

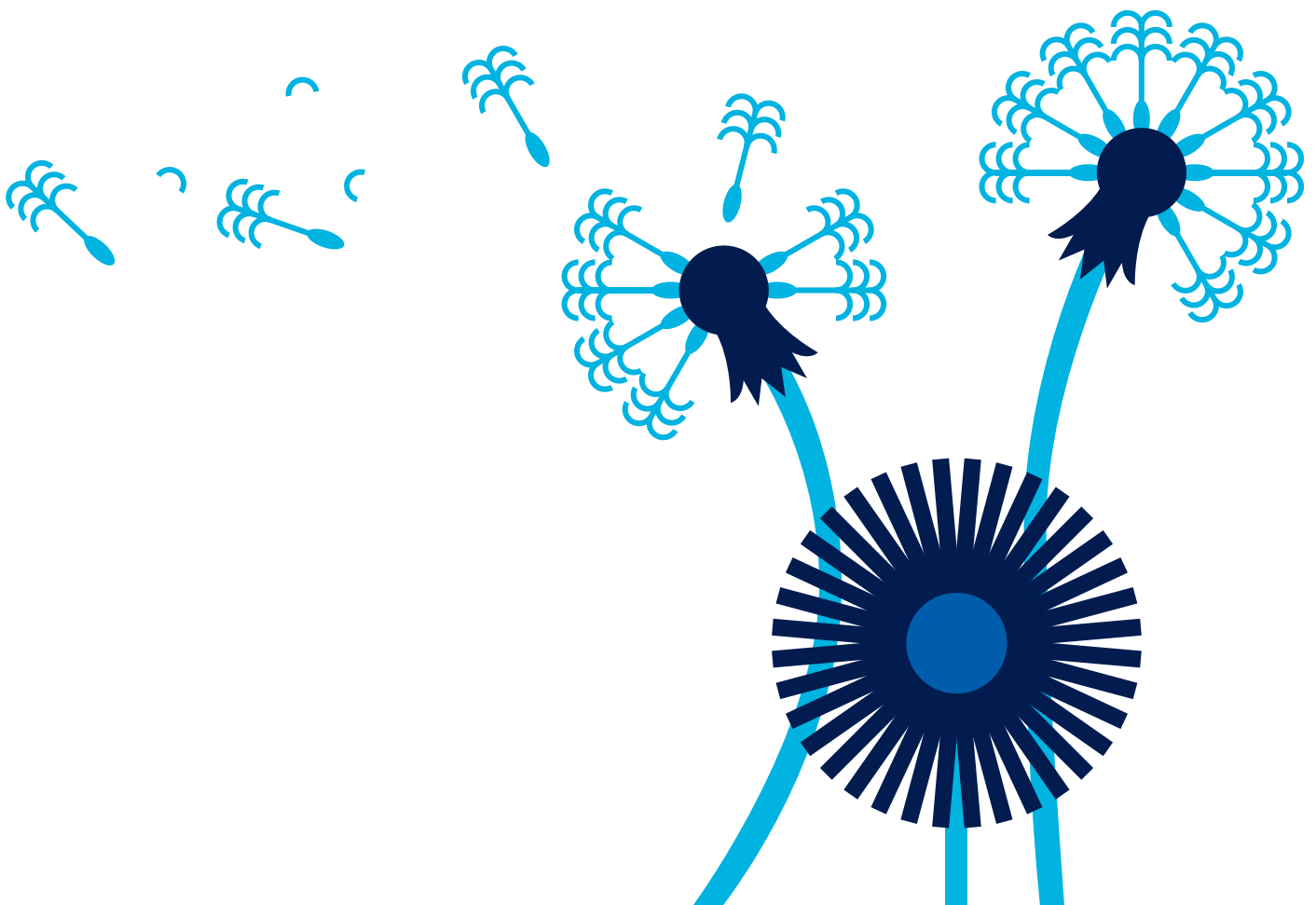
**Family Investments  
Global ICVC**



**Manager's Interim  
Report and Accounts**

**For the period 1st May 2011 to  
31st October 2011**

**Distribution number 5  
(Interim, Unaudited)  
Distribution due 31st December 2011**



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# Family Balanced International Fund

## Manager's Report

### Management and Professional Services

#### Company Information

Family Investments Global ICVC  
16 West Street  
Brighton BN1 2RE

#### Authorised Corporate Director and Registrar

*Family Investment Management Limited*  
16 West Street  
Brighton BN1 2RE  
Tel: 01273 724570  
Fax: 01273 736958

*Registered in England No. 1915516*

The Director is authorised and regulated by the Financial Services Authority.

The Director is a member of the IMA (Investment Management Association).

*This report is issued and approved by the Director.*

#### Investment Advisor

Santander Asset Management UK Limited  
Abbey National House  
287 St Vincent Street  
Glasgow G2 5BR  
Authorised and regulated by the Financial Services Authority

#### Depositary

State Street Trustees Limited  
20 Churchill Place  
London E14 5HJ  
Authorised and regulated by the Financial Services Authority

#### Auditors

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

Family Investments is a trading name for Family Investment Management Limited, which is a wholly owned subsidiary of Family Assurance Friendly Society Limited, a Friendly Society incorporated in England and Wales under the Friendly Societies Act 1992, registration no: 939F.

# **Family Balanced International Fund**

## **Manager's Report - continued**

### **Company Information**

Family Investments Global ICVC is an open-ended investment company with variable capital under Regulation 12 (Authorisation) of the OEIC Regulations 2001(SI2001/1228). The Company comprises a single fund, the Family Balanced International Fund.

Family Investment Management Limited, the Authorised Corporate Director (the "ACD") of the Family Investments Global ICVC (the "Company"), is the sole director and is responsible for managing and administering the affairs of the company. The ACD has appointed Santander Asset Management UK Limited as the Investment Advisor to the Family Balanced International Fund (the "Fund").

