PROSPECT
WEALTH MANAGEMENT

# Investment Prospects

## Summary

- ***The US is expected to experience mildly negative economic growth in the first half of 2008.***
- ***Inflation expectations have been reduced for all economies. Further interest rate cuts likely.***
- ***Opportunities appearing in corporate bond markets now that yields have risen.***
- ***Equities are reaching cheap valuations but we have yet to see a "buy" signal from momentum.***
- ***Commodity prices are supported by low stock levels but volatility will remain high.***

## Review of 1st Quarter

### Interest Rates and Currencies

The first quarter of 2008 saw a continuation of the crisis in financial markets as successive obstacles to recovery emerged: the threatened collapse of the US bond insurance companies, the actual collapse of Bear Stearns (the fifth largest US investment bank) and finally further massive write-offs from US banks and from UBS, the largest Swiss bank. It is not surprising the International Monetary Fund described this as the worst financial crisis since the Great Depression. At its core, the problem is unsound lending and excessive leverage which has created a liquidity crisis as banks refuse to lend to one another for fear of what liabilities each may be hiding.

In response, the US Federal Reserve cut interest rates from 4.25% to 2.25% over the quarter and has provided all the liquidity the financial system needs to survive the crisis. By contrast, the Bank of England has only cut official interest rates by 0.25%, to 5.25%, during this quarter, as the threat of higher inflation and little evidence of economic slowdown pointed to caution. Interbank market rates rose rather than fell, to 6.0%, as banks hoarded cash in these uncertain times and the Bank refused to create sufficient liquidity to restore confidence.

**Economic growth to slow sharply in 2008**

The economic impact of the crisis is now starting to be felt and it is possible that US growth in the first quarter will be mildly negative. Job losses are accelerating, consumer confidence is weak and industrial production fell sharply in February. Not surprisingly, the US dollar fell to a new low against the euro and depreciated by 11% against the yen. The silver lining to these clouds is that exports are benefiting from the weak currency. In the UK, sterling has weakened in line with the dollar and although property prices are falling, consumer spending is holding up as employment continues to rise and industrial production has strengthened on higher exports.

### Bonds

UK government bond prices rose over the quarter, producing a total return of 2.9% from 10 year gilts. Fears that the credit problems would lead to an economic slowdown and lower future inflation outweighed the rise to 2.5% in reported consumer price inflation.

Corporate bonds, however, suffered sharp price declines

April 2008

in some sectors as the market demanded higher yields for taking credit risk. Some bank issues lost 20% of their value over the quarter, with yields rising above 10% (compared to 4.4% on gilts). Although a measure of calm has returned to the market, yields above 8% are still not uncommon. Our corporate bond holdings, in short maturity, high quality issues were not greatly affected, with prices showing little change over the quarter. As a result, our bond portfolio produced a return of 2.0% vs 2.6% from the gilt benchmark.

## Equities

Equity markets all suffered sharp declines over the quarter, though those markets that fell the most tended also to be those that experienced currency appreciation against sterling. The result was that returns from all the major markets were similar in sterling terms, with declines of around 10% (see the table on page 3). The catalyst has been the growing fear that the credit crisis will impact company profits, with analysts revising earnings forecasts down, though modest growth (5%) over the next two years is still projected.

Within each market different sectors have performed markedly differently. In the UK, the top preforming sectors were Industrial Metals, Autos, Chemicals and Engineering, all prime beneficiaries of the depreciation in sterling. The worst sectors were Telecoms and Retailing, where fears that the indebted consumer would reduce spending knocked stocks that already appeared cheap at the start of the quarter.

Our UK equity portfolios performed much in line with the market. Activity in the portfolios was light over the quarter as we maintained our strategy of holding high quality stocks that offer attractive value. This means we have taken profits on our once overweight positions in mining and reinvested in out of favour sectors such as retail and media. Any shortcomings in reported earnings have tended to produce excessive price reactions. Cattles and Helphire were both heavily penalised for minor disappointments but continue to offer highly attractive medium term growth. We therefore retain the shares in expectation of a full recovery in their share prices in due course.

