

Interim Report and
Unaudited Financial Statements
For the period ended
31st December 2009



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Management and Administration

REGISTERED OFFICE
PO Box 160, 25 New Street, St Helier,
Jersey, JE4 8RG, Channel Islands

PRINCIPAL PLACE OF BUSINESS
PO Box 311, 11 - 12 Esplanade, St Helier,
Jersey, JE4 8ZU, Channel Islands

DIRECTORS
c/o Registered Office
R. D. Willcox (Chairman)
I. M. J. Hardy
B. C. James
N. R. Jeacock-Fewtrell

Advocate T. J. Herbert
PO Box 87, 22 Grenville Street, St Helier,
Jersey, JE4 8PX, Channel Islands

MANAGER AND REGISTRAR
Lloyds TSB Offshore Fund Managers Limited,
PO Box 160, 25 New Street, St Helier,
Jersey, JE4 8RG, Channel Islands
Tel : +44 (0) 1534 845555

LEGAL ADVISERS
In Jersey:
Mourant du Feu & Jeune,
PO Box 87, 22 Grenville Street, St Helier,
Jersey, JE4 8PX, Channel Islands
In England:
Linklaters,
One Silk Street, London, EC2Y 8HQ

CUSTODIAN
Capita Trust Company (Jersey) Limited,
12 Castle Street, St. Helier,
Jersey, JE2 3RT, Channel Islands

SECRETARY
Lloyds TSB Offshore Corporate Services Limited
PO Box 160, 25 New Street, St Helier,
Jersey, JE4 8RG, Channel Islands

INDEPENDENT AUDITORS
PricewaterhouseCoopers CI LLP,
Twenty Two Colomberie, St Helier,
Jersey, JE1 4XA, Channel Islands

PAYING AGENT
Lloyds TSB Offshore Paying Agent (HK) Limited,
26/F Oxford House, Taikoo Place,
Quarry Bay, Hong Kong

Investment Objective and Policy

The policy of the Company is to invest in deposits which are available on the euro-currency markets (including deposits placed with Lloyds Banking Group) in order to achieve a high rate of return in capital terms so far as is commensurate with minimum risk to capital. There are separate classes of shares for each currency to which assets and liabilities and income and expenditure have been applied or charged.

The Manager may not invest more than 10% of the assets of each currency Class with any one institution, including a member of the same group of companies as either the Manager or the Custodian. The figure may be regarded as 20% if the eligible institution has capital which has shareholders' funds of an amount most recently quoted in "The Banker" magazine published by Financial Times Information Limited of US\$1,000,000,000 or more. In addition the Manager will ensure that at least 35% of assets within each currency class are realisable within fourteen days.

The paragraph above does not apply to a deposit of less than £1,000,000 or the equivalent in base currency.

The individual currency classes have a portfolio of deposits in their respective currencies and are therefore not subject to variations in exchange rates. The Managed Class allows investors to benefit from professional management of currency exposure. The Managed Class is invested in a number of currency deposits, the objective being to achieve growth in the share price by "rolling up" the interest received and to accrue further gains by way of currency appreciation. The prices of the shares in the Managed Sterling Class will therefore be subject to movement in foreign exchange rates.

Report of the Directors

The Directors have pleasure in submitting their interim Report together with the Unaudited Financial Statements for the 6 months ended 31st December 2009.

Activity

The principal activity of the Company is that of a multi-currency money market fund.

Results

The results for the period are set out in the Financial Statements on pages 8 to 35. It is the policy of the Company to accumulate net income within the relevant currency Class and this will be reflected in the price of those shares. As such, the Directors do not propose a dividend for the period.

Share Capital

The Company has an authorised share capital of US\$500,100.

Directors

Mr I.M.J. Hardy, Advocate T.J. Herbert, Mr B.C. James, Mr N.R. Jeacock-Fewtrell and Mr R.D. Willcox were Directors throughout the year, have since continued to act and are willing to remain in office.

As at 31st December 2009, the Shares held in the Company by the Directors were as follows:

Ian Mark Jeremie Hardy	Sterling Class	1,150.24
Nigel Ross Jeacock-Fewtrell	Sterling Class	52.795
Ross Davey Willcox	Sterling Class	1.432
Brian Charles James	Sterling Class	32.525

No Director has a service contract with the Company and is, or was, materially interested in any service or other contract entered into by the Company.

Advocate T.J. Herbert is a partner of Mourant du Feu & Jeune, the Jersey legal advisers to the Company and the Manager. Mourant du Feu and Jeune receive fees in connection with advising the Company and the Manager.

Mr I.M.J. Hardy, Mr B.C. James, Mr N.R. Jeacock-Fewtrell and Mr R.D. Willcox are Directors of Lloyds TSB Offshore Fund Managers Limited ("the Manager") which has a management contract with the Company. Fees earned by the Manager are disclosed in the Financial Statements.

Investment Activities

The Report of the Manager is set out on pages 6 and 7.

Auditors

PricewaterhouseCoopers CI LLP were re-appointed as Independent Auditors at the Annual General Meeting held on 13th November 2009 and have indicated their willingness to continue in office.

Prospectus

The current Prospectus is dated September 2009. The main changes include the removal of the text relating to the Canadian Dollar Class, Swiss Franc Class and the Managed Sterling Class following the closure of those classes. In addition the Jersey and UK tax details have been updated and details of the temporary reduction of the Management fees in respect of the US Dollar and Euro Classes. A supplement to the Prospectus was issued in November 2009 giving details of the temporary reduction of the Management fees in respect of the Sterling Class.

Copies of the Prospectus and Supplement to the Prospectus are available, free of charge, on application to the Manager. Alternatively they can be accessed on our website at www.lloydstsb-offshore.com/funds.

Counterparty Banks

Due to the current market conditions and the uncertainty over the future of certain banks, from October 2008, the list of counterparties with which each Class can place its assets has been dramatically reduced so that only those considered as "prime" banks are used. This includes the removal of the self-imposed restriction on exposure to Lloyds Banking Group, as previously only 10% of a class could be placed with Lloyds Banking Group. This has been increased to 20% to bring it into line with the limits for placements with other prime banks. In addition, the Manager has temporarily introduced increased liquidity requirements, initially by reducing the maximum maturity of deposits from six months to one month which since 1st January 2009 has been increased to 3 months for certain banks and setting a guideline of maintaining 50% of each class realisable within 14 days. These limits will be kept under regular review and may be amended in response to changing market conditions.

As a consequence of enhancing the security of Shareholders' investments, it is possible that the current level of return offered by the classes will reduce. The Directors have considered this issue and feel that in the current environment it is preferable to aim to preserve the capital value of each Class of Shares at the possible expense of return.

Management and administrative providers

The names and addresses of Management and administrative providers are stated on page 2.

Comparative tables

The performance record and net asset value per share tables are stated on page 36 and 37.

Closure of Canadian Dollars, Swiss Francs and Managed Sterling Classes

Due to limited demand and the low interest rates now available in Canadian Dollars, Swiss Francs, Sterling and other currencies, from 23rd September 2009, the Canadian Dollars and Swiss Francs Classes have been closed in accordance with Article 13.2 of the Company's Articles of Association and for the Managed Sterling Class an exchange of shares into the Sterling Class has been made.

Report of the Directors (continued)

Directors' Responsibilities

The Directors are required by the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company for that period and are in accordance with applicable laws. In preparing these Financial Statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds)(Rules)(Jersey) Order 2003. They are also responsible for the safeguarding of the assets which includes the appointment of duly qualified Custodian. The Directors must also ensure that they and their duly appointed agents take reasonable steps for the prevention and detection of fraud and non compliance with law and regulations.

The Directors have selected the Lloyds TSB Offshore Limited website as the host website for the Company's Financial Statements and believe this selection to be a reasonable one; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Information published on the internet is accessible in many countries. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

General Information

The Company holds a recognized fund certificate as an umbrella fund under the Collective Investment Funds (Recognized Funds) (Rules)(Jersey) Order 2003, and holds a permit under Article 7 of the Collective Investments Funds (Jersey) Law, 1988.

The Company is an open-ended investment company with variable capital and shareholders are not liable for the debts of the Company.

The Company is a recognised scheme under Section 270 of the Financial Services and Markets Act 2000 of the United Kingdom and is listed on the Channel Islands Stock Exchange and, with the exception of the Institutional Sterling Class, the Shares are also listed on the Malta Stock Exchange.

The number of Shares in existence at the beginning and end of the period is shown in note 4 of the financial statements.