The Company is a Non-UCITS Retail Scheme ('NURS'). The Company has an "umbrella" structure meaning that it can comprise a number of separate sub-funds holding different portfolios of assets. The sub-funds are not "ring fenced" from each other and under the FSA Regulations if one sub-fund becomes insolvent, the other sub-funds could be called upon to make up its deficit. The Company does not intend to have an interest in immovable or tangible movable property.

Each sub-fund has the investment powers equivalent to those of a Non-UCITS Retail Scheme.

Other sub-funds may be launched in the future.

### **Financial Statements**

These financial statements are for the period 1st May 2011 to 31st October 2011.

### **Shareholders**

Shares of the Company have no par value and the share capital of the Company will at all times equal the sum of the net asset value of the Fund. Shareholders are not liable for the debts of the ICVC.

### **Instrument of Incorporation and Prospectus**

The Company was incorporated and authorised by the Financial Services Authority on 19th February 2009 under registered number IC000730. At 31st October 2011, it comprises a single fund, the Family Balanced International Fund.

### **Other Information**

The Fund currently offers only Accumulation shares.

# Family Balanced International Fund

## Manager's Report - continued

### Authorised Corporate Director's Investment Report

#### Objective and Policy

The Family Balanced International Fund aims to provide long term capital growth by investing predominantly in a worldwide portfolio of equities and fixed interest securities.

The Authorised Corporate Director (ACD) may also invest at its discretion in other collective investment schemes (including unregulated schemes such as hedge funds), property (indirectly), approved money market instruments, deposits as well as cash and near cash and any other permitted asset type deemed appropriate to meet the investment objective.

The company may invest in immovable property on giving 60 days' notice to shareholders by the ACD.

#### Company Performance

This report covers the period from 1st May 2011 to 31st October 2011. Over the period under review, the ICVC Fund (class C) produced a return of -7.23%, compared to -5.65% from the benchmark index (only share class C is open to new investors).

	01/05/2011 – 31/10/2011
Family Balanced International Share Class A*	-7.07%
Family Balanced International Share Class B*	-6.83%
Family Balanced International Share Class C*	-7.23%
Family Balanced International Share Class D*	-6.73%
Family Balanced International Share Class E*	-6.56%
Benchmark**	-5.65%

\* Fund performance is based on price movement calculated using a nominal price at close, which will include all charges payable. The benchmark is not affected by any charges.

\*\* Please note that the benchmark figure presented represents: 38% FTSE 100 Total Return Index/11% FTSE Developed Europe Ex UK Total Return Index/11% FTSE USA Total Return Index/3% MSCI Emerging Markets total return/14% iBoxx Sterling Non Gilt total returns/4% Merrill Lynch 'US, Euro, Japan' index (W0G3) total return/1% IPD UK property Index total return /6% FTSE World Japan Total Return Index/4% FTSE All World Asia Pacific ex Japan Total Return Index/8% Absolute Return Fund annual return of 6% from 1st May 2011 to 31st October 2011.

*Source: Index data sourced from Bloomberg. The Fund returns are share price returns calculated using data sourced from Family Investments.*

#### Market Background

Market focus shifted from worries over inflation and interest rates to concerns about growth. Increased risk aversion was the overarching theme during the period under review. Although larger than expected, the financial aid package awarded to Greece at the end of June was not sufficient to support markets. Signs of contagion spreading to more prominent Eurozone economies, coupled with news of the political debate on the other side of the Atlantic to raise the US debt ceiling, prompted a revival of sovereign risk concerns.

The US market was impacted by fears over the risks within the Eurozone, particularly the debt crisis in Greece as well as having to face domestic headwinds from increasingly fragile economic data including significantly weaker non-manufacturing business survey figures. These factors outweighed improvements from the fall in oil prices.

The summer presented a challenging environment for equities with weakening growth and confidence indicators and the fallout from sovereign debt issues in Europe weighing down markets. Poor Institute of Supply Management manufacturing data and a disappointing pace of improvement for the US labour market prompted some to question whether the deterioration is a short term soft patch or something more concerning. August was especially volatile as fears of a severe growth slowdown spread among investors.

# Family Balanced International Fund

## Manager's Report - continued

### Authorised Corporate Director's Investment Report - continued

#### Market Background - continued

Although equities enjoyed a temporary bounce following the award of a financial aid package to Greece, signs of sovereign debt problems in larger European economies prompted investors to consider the impact of default in the Eurozone on the US market. Equity markets in the Asia excluding Japan region did not deliver as strong a performance as they did in the summer months. Local deterioration of the growth/inflation mix, concerns over the knock-on effects of declining economic data from the US on this largely export driven region and disappointing growth data from China, signalled a slow down in market momentum.

However, the period under review ended with what was a very strong month for risk assets in general. Equity markets rose sharply as investors recovered their risk appetite. The region performed particularly well as they are often the primary beneficiary of the general move back into risk.

#### Activity

Below is the market capitalisation split of the ICVC.

Index	ICVC	Composite Index
	Oct 2011 %	Oct 2011 %
FTSE 100 Total Return Index	42.8	38.0
FTSE Developed Europe Ex UK Total Return Index	10.5	11.0
FTSE All World Japan Total Return Index	5.8	6.0
FTSE World Asia Pacific Ex Japan Total Return Index	4.3	4.0
FTSE World US Large Cap Index	12.7	11.0
iBoxx Sterling Non Gilt Total Returns	14.9	14.0
Merrill Lynch 'US, Euro, Japan' index Total Return	4.0	4.0
IPD UK property Index Total Return	1.2	1.0
MSCI Emerging Markets Total Return	3.4	3.0
Cash	0.4	—
Other	0.0	8.0

The above capitalisation split does not match the portfolio statement figures, as the above figures are an average for the period 1st May 2011 to 31st October 2011.

