2.35%	n/a
Breakeven inflation 2024 IL Gilt	2.82%	n/a
IPD UK All Property Yield	6.6% approx	6.7%
Spread v Gilt	+3.27%	+3.15%

Equity

In the month of July global markets recovered after a difficult May and June, which saw markets suffering a setback. The FTSE climbed back from nearly a 10 month low at the end of June. Stock markets recovered as investors cheered better than expected profits from the banking sector and continued growth in manufacturing in most major economies.

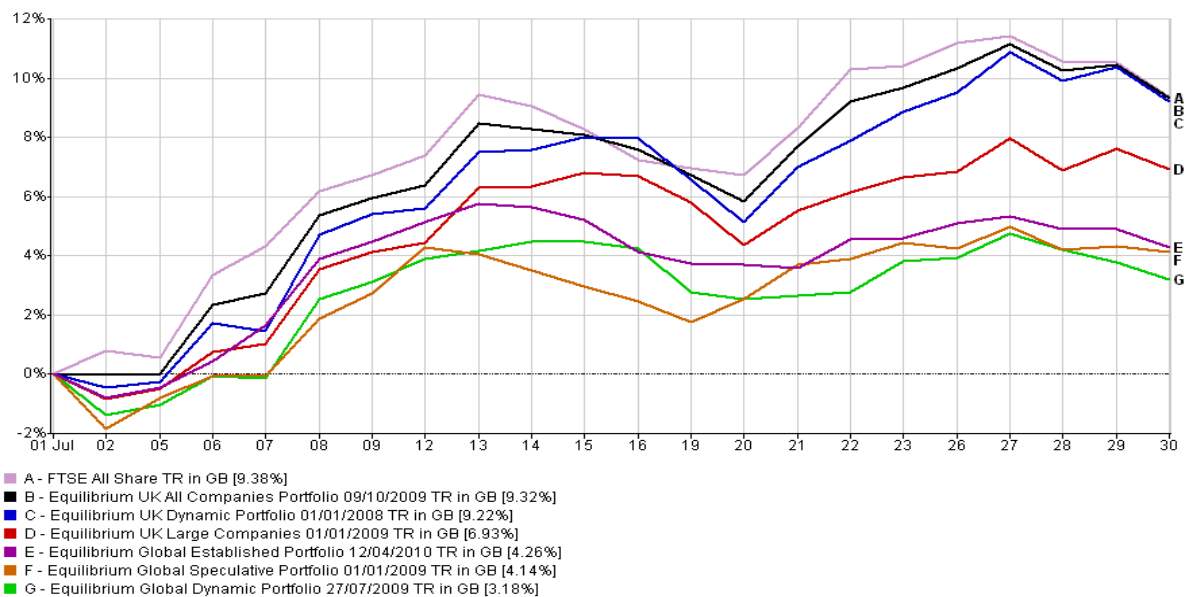
In the US, analysts seem to return to their worries over the health of the US economy, which seemed to be the strongest of regions in the earlier stages of the recovery. Concerns about a US double dip are leading to a re-evaluation for US financial assets relative to the rest of the world. The S&P 500 rallied the least over the month.



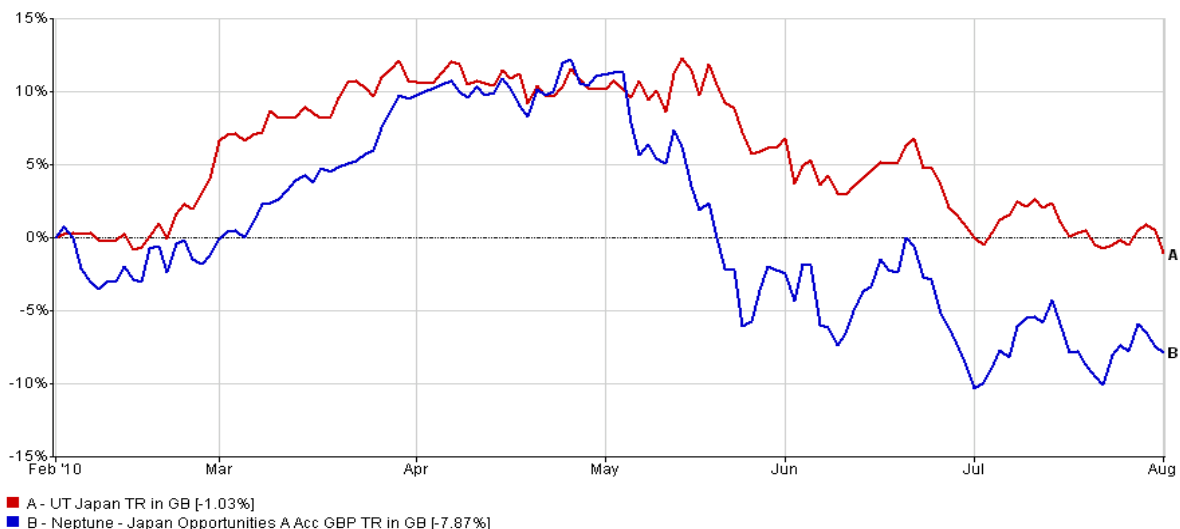
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The FTSE All Share P/E Ratio had climbed up to 12.2x from 10.7x last month shedding some value off UK equities but still below the long term average of between 13-14x. Sterling continued to rally against the US dollar, boosted by optimism that the UK has a credible plan to deal with its debt. The pound reached a six-month high of \$1.5952, a 6.71% shift since June.