## Alternative Investments

We sold our commercial property holdings last November and have since seen commercial property valuations and the prices of property funds fall.

Commodity prices have been extraordinarily volatile, with the DJ AIG commodity index up 9.6% over the quarter. Our commodity fund produced a return of 7.1%, a creditable performance given the gyrations in agriculture, metals, precious metals and energy, all of which the fund is active in.

Our hedge fund returns have also been volatile but by maintaining their contrarian disciplines the fund had one particularly outstanding month where gains from commodities in particular took returns to 13.7% for the quarter. We have since instructed the fund to reduce leverage to lock in these gains, whilst still retaining upside potential from the fund.

**Prospect Wealth Management: Performance of Model Portfolios at 31st March 2008**

| Model Portfolio | Inception Date | *Total Return Since Inception* Prospect % | Benchmark % | Benchmark Name |
|---|---|---|---|---|
| Bond | 30 June 2006 | 8.7 | 11.3 | FTSE 5-15 years |
| UK Equity | 12 May 2006 | -3.5 | -3.5 | FTSE 100 |
| UK Alpha | 12 May 2006 | -2.4 | -3.4 | FTSE 100* |
| UK Equity Funds | 30 June 2006 | 1.6 | -2.3 | FTSE 100 TR |
| International Equity | 30 June 2006 | 5.4 | 5.9 | FT All World ex-UK |
| Alternatives | 30 June 2006 | 18.1 | 9.9 | Prospect Composite** |

*** Adjusted for transition date. ** IPD Property index, DJAIG Commodity index, HFRX Directional index**

PROSPECT WEALTH MANAGEMENT

# Total Returns in Local Currency and in Sterling Terms

*3 months and 12 months to 31st March 2008*

| | | Total Return Local | | Total Return Sterling | |
|---|---|---|---|---|---|
| | 31st Mar | 3 mths to 31st Mar % | 12 mths to 31st Mar % | 3 mths to 31st Mar % | 12 mths to 31st Mar % |
| Currencies v £ | Rate | | | | |
| US dollar | 1.98 | 0.1 | -0.8 | | |
| Euro | 1.26 | 8.2 | 17.2 | | |
| Yen | 198 | 11.6 | 17.1 | | |
| Cash (3m) | Yield % | | | | |
| USA | 2.75 | 1.2 | 5.3 | 1.3 | 4.5 |
| UK | 5.94 | 1.5 | 5.6 | 1.5 | 5.6 |
| Euro | 4.63 | 1.1 | 3.9 | 9.4 | 21.8 |
| Japan | 0.88 | 0.2 | 0.6 | 11.9 | 17.9 |
| Bonds (10yr) | Yield % | | | | |
| USA | 3.42 | 6.1 | 15.0 | 6.2 | 14.1 |
| UK | 4.35 | 2.9 | 9.7 | 2.9 | 9.7 |
| Germany | 3.90 | 4.5 | 5.5 | 13.1 | 23.6 |
| Japan | 1.28 | 2.5 | 5.2 | 14.5 | 23.3 |
| Equities | Index | | | | |
| USA | S&P Comp | -9.3 | -4.7 | -9.3 | -5.4 |
| UK | FTSE 100 | -10.5 | -6.3 | -10.5 | -6.3 |
| Germany | DAX | -18.4 | -2.7 | -11.7 | 14.0 |
| France | CAC | -15.4 | -13.5 | -8.5 | 1.4 |
| Spain | SMSI | -11.6 | -8.6 | -4.4 | 7.1 |
| Italy | BCI Gen | -16.3 | -19.1 | -9.4 | -5.2 |
| Japan | Topix | -17.5 | -28.1 | -7.8 | -15.8 |
| Australia | All Ord | -14.5 | -4.8 | -10.9 | 6.6 |
| Hong Kong | Hang Seng | -17.3 | 18.4 | -17.0 | 18.0 |
| Alternatives | Index | | | | |
| Commercial Property | IPD | -3.6 | -10.9 | -3.6 | -10.9 |
| Commodities | DJ AIG | 9.6 | 22.0 | 9.7 | 21.1 |
| Hedge Funds | HFRX | -1.4 | 3.3 | -1.2 | 2.5 |