The market value per share of the property of each Class (in the base currency of that Class) was as follows:

Class	31st December 2009	1st July 2009
Australian Dollar	152.198	150.553
Canadian Dollar	—	41.145
Euro	52.642	52.610
New Zealand Dollar	192.160	190.667
Sterling	52.090	52.050
Swiss Franc	—	87.381
United States Dollar	60.975	60.967
Managed Sterling	—	29.535
Institutional Sterling	14.216	14.179

By order of the Board
Lloyds TSB Offshore Corporate Services Limited
Secretary

1st February 2010

Report of the Manager

Global Overview

Global equity and financial markets staged a strong recovery during the period. Most of the world's stock markets made back the losses they had sustained during the previous 12 months. With almost all the major economies emerging from recession, and governments and central banks working hard to grease the wheels of the financial system, many believe the worst of the economic and financial crisis has passed. At the same time, though, there remains a great deal of uncertainty over the shape of the recovery to follow.

Confidence may be returning to financial markets, but the global banking system is still somewhat fragile and constrained by inadequate capital. Accordingly, interest rates have remained at historic low levels and are not likely to rise appreciably for some months to come. Cheap money alone, though, has not been enough to improve liquidity. The Bank of England's programme of quantitative easing – in which it effectively creates money to buy gilts from financial institutions so as to reinvigorate lending and boost the economy was expanded during the period, taking the total to £200 billion by year-end. This is one of the more tangible signs of the continued need for vigilance.

Meanwhile, signs that the money markets are back to their normal operating levels continue to mount. For example, spreads between three-month Libor and overnight market rates, a measure of credit risk, are currently at levels not seen since before the collapse of Lehman Brothers. In addition, the cost of borrowing without collateral is also no longer markedly more expensive than the cost of borrowing with a security backing the loan.

Looking ahead, while we continue to expect a relatively moderate economic upturn, there are a number of headwinds to growth. The impact of government and central bank intervention has now probably peaked, and its effect is likely to lessen in 2010.

Although the next year is obviously not without risks, overall, prospects are good. Corporate profits are starting to recover, companies are running financial surpluses (in cash-flow terms) and business confidence is gradually improving.

UK

An upswing in the UK economy appears to be underway. The recovery may gather pace only slowly, in part because fiscal expansion is set to turn into fiscal contraction. A second constraint on growth, particularly in the short term, is likely to be the limited availability of credit as domestic banks rebuild capital ratios and overseas banks remain less active in the UK. Overall, we expect that a fall of about 4.5% in GDP in 2009 will be followed by gains of 1.5% in 2010 and 3.2% the year after.

The immediate outlook for inflation is poor: the reversal of last year's VAT cut will have a significant upward effect; energy price inflation also has further to rise. Our projections now show CPI inflation averaging 3.1% in the first half of 2010 and 2.6% in the latter half, before falling back to 1.8% on average in 2011.

Our expectation is that monetary policy will be tightened from existing ultra-loose settings back towards normal over the next two years. As highlighted, we do not expect any further asset purchases by the Bank of England beyond those scheduled to be completed by early February. As for interest rates, we think they will start to rise from the third quarter of 2010 onwards, reaching 1.75% (from 0.5%) by the end of the year and 4.25% by the close of 2011. The risks to this scenario are on the side of less aggressive tightening, should the post-election government embark on a policy of early and significant cuts in public spending.

US

The initial upturn in the US economy is being driven by factors such as fiscal policy and a favourable swing in inventories. We may see a period of slower growth in the first half of 2010, before it picks up more strongly in the second half and into 2011. This will be driven by an upswing in both business and residential investment from very depressed levels. Overall, we project a moderate 2.1% increase in GDP in 2010 followed by a robust 3.3% in 2011.

Underlying inflation measures that exclude food and energy are likely to drift lower over the next year in response to spare capacity, high unemployment and limited increases in pay. Thereafter, it should start to edge up as the economy moves into a more rapid growth phase. Overall, CPI inflation is now moving up from its July low of -2.1%. It may exceed 2% in the early part of 2010 before easing back, reflecting fluctuations in energy prices both from now and a year ago. We forecast that overall inflation will rise from -0.3% on average this year to 1.8% in 2010 and 1.6% in 2011.

The Federal Reserve is under no immediate pressure to raise interest rates. Its programme of asset purchases is scheduled to run until the end of March 2010 and is likely to be completed despite some dissenting voices on the Federal Open Market Committee. The November FOMC statement again indicated that conditions "are likely to warrant exceptionally low levels of the Federal Funds rate for an extended period".

We retain the view that rates will be kept close to zero until the third quarter of 2010, although of course any dropping of the "extended period" language, presumably some months before a hike in rates, will be a major market event. We see the Fed raising rates at a steady pace once moves get underway. Our forecasts that the Fed Funds rate will reach 1.75% by end-2010 and 4% by end-2011 are some way above current market expectations.

Report of the Manager (continued)

Eurozone

The eurozone officially emerged from recession in November. GDP for the third quarter expanded by 0.4% compared to the previous three months, with Germany and Italy the main drivers of growth. The various PMI surveys also confirmed the better picture across mainland Europe. Growth, however, remains patchy across the region, with northern Europe rebounding strongly while the southern Mediterranean countries languish in recession. This disparity is likely to continue given the changes in relative competitiveness and productivity that has occurred.

Nevertheless, at the euro-area level, growth has been supported by a number of one-off measures, and appears to have begun a self sustaining recovery. We expect muted GDP growth of 1.5% in 2010, with growth accelerating to 2.1% in 2011.

Inflation is forecast to increase as base effects become positive, but official rates are expected to remain at extremely low levels. We forecast a pick up in the rate of inflation because of positive base effects from food and oil, with CPI increasing from 0.3% in 2009 to 1.1% in 2010 and 1.3% in 2011. Headline inflation forecasts may yet be upwardly revised as additional administrative taxes lead to higher inflation. Low inflation combined with a large output gap is likely to put downward pressure on interest rates going forward. As such, the first increase in rates is expected to occur in the fourth quarter of 2010, but on an historic basis are expected to remain low going forward. At the end of 2011, we pencil in interest rates of 3%.

Lloyds TSB Fund Managers Limited

1st February 2010

Balance Sheet

At 31st December 2009

	Notes	Company US\$	Australian AU\$	Individual Classes Canadian C\$	Euro €	New Zealand NZ\$
Cash at bank	3(c),10	45,253,064	357,959	—	2,073,422	482,602
Receivables:	3(d),10					
Sight to 7 days		76,358,750	11,111,949	—	8,206,320	4,295,283
8 days to 14 days		76,698,303	9,225,998	—	8,670,708	6,129,810
15 days to 1 month		108,519,661	6,760,388	—	9,031,588	11,328,765
1 month to 3 months		60,579,320	1,503,626	—	4,505,228	1,503,268
Over 3 months		—	—	—	—	—
		322,156,034	28,601,961	—	30,413,844	23,257,126
Creation receivable		342,325	—	—	110,928	—
Other accrued income and pre-paid expenses	7	602,096	108,574	—	9,151	39,757
Total Assets		<u>368,353,519</u>	<u>29,068,494</u>	<u>—</u>	<u>32,607,345</u>	<u>23,779,485</u>
Equity						
Ordinary share capital	4	100	—	—	—	—
Total Equity		<u>100</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Liabilities						
Cancellation payable		1,328,913	587,539	—	15,000	442,389
Accrued expenses	8	195,076	30,241	—	14,882	22,913
Nominal shares	4	321,029	—	—	—	—
Total Liabilities *		<u>1,845,018</u>	<u>617,780</u>	<u>—</u>	<u>29,882</u>	<u>465,302</u>
Net assets attributable to holders of participating redeemable preference shares	6	366,508,401	28,450,714	—	32,577,463	23,314,183
Total Liabilities and Equity		<u>368,353,519</u>	<u>29,068,494</u>	<u>—</u>	<u>32,607,345</u>	<u>23,779,485</u>

* Excluding net assets attributable to holders of participating redeemable preference shares.

The Financial Statements on pages 8 to 35 were approved by the Board of Directors
1st February 2010 and are signed on their behalf by:-

R. D. Willcox }
B. C. James } Directors

The notes on pages 18 to 35 form an integral part of these Financial Statements.