All of our equity portfolios made progress over the month. UK Dynamic and UK All Companies lead the charge returning over 9% for the month, but still slightly underperforming the FTSE All Share. Both active UK portfolios have a defensive bias at present. All three Global portfolios returned less, partly due to currency moves.

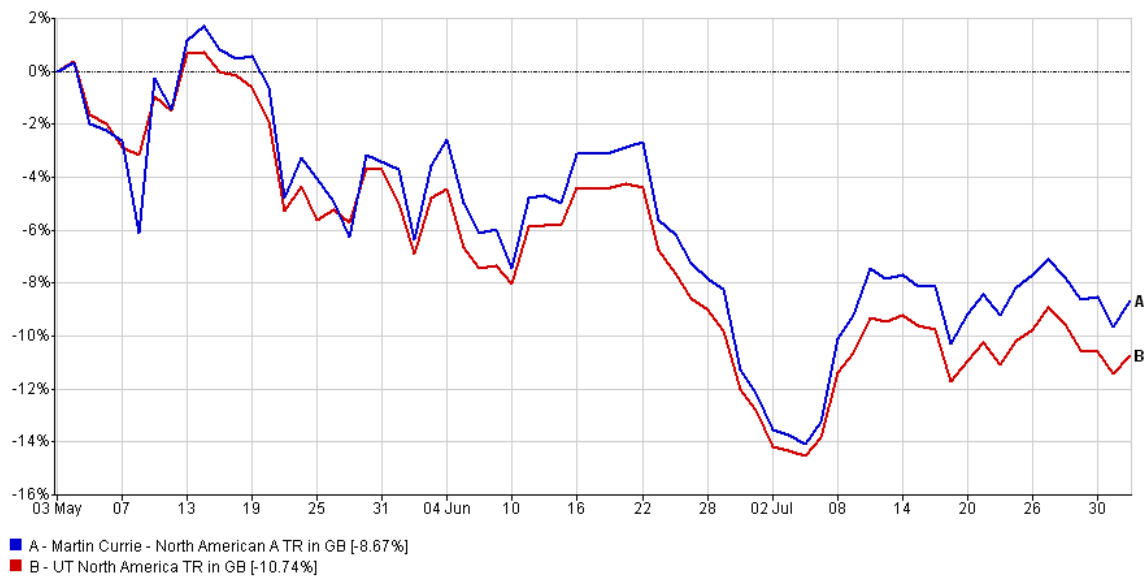


The Neptune Japan Opportunities fund has underperformed against the sector over the past six months due to their hedging back from yen to sterling strategy, although as noted before, sterling has had a strong month. Partly for this reason, the fund has outperformed over 1 month and we are hopeful that the Yen will weaken over time.



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The Martin Currie North American fund has now outperformed the sector over three months. This fund had underperformed throughout most of the recovery.