The Fund's objective is to track the total return of the composite index. Trades were carried out during the period to maintain the Fund's exposure to the benchmark index.

As a part of the Fund's global investment, the Fund invests in UK, US and European equity on a passive basis, managed by Santander Asset Management UK. There are three different benchmarks for these mandates, FTSE 100 Index for UK equity, FTSE US Large Caps Index for US equity and FTSE Developed Europe Ex UK Index for European equity. The Asian exposure is achieved via two Far East collectives managed by BlackRock Fund Managers Limited. The two benchmarks for these mandates are FTSE All World Japan Index and FTSE World Asia Pacific Ex Japan Index.

For the UK, the Fund tracks accurately the selected benchmark, investing directly in the FTSE 100 Index's constituents in the same weight that they have in the index.

In case of US and European equities the Fund replicates the selected benchmarks with an optimized portfolio. This is useful when the selected benchmark has a large number of constituents, as is the case for both the US benchmark (257 constituents) and the European benchmark (398 constituents).

From April 2011 to October 2011 there were two index rebalances for UK equities, due to these rebalances, there were three inclusions, Tate & Lyle in June and Ashmore Group & Bunzl in September, the three deletions were TUI Travel in June and John Wood Group & 3i Group in September.

For European Equity Index there was a large rebalance at the end of September, with thirty seven inclusions and fifteen deletions and also changes in shares in issue for several constituents. For US Equity Index there were just small changes due to adjustments in shares in issue or corporate actions. As we are using an optimized portfolio to replicate these two benchmarks it was not necessary to trade all these changes in Family Funds, and so saving trading and settlement costs. In any case the relevant changes for the portfolio were put in place at the corresponding date.

# Family Balanced International Fund

## Manager's Report - continued

### Authorised Corporate Director's Investment Report - continued

#### Activity - continued

The Asian region has seen increased volatility with the backdrop of a weakened global economy but remains favoured on a relative basis.

The overseas bond component is managed by Santander Asset Management. Over the period under review the best performer in GBP was the US government bond market, closely followed by the Japanese government bond market both very far from the Euro bond market which was the worst performing one.

In local currencies, the results are very different with, the best performance coming from US Treasuries, followed by European government bonds and the Japanese ones coming in last. Therefore, the cross currencies exchange rate of the pound against the other currencies was the main driver for the performance of the overseas investment portion.

For the Eurozone, huge divergences among countries persist and the situation has deteriorated. The best performer among these markets was the German Government bond. The Irish, Portuguese and Greek bonds are out of the index. All in, the overseas portfolio has had a positive performance of 5.74% under our estimated calculation.

In the UK bond component, also managed by Santander Asset Management UK, corporate bonds showed strong positive total returns over the period contributing to performance. The asset class has seen a deterioration in liquidity over the period although general risk aversion has been supportive to high quality names.

#### Outlook

Looking ahead, the conditions for equity markets remain challenging as global growth is fragile and developed western economies do not seem to have the policy tools to manage the downturn. However, over the medium and long term, we believe equity markets will offer some value, which limits some of the downside risk. Volatility in the short term is far from over for emerging and developed markets alike but we believe that the medium-long term will be very constructive.

John Bearman  
Chief Investment Officer – Santander Asset Management UK Ltd

13th December 2011

# Family Balanced International Fund

## Manager's Report - continued

### Total Expense Ratio - Synthetic (TER)

31st October 2011	TER %	31st October 2010	TER %
Share Class 'A'*	1.63	Share Class 'A'*	1.05
Share Class 'B'*	1.14	Share Class 'B'*	1.06
Share Class 'C'*	2.08	Share Class 'C'*	2.02
Share Class 'D'*	1.08	Share Class 'D'*	1.01
Share Class 'E'*	0.62	Share Class 'E'*	0.55

\* Annualised

TER is a measure of the total costs associated with managing the Fund. Apart from the initial charge and transaction costs, all other expenses are included in the TER. The TER is an internationally accepted standard for the comparison of costs for authorised funds.

Due to the fact that the Fund invests over 10% of its net asset value in UCITS or Non UCITS schemes that publish a TER we have calculated a synthetic TER. This is calculated by adding the TER's expressed by the underlying schemes invested in, weighted on the basis of the Fund's investment proportion added to the Funds TER.

### Comparative Table

#### Net Asset Value Record

At period ended	Share Class	Net Asset Value (£)	No. of Shares In Issue	Net Asset Value per Share (pence)
April 2010	A	939,022,722	350,450,000.02	267.9
April 2010	B	72,668,904	68,654,648.37	105.8
April 2010	C	6,974,317	7,010,557.89	99.48
April 2010	D	21,523,000	21,404,738.98	100.6
April 2010	E	6,324,263	2,367,939.12	267.1
April 2011	A	851,500,301	295,290,000.02	288.4
April 2011	B	75,547,932	66,152,748.86	114.2
April 2011	C	6,752,617	6,350,982.57	106.3
April 2011	D	20,932,740	19,284,278.27	108.5
April 2011	E	6,220,594	2,147,790.66	289.6
October 2011	A	773,262,603	288,480,000.02	268.0
October 2011	B	75,650,062	71,084,460.46	106.4
October 2011	C	5,940,643	6,024,367.59	98.61
October 2011	D	18,785,058	18,565,537.36	101.2
October 2011	E	5,642,493	2,085,278.92	270.6

#### Share price range and income history

Year	Share Prices in pence					
	Class A	Class A	Class B	Class B	Class C	Class C
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	<i>Buying</i>	<i>Selling</i>	<i>Buying</i>	<i>Selling</i>	<i>Buying</i>	<i>Selling</i>
2009*	257.8	242.2	102.5	79.03	96.75	75.04
2010	285.1	246.0	112.7	97.05	105.3	91.06
2011**	291.5	250.7	115.6	99.42	107.4	92.32

Year	Share Prices in pence			
	Class D	Class D	Class E	Class E
	Highest	Lowest	Highest	Lowest
	<i>Buying</i>	<i>Selling</i>	<i>Buying</i>	<i>Selling</i>
2009*	97.36	75.05	257.4	198.4
2010	107.1	92.20	285.4	245.1
2011**	109.9	94.51	293.4	252.5

Year	Annual Income (net allocations)				
	Class A	Class B	Class C	Class D	Class E
2009*	—	0.8906	0.3936	0.8903	2.9712
2010	6.8879	2.0480	1.0215	2.0294	6.6101
2011**	4.8364	2.4340	1.3330	2.4221	7.7340

\* since Launch 6th April 2009

\*\* to 31st October 2011 only

Past performance should not be seen as an indication of future performance.