	Individual Classes		Managed Class	Institutional Class
Sterling £	Swiss Franc SwFr	US Dollar US\$	Sterling £	Sterling £
19,295,788	—	4,464,032	—	3,659,856
20,882,286	—	11,203,861	—	4,007,553
22,235,110	—	10,662,721	—	3,008,004
23,421,948	—	19,321,251	—	14,848,194
21,526,120	—	9,556,984	—	4,500,746
—	—	—	—	—
88,065,464	—	50,744,817	—	26,364,497
98,325	—	23,876	—	—
56,849	—	25,612	—	14,756
<u>107,516,426</u>	<u>—</u>	<u>55,258,337</u>	<u>—</u>	<u>30,039,109</u>
—	—	—	—	—
—	—	—	—	—
150,359	—	53,204	—	100,000
54,288	—	25,455	—	10,263
—	—	—	—	—
<u>204,647</u>	<u>—</u>	<u>78,659</u>	<u>—</u>	<u>110,263</u>
107,311,779	—	55,179,678	—	29,928,846
<u>107,516,426</u>	<u>—</u>	<u>55,258,337</u>	<u>—</u>	<u>30,039,109</u>

Balance Sheet

At 30th June 2009

	Notes	Company US\$	Australian AU\$	Individual Classes Canadian C\$	Euro €	New Zealand NZ\$
Cash at bank	3(c),10	62,127,263	6,080,364	677,469	6,145,824	3,483,600
Receivables:	3(d),10					
Sight to 7 days		65,309,426	3,392,622	2,202,092	3,564,168	3,429,061
8 days to 14 days		81,370,226	10,086,221	581,308	6,011,696	4,555,745
15 days to 1 month		163,241,849	11,883,983	2,840,763	11,023,693	10,403,081
1 month to 3 months		94,368,633	2,776,053	—	6,045,698	2,003,758
Over 3 months		—	—	—	—	—
		404,290,134	28,138,879	5,624,163	26,645,255	20,391,645
Creation receivable		810,810	—	133,335	173	—
Other accrued income and pre-paid expenses	7	718,725	34,956	454	15,500	27,127
Total Assets		467,946,932	34,254,199	6,435,421	32,806,752	23,902,372
Equity						
Ordinary share capital	4	100	—	—	—	—
Total Equity		100	—	—	—	—
Liabilities						
Cancellation payable		1,099,893	40,000	4,814	34,180	198,175
Accrued expenses	8	428,063	38,709	6,190	33,513	27,750
Nominal shares	4	290,230	—	—	—	—
Total Liabilities *		1,818,186	78,709	11,004	67,693	225,925
Net assets attributable to holders of participating redeemable preference shares	6	466,128,646	34,175,490	6,424,417	32,739,059	23,676,447
Total Liabilities and Equity		467,946,932	34,254,199	6,435,421	32,806,752	23,902,372

* Excluding net assets attributable to holders of participating redeemable preference shares.

The notes on pages 18 to 35 form an integral part of these Financial Statements.

	Individual Classes		Managed Class	Institutional Class
Sterling £	Swiss Franc SwFr	US Dollar US\$	Sterling £	Sterling £
13,145,632	21,005	3,998,817	508,914	11,543,925
24,034,091	2,803,857	—	489,922	4,842,704
17,932,171	960,000	16,795,443	1,612,811	6,805,495
27,701,932	4,230,055	18,723,890	2,770,874	33,760,927
32,945,414	—	18,810,483	501,027	6,306,985
—	—	—	—	—
102,613,608	7,993,912	54,329,816	5,374,634	51,716,111
79,045	26,700	16,812	—	316,347
166,276	754	20,363	677	38,106
116,004,561	8,042,371	58,365,808	5,884,225	63,614,489
—	—	—	—	—
—	—	—	—	—
433,490	—	146,524	—	13,725
140,204	4,505	39,332	13,715	16,955
—	—	—	—	—
573,694	4,505	185,856	13,715	30,680
115,430,867	8,037,866	58,179,952	5,870,510	63,583,809
116,004,561	8,042,371	58,365,808	5,884,225	63,614,489

Income Statement

	Notes	Company US\$	Australian AU\$	Individual Classes Canadian C\$	Euro €	New Zealand NZ\$
For the period ended 31st December 2009						
Operating Profit						
Total investment income	3(e)	2,139,222	496,555	5,824	81,804	301,721
Currency exchange losses	12	71,806	—	—	—	—
Total operating expenses	9	(1,258,943)	(152,109)	(7,419)	(61,929)	(115,407)
Increase/(decrease) in net assets attributable to holders of participating redeemable preference shares from operations		<u>952,085</u>	<u>344,446</u>	<u>(1,595)</u>	<u>19,875</u>	<u>186,314</u>

The Classes have no recognised gains or losses other than the return for the financial period.

For the period ended 31st December 2008

Operating Profit						
Total investment income	3(e)	10,757,467	1,136,719	103,848	648,723	984,337
Currency exchange gains	12	64,634	—	—	—	—
Total operating expenses	9	(2,152,030)	(170,041)	(37,335)	(148,012)	(127,491)
Increase in net assets attributable to holders of participating redeemable preference shares from operations		<u>8,670,071</u>	<u>966,678</u>	<u>66,513</u>	<u>500,711</u>	<u>856,846</u>

The Classes have no recognised gains or losses other than the return for the financial period.

The notes on pages 18 to 35 form an integral part of these Financial Statements.

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
518,271 — (408,048)	5,344 — (1,622)	107,360 — (100,938)	6,507 44,385 (20,748)	243,668 — (88,748)
<u>110,223</u>	<u>3,722</u>	<u>6,422</u>	<u>30,144</u>	<u>154,920</u>
3,334,216 — (651,128)	93,751 — (52,474)	963,910 — (352,868)	230,051 44,191 (75,060)	737,696 — (49,262)
<u>2,683,088</u>	<u>41,277</u>	<u>611,042</u>	<u>199,182</u>	<u>688,434</u>

Statement of changes in net assets attributable to holders of participating redeemable preference shares

	Company US\$	Australian AU\$	Individual Classes Canadian C\$	Euro €	New Zealand NZ\$
For the period ended 31st December 2009					
Net assets attributable to holders of participating redeemable preference shares at 1st July 2009	466,128,646	34,175,490	6,424,417	32,739,059	23,676,447
Proceeds from participating redeemable preference shares issued	65,927,422	5,207,548	312,657	5,491,581	4,476,436
Redemption of participating redeemable preference shares	(166,903,524)	(11,276,770)	(6,735,479)	(5,673,052)	(5,025,014)
Increase/(decrease) in net assets attributable to holders of participating redeemable preference shares from operations	952,085	344,446	(1,595)	19,875	186,314
Movement in currency translation	403,772	—	—	—	—
Net assets attributable to holders of participating redeemable preference shares at 31st December 2009	<u>366,508,401</u>	<u>28,450,714</u>	<u>—</u>	<u>32,577,463</u>	<u>23,314,183</u>
For the period ended 31st December 2008					
Net assets attributable to holders of participating redeemable preference shares at 1st July 2008	536,778,363	33,955,400	8,165,479	31,986,776	25,709,893
Proceeds from participating redeemable preference shares issued	217,287,584	15,989,026	4,183,050	11,560,395	7,568,802
Redemption of participating redeemable preference shares	(189,620,763)	(9,452,496)	(5,655,136)	(9,251,879)	(4,682,046)
Increase in net assets attributable to holders of participating redeemable preference shares from operations	8,670,071	966,678	66,513	500,711	856,846
Movement in currency translation	(116,690,722)	—	—	—	—
Net assets attributable to holders of participating redeemable preference shares at 31st December 2008	<u>456,424,533</u>	<u>41,458,608</u>	<u>6,759,906</u>	<u>34,796,003</u>	<u>29,453,495</u>

The notes on pages 18 to 35 form an integral part of these Financial Statements.

