

CAZENOVE

7th July 2004 – For immediate release

THE ABSOLUTE RETURN TRUST FOR CHARITIES AND THE EQUITY INCOME TRUST FOR CHARITIES BOTH BREAK THROUGH THE £100M MARK

In just 18 months, The Absolute Return Trust for Charities (ARTC) and The Equity Income Trust for Charities (EITC), managed by Cazenove Fund Management (CFM) have each exceeded £100m in assets.

The ARTC, launched in association with the leading hedge fund investment specialists, Fauchier Partners, is the only Charity Commission authorised fund of hedge funds; it invests in a portfolio of approximately 32 hedge funds across a number of different strategies. The fund has received a great deal of support from a wide range of charities including academic, medical, ecclesiastical, military, arts and musical causes. Inclusion of hedge funds within charity portfolios continues to win steady acceptance. Investment performance of the ARTC has been above expectation with an absolute return (net of costs) of 12.6% in 2003. This was ahead of the stated objective of 8-10% per annum over rolling 5 year periods.

The EITC was launched to meet the needs of charities requiring a high level of income together with capital growth from their UK equity investments; it has already become a core UK equity holding for many charity investors. The EITC is currently yielding a little over 4% against the FTSE All Share Index which is yielding just above 3%. Despite the yield requirement, the fund has also produced a total return of 17.9% from launch to the end of May 2004, which compares favourably to a 16.9% for the FTSE All Share over the same period.

John Gordon, Head of Charity Client Service said: “The strong demand for the ARTC has come from charities which are seeking investment solutions that provide diversification and returns uncorrelated to equities and bonds. Access to Fauchier’s specialist expertise, Common Investment Fund (CIF) status, defensive currency hedging and a low minimum investment are amongst the features that make this fund so attractive. Added to that is the availability of a distribution share class, an unusual characteristic for a fund of hedge funds. With the ARTC, the EITC and our two other CIFs, we are well placed to offer a unique strategic asset allocation solution for charitable trusts.” The combined value of Cazenove Fund Management CIFs is now in excess of £550m.

For more information please contact:

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Key Features of The ARTC

- Investment Objective **Total return of approx. 8-10% net per annum over rolling 5 year periods**
- Investments *A well diversified portfolio of hedge funds tailored to suit charities' risk return requirements.*
- Share Capital
 - a. *Accumulation units*
 - b. *Distribution units**(33% of overall return distributed annually)*
Cazenove Investment Fund Management Limited
- Manager and Investment Manager *Fauchier Partners Limited*
- Investment Adviser to the Investment Manager
- Pricing Monthly (hedged into sterling)
- Minimum Subscription *£50,000*
- Annual Management Fee *1.5%*
- Launch Date *December 2002*

Key Features of The EITC

- Investment Objective **To provide a portfolio yield in excess of the FTSE All Share Index, targeting a premium of 30%, through investing predominantly in UK equities. The income provision will be the primary objective. The Trust's secondary target is to provide capital growth in order that its total return exceeds that of the FTSE All Share Index over rolling five-year periods.**
- Investments *Predominantly UK equities*
- Share Capital *Income units*
- Manager and Investment Manager *Matthew Hudson, Cazenove Investment Fund Management Limited*
- Pricing *12.00 noon on each business day*
- Minimum Subscription *£10,000*
- Annual Management Fee *0.5%*
- Launch Date *December 2002*

NOTES TO EDITORS

The ARTC and EITC are Common Investment Funds authorised by the Charity Commission. They are only available to registered charities in England and Wales.

Cazenove Fund Management

Cazenove Fund Management Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange. Cazenove Fund Management Limited provides independent advice.

Cazenove Fund Management Limited is a wholly owned subsidiary of Cazenove Group plc, the leading independent investment bank.

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