



THS Growth & Value Funds

Report for the year ended
31st March 2013 (audited)

Directors of the Company

Taube Hodson Stonex Partners
Unit Trust Management Company Limited
(Authorised and regulated by the
Financial Conduct Authority)

Authorised Corporate Director

Taube Hodson Stonex Partners
Unit Trust Management Company Limited
PO Box 3733
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Swindon SN4 4BG
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Independent Auditors

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* On the 3rd September 2012, the registered address for National Westminster Bank plc changed from; 135 Bishopsgate, London EC2M 3UR to 1st Floor, The Younger Building, 3 Redheughs Avenue, Edinburgh EH12 9RH.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR

This report of the THS Growth & Value Funds (“the Company”) is prepared by Taube Hodson Stonex Partners Unit Trust Management Company Limited, the Company’s Authorised Corporate Director (“ACD”).

THS Growth and Value Funds (the “Company”) is incorporated and registered in England and Wales as an Open-Ended Investment Company with Variable Capital ("ICVC") under registration number IC39. It is authorised and regulated by the Financial Conduct Authority (“FCA”), by an authorisation order effective on 1st July 1999. The Instrument of Incorporation is available for inspection at the office of the Depositary, the Authorised Corporate Director ("ACD") and the Administrator.

The Company is a UCITS scheme which complies with the FCA’s Collective Investment Schemes sourcebook (the "COLL") and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FCA and agreement of the Depositary.

The Company has two different sub-funds, International Growth & Value Fund (“IGV Fund”) and European Growth & Value Fund (“EGV Fund”).

Each sub-fund in an umbrella company is treated as having its own assets and liabilities. However, the assets of each sub-fund are not ‘ring-fenced’ and if the Company is unable to meet liabilities attributable to any particular sub-fund out of the assets attributable to that sub-fund, the excess liabilities may have to be met out of the assets attributable to other sub-funds.

International Growth & Value Fund has seven classes of Shares: Income Shares Class A, Income Shares Class B, Accumulation Shares Class Y, Accumulation Shares Class Z, Income Shares Class B (Euro), Accumulation Shares Class Z (Euro) and Accumulation Shares Class X while European Growth & Value Fund has one share class: Accumulation Shares Class Z. Shareholders are not liable for the debts of the ICVC.

This report includes short reports for each of the sub-funds: IGV Fund and EGV Fund. The full Report and Accounts are available free of charge on request from the ACD.

Taube Hodson Stonex Partners Unit Trust Management Company Limited
PO Box 3733
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INTERNATIONAL GROWTH & VALUE FUND

Investment Objectives

The investment objective of the Fund is to realise capital growth through investing principally in listed equities internationally. The main areas of investment will be the United Kingdom, Continental Europe, North America and Japan, although a proportion of the Fund's assets may be invested in other areas.

Risk Profile

The Fund invests in securities internationally, and is therefore exposed to changes in currency rates which may affect the performance of the Fund.

Fund Facts

Account reference dates: 31st March, 30th September

Report publication dates: 31st July, 30th November

Distribution payment dates: 31st May

Ongoing Charges Figure (OCF)

	as at 31/03/13	as at 31/03/12
Income Shares Class A	0.39%	0.40%
Income Shares Class B	1.09%	1.28%
Accumulation Shares Class Y	0.39%	0.38%
Accumulation Shares Class Z	1.09%	1.08%
Accumulation Shares Class Z (Euro)	1.09%	1.08%
Accumulation Shares Class X	0.84%	N/A

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosure costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF for the Accumulation Shares Class X is based on an estimate of expenses for the year.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the current period's figures.

INTERNATIONAL GROWTH & VALUE FUND

Synthetic Risk and Reward Indicator

	as at 31/03/13	as at 31/03/12
Income Shares Class A	6	6
Income Shares Class B	6	6
Accumulation Shares Class Y	6	6
Accumulation Shares Class Z	6	6
Income Shares Class B (Euro)	6	6
Accumulation Shares Class Z (Euro)	6	6
Accumulation Shares Class X*	6	N/A

The Synthetic Risk and Reward Indicator (SRRI) is not a measure of the risk of capital loss, but a measure of the Fund's price movement over time, the higher the number the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Fund. The risk category shown is not guaranteed and may change over time. The risk categories are measured from 1 – 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest.

*The SRRI for this recently launched share class include past data and price movements of representative portfolios to provide an indication of price movements over previous years.

