

Charteris European Government Bond Fund



The Charteris European Government Bond Fund

Charteris has developed a low risk/yield enhancing fund that should appeal to institutional investors and high net worth individuals seeking an alternative to an index tracker bond fund. The fund only invests in AAA European Government Bonds and does not participate in any form of corporate debt.

Fund Objective

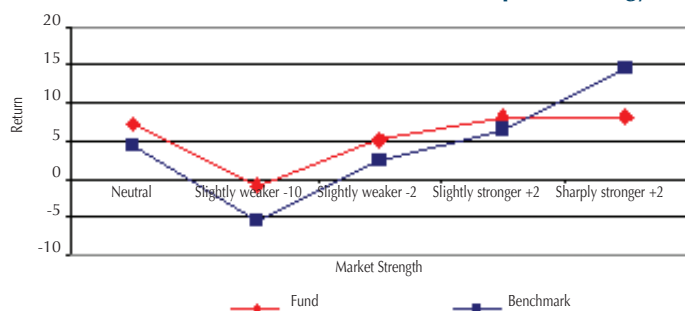
The fund attempts to provide enhanced performance over and above the basic returns available on European Government Bonds. This is achieved from our in house proprietary model, which identifies and subsequently monitors the optimum components of the fund coupled with the selling of "covered" options against the underlying portfolio. One aspect of this strategy is that it reduces the volatility of the price of the fund. The target return is 100bp over the yield on the German Government Bond.

The Investment Manager

Charteris Treasury Portfolio Managers was established in 1984 as an investment management company. Charteris is fully licensed by the Financial Securities Authority in the United Kingdom. The investment team have in aggregate over 50 years experience of fixed income and option markets in both UK and global markets as well as an established track record in managing the UK's leading option enhanced bond fund, which had assets of more than £125 million at the end of December 2005.

Enhanced European Government Bond Fund vs Benchmark

Behavioural Characteristics - (Neutral Option Strategy)



Disclaimer

Published by Charteris Treasury Portfolio Management Ltd which is authorised and regulated by the Financial Services Authority. Past performance is not a guide to performance and investors may not get back the full amount invested. The price of shares and any income from them may fall as well as rise. The use of covered call options by the European Government Bond Fund means that it could underperform on a relative basis in a sharply rising market scenario. Investors should note that management fees will be charged to the capital of the Enhanced Bond Fund. Thus, on redemptions of holdings investors may not receive back the full amount invested. The information provided does not constitute advice or a personal recommendation for which the duty of suitability would be owed by us and you should seek your own advice as to the suitability of any investment mentioned here. Professional advisers should be aware that this document is intended for their use.

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FUND FACTS

Launch Date	30/12/2005
Benchmark	Bloomberg EFFAS Bond Indices Euro Govt 10+YR TR (Bloomberg Code EUG5TR)
Minimum Investment	€50,000
Annual Management Charge(AMC)	0.50%
Total Expense Ratio (inc AMC)	1.10%
Dividend Payment Date	End of December

FUND CHARACTERISTICS

Number of Holdings	up to 6
Fund Size	€6.78m
Yield (Approx)	4.1%
Currency	EUR
Credit Quality	AAA Government Bonds
Fund Type	open-ended fund incorporated in Guernsey
Current NAV	€938.2476
Dealing	Monthly

CODES

Bloomberg CHAEGBE GU <Equity>

CUSTODIAN

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ADMINISTRATOR

Praxis Fund Services Limited

Subscription Agreements are available from and need to be completed and returned to:

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Subscription Agreements and related Subscription Amounts for Shares must be received by 12pm (Guernsey time) at least three Business Days before the relevant Dealing Day (i.e. the last day of the month)

Information correct as of 30 April 2006