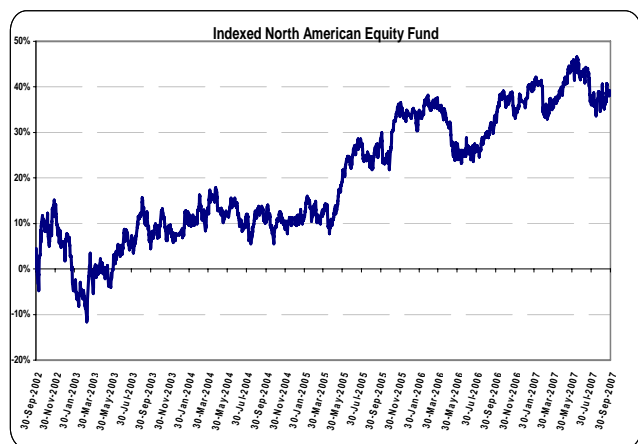


Indexed North American Equity Fund

How the fund works

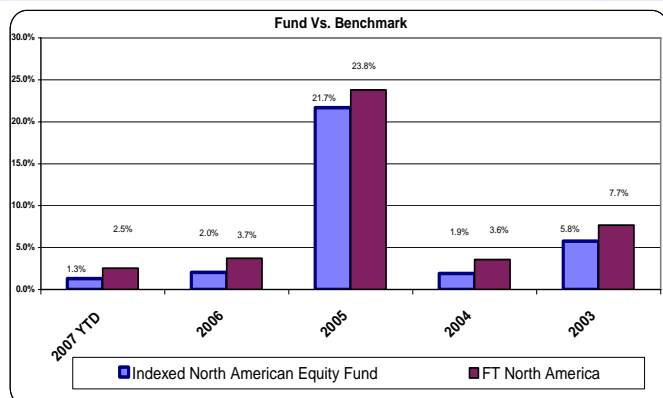
The idea behind indexed fund management is to consistently perform in line with the agreed benchmark index, in this case **FTSE North America**. Indexation achieves this by either adopting the same asset allocation as that of the index or holding assets that will perform in line with the index. This strategy allows investors to eliminate the risk of poor stock selection.

Performance



Period	Cumulative Return %	Annualised Return %
YTD	1.31	n/a
1 Year	3.49	3.49
3 Year	25.34	7.82
5 Year	38.22	6.69

Performance Recent Calendar Years



All performance returns are quoted net of fees of 1.5% per annum.

Stocks

Largest Stocks	Weight %	Country
EXXON MOBIL	3.2	United States
GENERAL ELECTRIC	2.6	United States
MICROSOFT CORP	1.7	United States
AT&T	1.6	United States
CITIGROUP I	1.4	United States
BANK OF AMERICA	1.4	United States
PROCTER & GAMBLE	1.4	United States
CHEVRON TEXACO	1.2	United States
CISCO S	1.2	United States
JOHNSON & JOHNSON	1.2	United States
Total Of Top Stocks Listed	16.9	

Monthly News

In Stock News

In September, the attitude to the **US** economy continued to fray, especially after the employment report indicated that the sub-prime worries may be affecting the wider economy. The non farm payroll, an indication of the number of paid US workers, declined for the first time since 2003 as the construction and manufacturing sector shed jobs.

The Federal Reserve's decision to lower rates by 0.50% to 4.75% was certainly more aggressive than the markets had been expecting or than they had indicated earlier. Despite this, the Federal Reserve remained hawkish on inflation and even though it appears contained at the moment at 2.0%, upside risks exist especially with rising food and energy prices, and now easing monetary policy.

Elsewhere, second quarter growth was revised down to 3.8% from 4%, still well ahead of the 0.6% growth in the first quarter. The weakness was due to stronger imports and weaker spending on residential investment.

In Stock News

US beverage company **Molson Coors'** performed well (+8%) due to good trade data and market share gains versus the market leader, 'BUD', in addition to above expectations cash flow guidance from management.