Investors are reminded that the price of shares, and the income from them is not guaranteed and may go down as well as up.

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement

<b>As at 31st October 2011</b>	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>Equities (55.89%; 56.50%)</b>			
<b>UNITED KINGDOM (35.54%; 35.07%)</b>			
Admiral Group	47,890	564	0.06
Aggreko	63,937	1,093	0.12
Amec	81,792	757	0.09
Anglo American	305,901	7,016	0.80
Antofagasta	90,555	1,056	0.12
ARM Holdings	310,400	1,813	0.21
Ashmore Group	81,200	280	0.03
Associated British Foods	90,348	998	0.11
AstraZeneca	320,400	9,567	1.09
Aviva	655,266	2,233	0.25
BAE Systems	796,092	2,201	0.25
Barclays	2,812,717	5,493	0.62
BG Group	755,500	10,241	1.16
BHP Billiton	494,900	9,735	1.11
BP	4,309,777	19,866	2.26
British American Tobacco	458,017	13,118	1.49
British Land	216,076	1,103	0.13
British Sky Broadcasting Group	306,929	2,159	0.25
BT Group	1,804,267	3,392	0.39
Bunzl	75,100	605	0.07
Burberry Group	99,020	1,326	0.15
Cairn Energy	316,500	932	0.11
Capita Group	142,758	1,037	0.12
Capital Shopping Centres Group	95,871	316	0.04
Carnival	49,196	1,123	0.13
Centrica	1,167,000	3,460	0.39
Compass Group	440,706	2,492	0.28
Diageo	588,591	7,584	0.86
Essar Energy	95,500	294	0.03
Eurasian Natural Resources	72,842	479	0.05
Experian	237,076	1,922	0.22
Fresnillo	52,636	894	0.10
G4S	327,859	800	0.09
GKN	389,679	741	0.08
GlaxoSmithKline	1,176,952	16,471	1.87
Glencore International	188,100	824	0.09
Hammerson	164,713	671	0.08
Hargreaves Lansdown	32,200	161	0.02
HSBC Holdings	4,142,831	22,570	2.57
ICAP	101,196	409	0.05
IMI	75,000	617	0.07
Imperial Tobacco Group	233,473	5,307	0.60
Inmarsat	109,920	516	0.06
InterContinental Hotels Group	62,771	721	0.08
International Consolidated Airlines Group	420,000	700	0.08
International Power	358,329	1,212	0.14
Intertek Group	37,761	776	0.09
Investec	115,000	435	0.05
ITV	881,600	565	0.06
Johnson Matthey	47,961	901	0.10
Kazakhmys	36,408	338	0.04
Kingfisher	489,824	1,268	0.14
Land Securities Group	179,760	1,229	0.14
Legal & General	1,418,293	1,567	0.18

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>UNITED KINGDOM - continued</b>			
Lloyds Banking Group	9,097,900	2,955	0.34
Lonmin	45,840	499	0.06
Man Group	402,383	603	0.07
Marks & Spencer Group	367,480	1,183	0.13
Meggitt	178,600	687	0.08
Morrison (William) Supermarkets	650,062	1,964	0.22
National Grid	818,158	5,048	0.57
Next	40,170	1,023	0.12
Old Mutual	1,335,900	1,468	0.17
Pearson	193,409	2,215	0.25
Petrofac	61,657	885	0.10
Prudential	595,585	3,856	0.44
Rangold Resources	17,371	1,180	0.13
Reckitt Benckiser Group	171,480	5,482	0.62
Reed Elsevier	285,126	1,524	0.17
Resolution	377,695	1,039	0.12
Rexam	221,587	767	0.09
Rio Tinto	345,536	11,696	1.33
Rolls Royce Group	379,449	2,664	0.30
Royal Bank of Scotland Group	4,083,499	989	0.11
Royal Dutch Shell 'B'	618,300	13,819	1.57
RSA Insurance Group	875,952	978	0.11
SABMiller	266,600	6,054	0.69
Sage Group	324,493	902	0.10
Sainsburys	436,737	1,306	0.15
Schroders	39,920	570	0.06
Schroders Non Voting	14,909	185	0.02
Serco Group	129,095	671	0.08
Severn Trent	57,080	865	0.10
Shire	132,600	2,587	0.30
Smith & Nephew	202,716	1,156	0.13
Smiths Group	95,000	909	0.10
SSE	226,648	3,044	0.35
Standard Chartered	534,455	7,795	0.89
Standard Life	539,088	1,163	0.13
Tate & Lyle	108,803	709	0.08
Tesco	1,850,950	7,436	0.85
The Weir Group	51,000	978	0.11
Tullow Oil	205,600	2,883	0.33
Unilever	299,730	6,252	0.71
United Utilities Group	152,900	927	0.11
Vedanta Resources	25,177	322	0.04
Vodafone Group	11,734,200	20,277	2.31
Whitbread	44,965	745	0.09
Wolseley	69,221	1,245	0.14
WPP	286,548	1,851	0.21
Xstrata	495,200	5,175	0.59
		<b>312,479</b>	<b>35.54</b>
<b>AUSTRALIA (nil; nil)</b>			
BGP Holdings (non tradeable private company)	630,143	—	—
<b>AUSTRIA (0.08%; 0.12%)</b>			
Erste Group Bank	13,460	183	0.02
Immofinanz	45,780	95	0.01
OMV	8,667	190	0.02