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# Macroeconomic Overview as at 31st March 2008

| US | UK | Eurozone | Asia |
|---|---|---|---|
| **GDP Growth** | | | |
| Existing home sales rose for first month in 7 in February, but prices fell 10.7% yoy in January as there is a glut of homes for sale. Latest industrial production fell more than expected. Consumer confidence is at 5 year low and unemployment is rising. However, interest rates are low and tax cuts are coming. Also, weak dollar improves competitiveness and US exports growing strongly. First two quarters of 2008 likely to see negative GDP growth in a material deterioration in growth expectations. | Growth expected to slow in 2008. Already, in the first quarter of 2008 UK consumer spending grew just 0.2%, 1/3 of what was expected. House prices have fallen for 5 months. Banks reluctant to lend to indebted consumer and despite recent rate cuts, the cost of borrowing for consumers is rising as lenders raise credit spreads. Gov't spending has little room to expand. But exports improving as sterling depreciates and impact of credit squeeze on corporate sector unclear as yet. | Eurozone growth is slowing more gradually than elsewhere, helped by export demand to Eastern Europe and Asia. February French durables and consumer spending rebounded. German and Dutch business and consumer confidence rose, with little evidence of damage from credit crunch. Eurozone consumers are less in debt so high cost of credit doesn't curtail consumption as much as in US, UK. This is an offset to expected slowdown in exports in response to strength of euro. | Japan: Production, corporate earnings and capex slowing. Manufacturers' sentiment at 4 year low, on strong yen and higher input costs. Consumer spending +3.5% in January, on higher food and energy prices. Contruction sector also recovering from low point. Japan should see similar growth in 2009 as in 2008.<br><br>China: US slowdown has not cooled Chinese and Indian growth by much, only by ~1%. Chinese trade surplus should peak in 2008. |
| **Employment** | | | |
| March payrolls declined for third month in a row and the most in 5 years. Jobless rate rose to 5.1% with job losses being experienced widely across industrial sectors of the economy. Wage growth remains stable at 3.6%, despite rising prices, reflecting weakness of job market. | In the credit crunch, low rate of unemployment (5.2%) and strong job creation is saving the UK from recession. But the jobless rate is expected to rise in 2008 with job losses expected in the City and further job losses in the public sector. Wages are not expected to keep pace with rises in energy and food prices. | Eurozone unemployment of 7.1% is at a 15 year low, proving that offshoring and globalization is not a threat to employment. Higher German wages boosting household spending, consumer confidence. | Japan: Japanese jobless rate remained at 3.8% in January. Jobs/applicants of 0.98 keep wages down. With food and fuel inflation, consumers will have less spending power.<br><br>China: With growth of 10% and unemployment of 4%, wage inflation is inevitable. |
| **Inflation** | | | |
| Consumption slowdown is helping inflation to moderate, evidenced by 0% rise in inflation in February. Economic weakness should keep downward pressure on inflation even though commodity prices are rising and imported goods are more expensive due to the depreciation in US dollar. | Inflation has been surprisingly benign despite rising energy and food price rises. CPI only +2.5%yoy in February and core inflation (ex food and energy) was only +1.2%yoy. Reluctance of BofE to cut interest rates and stable wage growth of 3.7% point to inflation falling in the event the rate of growth in the economy does slow. This points to lower interest rates. | Eurozone inflation well above 2.0% target at 3.3% in February. High inflation driven by energy prices (up 10% in year), food and now wage demands. German public sector and steel unions are demanding 8% wage increase. This constrains ECB from cutting interest rates. However, commodity prices expected to stabilise or fall so inflation in 2009 likely to fall back to target level. | Japan: rising energy prices and higher land values mean inflation of perhaps 1% this year. Stable, below trend, growth limits scope for higher inflation or interest rate rises.<br><br>China: inflation rising fast, now at 8.7%. Likely to lead to higher interest rates. |
| **Balance of Payments** | | | |
| Balance of payments should continue to improve as consumer demand slows and a weak dollar stimulates exports. With the US dollar substantially under-valued on the basis of purhasing power parity, this is positive for the dollar in the medium term. | Current account deficit of -4.2% of GDP reflects strong sterling and excess consumer demand. This is changing as UK growth is slowing, sterling depreciating and Europe expected to grow faster than the UK in 2008. This is a negative combination for sterling over the medium term and should lead to an improving current account. | European balance of payments remains in balance, so no pressures on currency. However, we expect increasing interest rate differentials to allow the euro to remain firm against the dollar and sterling. | Japanese current account surplus together with falling US rates should be supportive of yen. Weak US asset markets mean the carry trade is being unwound - positve for yen.<br><br>Slower US growth may reduce the Chinese surplus but yuan forecast to appreciate against the USD ~7%/yr in 2008 and 2009 as PBC raises interest rates. Other Asian currencies will also strengthen. |