INTERNATIONAL GROWTH & VALUE FUND

for the year ended 31st March 2013

Comparative Tables

Net Asset Values

The net asset value for the year ended:

Year end date	Total net asset value Fund £'000	Net assets per share				Inc Shares Class B (Euro)* c	Acc Shares Class Z (Euro)* c
		Inc Shares Class A p	Inc Shares Class B p	Acc Shares Class Y p	Acc Shares Class Z p		
31/03/10	851,054	268.55	269.70	317.75	306.03	-	-
31/03/11	769,703	284.91	285.95	343.42	328.49	-	372.17
31/03/12	640,098	254.69	255.59	314.96	299.21	-	359.36
31/03/13	629,413	294.19	295.02	371.55	350.58	-	413.68

Year end date	Total net asset value Fund £'000	Acc Shares Class X** p
31/03/10	851,054	-
31/03/11	769,703	-
31/03/12	640,098	-
31/03/13	629,413	350.70

Shares in issue

	Inc	Acc	Inc (Euro)*	Acc (Euro)*
31/03/10	3,959,454	273,225,828	-	-
31/03/11	2,559,769	230,967,730	-	12,050
31/03/12	2,331,303	200,035,321	-	11,198,248
31/03/13	1,673,372	165,921,836	-	11,072,723

* Income Shares Class B (Euro) and Accumulation Shares Class Z (Euro) were launched on 16th February 2011. Currently no shares have been issued on Income Shares Class B (Euro).

** Accumulation Share Class X was launched on 25th March 2013.

INTERNATIONAL GROWTH & VALUE FUND

for the year ended 31st March 2013

Distributions

Calendar Year	Inc Shares Class A p	Inc Shares Class B p	Acc Shares Class Y p	Acc Shares Class Z p	Inc Shares Class B (Euro)* c	Acc Shares Class Z (Euro)* c
2008	5.0275	3.1467	5.5493	3.5202	-	-
2009	5.8331	4.2223	6.5718	4.9926	-	-
2010	5.3463	3.6245	6.1986	4.0671	-	-
2011*	5.2886	3.4568	6.2704	3.9467	-	-
2012	6.6712	4.8540	8.0869	5.5446	-	7.2419
2013**	6.2866	4.4613	7.7583	5.2286	-	5.9221

Calendar Year	Acc Shares Class X*** p
2008	-
2009	-
2010	-
2011*	-
2012	-
2013**	0.0882

* Income Shares Class B (Euro) and Accumulation Shares Class Z (Euro) were launched on 16th February 2011. Currently no shares have been issued on Income Shares Class B (Euro).

** To 31st March 2013.

*** Accumulation Share Class X was launched on 25th March 2013.

INTERNATIONAL GROWTH & VALUE FUND

for the year ended 31st March 2013

Comparative Tables - *continued*

Highest and Lowest Prices

Calendar Year	Class A		Income Shares Class B		Class B (Euro)*†	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	p	p	p	p	c	c
2008	286.2	187.5	285.1	187.7	-	-
2009	261.3	177.1	258.5	176.7	-	-
2010	280.9	228.7	280.6	229.2	-	-
2011*	293.4	223.1	292.8	223.1	349.7	256.3
2012	276.3	234.7	275.8	235.3	337.6	291.7
2013**	310.0	278.3	309.1	277.8	356.6	341.6

Calendar Year	Class Y		Accumulation Shares Class Z		Class Z (Euro)*	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	p	p	p	p	c	c
2008	316.1	210.9	308.8	205.0	-	-
2009	303.1	199.3	292.8	193.3	-	-
2010	332.4	270.6	318.5	260.1	-	-
2011*	348.8	268.8	333.5	256.3	396.9	294.4
2012	341.6	290.2	322.9	275.5	395.0	338.0
2013**	383.3	344.1	361.8	325.2	417.3	399.7

Calendar Year	Class X***	
	Highest	Lowest
	p	p
2008	-	-
2009	-	-
2010	-	-
2011*	-	-
2012	-	-
2013**	355.0	349.2

* Income Shares Class B (Euro) and Accumulation Shares Class Z (Euro) were launched on 16th February 2011. Currently no shares have been issued on Income Shares Class B (Euro).

** To 31st March 2013.

*** Accumulation Shares Class X was launched on 25th March 2013.

† Currently no shares have been issued for the IGV Income Shares Class B (Euro) and the price shown is a reflection of the IGV Income Shares Class B in Sterling, and has been adjusted to show the Euro value.