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>AUSTRIA - continued</b>			
Raiffeisen International Bank Holding	5,370	94	0.01
Telekom Austria	20,206	<u>144</u>	<u>0.02</u>
		<b>706</b>	<b>0.08</b>
<b>BELGIUM (0.14%; 0.17%)</b>			
Ageas	48,181	61	0.01
Anheuser Busch InBev	12,000	417	0.05
Belgacom	9,300	176	0.02
Colruyt	6,205	160	0.02
Groupe Bruxells Lambert	4,032	194	0.02
KBC Groep	3,946	55	—
UCB	5,806	<u>160</u>	<u>0.02</u>
		<b>1,223</b>	<b>0.14</b>
<b>DENMARK (0.20%; 0.25%)</b>			
A P Moller Maersk	35	141	0.01
Danske Bank	38,000	329	0.04
Novo Nordisk	18,600	1,242	0.14
Vestas Wind Systems	7,765	<u>76</u>	<u>0.01</u>
		<b>1,788</b>	<b>0.20</b>
<b>FINLAND (0.14%; 0.16%)</b>			
Fortum	25,406	386	0.04
Kone Oyi	13,200	456	0.05
Nokia	100,293	<u>422</u>	<u>0.05</u>
		<b>1,264</b>	<b>0.14</b>
<b>FRANCE (1.94%; 2.30%)</b>			
Air Liquide	7,897	640	0.07
Alcatel-Lucent	84,400	145	0.02
Alstom	10,600	248	0.03
AXA	67,559	687	0.08
BNP Paribas	25,304	718	0.08
Bouygues	9,950	233	0.03
Cap Gemini	5,200	125	0.01
Carrefour	21,097	350	0.04
Christian Dior	4,400	389	0.04
Compagnie de Saint Gobain	18,900	550	0.06
Credit Agricole	31,836	156	0.02
Danone	20,900	908	0.10
Dassault Systemes	3,200	168	0.02
EDF	8,344	157	0.02
Essilor International	7,968	361	0.04
European Aeronautic Defence and Space Company	16,324	301	0.03
France Telecom	62,700	706	0.08
GDF Suez	45,000	798	0.09
Hermes International	2,520	535	0.06
Lafarge	7,260	185	0.02
L'Oreal	6,953	479	0.06
LVMH Moet Hennessy Louis Vuitton	12,700	1,319	0.15
Michelin	4,229	193	0.02
Pernod Ricard	8,600	502	0.06
Peugeot	7,905	108	0.01
Renault	7,200	189	0.02
Sanofi Aventis	26,155	1,174	0.13
Schneider Electric	16,442	606	0.07
Societe Generale	20,234	369	0.04
STMicroelectronics	33,700	146	0.02
Total	60,500	1,977	0.23

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

<b>As at 31st October 2011</b>	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>FRANCE - continued</b>			
Unibail Rodamco	3,295	412	0.05
Veolia Environnement	20,759	184	0.02
Vinci	17,600	543	0.06
Vivendi	34,500	485	0.06
		<b>17,046</b>	<b>1.94</b>
<b>GERMANY (1.54%; 1.85%)</b>			
Allianz	13,300	929	0.11
BASF	27,400	1,258	0.14
Bayer	23,800	952	0.11
BMW	8,200	418	0.05
Commerzbank	83,800	129	0.01
Daimler	29,839	956	0.11
Deutsche Bank	23,000	608	0.07
Deutsche Boerse	5,976	208	0.02
Deutsche Post	32,521	309	0.04
Deutsche Telekom	102,900	820	0.09
E.ON	54,400	823	0.09
Fresenius Medical Care	11,800	539	0.06
Henkel	10,235	311	0.04
Infineon Technologies	31,332	177	0.02
K + S	7,093	281	0.03
Linde	5,000	495	0.06
Metro	5,600	163	0.02
Munich Re	4,990	420	0.05
Porsche Automobile Holding	3,928	144	0.02
RWE	13,400	359	0.04
SAP	24,900	943	0.11
Siemens	27,200	1,796	0.20
Thyssenkrupp	14,385	260	0.03
Volkswagen	2,167	214	0.02
		<b>13,512</b>	<b>1.54</b>
<b>GREECE (0.02%; 0.04%)</b>			
Hellenic Telecom	17,328	59	0.01
OPAP	17,889	130	0.01
		<b>189</b>	<b>0.02</b>
<b>HONG KONG (nil; nil)</b>			
Peace Mark Holdings (suspended)	810,000	—	—
<b>IRELAND (0.05%; 0.05%)</b>			
CRH	24,162	273	0.03
Ryanair Holdings	47,988	141	0.02
		<b>414</b>	<b>0.05</b>
<b>ITALY (0.55%; 0.69%)</b>			
Assicurazioni Generali	48,411	544	0.06
Edison	185,045	133	0.02
Enel	223,860	658	0.07
Eni	79,000	1,091	0.12
Fiat	33,800	130	0.02
Fiat Industrial	33,800	182	0.02
Intesa Sanpaolo	380,408	424	0.05
Saipem	18,146	507	0.06
Snam Rete Gas	81,608	248	0.03
Telecom Italia	525,313	408	0.05
UBI Banca	49,866	119	0.01

