

Intellectually honest investment management



Elite Hasley Focused Fund

31 March 2014

Investment Aims

The objective of the Fund is to achieve long-term capital growth.

Why Invest?

- A highly focused strategy for **more adventurous investors**
- The potential for outstanding long-term performance based on two representative audited portfolios[#]
- One of the most sophisticated asset allocation databases anywhere
- Global exposure delivered via ETFs (physical wherever possible) to reduce costs
- Uniquely experienced investment team
- Unavailable anywhere else in fund format.

*"This is the first time that this process has been made available in a fund format since previously it has only been available to private clients of Integral Asset Management ("IAM"). However the founding partner of IAM has managed his Self-Invested Personal Pension using this methodology since 1998 and a portfolio of ETFs since 2003. The performance of both portfolios has been audited (the former by James Hay, the latter by Fisher Sassoon & Marks). **The results are representative of what the process can achieve and should not be relied upon to illustrate future returns.***

Fund Manager Commentary

Performance

During March the fund was flat (-0.04%[#] in Sterling terms, net of fees), behind both the broad global equity index MSCI ACWI (£), which returned -1%, and the MSCI EM (£) which returned +3.6%[#]. The Citibank World Government Bond Index (WGBI) returned +0.4%* in March.

Portfolio

Developing countries outperformed the developed (countries) by approximately 2.6%* (in Sterling equivalent terms) in March. The largest contributors within the portfolio; India(+8.8%*) Thailand(+5.2%*) & Chile (+4.2%*). The largest detractors were China (-4.7%*), UK real estate (-3.4%*) & Gold producers (-6.7%*).

Market Commentary

During monthly Investment Committee Meeting, we noted that the Investors RouteMap view was more neutral on equities this month, with a similar number of countries being upgraded as opposed to downgraded.

Within equities; ten countries were upgraded as opposed to eight downgrades. Within Asia, both Korea and HK were upgraded up to a 'buy', but China & Japan were reduced to an 'add'. In addition Indonesia was upgraded to a 'hold'. The US was also upgraded to a 'buy', making the total number of 'buy' ratings currently three. Other changes of note were; overall Emerging markets was upgraded to an 'add' rating, while Europe (down to a 'hold'), and Latam (down to a 'trim') were both downgraded.

With respect to bonds, Investors RouteMap outlook was extremely gloomy this month with just one upgrade (Korea to a 'trim') and thirteen downgrades, for the 27 Government Bond issuers analysed.

Source: [#]Financial Express to 31.03.14, *Citi Yield Book to 31.03.14.

Key Facts

Fund Manager	Hasley Investment Management LLP
IMA Sector	Unclassified
Sedol Number	B9L4T62 (Class A Inc) B9MCC99 (Class B Inc)
Fund Size	£3.02m
Launch Date/ Price	07.05.13 at 100p
Vehicle Type	UK OEIC
Unit Type	Income
ISA Eligible?	Yes
Management fee	0.75% (Class A & B)
Administration fee	0.15%*
Initial charge	up to 1% (Class A & B)
NAV	93.37p (Class A)
Dealing Day and Time	Daily at 12 noon
Year End	30th June
Income Allocation	31st Aug, 28th Feb
Minimum Investment	£1,000
Base Currency	Sterling
Pricing Basis	Forward/Single Price

*subject to a minimum charge of £28,000 per annum per sub-fund, as well as £5,000 per annum for daily pricing and £3,000 per annum for each additional share class.

Contact Details

Issued by Hasley Investment Management LLP, which is authorised and regulated by the Financial Conduct Authority ("FCA"). If you have any doubt as to whether the Elite Hasley Investment Funds are suitable for you and you wish to receive advice, you should consult a financial advisor. Further Information can be obtained from:

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Fund Manager Commentary cont'd

The overall view for World Government Bonds in both local and USD terms appears to be more negative with the overall recommendation being a 'trim'.