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
115,430,867	8,037,866	58,179,952	5,870,510	63,583,809
12,060,749	84,459	4,130,844	—	15,995,632
(20,290,060)	(8,126,047)	(7,137,540)	(5,900,654)	(49,805,515)
110,223	3,722	6,422	30,144	154,920
—	—	—	—	—
<u>107,311,779</u>	<u>—</u>	<u>55,179,678</u>	<u>—</u>	<u>29,928,846</u>
125,083,943	10,211,872	78,431,499	17,702,691	26,407,066
74,891,508	2,330,085	25,088,212	1,792,822	14,537,030
(49,041,172)	(1,640,757)	(38,253,837)	(12,223,574)	(10,804,210)
2,683,088	41,277	611,042	199,182	688,434
—	—	—	—	—
<u>153,617,367</u>	<u>10,942,477</u>	<u>65,876,916</u>	<u>7,471,121</u>	<u>30,828,320</u>

Cash Flow Statement

For the period ended 31st December 2009

	Company US\$	Australian AU\$	Individual Classes Canadian C\$	Euro €	New Zealand NZ\$
Cash flows from operating activities					
Investment income received	2,288,730	422,937	6,278	88,153	289,091
Operating expenses paid	(1,494,398)	(160,577)	(13,609)	(80,560)	(120,244)
Net movement in deposit placements	82,134,100	(463,082)	5,624,163	(3,768,589)	(2,865,481)
Net cash inflow / (outflow) from operating activities	<u>82,928,432</u>	<u>(200,722)</u>	<u>5,616,832</u>	<u>(3,760,996)</u>	<u>(2,696,634)</u>
Cash flows from financing activities					
Proceeds received from issue of participating redeemable preference shares	66,414,075	5,207,548	445,992	5,380,826	4,476,436
Proceeds due to redemption of participating redeemable preference shares	(166,395,363)	(10,729,231)	(6,740,293)	(5,692,232)	(4,780,800)
Net cash (outflow) from financing activities	<u>(99,981,288)</u>	<u>(5,521,683)</u>	<u>(6,294,301)</u>	<u>(311,406)</u>	<u>(304,364)</u>
Net (decrease) / increase in cash and cash equivalents	(17,052,856)	(5,722,405)	(677,469)	(4,072,402)	(3,000,998)
Cash and cash equivalents at 1st July 2009	62,127,263	6,080,364	677,469	6,145,824	3,483,600
Movement in currency translation	178,657	—	—	—	—
Cash and cash equivalents at 31st December 2009	<u>45,253,064</u>	<u>357,959</u>	<u>—</u>	<u>2,073,422</u>	<u>482,602</u>

For the period ended 31st December 2008

Cash flows from operating activities					
Investment income received	11,414,479	1,163,030	204,901	649,479	985,008
Operating expenses paid	(2,155,655)	(166,935)	(39,700)	(146,611)	(128,051)
Net movement in deposit placements	86,921,073	(8,246,639)	2,391,788	(2,000,136)	(3,366,955)
Net cash inflow / (outflow) from operating activities	<u>96,179,897</u>	<u>(7,250,544)</u>	<u>2,556,989</u>	<u>(1,497,268)</u>	<u>(2,509,998)</u>
Cash flows from financing activities					
Proceeds received from issue of participating redeemable preference shares	216,694,106	16,981,999	3,985,129	11,567,494	7,684,263
Proceeds due to redemption of participating redeemable preference shares	(187,815,283)	(9,482,820)	(5,428,122)	(9,037,851)	(4,463,322)
Net cash inflow / (outflow) from financing activities	<u>28,878,823</u>	<u>7,499,179</u>	<u>(1,442,993)</u>	<u>2,529,643</u>	<u>3,220,941</u>
Net (decrease) / increase in cash and cash equivalents	125,058,720	248,635	1,113,996	1,032,375	710,943
Cash and cash equivalents at 1st July 2008	2,450,253	95,128	(63,881)	167,384	30,511
Movement in currency translation	(116,972,667)	—	—	—	—
Cash and cash equivalents at 31st December 2008	<u>10,536,306</u>	<u>343,763</u>	<u>—</u>	<u>1,199,759</u>	<u>741,454</u>

The notes on pages 18 to 35 form an integral part of these Financial Statements.

	Individual Classes		Managed Class	Institutional Class
Sterling £	Swiss Franc SwFr	US Dollar US\$	Sterling £	Sterling £
627,698	6,098	102,111	7,184	267,017
(493,964)	(6,127)	(114,815)	(34,463)	(95,438)
<u>14,548,144</u>	<u>7,993,912</u>	<u>3,584,999</u>	<u>5,374,634</u>	<u>25,351,613</u>
<u>14,681,878</u>	<u>7,993,883</u>	<u>3,572,295</u>	<u>5,347,355</u>	<u>25,523,192</u>
12,041,469	111,159	4,123,780	—	16,311,979
(20,573,191)	(8,126,047)	(7,230,860)	(5,900,654)	(49,719,240)
(8,531,722)	(8,014,888)	(3,107,080)	(5,900,654)	(33,407,261)
6,150,156	(21,005)	465,215	553,299	(7,884,069)
13,145,632	21,005	3,998,817	508,914	11,543,925
—	—	—	44,385	—
<u>19,295,788</u>	<u>—</u>	<u>4,464,032</u>	<u>—</u>	<u>3,659,856</u>
3,485,319	100,687	1,014,023	246,135	861,931
(639,090)	(53,624)	(360,512)	(82,201)	(52,261)
(24,937,223)	(300,283)	11,495,486	10,812,298	(4,076,183)
(22,090,994)	(253,220)	12,148,997	10,976,232	(3,266,513)
74,401,383	1,459,808	25,049,474	1,792,822	14,537,030
(49,549,811)	(1,297,741)	(37,108,250)	(12,223,574)	(10,738,588)
<u>24,851,572</u>	<u>162,067</u>	<u>(12,058,776)</u>	<u>(10,430,752)</u>	<u>3,798,442</u>
2,760,578	(91,153)	90,221	545,480	531,929
452,643	311,814	80,162	435,508	(11,877)
—	—	—	44,191	—
<u>3,213,221</u>	<u>—</u>	<u>170,383</u>	<u>—</u>	<u>520,052</u>

Notes to the financial statements

31st December 2009

1. Place of registration

The Company is registered in Jersey, Channel Islands.

2. Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Financial Statements have been prepared under the historical cost convention, and in accordance with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003. Jersey is not part of the United Kingdom and the Company is not regulated by the Financial Services Authority of the United Kingdom (FSA).

All amounts reported in the income statement are in respect of continuing operations.

The capital of the Company comprises various Classes of shares each relating to a separate portfolio ("Class") consisting of bank deposits, cash and other sundry assets and liabilities. These Financial Statements present the balance sheets, income statements, statements of changes in net assets attributable to holders of participating redeemable preference shares and cash flow statements. At the balance sheet date there were six Classes in existence; Australian Dollar, Euro, New Zealand Dollar, Sterling, US Dollar and Institutional Sterling.

Where assets of an individual Class are insufficient to meet the Class liabilities, any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other Classes.

The net assets attributable to holders of participating redeemable preference shares are classified as Financial Liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Management Shares and Nominal Shares. Details of Management Shares and Nominal Shares are disclosed in notes 3(f) and 4.

Critical accounting estimates and judgements

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting policies deemed critical to the Company's results and financial position, based upon materiality and significant judgements and estimates, are discussed below.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated in the following text: The Directors also monitor new standards and ensure that they are applied when relevant.

The following interpretation is effective for the Fund's accounting periods beginning 1st October 2008 but is not relevant for the Fund's operations:

- IFRIC 16 'Hedges of a net investment in a foreign operation'

The following standards, amendments and interpretations are effective on or after 1st January 2009 but are not relevant for the Fund's operations:

- IAS 23 (Amendment), 'Borrowing costs'
- IAS 39 & IFRIC 9 (Amendment), 'Embedded derivatives'
- IAS 39 & IFRS 7 (Amendment), 'Reclassification of financial assets'
- IFRS 1 (Amendment), 'First-time adoption of IFRS'
- IAS 27 (Amendment), 'Consolidated and separate financial statements'
- IFRS 2 (Amendment), 'Share-based payment'
- IFRIC 15 'Agreements for construction of real estates'
- IAS 27 (Revised) 'Consolidated and separate financial statements'
- IFRS 1 (Amendment), 'Additional exemptions for first time adopters'
- IFRS 2 (Amendment), 'Group cash-settled share-based payment transactions'
- IFRS 3 (Revised) 'Business combinations'
- IFRIC 17 'Distributions of non-cash assets to owners'
- IFRIC 18 'Transfers of assets from customers'
- IFRS 8 'Operating segments'

Improvements to IFRS were issued in May 2008 and April 2009 respectively and contain numerous amendments to IFRS, which IASB consider non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition of measurements purposes as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments are effective for annual periods beginning on or after 1st January 2009 and 1st January 2010 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

(a) Segmental reporting

The Company, at the balance sheet date is organised into six business segments, each focussing on achieving returns by investing in bank deposits as described in the Investment Objective and Policy on page 3.

The Company issues shares which are allocated to the currency Class selected by the investor. A separate account is maintained for each Class, to which proceeds of issue, the income arising from those proceeds and expenses are allocated. Upon redemption shareholders are entitled to their proportion of the net assets held in the Class in which their shares have been designated.