# Economic Forecasts as at 31st March 2008

| | Real GDP growth 2008 % | Real GDP growth 2009 % | Unemployment rate Current % | Unemployment rate 2009 % | Inflation (CPI) Latest % | Inflation (CPI) 2009 % | Budget % GDP Latest % | Central Bank rate Nominal % | Central Bank rate Real % | Current A/c % GDP 2008 % |
|---|---|---|---|---|---|---|---|---|---|---|
| US | 1.1 | 1.0 | 5.1 | 6.2 | 4.0 | 1.8 | -2.4 | 2.25 | -1.75 | -4.8 |
| UK | 1.7 | 1.2 | 5.2 | 6.1 | 2.5 | 2.2 | -3.2 | 5.25 | 2.75 | -3.5 |
| Eurozone | 1.4 | 1.3 | 7.1 | 6.7 | 3.3 | 1.6 | -1.0 | 4.0 | 0.7 | -0.1 |
| Japan | 1.5 | 1.5 | 3.9 | 4.0 | 1.0 | 0.3 | -2.7 | 0.5 | -0.5 | 4.7 |
| China | 9.8 | 9.0 | 4.0 | 4.0 | 8.7 | 2.8 | 0.2 | 7.5 | -1.2 | 10.4 |

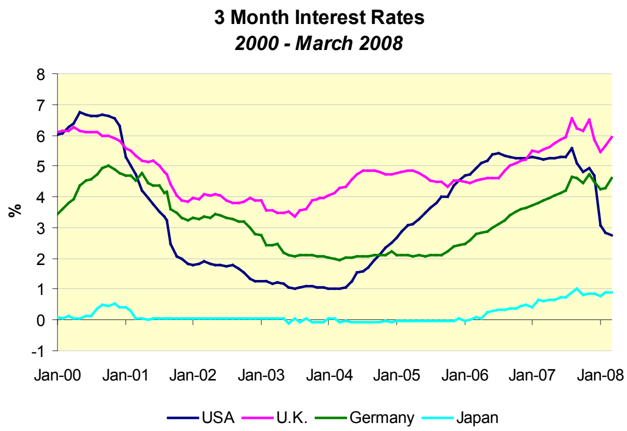
Source: Lehman Bros, The Economist and Bloomberg

# Market Outlook

## Interest Rates & Currencies

Is the relative calm of recent weeks merely the eye of the storm or are we now past the worst? The recent economic news has deteriorated, with forecasts for economic growth around the world having been cut dramatically. Only three months ago the consensus was that the US would grow by 2.0% in 2009. Now, the International Monetary Fund predicts growth of just 0.6%. Admittedly, this is at the low end of the range of expectations, but clearly there are significant risks for the global economy.