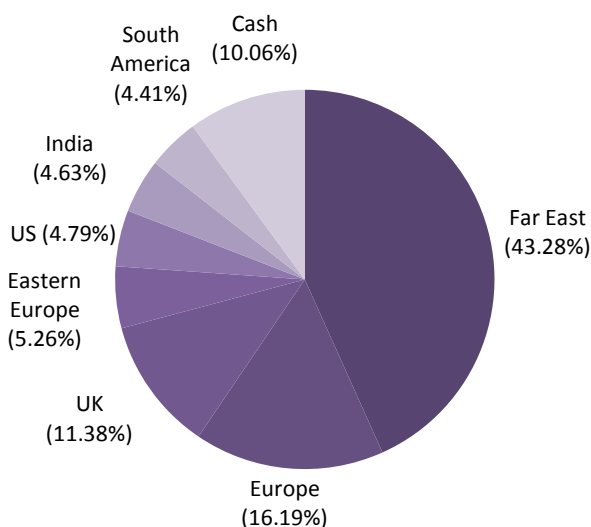
Within Forex, a number of currencies were both upgraded & downgraded during the month, however there are no 'buy' but two 'sell' ratings; AUD & IDR currently within the 29 currencies analysed. Within Styles RouteMap, there were a similar number of sector upgrades compared to downgrades. Current overall (world) buy ratings include: Real Estate, Utilities, Healthcare, Financials & Gold (miners)

Overall the picture for equities is still constructive despite the current geo-political tensions, however the model is less bullish than it has been in previous months. There are concerns over the US stock market having reached new highs, however we are seeing a number of buy recommendations across US sectors, supported by improving sentiment. Equity valuations remain attractive, particularly in Japan and the Emerging markets. Despite some negative news flow from Japan, Abenomics is feeding through to improving economic activity and growth and we anticipate strong earnings growth from Japanese corporates in 2014. Europe's growth is returning but remains uneven, valuations are no longer cheap and the credit conditions are weak. Concerns over EM and the continued unwinding of quantitative easing in the US will continue to create headwinds, but may now be less of an impact as the market starts to appreciate the compelling valuations for EM equities. Bond yields are likely to rise in the medium term and the total return prospects for this asset class continue to be challenging.

In summary, global growth is accelerating in 2014, inflation should remain under control and monetary policy should remain accommodative for some time – even with Fed tapering underway. This should continue to support risk assets, equity valuations remain attractive relative to bonds, tapering of Fed purchases should lead to rate normalisation which will result in higher yields in the medium term. The global asset allocation process continues to support an overweight position to equities, no exposure to fixed income currently, and a moderate allocation to cash.

We are maintaining our allocation to equities within the model portfolio following the Investment Committee Meeting, and there are no 'buy' & 'sell' recommendations this month.

Asset Allocation



Source: Hasley Investment Management to 31.03.14

Performance

	1 m	3 m	6 m	1 yr	YTD	Since Launch
Focused	-0.04%	-1.35%	-1.62%	-	-1.35%	-6.60%

Top Ten Holdings

Fund Name	Asset Class	%
iShares FTSE EPRA/NAR UK PRP ETF	UK	5.75
iShares FTSE 250	UK	5.63
Amundi ETF MSCI Europe Indus	Europe	5.48
DBS SMI ETF 1C	Europe	5.36
iShares FTSE/EPRA Euro Prop Index Fund	Europe	5.35
iShares MSCI Poland - GBP	Eastern Europe	5.26
iShares MSCI Taiwan - GBP	Far East	5.07
iShares MSCI Japan SmallCap	Far East	5.00
iShares MSCI AC Far East X-J	Far East	4.98
iShares MSCI Japan Acc	Far East	4.92

IMPORTANT INFORMATION

This document has been produced for information only and represents the views of Hasley Investment Management at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. Full details of the Elite Hasley Investment Funds, including risk warnings, are published in the Elite Hasley Investment Funds Prospectus.

RISK WARNINGS

The Elite Hasley Investment Funds, are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money that you have invested. Investments in overseas equities may be effected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Capital appreciation in the early years will be adversely affected by Initial Charges, so you should regard your investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given.