Balance sheets, income statements, statements of changes in net assets attributable to holders of participating redeemable preference shares and cash flow statements have been prepared for each Class as well as for the Company as a whole.

(b) Foreign currency translation

i) Functional currency and presentational currency

The Company has adopted the currency of the respective underlying assets of each Class as the presentational and functional currency of each respective Class, as the primary activity of each Class is to invest in bank deposits in the currency of that Class, to achieve a high rate of return in capital terms, so far as is commensurate with minimum risk to capital.

ii) Share premium and share capital translation

Share premium and share capital transactions are translated into US dollars at the rate of exchange ruling at the time of the transaction.

iii) Aggregated share premium

The aggregated balance of net assets attributable to holders of participating redeemable preference shares has been translated using the average exchange rate for the period.

The rates of exchange to the US Dollar ruling at 31st December 2009 were:

Australian Dollar	1.1143	New Zealand Dollar	1.3746
Sterling	0.6181	Euro	0.6960

The average rates of exchange to the US Dollar for the period 1st July 2009 to 31st December 2009 were:

Australian Dollar	1.1402	New Zealand Dollar	1.4199
Canadian Dollar	1.0717	Sterling	0.6126
Euro	0.6879	Swiss Franc	1.0400

iv) Foreign Currency Translation

Assets and liabilities denominated in currencies other than the functional currency of the Managed Sterling Class are translated at the rate of exchange ruling at the balance sheet date. The currency profits or losses arising on translation, together with currency profits or losses realised during the period are recognised in the income statements.

(c) Cash

Cash balances are current account balances held at call.

(d) Receivables

Receivables are currency deposits with fixed or determinable payment dates. Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

(e) Revenue recognition

Bank and deposit interest is recognised in the income statement on a time proportionate basis using the effective interest method.

Notes to the financial statements (Continued)

3. Summary of significant accounting policies (continued)

(f) Share capital

- (i) The deferred Shares have been subscribed for by the Manager and are 'non-participating'. The holders thereof are entitled only to income arising on the assets represented by the deferred Shares. These Shares are classified as equity share capital in the balance sheet.
- (ii) Shares may be issued as either participating redeemable preference shares ("Participating Shares") or Nominal Shares. Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities. Each holder of a Participating Shares is entitled, on a poll, to one vote for each Participating Share held.
- (iii) Nominal Shares have been accounted for in accordance with the Companies (Jersey) Law 1991 and corresponding amounts have been included in debtors and financial liabilities.

Shares are deemed to be in issue at the date of allotment although if necessary declarations are not received by the Company, such allotment may be cancelled.

A Nominal Share will be created when a Participating Share is cancelled. A Nominal Share will be cancelled when a Participating Share is created until the number of Nominal Shares falls to zero.

Both issued Nominal and Participating Shares are carried at a value of US\$ 0.01 per Share.

- (iv) Details of the Company's share capital and transactions during the period are shown in note 4.

(g) Share premium

The premium on issues and redemptions of the Participating Shares is accounted for within the share premium account which forms part of the net assets attributable to holders of participating redeemable preference shares. Upon redemption the premium payable is debited to the share premium account of each currency class. In the event that redemptions during the year take the share premium account into a negative position, sufficient monies will be transferred from reserves to cover said position. Details are shown in note 5.

(h) Administration and audit fees

Administration and audit fees are allocated to each Class based on the average net asset values.

Notes to the financial statements (continued)

4. Share capital

Authorised share capital

	US\$
Deferred shares - 100 of US\$1 each	100
Unclassified shares - 50,000,000 of US\$0.01 each	500,000
	<u>500,100</u>

Participating Shares in issue

Class	31st December 2009	30th June 2009
Australian Dollar	186,937	226,997
Canadian Dollar	—	156,141
Euro	618,817	622,258
New Zealand Dollar	121,328	124,180
Sterling	2,059,661	2,217,695
Swiss Franc	—	91,987
United States Dollar	904,962	954,276
Managed Sterling	—	198,680
Institutional Sterling	2,104,986	4,484,301
Total	<u>5,996,691</u>	<u>9,076,515</u>

Nominal Shares in issue

	31st December 2009		30th June 2009	
	Number	Value US\$	Number	Value US\$
Balance brought forward	29,023,078	290,230	30,516,239	305,162
Creations	4,677,064	46,771	7,670,638	76,706
Redemptions	(1,597,240)	(15,972)	(9,163,799)	(91,638)
	<u>32,102,902</u>	<u>321,029</u>	<u>29,023,078</u>	<u>290,230</u>

Notes to the financial statements (continued)

4. Share capital (continued)

Issued share capital

	Number	Company US\$	Individual Classes		Euro €	New Zealand NZ\$
			Australian AU\$	Canadian C\$		
Participating redeemable preference shares of US 1 cent each fully paid						
At 1st July 2009	9,076,515	90,766	3,585	1,496	6,392	3,305
Issued during the period	1,597,240	15,972	388	82	719	329
Redeemed during the period	(4,677,064)	(46,771)	(850)	(1,578)	(735)	(379)
At 31st December 2009	5,996,691	59,967	3,123	—	6,376	3,255
Deferred shares of US\$1 each fully paid						
At 31st December 2009	100	100	—	—	—	—
Total	5,996,791	60,067	3,123	—	6,376	3,255

Participating redeemable preference shares of US 1 cent each fully paid

At 1st July 2008	7,583,354	75,834	3,620	1,956	6,319	3,537
Issued during the year	9,163,799	91,638	3,906	1,956	2,366	1,172
Redeemed during the year	(7,670,638)	(76,706)	(3,941)	(2,416)	(2,293)	(1,404)
At 30th June 2009	9,076,515	90,766	3,585	1,496	6,392	3,305

Deferred shares of US\$1 each fully paid

At 30th June 2009	100	100	—	—	—	—
Total	9,076,615	90,866	3,585	1,496	6,392	3,305

5. Share premium account

Share premium

	Company US\$	Australian AU\$	Individual Classes		Euro €	New Zealand NZ\$
			Canadian C\$			
The share premium arises on the participating redeemable preference shares of US 1 cent each fully paid						
At 1st July 2009	146,564,294	1,263,896	1,708,962		20,853,114	—
Issued during the period	65,911,450	5,207,160	312,575		5,490,862	4,476,107
Redeemed during the period	(166,856,753)	(11,275,920)	(6,733,711)		(5,672,317)	(5,024,635)
Transfer from undistributed income reserve	30,503,903	4,804,864	4,712,174		—	548,528
31st December 2009	76,122,894	—	—		20,671,659	—

The share premium arises on the participating redeemable preference shares of US 1 cent each fully paid

At 1st July 2008	151,223,923	2,470,736	3,517,107		20,703,110	—
Issued during the year	469,798,334	39,180,802	6,943,957		16,638,398	12,600,419
Redeemed during the year	(478,243,063)	(40,387,642)	(8,752,102)		(16,488,394)	(15,823,512)
Transfer from undistributed income reserve	3,785,100	—	—		—	3,223,093
At 30th June 2009	146,564,294	1,263,896	1,708,962		20,853,114	—

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
11,065	2,486	9,543	663	30,811
1,431	10	678	—	6,894
(2,388)	(2,496)	(1,171)	(663)	(21,423)
<hr/> 10,108 <hr/>	<hr/> — <hr/>	<hr/> 9,050 <hr/>	<hr/> — <hr/>	<hr/> 16,282 <hr/>
—	—	100	—	—
<hr/> 10,108 <hr/>	<hr/> — <hr/>	<hr/> 9,150 <hr/>	<hr/> — <hr/>	<hr/> 16,282 <hr/>

12,515	2,774	12,976	2,903	15,659
16,781	871	13,916	856	25,141
(18,231)	(1,159)	(17,349)	(3,096)	(9,989)
<hr/> 11,065 <hr/>	<hr/> 2,486 <hr/>	<hr/> 9,543 <hr/>	<hr/> 663 <hr/>	<hr/> 30,811 <hr/>
—	—	100	—	—
<hr/> 11,065 <hr/>	<hr/> 2,486 <hr/>	<hr/> 9,643 <hr/>	<hr/> 663 <hr/>	<hr/> 30,811 <hr/>