INTERNATIONAL GROWTH & VALUE FUND

This report covers the period from 1st April 2012 to 31st March 2013.

Please note that the following figures are for information only and represent the change in price over the 12 months to 31st March 2013. This excludes the IGV Accumulation Shares Class X which was only launched on 25th March 2013 so prices for the annual period are not available for that share class.

During the period under review the price of IGV Income Shares Class A rose by 15.06% from a price of 261.6p to 301.0p, the price of IGV Income Shares Class B rose by 15.07% from a price of 260.7p to 300.0p, the price of IGV Income Shares Class B (Euro)* rose by 13.09% from a price of 313.1c to 354.1c, the price of IGV Accumulation Shares Class Y rose by 18.01% from a price of 315.3p to 372.1p, the price of IGV Accumulation Shares Class Z rose by 17.26% from a price of 299.5p to 351.2p and the price of IGV Accumulation Shares Class Z (Euro) rose by 15.18% from a price of 359.7c to 414.3c.

Over the same period the MSCI World Index rose by 15.05%, the MSCI World Total Return Index rose by 17.69%, the MSCI World (Euro) Index rose by 13.39% and the MSCI World Total Return (Euro) Index rose by 15.99%.

On the 13th June 2013, the latest available date before the printing of this report, the price of IGV Income Shares Class A was 292.1p, IGV Income Shares Class B was 292.5p, IGV Income Shares Class B (Euro) was 343.9c, IGV Accumulation Shares Class X was 347.7p, IGV Accumulation Shares Class Y was 368.8p, IGV Accumulation Shares Class Z was 347.6p and IGV Accumulation Shares Class Z (Euro) was 408.2c. The estimated yields for each share class were 2.05%, 1.45%, 0.00%, 0.00%, 2.00%, 1.43% and 1.38% respectively, but we would like to point out to investors that the Fund is run for capital growth rather than income and therefore the yield may well vary considerably.

Please note that past performance is not necessarily a guide to future performance and that the value of your investment can go down and well as up and you may not get back the amount invested.

* Currently no shares have been issued for the IGV Income Shares Class B (Euro) and the price shown is a reflection of the IGV Income Shares Class B in Sterling, and has been adjusted to show the Euro value.

INTERNATIONAL GROWTH & VALUE FUND

Portfolio Information

Classification of Investments	% of Fund value as at	
	31/03/13	31/03/12
Australia	3.54	4.04
Belgium	1.10	1.42
Canada	2.36	4.28
France	11.17	9.36
Germany	10.91	9.15
Hong Kong	2.77	2.99
India	0.52	0.53
Italy	1.68	0.56
Japan	1.83	1.55
Luxembourg	1.32	0.82
Netherlands	2.56	2.80
Norway	2.49	3.57
Spain	2.04	1.42
Sweden	6.53	4.18
Switzerland	6.71	6.68
United Kingdom	17.69	22.69
United States	20.81	18.18
Japanese Yen Hedging	0.01	0.14
Euro Hedging	0.20	0.12
Portfolio of Investments	96.24	94.48
Net other assets	3.76	5.52
Net assets	100.00	100.00

INTERNATIONAL GROWTH & VALUE FUND

Major Holdings

% of Fund value as at
31/03/13

Hutchison Whampoa	2.77
Deutsche Post	2.61
Medicover Holdings	2.40
Pfizer	2.25
Lagardere	2.20
Vivendi	2.14
Swiss Reinsurance	2.13
BNP Paribas	2.08
Sky Deutschland	2.06
British Sky Broadcasting	2.04

% of Fund value as at
31/03/12

Hutchison Whampoa	2.83
Vodafone	2.44
Deutsche Post	1.94
Vivendi	1.91
Swiss Reinsurance	1.90
ING Group	1.88
Orkla	1.83
Pfizer	1.80
Medicover Holdings	1.78
Schibsted	1.74

INTERNATIONAL GROWTH & VALUE FUND

Report from Investment Adviser

Stock markets performed well last year as the eurozone began to look more robust than it has for some time and as the US housing market started to recover and the outlook for the economy improved. The upbeat mood continued into 2013 but midway through the first quarter political uncertainty in Italy, followed by the banking crisis in Cyprus, reignited concerns over the eurozone. Although these issues re-tested market confidence, the effect on most shares, including the majority of non-financial European companies, was mild and indices recovered quite quickly. Consequently, over the year to 31st March 2013, the MSCI World Total Return, the benchmark index for the Fund, rose by 17.69% in sterling terms on a total return basis, while the Fund's Y class accumulation shares outperformed, increasing by 18.01% net of fees.