In the US, rising foreclosures in the housing market are likely to produce further house price declines and consumer demand will suffer from a more cautious approach to lending from banks. With job losses mounting, it is likely the US will see negative growth in the first half of 2008. We expect the Federal Reserve to cut rates to 1.5% and the dollar to weaken as a result. However, low interest rates and the willingness of government to cut taxes and to provide support for the housing market point to a stabilisation in the financial sector and recovery in the latter part of this year.



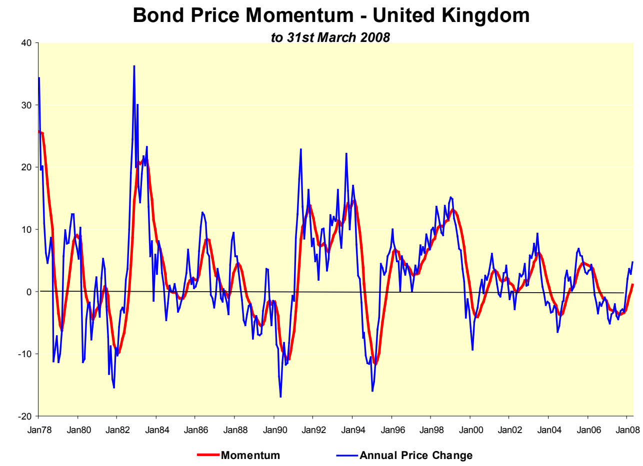

Source: Reuters

In the UK, whilst the recent economic news has been quite reassuring, the stubbornly high level of market interest rates indicates that banks are still not lending to one another and the Bank of England is failing to provide the necessary liquidity to the system. As a result, credit for the consumer will be hard to come by. This is likely to be a catalyst for further falls in house prices, which are at least 30% over-valued, and a slowdown in UK economic growth appears inevitable. Another bank crisis cannot be ruled out.

In this environment, inflation should not be a constraint on further rate cuts, especially as core inflation (excluding food and energy) is growing at only 1.2%pa.

On this basis, we expect sterling to weaken in line with the US dollar.

European economies have avoided the worst effects of the credit crisis, but we expect the resulting rise in the euro to slow export growth. Within six months this should prompt the European Central Bank to cut interest rates, which will most likely be a signal to sell the overvalued euro and buy the US dollar.



Source: Valutrac

## UK Bonds

The prospect of an economic slowdown has reduced consensus forecasts for inflation to levels that should be supportive of bond markets. Although food and energy prices have risen sharply and pushed up headline inflation, we expect this will be temporary. Wage demands, in the UK at least, show no sign of accelerating. As the chart above shows, UK bond price momentum conutinues to rise, with no sign of a downturn, which also is positive for bonds. However, as the chart also shows, this cycle is now starting to look extended and we are wary that a downturn is approaching.

The flooding by the central banks of the financial system with cash, to support growth, is potentially inflationary. This is reflected in the rising gold price and poses a risk to longer dated bonds in particular. As a result, we are maintaining our emphasis on shorter maturity bonds.

Corporate bond yields have risen to distressed levels in some sectors, such as banks and insurance companies. This could provide an opportunity to acquire higher yielding assets, but we will only do so once we are confident that the worst of the volatility is behind us. We are mindful that the bond component of our portfolios is designed to be low risk.

## Measures of Market Valuation

BONDS

| | Inflation forecast % | 10 yr bond yield Nominal % | 10 yr bond yield Real % | 10 yr bond yield 3m chg % | 10 yr bond yield 12m chg % |
|---|---|---|---|---|---|
| US | 1.8 | 3.4 | 1.6 | -0.61 | -1.23 |
| UK | 2.2 | 4.4 | 2.2 | -0.20 | -0.59 |
| Eurozone | 1.6 | 3.9 | 2.3 | -0.40 | -0.16 |
| Japan | 0.3 | 1.3 | 1.0 | -0.23 | -0.38 |
| Hong Kong | 2.8 | 2.6 | -0.2 | -0.85 | -1.58 |