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
2,970,136	—	—	—	54,470,297
12,059,318	84,449	4,130,166	—	15,988,738
(20,287,672)	(8,125,075)	(7,136,369)	(5,899,412)	(49,784,092)
<hr/> 5,258,218 <hr/>	<hr/> 8,040,626 <hr/>	<hr/> 3,006,203 <hr/>	<hr/> 5,899,412 <hr/>	<hr/> — <hr/>
<hr/> — <hr/>	<hr/> — <hr/>	<hr/> — <hr/>	<hr/> — <hr/>	<hr/> 20,674,943 <hr/>

15,641,383	1,738,267	20,658,016	11,318,654	18,155,652
135,851,947	6,801,546	84,684,815	3,828,361	58,132,132
(148,523,194)	(9,020,936)	(105,586,432)	(15,738,547)	(21,817,487)
<hr/> — <hr/>	<hr/> 481,123 <hr/>	<hr/> 243,601 <hr/>	<hr/> 591,532 <hr/>	<hr/> — <hr/>
<hr/> 2,970,136 <hr/>	<hr/> — <hr/>	<hr/> — <hr/>	<hr/> — <hr/>	<hr/> 54,470,297 <hr/>

Notes to the financial statements (continued)

6. Net assets attributable to holders of participating redeemable preference shares

31st December 2009	Note	Company US\$	Individual Classes			Euro €	New Zealand NZ\$
			Australian AU\$	Canadian C\$			
Share capital	4	59,967	3,123	—	6,376	3,255	
Share premium	5	76,122,894	—	—	20,671,659	—	
Accumulated income		286,315,729	28,447,591	—	11,899,428	23,310,928	
Currency translation reserve		4,009,811	—	—	—	—	
Exchange gains on Managed Class 12		—	—	—	—	—	
At 31st December 2009		<u>366,508,401</u>	<u>28,450,714</u>	<u>—</u>	<u>32,577,463</u>	<u>23,314,183</u>	
30th June 2009							
Share capital	4	90,766	3,585	1,496	6,392	3,305	
Share premium	5	146,564,294	1,263,896	1,708,962	20,853,114	—	
Accumulated income		284,206,274	32,908,009	4,713,959	11,879,553	23,673,142	
Currency translation reserve		35,109,823	—	—	—	—	
Exchange gains on Managed Class 12		157,489	—	—	—	—	
At 30th June 2009		<u>466,128,646</u>	<u>34,175,490</u>	<u>6,424,417</u>	<u>32,739,059</u>	<u>23,676,447</u>	

7. Other accrued income and pre-paid expenses

31st December 2009	Company US\$	Individual Classes			Euro €	New Zealand NZ\$
		Australian AU\$	Canadian C\$			
Accrued income	280,967	108,574	—	9,151	39,757	
Nominal shares	321,029	—	—	—	—	
Other debtors	100	—	—	—	—	
Other accrued income and prepaid expenses	<u>602,096</u>	<u>108,574</u>	<u>—</u>	<u>9,151</u>	<u>39,757</u>	
30th June 2009						
Accrued income	428,395	34,956	454	15,500	27,127	
Nominal shares	290,230	—	—	—	—	
Other debtors	100	—	—	—	—	
Other accrued income and prepaid expenses	<u>718,725</u>	<u>34,956</u>	<u>454</u>	<u>15,500</u>	<u>27,127</u>	

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
10,108	—	9,050	—	16,282
—	—	—	—	20,674,943
107,301,671	—	55,170,628	—	9,237,621
—	—	—	—	—
—	—	—	—	—
<u>107,311,779</u>	<u>—</u>	<u>55,179,678</u>	<u>—</u>	<u>29,928,846</u>

11,065	2,486	9,543	663	30,811
2,970,136	—	—	—	54,470,297
112,449,666	8,035,380	58,170,409	5,783,845	9,082,700
—	—	—	—	—
—	—	—	86,002	—
<u>115,430,867</u>	<u>8,037,866</u>	<u>58,179,952</u>	<u>5,870,510</u>	<u>63,583,808</u>

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
56,849	—	25,612	—	14,756
—	—	—	—	—
—	—	—	—	—
<u>56,849</u>	<u>—</u>	<u>25,612</u>	<u>—</u>	<u>14,756</u>

166,276	754	20,363	677	38,106
—	—	—	—	—
—	—	—	—	—
<u>166,276</u>	<u>754</u>	<u>20,363</u>	<u>677</u>	<u>38,106</u>

Notes to the financial statements (continued)

8. Accrued expenses

31st December 2009	Company US\$	Australian AU\$	Individual Classes		Euro €	New Zealand NZ\$
			Canadian C\$			
Due to the Manager	113,206	21,848	—		5,509	17,348
Due to the Custodian	16,759	1,478	—		1,584	1,174
Other creditors	65,111	6,915	—		7,789	4,391
Accrued expenses	<u>195,076</u>	<u>30,241</u>	<u>—</u>		<u>14,882</u>	<u>22,913</u>
30th June 2009						
Due to the Manager	284,463	25,338	1,942		17,249	17,834
Due to the Custodian	21,876	1,714	319		1,653	1,206
Other creditors	121,724	11,657	3,929		14,611	8,710
Accrued expenses	<u>428,063</u>	<u>38,709</u>	<u>6,190</u>		<u>33,513</u>	<u>27,750</u>

9. Total operating expenses

31st December 2009	Notes	Company US\$	Australian AU\$	Individual Classes		Euro €	New Zealand NZ\$
				Canadian C\$			
Payable to the Manager:							
Annual management fees	14	1,085,544	136,593	4,526		50,172	102,213
Payable to the Custodian:							
Custodian fees	15	109,208	9,240	744		9,602	6,914
Other expenses:							
Administration expenses		51,335	5,376	1,989		1,155	5,580
Audit fees		12,856	900	160		1,000	700
Total expenses		<u>1,258,943</u>	<u>152,109</u>	<u>7,419</u>		<u>61,929</u>	<u>115,407</u>
31st December 2008							
Payable to the Manager:							
Annual management fees	14	1,956,404	152,990	30,354		133,724	113,552
Payable to the Custodian:							
Custodian fees	15	130,531	10,349	2,053		9,046	7,682
Other expenses:							
Administration expenses		51,770	5,702	4,708		4,242	5,557
Audit fees		13,325	1,000	220		1,000	700
Total expenses		<u>2,152,030</u>	<u>170,041</u>	<u>37,335</u>		<u>148,012</u>	<u>127,491</u>

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
32,121	—	9,396	—	7,233
5,277	—	2,701	—	658
16,890	—	13,358	—	2,372
<u>54,288</u>	<u>—</u>	<u>25,455</u>	<u>—</u>	<u>10,263</u>

108,391	—	19,003	8,092	8,893
7,332	—	3,122	310	808
24,481	4,505	17,207	5,313	7,254
<u>140,204</u>	<u>4,505</u>	<u>39,332</u>	<u>13,715</u>	<u>16,955</u>

Sterling £	Individual Classes Swiss Franc SwFr	US Dollar US\$	Managed Class Sterling £	Institutional Class Sterling £
359,997	—	74,734	19,742	74,739
32,402	—	16,366	757	6,794
12,549	1,422	8,238	89	5,465
3,100	200	1,600	160	1,750
<u>408,048</u>	<u>1,622</u>	<u>100,938</u>	<u>20,748</u>	<u>88,748</u>

596,957	44,741	321,709	70,573	42,617
40,382	3,027	21,763	2,705	3,874
10,289	4,406	7,196	1,282	1,971
3,500	300	2,200	500	800
<u>651,128</u>	<u>52,474</u>	<u>352,868</u>	<u>75,060</u>	<u>49,262</u>

Notes to the financial statements (continued)

10. Fund placements

Balances were held with the following Banks at 31st December 2009

	Equivalent credit rating *	Total US\$	Individual Classes AUS	€
Allied Irish Bank	A1	66,650,483	4,905,178	5,722,239
Bank of Ireland	A1	58,546,376	—	6,303,166
Barclays	Aa3	29,376,005	5,598,763	1,500,000
BNP Paribas	Aa1	2,367,719	1,000,000	—
CitiBank	A1	52,013,703	—	5,002,366
Royal Bank of Scotland Group	A	27,570,137	—	—
Societe Generale	Aa2	14,178,502	5,758,166	—
UBS	Aa3	28,825,019	5,830,670	5,522,105
Ulster Bank	A2	42,628,090	5,509,184	6,363,968
		<u>322,156,034</u>	<u>28,601,961</u>	<u>30,413,844</u>
Cash at Bank				
Lloyds Banking Group	A1	45,253,064	357,959	2,073,422
Total		<u>367,409,098</u>	<u>28,959,920</u>	<u>32,487,266</u>