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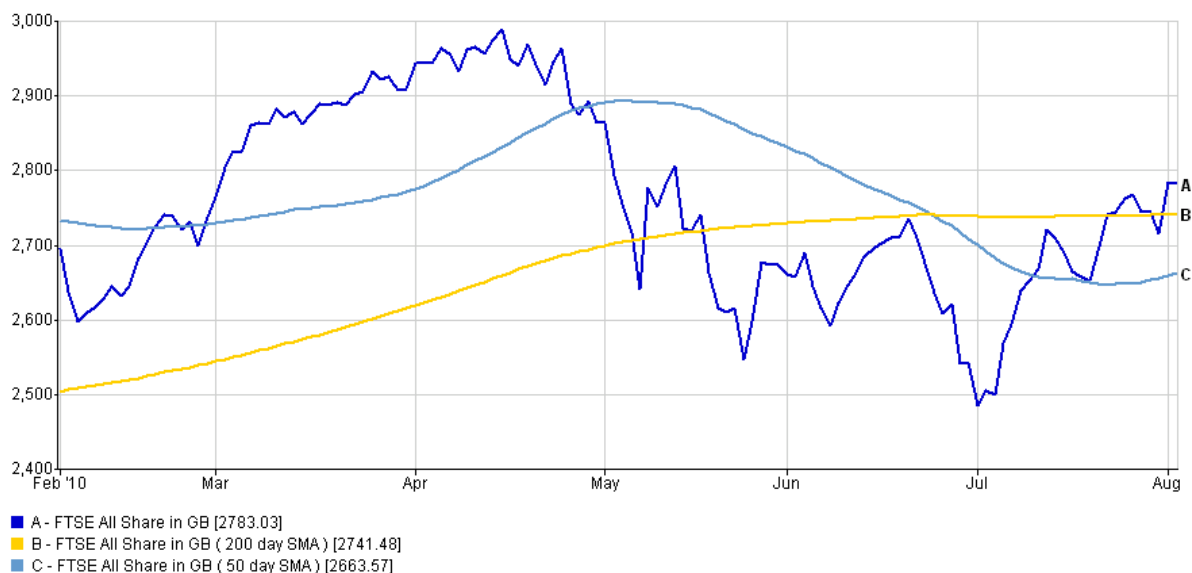
UK technical analysis is showing a positive trend as technical indicator is now turning upwards after being strongly negative from last month's ominous 'death cross' that turned out to be a false alarm.



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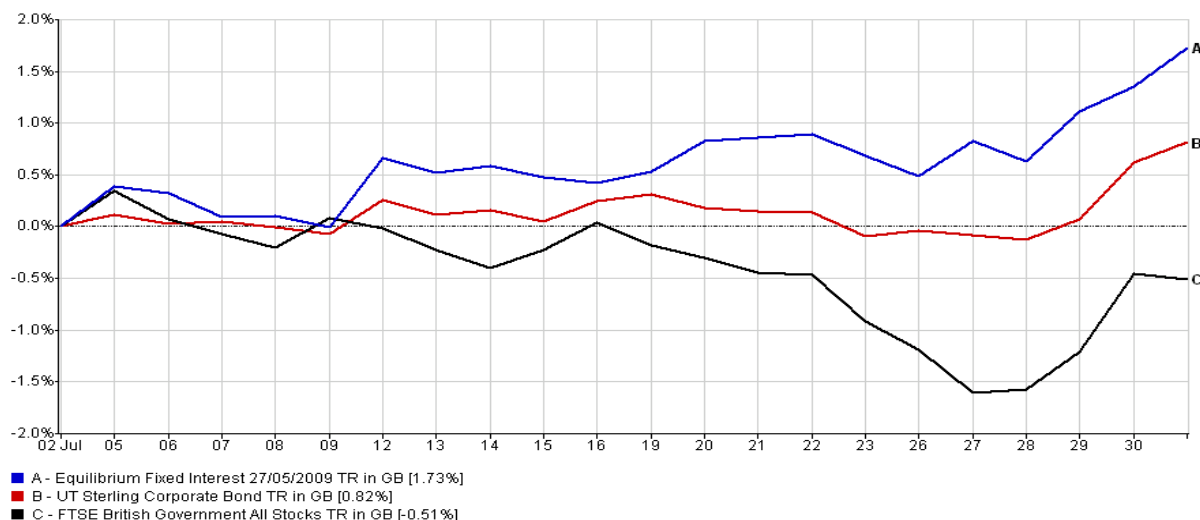
We were right to ignore this so-called “sell” signal from last month as the graph shows the FTSE All Share recovering later in the month.



