

CAZENOVE

For immediate release

CAZENOVE TO LAUNCH FIRST EVER FUND OF HEDGE FUNDS FOR CHARITIES

Launch of 'Absolute Return Trust for Charities', a new Common Investment Fund in association with Fauchier Partners

Cazenove Investment Fund Management Limited (Cazenove) is launching a new Common Investment Fund (CIF) for charities, which will invest in a diversified portfolio of approximately 25 different Hedge Funds.

Charities are facing increased pressure to meet their objectives at a time when greater responsibility has been put on the voluntary/not for profit sector. Many charities are suffering from volatile investment returns coinciding with the phased withdrawal of tax credits on dividends. Trustees are also facing greater responsibilities placed upon them by the Trustee Act 2000, which also allows them to diversify a charity's investment portfolio.

By investing in the new CIF, charities will be accessing a portfolio of Hedge Funds which will be constructed to provide diversification across a number of different strategies. This should provide charities with less volatile returns than those offered by a conventional equity portfolio.

Michael Carpenter, Legal Commissioner at the Charity Commission, said: "Diversification is an important factor in investment decisions. Hedge Funds can provide an extra degree of diversification because they are in a different asset class to equities. Hedge Funds aren't for everyone and caution will be required, but we think it important that this asset class can at least be considered by appropriate charities."

'Absolute Return Trust for Charities' (ARTC) will be advised by leading Hedge Fund investment specialists, Fauchier Partners. ARTC's investment objective will be to provide an absolute net return of 8-10% per annum from a portfolio of Hedge Funds. These returns are expected to be uncorrelated to equity and bond markets.

Andrew Ross, Chief Executive of Cazenove Fund Management, commented: "Over the last two years we have seen increasing interest from charities in new investment solutions to provide diversification and returns uncorrelated to equities and bonds. I believe our new CIF will be attractive to charities as it affords them the opportunity to obtain controlled, diversified exposure to Hedge Funds. Trustees will welcome an absolute return strategy approved by the Charity Commission."

Alex Dolbey, Director of Fauchier Partners, added: "Hedge Funds are already an established alternative investment class for US Endowments. We are working with a number of larger UK charities looking to achieve low volatility and absolute returns. This new CIF will now make this asset class available to the wider charity world."

Key Features

Investment Objective	Total return of approx. 8-10% per annum
Investments	A portfolio approx. 25 Hedge Funds tailored to meet charities' risk return requirements and other criteria
Share Capital	a. Capital Accumulation shares

	b. Income Distribution shares (33% of overall return distributed annually)
Manager and Investment Manager	Cazenove Investment Fund Management Limited
Investment Adviser to the Investment Manager	Fauchier Partners Limited
Pricing	Monthly in Sterling
Minimum Subscription	£50,000
Annual Management Fee	1.5%
Launch Date	Autumn 2002

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Note to editors:

Cazenove Investment Fund Management Limited

Cazenove Investment Fund Management Limited is a subsidiary of Cazenove Fund Management Limited and manages a range of sub-funds held within an OEIC structure and a range of fund of funds unit trusts. Cazenove Investment Fund Management promotes only its own products and services.

Cazenove Fund Management Limited is a wholly owned subsidiary of Cazenove Group PLC. It currently manages around £10 billion of assets on behalf of private clients, charities and pension funds.

Cazenove Investment Fund Management Limited is regulated by the Financial Services Authority and is a member of IMA.

Cazenove Charities Team

Cazenove Fund Management established a dedicated and specialist charity department in 1988, having managed charity portfolios for over 50 years. The charity team consists of 12 fund directors with an average of 16 years' investment experience. Fund directors are supported by a client administration team. Our considerable expertise within the charity sector allows us to provide a highly specialised investment service to over 550 discretionary charity portfolios involved in such fields as the arts, education, medical research, religion and social welfare. Cazenove Fund Management offers investment on either a segregated or pooled basis, the latter through the Common Investment Funds Management Service.

Fauchier Partners

Fauchier Partners was founded in 1994. Its sole business is the construction and management of portfolios of Hedge Funds. Since creating its first portfolio in 1995, the company has built a strong record for value creation for its clients through its expertise in this field.

Fauchier Partners now has some US\$ 700 million under management and advice. Clients include fund management groups, family offices, corporates and academic institutions. Fauchier Partners has developed a particular reputation for managing portfolios for charities seeking stable returns with low correlation to bond and equity markets.