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>ITALY - continued</b>			
UniCredit	524,000	<u>384</u>	<u>0.04</u>
		<b>4,828</b>	<b>0.55</b>
<b>NETHERLANDS (2.59%; 2.50%)</b>			
Aegon	30,969	93	0.01
Akzo Nobel	10,078	333	0.04
ArcelorMittal	35,200	457	0.05
ASML Holdings	5,612	147	0.02
Heineken	12,400	376	0.04
ING Group	59,600	322	0.04
Koninklijke Ahold	34,770	278	0.03
Koninklijke Royal KPN	44,691	367	0.04
Koninklijke Royal Philips Electronics	36,653	478	0.05
PostNL	19,072	61	0.01
Reed Elsevier	37,574	289	0.03
Royal Dutch Shell 'A'	838,463	18,497	2.10
TNT Express	18,124	97	0.01
Unilever	47,587	<u>1,027</u>	<u>0.12</u>
		<b>22,822</b>	<b>2.59</b>
<b>NORWAY (0.25%; 0.26%)</b>			
Norsk Hydro	66,500	217	0.02
Orkla	75,930	414	0.05
StatoilHydro	44,808	715	0.08
Telenor	41,682	465	0.05
Yara International	13,650	<u>407</u>	<u>0.05</u>
		<b>2,218</b>	<b>0.25</b>
<b>PORTUGAL (0.06%; 0.08%)</b>			
EDP Energias de Portugal	65,300	129	0.02
Galp Energia	16,400	212	0.02
Portugal Telecom	31,800	<u>143</u>	<u>0.02</u>
		<b>484</b>	<b>0.06</b>
<b>SPAIN (0.70%; 0.84%)</b>			
Abertis Infraestructuras	14,280	147	0.02
Acciona	2,376	141	0.02
ACS Actividades de Construccion y Servicios	7,800	185	0.02
Banco Bilbao Vizcaya Argentaria	111,658	633	0.07
Banco Popular Espanol	46,745	135	0.01
Banco Santander	234,387	1,251	0.14
CaixaBank	62,842	192	0.02
Iberdrola	167,556	761	0.09
Inditex	7,811	444	0.05
Repsol YPF	41,667	789	0.09
Saba Infraestructuras (non tradeable private company)	13,600	—	—
Telefonica	105,200	1,398	0.16
Zardoya Otis	14,039	<u>119</u>	<u>0.01</u>
		<b>6,195</b>	<b>0.70</b>
<b>SWEDEN (0.57%; 0.69%)</b>			
Atlas Copco	44,672	611	0.07
Boliden	19,500	174	0.02
Ericsson	97,100	634	0.07
Hennes & Mauritz	22,816	472	0.05
Nordea Bank	154,339	881	0.10
Sandvik	54,200	468	0.05
Skandinaviska Enskilda Banken	45,367	179	0.02
SSAB	17,200	104	0.01
Svenska Handelsbanken	31,900	574	0.07

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>SWEDEN - continued</b>			
TeliaSonera	95,000	414	0.05
Volvo	68,800	<u>538</u>	<u>0.06</u>
		<b>5,049</b>	<b>0.57</b>
<b>SWITZERLAND (1.84%; 1.87%)</b>			
ABB	81,200	965	0.11
Actelion	5,542	129	0.01
Credit Suisse Group	36,123	658	0.07
Holcim	11,970	477	0.05
Kuhne + Nagel International	3,692	287	0.03
Nestle	107,000	3,875	0.44
Novartis	68,300	2,411	0.27
Richemont	34,931	1,248	0.14
Roche Holdings	20,850	2,146	0.25
SGS	370	397	0.05
Swiss Re	16,579	569	0.07
Swisscom	807	204	0.02
Syngenta	3,454	660	0.08
Synthes	3,000	314	0.04
UBS	119,771	955	0.11
Zurich Financial Services	5,909	<u>857</u>	<u>0.10</u>
		<b>16,152</b>	<b>1.84</b>
<b>UNITED STATES (9.68%; 9.47%)</b>			
3M	12,200	597	0.07
Abbott Laboratories	21,906	731	0.08
Accenture	10,900	407	0.05
Ace	5,500	246	0.03
Adobe Systems	7,547	137	0.02
Air Products and Chemicals	4,900	261	0.03
Allergan	3,700	193	0.02
Altria Group	35,900	613	0.07
Amazon.com	6,150	813	0.09
American Express	21,200	665	0.08
American Tower	5,100	174	0.02
Amgen	14,300	507	0.06
Anadarko Petroleum	5,900	287	0.03
Apache	6,100	377	0.04
Apple	13,900	3,486	0.40
Applied Materials	17,800	136	0.02
Archer Daniels Midland	10,600	190	0.02
AT&T	89,155	1,619	0.18
Automatic Data Processing	9,500	308	0.04
Bank of America	177,000	748	0.09
Bank of New York Mellon	22,954	303	0.03
Baxter International	9,200	313	0.04
Becton Dickinson	3,400	165	0.02
Berkshire Hathaway 'A'	12	869	0.10
Berkshire Hathaway 'B'	18,200	878	0.10
Best Buy	7,834	127	0.01
Biogen Idec	3,900	281	0.03
Boeing	12,400	505	0.06
Boston Scientific	18,700	68	0.01
Bristol Myers Squibb	25,300	495	0.06
CalciTech	12,338,000	382	0.04
Caterpillar	10,900	638	0.07
Celgene	7,300	293	0.03