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Fixed Interest

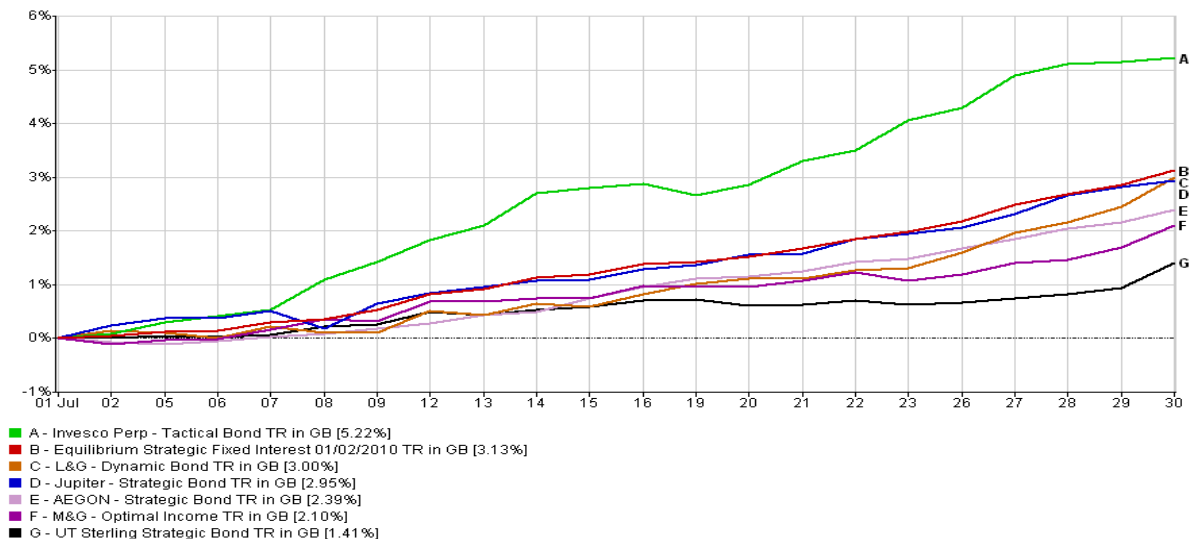
Our Fixed Interest portfolio outperformed both the Corporate Bond sector and UK Gilts in July. Gilts marginally declined over the month since performing well recently as investors sought a safe haven from the Eurozone instability.



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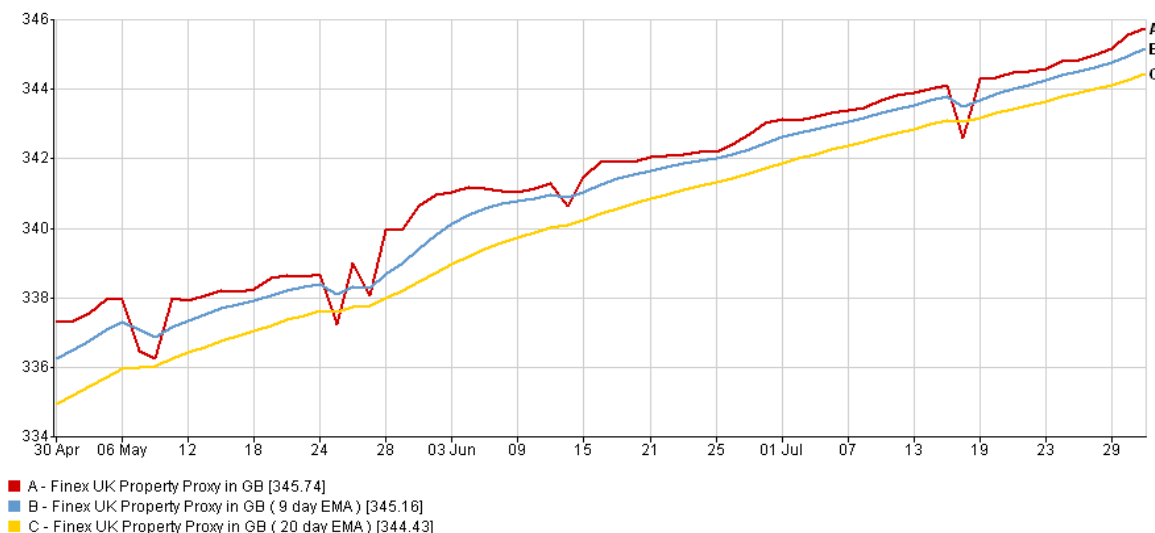
Strategic Fixed Interest rallied strongly over the month after marginally underperforming during the last two consecutive months. Invesco Perpetual Tactical Bond significantly outperformed the other strategic bond funds due to the fund having a sizeable exposure to better quality high-yield along with positions in bank debt. Our strategic fixed interest portfolio outperformed the sector average over the month.