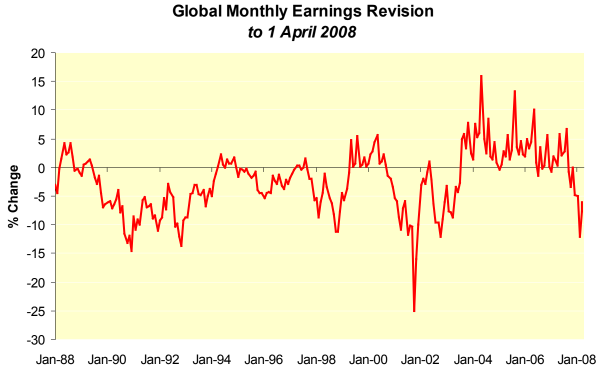
EQUITIES

| | Valuation P/E '08 % | Valuation ERP* % | Valuation Div Yield % | Earnings growth 2007 % | Earnings growth 2008 % | Volatility % |
|---|---|---|---|---|---|---|
| S&P 500 | 14.4 | 3.8 | 2.2 | 3 | -5 | 24 |
| FTSE 100 | 11.3 | 4.8 | 4.1 | 2 | -10 | 25 |
| EURO Stoxx 600 | 10.5 | 6.1 | 4.7 | 8 | 7 | 28 |
| Topix | 14.4 | 6.6 | 1.7 | 15 | 10 | 33 |
| Asia ex-Japan | 13.5 | 4.8 | 1.5 | 21 | 16 | 26 |

**Source: Bloomberg, Lehman Bros.** *** Equity Risk Premium = (earnings / price) * 100 - 10yr bond yield**

# Global Equities

Stock markets are driven primarily by expecations of future earnings. We show below the changes to analysts earnings forecasts for companies globally, from which it is evident there is a close relationship between earnings forecasts and movements in stockmarkets. Earnings have been downgraded sharply over the past six months and in March reached an extreme level, from where recovery has often been seen in the past. Significantly, there has recently been an upturn in revisions, which is reflected to a greater or lesser degree in all the major markets. Clearly this is positive for the markets and helps explain the recent rally.




Source: Lehman Bros

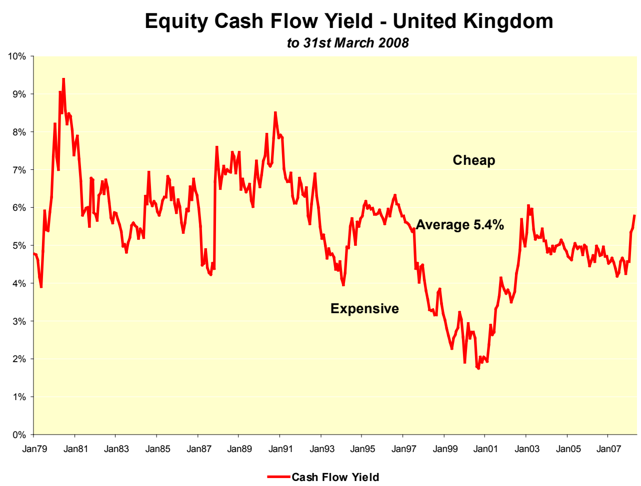
The background to this improvement is the aggressive action by the US authorities to support their economy with lower interest rates, liquidity for the banking system and assistance for the housing market. Meanwhile, valuations of equities relative to bonds have become even more attractive over the past quarter and are now close to record highs, with the equity risk premium at nearly 5% in the UK and 6% in Europe. Equities are also attractive on a cash flow yield basis, as the chart for the UK, opposite, shows. The sell-off over the last quarter has left the market on the cheap side of fair value.

Although we are now seeing value in a number of markets, we still expect the newsflow to be disappointing for several months. In absolute terms, earnings are likely to fall this year in the US and UK, as is shown in the table on the preceding page. Additionally, momentum in all equity markets is still trending down (see the chart for Europe on the next page) and until we see this turn up we will have little confidence that we have seen a turning point. When this does happen though, we will look to move overweight in equity markets.