A major reason for the Fund's good performance over the period has been the overall improvement in sentiment towards Europe. As we explained in last year's report, cheaper valuations in the eurozone and our confidence in the authorities' ability to contain the crisis in the region led us to continue to hold a good proportion of the portfolio in European shares. The Fund's top performer over the year was Sky Deutschland but the Fund's UK and European financial holdings such as HSBC, Swiss Re and Svenska Handelsbanken also made a substantial contribution.

We discussed our long term investment in Human Genome Sciences, a biotechnology holding, in last year's annual report. At the time, it was one of the Fund's weakest holdings, but we recognised the company's value as a potential takeover candidate, and this has since materialised. GlaxoSmithKline, which the Fund also holds, acquired Human Genome and the Fund received payment for the takeover during the period under review. As a result Human Genome Sciences was the Fund's second highest contributor.

During 2011 we decided to change our longstanding view that pharmaceutical companies were unattractive. This proved to be a good decision and the investments we made have performed well – GlaxoSmithKline produced a solid return and Pfizer made the third highest contribution over the year. We still think there is more potential in this sector as valuations remain attractive and growth continues. Towards the end of the period we made some changes to the line-up of drug companies: Roche was sold following a very strong performance and a new investment was made in Novartis. Shares were also purchased in Amgen, one of the original US biotechnology companies.

Early in the Fund's year our view of commodities softened and we began to reduce the investments in this sector by selling Exelon, Husky Energy, Royal Dutch Shell and Xstrata. Given the weak market for commodities during the year the Fund's remaining resources stocks dominated the bottom of the performance list. Patterson-UTI is a notable exception. We bought the shares cheaply in March last year and following a dip the holding is now showing a good profit. We bought further shares in Niko Resources on price weakness. This is the Fund's worst performer but we have decided to continue to back the company as we believe that there will be an improvement in the price that India pays for gas.

INTERNATIONAL GROWTH & VALUE FUND - *continued* **for the year ended 31st March 2013**

Report from Investment Adviser - *continued*

The Fund's US housing-based investments – Wolseley and St Joe – continued to perform well in response to increased confidence in the recovery of the US housing market. Within this theme a new investment was made in Stanley Black & Decker, which has since risen strongly and the Fund's holding in Lennar, the American homebuilder and distressed housing loan investor, was sold at a very good profit.

One of our newest themes is e-commerce. However, we think that e-tailers such as Amazon are extremely expensive. Our approach is to buy less well-known, more modestly valued companies such as Kinnevik, a Swedish holding company that has a profitable telecom business and has a stake in Zalando, the dominant fashion and shoe e-tailer in Continental Europe. Shares have also been purchased in UPS, which benefits substantially from the growth in internet deliveries.

Another new theme that we have identified is the opportunity for software companies to move to a cloud-based subscription model. This new approach to selling software has several major advantages including reduced selling costs, the possibility of offering a broader range of services, improved client retention and much lower piracy. We purchased two new holdings in this area, Adobe and Intuit. Both companies have performed well and we are on the lookout for more ways to participate in this trend.

Looking ahead our feeling is that equity markets are still attractive, particularly compared to competing investments. There has been a great deal of coverage of the 'great rotation', suggesting that investors will move out of expensive bond markets and into cheaper shares. We certainly believe that investors should make the switch, but we also think that this process is in its early stages. There is no doubt, however, that sentiment around equities is much improved and with valuations at current levels, further progress should be possible this year.

Taube Hodson Stonex Partners LLP
Investment Adviser
April 2013

EUROPEAN GROWTH & VALUE FUND

Investment Objectives

The investment objective of the Fund is to produce long term capital growth, through holding a diversified portfolio of quoted or traded equity investments primarily in companies which are incorporated, quoted or traded on any stock exchange or over-the-counter market in Europe or in companies incorporated, quoted or traded on any stock exchange or over-the-counter market elsewhere, the majority of whose revenues and/or profits are derived from activities in Europe.

Risk Profile

The Fund invests in securities internationally, and is therefore exposed to changes in currency rates which may affect the performance of the Fund.