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Property

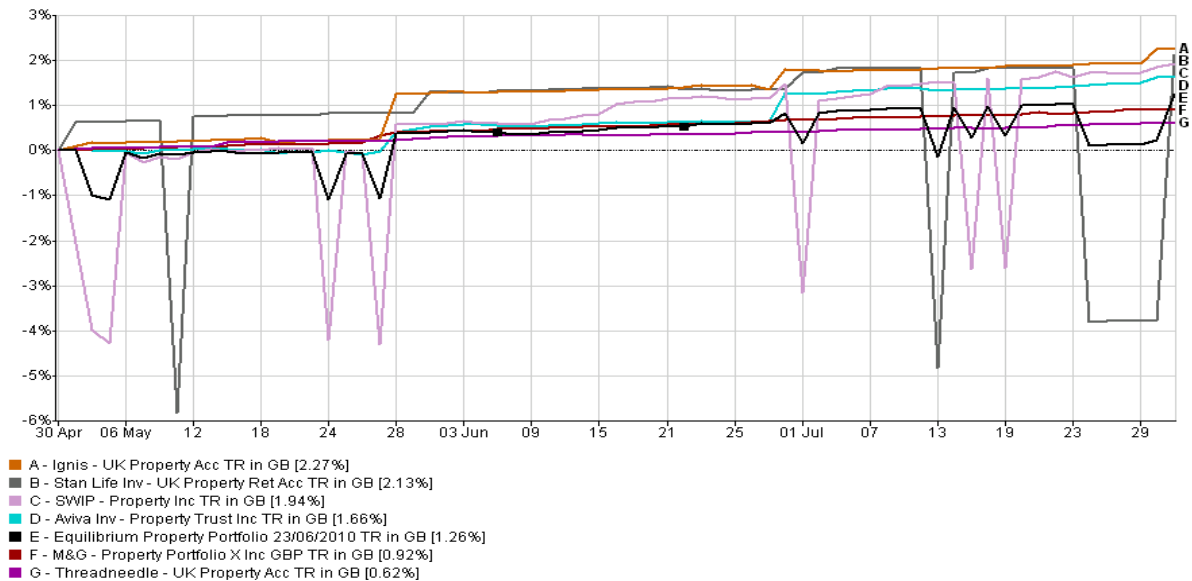
Property returns are continuing to move along as shown in the 3 month trend chart, remaining in a positive trend even over concerns regarding prices expecting to fall as the recovery phase in UK commercial property could potentially draw to a close:



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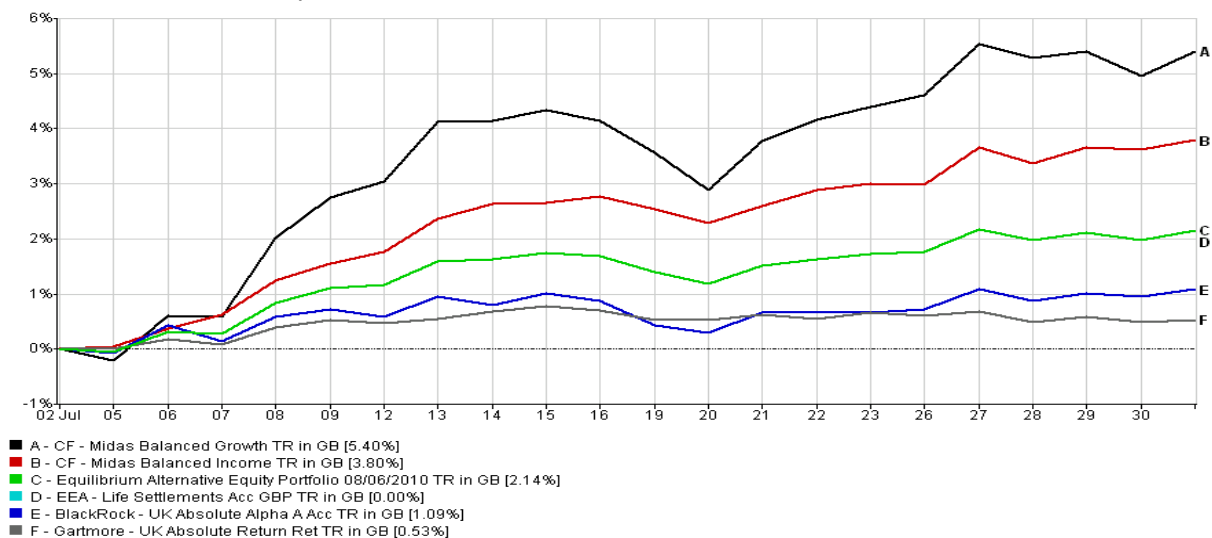
The performance of our property funds has been fair over the last three months returning on average of around 2%. High levels of cash reduce the returns from the properties. Returns over the last month have been slightly reduced with some of the funds switching to bid pricing due periods of outflows. Our property funds have still experienced a high volume of inflows of the month.



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Alternative Equity

Alternative Equity went up over the month following along with the equity markets. Last month we switched out of the Cazenove UK Target return fund for the CF Midas Balanced Growth fund. The decision added value to the portfolio over the month:



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