The **US** equity market is still not cheap on valuation grounds and the currency remains unattractive. However, given the stimulus to the economy, the recovery when it occurs is likely to be robust and we will look for an opportunity to move from our current underweight position to overweight.

**UK** equities, in contrast, are starting to look attractively valued. However, the Bank of England's lack of flexibility in providing liquidity to the financial system runs the risk of transferring the credit crisis into the consumer and industrial sectors. The longer that market interest rates stay around 6%, the greater is the risk of recession and a further fall in equities. We therefore remain underweight in UK equities.

The sharp sell-off in **European** equities over the past quarter has left the markets fairly valued. Corporate

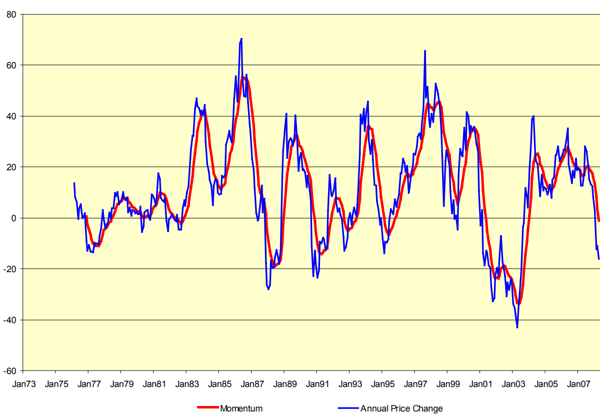



Source: Valu-Trac

profit margins are now under pressure not only from the strength of the euro, but also from rising wage costs. With falling unemployment and little apparent impact from the credit crunch, European unions are flexing their muscles. Earnings growth is still expected to be positive in Europe, but the outlook is deteriorating and when the ECB cuts interest rates and the euro starts to fall these markets are likely to underperform in sterling terms,

We are currently overweight in Japan, which now has a cash flow yield of 6.1%. The last time the market had

**Equity Price Momentum - Europe ex UK**




Source: Valu-Trac

this valuation was in 1983. Earnings are expected to grow by 10% this year, allowing dividends to continue their rapid growth rate. On a dividend yield of 1.7%, Japanese equities yield 0.4% more than bonds, making the market look cheap on a range of measures. On top of this, we expect the yen to continue to appreciate against sterling. At a suitable time, we are thus likely to increase our position in Japan.

Since moving underweight in the **Pacific Basin** we have seen underperformance from this region. Although economic growth is expected to be strong, markets are overvalued and are at risk of disappointing in the event that US demand for Asian exports slows more rapidly than is currently expected. Since most of the Asian currencies are linked to the US dollar, we see little scope for currency appreciation.

## UK Stock Comments

The first quarter of 2008 saw a continuation of the trend seen in the latter part of 2007. The financial sector and those exposed to the consumer or to construction have all performed poorly, even though their valuations appeared to already discount recession.

Our portfolio was positioned in distressed sectors at the start of the quarter so activity has been low as we are already positioned for a recovery environment. The major banks reported better than expected earnings and had the confidence to raise their dividends, Despite this they have been amongst the worst performing stocks over the quarter. As the liquidity crisis passes we expect these shares to recover strongly and in the meantime they offer dividend yields of between 8% and 9%. Cattles and Helphire both produced slightly disappointing earnings and the shares fell disproportionately. The companies offer prospective earnings growth of 10% and 20% respectively and yet trade at half the market valuation. When recovery comes, we expect these stocks to outperform.

Late in the quarter we took further profits on our mining holdings, through the sale of part of our holding in Xstrata, after market outperformance of 70%. The proceeds were reinvested into United Business Media, which sells information to businesses globally. The shares were undervalued because the media sector is seen as being highly cyclical. However, the company has exposure to high growth regions outside the UK, has a strong balance sheet and has been restructured to take advantage of internet technology. Undervalution, global diversification, strong financials and good management characterise our investments and should lead to outperformance as the cycle turns.