Fund Facts

Account reference dates: 31st March, 30th September
Report publication dates: 31st July, 30th November
Distribution payment dates: 31st May

Ongoing Charges Figure

	as at 31/03/13	as at 31/03/12
Accumulation Shares Class Z	2.19%	1.93%

Income Share Class B closed on 3rd December 2012, therefore no Ongoing Charges figure is provided (31/03/12: 2.49%).

The Ongoing Charges Figure (OCF) is the ratio of the Fund’s total disclosure costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the current period’s figures.

EUROPEAN GROWTH & VALUE FUND

Synthetic Risk and Reward Indicator

	as at 31/03/13	as at 31/03/12
Income Shares Class B*	N/A	6
Accumulation Shares Class Z	6	6

The Synthetic Risk and Reward Indicator (SRRI) is not a measure of the risk of capital loss, but a measure of the Fund's price movement over time, the higher the number the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Fund. The risk category shown is not guaranteed and may change over time. The risk categories are measured from 1 – 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest.

* Income Shares Class B closed on 3rd December 2012.

EUROPEAN GROWTH & VALUE FUND

Net Asset Values

The following figures are for information only. Figures prior to 31st March 2009 represent those from when the EGV sub-fund's assets were held as The Partners European Fund.

The net asset value for the year ended:

Year end date	Total net asset value Fund £'000	Net asset per share		Shares in issue	
		Inc Shares Class B p	Acc Shares Class Z p	Inc Shares Class B**	Acc Shares Class Z
31/03/10	5,123	180.60	197.83	190,906	2,415,413
31/03/11	5,921	199.25	219.23	177,406	2,539,539
31/03/12	4,978	164.32	183.04	130,944	2,601,852
31/03/13	5,716	-	213.02	-	2,683,249

Distributions

Calendar Year		Inc Shares Class B p	Acc Shares Class Z p
2008*		-	-
2009		2.6774	5.6387
2010		-	-
2011		0.8877	0.9615
2012		2.0178	2.1979
2013***		-	2.4486

* Figures prior to 31st March 2009 represent those from when the EGV sub-fund's assets were held as The Partners European Fund.

** Income Share Class B closed on 3rd December 2012.

*** To 31st March 2013.

EUROPEAN GROWTH & VALUE FUND

for the year ended 31st March 2013

Comparative Tables - *continued*

Highest and Lowest Prices

Calendar Year	Income Shares Class B		Accumulation Shares Class Z	
	Highest	Lowest	Highest	Lowest
	p	p	p	p
2008	214.51	125.18	224.67	131.00
2009	175.75	108.87	192.50	114.21
2010	186.97	154.40	204.81	169.13
2011	203.90	141.60	225.00	155.80
2012	175.00	148.60	199.40	163.50
2013*	-	-	220.10	201.30

* To 31st March 2013.

Income Shares Class B closed on 3rd December 2012.

EUROPEAN GROWTH & VALUE FUND

This report covers the period from 1st April 2012 to 31st March 2013.

Please note that the EGV Income Shares Class B was closed on 3rd December 2012 and no longer exists so figures have not been included for this share class.

Please note that the following figures are for information only and represent the change in price over the 12 months to 31st March 2013.

During the period under review the price of EGV Accumulation Shares Class Z rose by 16.29% from a price of 183.5p to 213.4p.

Over the same period the MSCI Europe (incl UK) Total Return Index rose by 16.33%.

On the 13th June 2013, the latest available date before the printing of this report, the price of Accumulation Shares Class Z was 215.8p. The estimated yield for the share class was 1.09%, but we would like to point out to investors that the Fund is run for capital growth rather than income and therefore the yield may well vary considerably.

Please note that past performance is not necessarily a guide to future performance and that the value of your investment can go down and we as up and you may not get back the amount invested.

