

Wednesday 30th September 2009

SCEPTRE
INVESTMENT MANAGEMENT

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CHRIS BROADHURST

It is my sad duty to announce that on Saturday 29th of August Chris Broadhurst was killed in a motorcycle accident. Of course our thoughts are with Chris' family at this difficult time.

As you know Chris was the fund manager of the Sceptre UK Fund and in these circumstances the decision has been made by its administrators that it should be liquidated – that process began on the 15th September and is now nearing completion. The fund had a number of concentrated positions and I hope you can appreciate the delay in making this general announcement whilst the liquidation of the fund was on-going.

The officially confirmed NAV for the 31st August 2009 was £1,387.18 – a gain of 10.8% in the month. This brought the performance in the year to date to +89.0%. Over the course of the month and the liquidation process the NAV has increased further and the estimated closing NAV on 30th September brings the YTD return to +98.8% versus the FTSE All Share (TR) return of +23.4%. The final valuation will be confirmed following a final audit by the administrator.

With Chris as the manager and myself as the sole analyst, in the 4 years we were running the fund the net return after all fees has been 9.4% per annum whilst the FTSE All-share (TR) has returned 2.6% per annum – a total cumulative out performance of 32.5%. The fund took contrarian and concentrated positions in securities we were able to identify as materially undervalued as a result of our in-depth fundamental analysis.

It is a testament Chris' dedication and ability that the fund achieved such exceptional performance. The fund consisted of over 20% cash in June 2007 at the top of the market and was fully invested at the depths of the market in late 2008. Concentration on individual valuations and taking a long-term view enabled us to out-perform the market over a volatile period.

Once the Sceptre UK Fund is fully liquidated and the funds have been returned to investors it is likely that Sceptre Investment Management will be closed. I would like to take this opportunity to thank everyone who has supported the company and all our investors.

If you have any questions then please feel free to contact me via the details listed at the top of the page,

Luke Howard Taylor
Research Analyst