# Alternative Investments

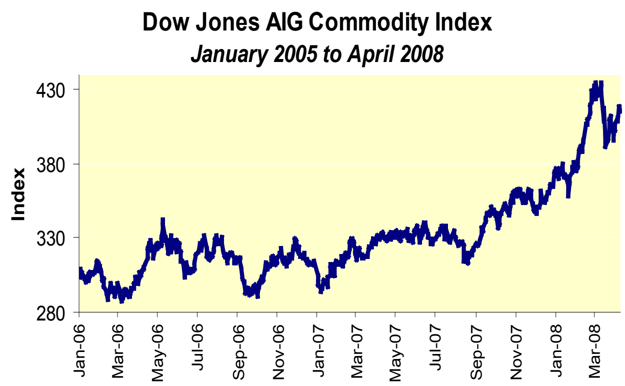
Our policy is to remain neutrally weighted, other than in exceptional circumstances, in alternative assets as these are intended as a diversification to the equity asset classes.

### Commercial Property

Having sold our commercial property holding in November, we have since remained on the sidelines holding cash. Since then, the IPD index of commercial property prices has fallen each month, though the pace of decline has slowed recently. The prices of property companies quoted on the stock market rallied briefly during the first quarter, but have since given back much of those gains. Average commercial property yields are still only 5.4%, compared to a low of 4.6% and a high of 9.0%. Clearly values are still at the low end of the range and we believe yields will rise further as the economic slowdown impacts on the office and retailing sectors in particular.

### Commodities

There are currently shortages in almost every commodity category, which explains why commodity prices have again risen in spite of downgrades to global economic growth. Agricultural staples such as rice are now in such short supply that the price has doubled in the last three months. Most agricultural commodities currently have favourable fundamentals, though prices have reached such extremes that volatility is likely to be high in coming months. Energy prices are hitting new highs as demand from developing countries grows, whilst investment in new production lags. If US demand (30% of global consumption) slows this year then we expect the oil price to fall, but the secular trend remains up. The same is true of metals prices, where prices are close to highs as stocks are at record lows. Copper and lead stocks, for example, amount to just 1-2 weeks global demand. We therefore look for a suitable opportunity to add to our commodity exposure, most likely through a position in gold.




Source: Reuters

### Hedge Funds

Our Valu-Trac hedge fund continues to hold a short position in bond markets in the anticipation that rising inflation pressures will lead to higher yields. The fund is beginning to take long positions in equities as value reappears and has established long positions in precious metals.

# Asset Allocation For April 2008

*25% Bond / 65% Equity / 10% Alternative Model*

| | | Strategic Benchmark Min % | Strategic Benchmark Benchmark % | Strategic Benchmark Max % | Q1 2008 Tactical weights % | Weighting vs Strategic Benchmark % |
|---|---|---|---|---|---|---|
| Cash | | 0 | 0 | 10 | 2 | +2 |
| Bonds: | UK Government | 15 | 25 | 35 | 10 | -15 |
| | UK Corporate | 0 | 0 | 20 | 10 | +10 |
| | Total Bonds | 15 | 25 | 35 | 20 | -5 |
| Equities: | UK | 33 | 43 | 53 | 39 | -4 |
| | US | 2 | 12 | 22 | 10 | -2 |
| | Europe (ex UK) | 0 | 5 | 15 | 11 | +6 |
| | Japan | 0 | 3 | 13 | 9 | +6 |
| | Asia ex Japan | 0 | 2 | 12 | 0 | -2 |
| | Total Equities | 55 | 65 | 75 | 69 | +4 |
| Alternatives: | Property | 0 | 4 | 14 | 0 | -4 |
| | Commodities | 0 | 3 | 13 | 6 | +3 |
| | Hedge funds | 0 | 3 | 13 | 3 | 0 |
| | Total Alternatives | 0 | 10 | 15 | 9 | -1 |
| Total | | | 100 | | 100 | 0 |

Source: Prospect Wealth Management



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