* As at 31st December 2009

NZ\$	Individual Classes £	US\$	Institutional Class £
4,278,091	19,300,091	10,771,360	5,513,277
—	19,022,626	9,002,448	6,003,740
4,681,762	11,614,691	—	—
2,021,055	—	—	—
3,504,902	17,008,051	9,902,798	3,003,026
—	10,620,005	5,800,000	2,836,626
—	—	9,010,656	—
4,726,033	—	2,500,572	6,007,828
4,045,283	10,500,000	3,756,983	3,000,000
<u>23,257,126</u>	<u>88,065,464</u>	<u>50,744,817</u>	<u>26,364,497</u>
482,602	19,295,788	4,464,032	3,659,856
<u>23,739,728</u>	<u>107,361,252</u>	<u>55,208,849</u>	<u>30,024,353</u>

Notes to the financial statements (continued)

10. Fund placements

Balances were held with the following Banks at 30th June 2009

	Equivalent credit rating *	Total US\$	Individual Classes		€	NZ\$
			AU\$	C\$		
ABN AMRO	Aa2	37,528,309	1,810,138	1,000,173	6,005,851	—
Allied Irish Bank	Aa3	78,032,639	4,827,419	1,212,391	5,078,649	4,215,230
Bank of Ireland	Aa3	27,806,578	—	—	—	—
Barclays	Aa3	60,860,923	3,277,159	1,209,507	—	4,163,363
Banco Bilbao Vizcaya Argentaria	Aa1	3,415,404	—	—	—	3,537,355
BNP Paribas	Aa1	3,065,550	—	—	—	4,706,122
Royal Bank of Scotland Group	A1	82,272,242	3,596,407	1,000,000	6,045,697	3,769,575
Societe Generale	Aa2	4,417,344	1,741,245	—	—	—
UBS	Aa2	44,577,450	6,555,459	1,202,092	6,015,058	—
Ulster Bank	A2	62,313,695	6,331,052	—	3,500,000	—
Total deposits		<u>404,290,134</u>	<u>28,138,879</u>	<u>5,624,163</u>	<u>26,645,255</u>	<u>20,391,645</u>
Cash at Bank						
Lloyds Banking Group	A1	<u>62,127,263</u>	<u>6,080,364</u>	<u>677,469</u>	<u>6,145,824</u>	<u>3,483,600</u>
Total		<u><u>466,417,397</u></u>	<u><u>34,219,243</u></u>	<u><u>6,301,632</u></u>	<u><u>32,791,079</u></u>	<u><u>23,875,245</u></u>

* As at 30th June 2009

£	Individual Classes SwFr	US\$	Managed Class £	Institutional Class £
6,613,997	1,250,020	11,003,569	1,001,680	1,202,123
19,242,361	960,000	11,786,935	990,766	10,304,851
4,444,749	—	—	1,061,627	11,308,390
25,739,584	—	2,720,321	—	5,539,423
—	1,203,576	—	—	—
—	—	—	—	—
27,318,508	1,500,000	5,804,934	1,117,320	8,048,436
—	—	3,005,549	—	—
4,009,342	1,480,035	9,008,508	1,203,241	6,505,904
15,245,067	1,600,281	11,000,000	—	8,806,984
<u>102,613,608</u>	<u>7,993,912</u>	<u>54,329,816</u>	<u>5,374,634</u>	<u>51,716,111</u>
13,145,632	21,005	3,998,817	508,914	11,543,925
<u><u>115,759,240</u></u>	<u><u>8,014,917</u></u>	<u><u>58,328,633</u></u>	<u><u>5,883,548</u></u>	<u><u>63,260,036</u></u>

Notes to the financial statements (continued)

11. Deposit allocation in respect of Managed Currency Class

Managed Sterling Class	At 31st December 2009		At 30th June 2009	
	Currency amount	£ equivalent	Currency amount	£ equivalent
Sterling	—	—	5,172,988	5,172,988
US dollars	—	—	810,310	489,998
Euro	—	—	57	48
Australian dollars	—	—	320,028	156,907
Canadian dollars	—	—	120,209	62,828
Norwegian krone	—	—	5,206	491
New Zealand dollars	—	—	171	67
Swedish krona	—	—	368	29
South African Rand	—	—	2,450	192
		—		5,883,548

12. Reconciliation of movement in capital reserve

Managed Sterling Class	At 31st December 2009		At 30th June 2009	
	US\$	£ equivalent	US\$	£ equivalent
Opening balance	157,489	86,002	246,511	139,834
Movement in CCY translation	71,806	44,385	(89,022)	(53,832)
Transfer to reserves on closure of Class	(229,295)	(130,387)	—	—
Closing Balance	—	—	157,489	86,002

13. Contingent liabilities

The Company had no contingent liabilities at 31st December 2009.

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial or operating decisions. The following are considered by the Directors of the Company to be related parties:

The Manager in accordance with the Management Agreement.

The Investment Advisor in accordance with the Investment Advisory Agreement. The Investment Advisor is paid by the Manager.

Fees payable to the Manager for the period are set out in Note 9.

(a) Management fee

The Manager is involved in all transactions in the shares of the Company, the aggregate values of which are set out in the Statement of changes in net assets attributable to holders of participating redeemable preference shares on pages x and x. The Manager, which is related to the Company by virtue of a management agreement, is entitled to a daily fee equal to an annual rate not exceeding 1.50% of the net assets of the relevant Class. In respect of the individual currency classes the Manager currently levies a daily fee at the reduced rate of 0.85% per annum of the net assets of each currency Class. The management fee in respect of the Institutional Sterling Class is currently levied at the rate of 0.275% per annum.

In view of the low level of interest rates available in Sterling, US Dollars, and Euro the Manager agreed to reduce its management fee in respect of these classes.

Class	Effective date	Existing Rate	New rate
Sterling Class	12th November 2009	0.60%	0.35%
US Dollar	15th september 2009	0.35%	0.20%
Euro Class	15th september 2009	0.35%	0.20%

It is the intention that these reductions are for a temporary period only and the fees will revert to the former levels when market conditions allow. Investors in each of the Classes will be given at least 90 days' prior written notice of the ending of the reduction.

Details of the amount due to the Manager at the period end are shown in Note 8.

(b) Directors' fees

Directors who are employees of Lloyds TSB do not receive Directors fees. All other Directors currently receive a fee of £5,000 per annum.

Notes to the financial statements (continued)

15. Custodian

The Custodian is entitled to a daily fee equal to an annual rate not exceeding 0.20% of the net assets of the relevant Class. In respect of the individual currency Classes the Custodian currently levies a daily fee at the reduced rate of 0.0575% per annum of the net assets of each currency Class and a fee of 0.025% per annum on the net assets of the Institutional Sterling Class.

The Custodian is entitled to reimbursement by each currency Class of its expenses in connection with its duties as Custodian and to make transaction charges to cover the cost of effecting settlement of bank deposits and cash.

Fees received by the Custodian for the period are set out in Note 9. Details of the amount due to the Custodian at the period end are shown in Note 8.

16. Controlling party

The issued share capital of the Company is owned by numerous parties and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Company as defined by International Accounting Standard No. 24 Related Party Disclosures.

17. Commissions

The Company does not pay or receive any commissions in respect of any business introduced or placed.

18. Taxation

Investment income is stated gross of withholding taxes. No withholding tax has been suffered by the Company during the period.

With effect from 1st January 2009 Exempt Company Status is no longer available under Jersey Income Tax regulations. However from that date, the Company is liable to be charged at a tax rate of 0% under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the "Income Tax Law") in respect of (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere, (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or without of Jersey, (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company, (iv) income arising to the Company from securities out of Jersey and (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey. It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company is no longer subject to the payment of tax in Jersey.

19. Financial Instruments and Risk profile

The Company's investment objective is to offer the individual and corporate investor a high degree of protection and access to wholesale money markets in a wide choice of currencies, whilst maintaining a competitive level of return and ready accessibility of funds. In addition the Managed Sterling Class enables investors to benefit from professional management of currency exposure. In the case of the individual currency Classes these objectives are achieved through the placement of cash deposits in the respective base currency of that Class and in the Managed Sterling Class through the placement of deposits in a range of freely traded currencies. The holding of deposits and investment activities pursuant to these objectives involve certain risks. Events may occur that would result in a reduction in the Company's net assets.

The Company's assets and liabilities comprise financial instruments, which may include:

- * investments in fixed-interest bank deposits, held in accordance with the Company's investment objectives and policies; and
- * short-term debtors and creditors that arise directly from its investing activities.