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>UNITED STATES - continued</b>			
Chevron	30,900	2,014	0.23
Chubb	5,000	208	0.02
Cisco Systems	86,126	988	0.11
Citigroup	50,980	997	0.11
CME Group	1,144	195	0.02
Coca Cola	37,700	1,596	0.18
Colgate Palmolive	8,200	459	0.05
Comcast 'A'	38,747	563	0.06
ConcoPhillips	21,690	937	0.11
Corning	18,000	159	0.02
Costco Wholesale	6,800	351	0.04
Covidien	7,000	204	0.02
CSX	21,687	299	0.03
CVS Caremark	24,200	544	0.06
Danaher	11,400	341	0.04
Deere	6,600	310	0.04
Dell	25,800	253	0.03
Devon Energy	6,000	241	0.03
DIRECTV 'A'	13,300	375	0.04
Dominion Resources	14,100	451	0.05
Duke Energy	34,572	437	0.05
E.I. du Pont de Nemours	18,100	539	0.06
eBay	25,100	495	0.06
Eli Lilly	15,100	348	0.04
EMC	26,100	396	0.05
Emerson Electric	12,500	373	0.04
Entergy	4,200	180	0.02
EOG Resources	3,500	194	0.02
Exelon	15,500	426	0.05
Express Scripts 'A'	6,800	193	0.02
Exxon Mobil	74,900	3,624	0.41
Fedex	5,857	297	0.03
FirstEnergy	6,800	189	0.02
Ford Motor	54,862	397	0.05
Freeport McMoRan Cooper & Gold	20,154	503	0.06
General Dynamics	6,700	267	0.03
General Electric	182,400	1,887	0.21
General Mills	11,800	282	0.03
Gilead Sciences	12,400	320	0.04
Google 'A'	3,478	1,276	0.15
Halliburton	12,700	294	0.03
Hess	3,600	140	0.02
Hewlett Packard	31,000	511	0.06
Home Depot	28,700	636	0.07
Honeywell International	12,300	399	0.05
Huntington Ingalls Industries	883	16	—
IBM	17,900	2,049	0.23
Illinois Tool Works	8,000	241	0.03
Intel	81,087	1,232	0.14
Johnson & Johnson	39,573	1,579	0.18
JP Morgan Chase & Company	68,500	1,475	0.17
Kimberley Clark	6,400	276	0.03
Kohl's	4,600	151	0.02
Kraft Foods	29,100	634	0.07
Kroger	11,400	164	0.02
Lockheed Martin	5,600	263	0.03

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

<b>As at 31st October 2011</b>	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>UNITED STATES - continued</b>			
Lowe's Companies	23,500	306	0.03
Marathon Oil	8,600	139	0.02
Marathon Petroleum	4,300	96	0.01
Mastercard	2,058	442	0.05
McDonald's	18,600	1,070	0.12
Medco Health Solutions	6,800	231	0.03
Medtronic	14,700	316	0.04
Merck & Co	42,460	908	0.10
Metlife	13,000	283	0.03
Microsoft	125,800	2,075	0.24
Monsanto	9,200	415	0.05
Morgan Stanley	25,818	282	0.03
Motorola Mobility Holdings	4,127	99	0.01
Motorola Solutions	4,716	137	0.02
National Oilwell Varco	5,500	243	0.03
Newmont Mining	9,700	401	0.05
News Corp 'A'	34,184	371	0.04
Nike 'B'	4,300	257	0.03
Norfolk Southern	5,900	270	0.03
Northern Trust	4,100	103	0.01
Northrop Grumman	5,300	190	0.02
Nucor	6,604	154	0.02
Occidental Petroleum	12,027	693	0.08
Oracle	73,008	1,482	0.17
Pepsico	25,600	998	0.11
Pfizer	115,012	1,374	0.16
PG&E	8,400	223	0.03
Phillip Morris International	28,200	1,219	0.14
PNC Financial Services Group	8,497	283	0.03
Praxair	5,900	371	0.04
Procter & Gamble	44,200	1,751	0.20
Prudential Financial	8,767	294	0.03
Public Services Enterprise Group	13,653	285	0.03
Qualcomm	23,915	765	0.09
Raytheon	7,000	192	0.02
Schlumberger	20,000	910	0.10
Southern	21,595	578	0.07
St. Jude Medical	5,100	123	0.01
Staples	10,400	96	0.01
State Street	8,342	209	0.02
Symantec	10,400	110	0.01
Sysco	10,400	178	0.02
Target	12,200	414	0.05
Texas Instruments	18,200	346	0.04
The Charles Swabb Corporation	18,900	144	0.02
The Dow Chemical Company	23,243	401	0.04
The Goldman Sachs Group	9,100	618	0.07
The Travellers Companies	8,100	293	0.03
Thermo Fisher Scientific	5,700	177	0.02
Time Warner	20,059	435	0.05
Union Pacific	8,200	505	0.06
United Technologies	15,800	763	0.09
UnitedHealth Group	17,300	514	0.06
UPS	13,283	578	0.06
US Bancorp	36,245	574	0.06
Verizon Communications	42,971	984	0.11