EUROPEAN GROWTH & VALUE FUND

Portfolio Information

Classification of Investments	% of Fund value as at	
	31/03/13	31/03/12
Belgium	1.28	1.74
Denmark	1.22	0.55
France	17.59	20.92
Germany	19.66	15.87
Italy	4.45	1.80
Luxembourg	2.69	2.05
Netherlands	4.37	6.55
Norway	8.87	10.72
Spain	2.37	0.99
Sweden	5.56	3.96
Switzerland	9.73	10.84
United Kingdom	18.92	22.25
Euro Hedging	0.37	0.26
Portfolio of Investments	97.08	98.50
Net other assets	2.92	1.50
Net assets	100.00	100.00

EUROPEAN GROWTH & VALUE FUND

Major Holdings

% of Fund value as at
31/03/13

Schibsted	5.44
Sky Deutschland	5.27
Tag Immobilien	4.39
British Sky Broadcasting	3.67
Deutsche Post	3.53
Lagardere	3.45
Vivendi	3.06
Gagfah	2.69
YOOX	2.64
Svenska Handelsbanken	2.55

% of Fund value as at
31/03/12

Schibsted	4.88
Tag Immobilien	3.87
Ludorum	3.85
BSkyB	3.23
Deutsche Post	0.90
ANF	3.07
Sky Deutschland	2.84
Vivendi	2.83
Swiss Re	2.55
Svenska Handelsbanken	2.50

EUROPEAN GROWTH & VALUE FUND

Report from Investment Adviser

Improved sentiment around Europe led to a strong rise in equities in 2012. Although eurozone concerns resurfaced towards the end of the Fund's year as a result of political uncertainty in Italy and the banking crisis in Cyprus, the impact on most shares was limited and indices recovered quite quickly. Over the year to 31st March, the MSCI Europe (including the UK), the benchmark index for the Fund, rose by 16.33% in sterling terms on a total return basis, and the Fund's accumulation shares increased by 16.29% net of fees.

The Fund's top performer over the year was Sky Deutschland, the German pay TV company which continues to show good underlying performance. Other good performers include Thomas Murray, an unquoted business services company, British Sky Broadcasting, Svenska Handelsbanken and Vivendi. Ludorum, which owns Chuggington, the children's TV series, was the weakest holding. The company has instituted a cost cutting plan and it has a new product launch in the pipeline which should improve performance.

The Fund's German property-related investments continued to produce very good returns, with both TAG Immobilien and Gagfah benefiting from the positive sentiment towards German residential real estate. Hansteen Holdings, a property company which invests in industrial assets primarily in Germany and the UK, also performed well.

One of our newest themes is e-commerce. E-tailing accounts for an ever increasing share of retail sales and is particularly well established in the book and music markets. However, successful e-tailers like Amazon are very expensive. Our approach is to participate in the growth of e-commerce through less well-known, more modestly valued companies. In the first half of the year we invested in Kinnevik, a Swedish holding company that has a profitable telecom business and has a stake in Zalando, the dominant fashion and shoe e-tailer in Continental Europe. In the second half of the year, shares were purchased in Yoox, an online luxury goods retailer. Both these investments, together with Schibsted and Deutsche Post, which are also part of this theme, made significant contributions.

Within the Fund's pharmaceutical holdings, GlaxoSmithKline performed well and Bavarian Nordic rose strongly following a report that the US government is likely to place a new order for its smallpox vaccine – this order was confirmed after year end. Some changes were made to the Fund's line-up of drug companies during the year – Roche was sold after a very good run and a new investment was made in Novartis which has a wider range of businesses. Mediq, a pharmacy and healthcare services company, was sold after the share price rose on the back of a management buyout bid.

In the first half of the year, as discussed in the interim report, in the light of increased oil production in the US and an easing in demand from China, we decided to reduce the Fund's exposure to commodities and sold Royal Dutch Shell at a good price. The market for commodities has continued to be weak and as a result, the Fund's remaining resource stocks were the Fund's poorest performers.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR
EUROPEAN GROWTH & VALUE FUND - *continued*
for the year ended 31st March 2013

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In the second half of the year, changes were made to the Fund's telecom investments. We decided to sell Deutsche Telekom because of concerns over the profitability of the US mobile market where Deutsche Telekom owns T-mobile USA. Similarly, we reduced the holding in Vodafone as much of the company's value comes from its stake in Verizon mobile in the US.

New investments during the year include Sacyr Vallehermoso, a Spanish construction and property company, and Stroer Media - Europe's second largest outdoor advertising company after JC Decaux and the dominant player in the German market. Outdoor advertising is well placed in a world where so much media is fragmenting. The shares were bought at an attractive valuation and there is good scope for growth as Germany increases its share of outdoor advertising in line with other European countries.

Although global stock markets have now recovered, European shares have been left behind. As confidence around the region continues to recover there is a good opportunity for European shares to catch up with other markets.

Taube Hodson Stonex Partners LLP
Investment Adviser
April 2013