In the case of the Managed Sterling Class, the Manager also has the ability to enter into spot and forward exchange rate contracts.

Set out on the following pages are descriptions of the principal risks associated with the Company's activities, together with the manner in which it manages these risks.

Notes to the financial statements (continued)

19. Financial Instruments and Risk profile (continued)

Interest rate risk

The Company invests in fixed-rate bank deposits up to a maximum maturity of six months. The maturity profile at the period end is disclosed on each Class balance sheet. Any changes to the interest rates for fixed rate bank deposits available in the market may result in the Manager being unable to secure similar returns on the maturity of these deposits.

At the period end all receivables were placed at fixed rates. All cash at bank was held on call in Lloyds TSB bank accounts.

Period end weighted average effective interest rates:

Class	%	Class	%
Australian Dollar	3.68	Sterling	0.50
Euro	0.39	United States Dollar	0.29
New Zealand Dollar	2.58	Institutional Sterling	0.48

The table below summarises, for each of the classes, the impact of increases/(decreases) in the market interest rates on the net asset value at 31st December 2009. The analysis is based on the assumption that the market interest rates increase/(decrease) by 1%, with all other variables held constant. The analysis also assumes that the movement in the portfolios of each fund is directly correlated with market interest rates.

Period	Class	Net asset value (base currency)	Cash 1% movement in interest rate
31.12.09	AU\$	28,450,714	289,599
30.06.09	AU\$	34,175,490	342,192
31.12.09	C\$	—	—
30.06.09	C\$	6,424,417	63,016
31.12.09	€	32,577,463	324,873
30.06.09	€	32,739,059	327,911
31.12.09	NZ\$	23,314,183	137,397
30.06.09	NZ\$	23,676,447	238,752
31.12.09	£	107,311,779	1,073,613
30.06.09	£	115,430,867	1,157,592
31.12.09	CHF	—	—
30.06.09	CHF	8,037,866	80,149
31.12.09	US\$	55,179,678	552,088
30.06.09	US\$	58,179,952	583,286
31.12.09	Managed £	—	—
30.06.09	Managed £	5,870,510	58,835
31.12.09	Institutional £	29,928,846	300,243
30.06.09	Institutional £	63,583,809	632,600

Notes to the financial statements (continued)

19. Financial Instruments and Risk profile (continued)

Foreign currency risk

A substantial proportion of the Company's financial assets are denominated in currencies other than the presentational currency (US dollars), with the effect that the balance sheet and the return for the financial period can be significantly affected by currency movements. As shareholders invest in specific currency Classes the Company's aggregated balance sheet, aggregated income statement, aggregated statement of changes in net assets attributable to holders of participating redeemable preference shares and aggregated cash flow statement are used for consolidation purposes only.

The only class with foreign currency risk is the Managed Sterling Class as a portion of its underlying financial assets may be denominated in currencies other than its functional currency.

A summary of the deposit allocation by currency is set out in Note 11.

Liquidity risk

The main liquidity risk of the Company is the redemption of any shares investors wish to sell from time to time. To counter this risk the Company maintains at least 35% of each Class in deposits realisable within fourteen days.

In accordance with the Company's policy, the Manager monitors the liquidity position of each Class on a daily basis, and the Board of Directors reviews it on a quarterly basis.

The liquidity profile is stated within the balance sheet on pages 8 to 11.

Counterparty risk

Certain transactions that the Company enters into expose it to risk that the counterparty will not settle on the investment after the Company and the Manager have fulfilled their responsibilities. The Company places deposits only with banks that have been approved by the Manager as an acceptable counterparty (see note 10 for credit rating of the placee banks). In addition, limits are set as to the maximum exposure of each class (20%) to any bank that may exist at any time, these limits are reviewed regularly and are subject to annual renewal.

Capital risk management

The net assets attributable to holders of redeemable preference shares are classified as Financial Liabilities and therefore the Capital of the Company is only represented by the Management Shares and Nominal Shares. Details of Management Shares and Nominal Shares are shown in Note 3(f) and Note 4.

Due to the nature of the Management Shares and Nominal Shares the Directors have decided that no active capital risk management is required.

Performance Record - Unaudited

Highest and lowest issue prices:

	for the year ended 31st December 2009		for the year ended 31st December 2008		for the year ended 31st December 2007		for the year ended 31st December 2006	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
Australian Dollar	152.198	148.762	148.735	140.369	140.324	132.920	132.843	126.688
Canadian Dollar*	41.173	41.116	41.135	40.234	40.228	38.894	38.881	37.765
Euro	52.642	52.456	52.452	50.777	50.767	49.235	49.221	48.325
New Zealand \$	192.160	188.453	188.411	175.740	175.666	163.855	163.740	153.731
Sterling	52.093	51.942	51.939	49.806	49.792	47.490	47.468	45.766
Swiss Franc*	87.692	87.347	87.386	86.439	86.432	85.398	85.399	84.718
US Dollar	60.976	60.918	60.930	59.797	59.784	57.267	57.239	55.003
Managed Sterling*	30.245	29.468	30.085	28.743	28.731	27.592	27.769	27.406
Institutional £	14.216	14.110	14.109	13.450	13.446	12.747	12.741	12.221

* Classes closed 23rd September 2009

Net Asset Value

	Australian	Individual Classes Euro	New Zealand
31st December 2009			
Net asset value of Class	28,450,714	32,577,463	23,314,183
No of Shares in Issue	186,937	618,817	121,328
Net asset value per Share	152.194	52.644	192.158
30th June 2009			
Net asset value of Class	34,175,490	32,739,059	23,676,447
No of Shares in Issue	226,997	622,258	124,180
Net asset value per Share	150.545	52.610	190.660
30th June 2008			
Net asset value of Class	33,955,400	31,986,776	25,709,893
No of Shares in Issue	234,638	619,710	140,969
Net asset value per Share	144.712	51.615	182.371
30th June 2007			
Net asset value of Class	29,642,284	28,762,208	25,483,768
No of Shares in Issue	217,283	576,156	150,565
Net asset value per Share	136.422	49.921	169.254
Performance Record			
1 Year	2.33%	0.36%	1.99%
2 Years	8.46%	3.69%	9.39%
3 Years	14.57%	6.95%	17.36%
4 Years	20.20%	8.95%	25.08%
5 Years	25.64%	10.14%	32.53%
6 Years	31.24%	11.38%	39.05%
7 Years	36.23%	12.96%	45.23%
8 Years	41.05%	15.61%	51.66%
9 Years	46.75%	19.69%	59.04%
10 Years	54.01%	23.44%	67.26%
Since Launch	407.33%	25.75%	540.53%
Launch Date	25.09.1985	01.01.1999	25.09.1985

for the year ended 31st December 2005		for the year ended 31st December 2004		for the year ended 31st December 2003		for the year ended 31st December 2002	
Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
126.625	121.196	121.140	115.995	115.972	111.741	111.718	107.922
37.756	37.159	37.153	36.686	36.683	35.996	35.992	35.506
48.318	47.803	47.797	47.267	47.263	46.609	46.603	45.539
153.624	145.085	144.997	138.224	138.193	132.351	132.316	126.733
45.748	44.149	44.131	42.648	42.641	41.540	41.533	40.343
84.715	84.620	84.780	84.606	85.204	84.782	85.323	85.141
54.982	53.788	53.780	53.555	53.555	53.448	53.447	53.043
27.459	26.710	26.687	26.071	26.068	25.297	25.292	24.716
12.215	11.718	11.713	11.253	11.251	10.897	10.894	10.518

Sterling	Individual Classes	US Dollar	Institutional Class Sterling
107,311,779		55,179,678	29,928,846
2,059,661		904,962	2,104,986
52.101		60.975	14.218
115,430,867		58,179,952	63,583,809
2,217,695		954,276	4,484,301
52.050		60.967	14.179
125,083,943		78,431,499	26,407,066
2,455,442		1,297,613	1,914,107
50.941		60.443	13.795
103,764,149		63,317,894	15,594,586
2,138,146		1,082,121	1,193,475
48.530		58.513	13.066
0.29%		0.07%	0.76%
4.62%		1.99%	5.73%
9.74%		6.53%	11.58%
13.86%		10.90%	16.38%
18.03%		13.38%	21.37%
22.16%		13.85%	26.35%
25.42%		14.08%	30.49%
29.14%		14.96%	35.18%
34.68%		18.77%	41.66%
41.54%		25.39%	—
420.90%		204.88%	42.16%
23.11.1983		23.11.1983	06.12.2000