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>UNITED STATES - continued</b>			
Visa 'A'	7,800	451	0.05
Wal Mart Stores	47,100	1,656	0.19
Walgreen	16,300	335	0.04
Walt Disney	33,777	730	0.08
Waste Management	8,700	177	0.02
Wellpoint	5,300	226	0.02
Wells Fargo & Co	91,700	1,471	0.17
Yahoo	15,600	151	0.02
Yum Brands	7,200	239	0.03
		<b>85,084</b>	<b>9.68</b>
<b>Total Equities</b>		<b>491,453</b>	<b>55.89</b>
<b>Collective Investment Schemes (14.49%; 22.66%)</b>			
<b>EMERGING MARKETS (3.08%; 3.06%)</b>			
Aberdeen Emerging Markets Fund	3,602,920	18,669	2.12
iShares MSCI Emerging Markets	350,000	8,406	0.96
		<b>27,075</b>	<b>3.08</b>
<b>FAR EAST (9.01%; 9.10%)</b>			
BlackRock Japan Equity Tracker Fund	42,834,883	45,105	5.13
BlackRock Pacific ex Japan Equity Tracker Fund	18,735,021	34,135	3.88
		<b>79,240</b>	<b>9.01</b>
<b>PROPERTY (1.06%; 0.95%)</b>			
Hermes Property Unit Trust	2,105,147	9,347	1.06
<b>UNITED STATES (1.34%; 1.30%)</b>			
iShares Russell 1000 Index Fund	272,500	11,727	1.34
<b>Total Collective Investment Schemes</b>		<b>127,389</b>	<b>14.49</b>
<b>Bonds (16.72%; 14.47%)</b>			
<b>CORPORATE BONDS (13.14%; 11.33%)</b>			
3i Group 6.875% 2023	140,000	149	0.02
Aegon 6.625% 2039	200,000	204	0.02
Anglian Water 12.375% 2014	350,000	421	0.05
Anglian Water 6.875% 2023	220,000	271	0.03
Anheuser-Busch 9.75% 2024	300,000	449	0.05
Annington Finance 8% 2021	160,000	198	0.02
AT&T 5.875% 2017	300,000	343	0.04
Aviva 5.9021% Perpetual	560,000	397	0.05
Aviva 9.5% 2016	540,000	667	0.08
AXA 6.6666% Perpetual	950,000	698	0.08
BAA Funding 5.85% 2015 Variable	400,000	423	0.05
BAA Funding 6.75% 2028	250,000	288	0.03
Bank Nedse 3.25% 2017	570,000	603	0.07
Bank Nedse 5.25% 2016	500,000	572	0.07
Bank Nedse 5.75% 2012	735,000	747	0.08
Bank Nedse 5.75% 2019	1,000,000	1,213	0.14
Barclays Bank 5.75% 2021	1,050,000	1,094	0.12
Barclays Bank 6.125% Perpetual	50,000	39	—
Barclays Bank 6.75% 2023	1,130,000	1,049	0.12
Barclays Bank 10% 2021	500,000	546	0.06
Barclays Bank 14% Perpetual	900,000	1,049	0.12
BAT International Finance 7.25% 2024	1,130,000	1,413	0.16

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>CORPORATE BONDS - continued</b>			
Bayer 5.625% 2018	850,000	968	0.11
Bear Stearns 5.375% 2013	1,000,000	1,061	0.12
BNP Paribas 5.954% Perpetual	750,000	546	0.06
BOC Group 6.5% 2016	460,000	540	0.06
British Land 6.75% 2020	390,000	453	0.05
British Sky Broadcasting 5.75% 2017	350,000	393	0.04
British Telecom 5.75% 2028	250,000	259	0.03
British Telecom 6.375% 2037	1,000,000	1,076	0.12
British Telecom 8.5% 2016	170,000	208	0.02
Broadgate Financial 4.949% 2031	350,000	308	0.03
Broadgate Financial 4.999% 2033	430,000	417	0.05
BUPA Financial 7.5% 2016	730,000	798	0.09
Cadbury Schweppes 7.25% 2018	180,000	217	0.02
Carrefour 5.375% 2012	340,000	351	0.04
Centrica 5.5% 2016	350,000	390	0.04
Citigroup 7.375% 2039	700,000	795	0.09
Credit Suisse Group 6.75% 2023	1,650,000	1,701	0.19
Credit Suisse Group 6.875% Perpetual	565,000	534	0.06
Credit Suisse Group 8.514% Perpetual	520,000	521	0.06
Deutsche Telekom International Finance 7.125% 2012	160,000	167	0.02
Deutsche Telekom International Finance 7.375% 2019	160,000	199	0.02
Deutsche Telekom International Finance 8.875% 2028	140,000	203	0.02
DWR Cymru Finance 6.015% 2028	200,000	232	0.03
E.ON International Finance 5.875% 2037	950,000	1,087	0.12
E.ON International Finance 6% 2019	850,000	991	0.11
E.ON International Finance 6.735% 2012	330,000	338	0.04
Eastern Group 8.5% 2025	220,000	303	0.03
EDF 5.75% 2024	450,000	497	0.06
Enel Finance 5.75% 2040	1,125,000	951	0.11
Eni 6.125% 2018	800,000	899	0.10
European Investment Bank 4.75% 2012	3,125,000	3,190	0.36
European Investment Bank 4.75% 2018	1,050,000	1,191	0.14
European Investment Bank 5% 2039	1,540,000	1,845	0.21
European Investment Bank 5.5% 2025	1,050,000	1,278	0.15
European Investment Bank 6% 2028	1,250,000	1,620	0.18
European Investment Bank 6.25% 2014	2,377,000	2,664	0.30
Experian Finance 4.75% 2018	500,000	528	0.06
Finmeccanica Finance 8% 2019	325,000	340	0.04
France Telecom 8.125% 2028	1,500,000	2,077	0.24
Friends Provident Group 12% 2021	250,000	282	0.03
G4S 7.75% 2019	350,000	409	0.05
GDF Suez 6.125% 2021	850,000	967	0.11
GDF Suez 7% 2028	200,000	250	0.03
GE Capital 4.125% 2017	750,000	755	0.09
GE Capital 4.625% 2016	438,000	454	0.05
GE Capital 5.125% 2015	500,000	528	0.06
GE Capital 6% 2013	600,000	625	0.07
GE Capital 6.75% 2018	710,000	801	0.09
GE Capital 8% 2039	400,000	502	0.06
GlaxoSmithKline 5.25% 2033	530,000	604	0.07
Go Ahead Group 5.375% 2017	100,000	104	0.01
Hammerson 7.25% 2028	190,000	218	0.02
Holcim Finance 8.75% 2017	400,000	478	0.05
Housing Association Fund 8.25% 2027	350,000	368	0.04
HSBC Capital 5.844% Perpetual	1,558,000	1,218	0.14
HSBC Capital 5.862% Perpetual, Variable	1,000,000	832	0.09

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	Holding	Market Value £'000	% of total net assets
<b>Investments</b>			
<b>CORPORATE BONDS - continued</b>			
HSBC Holdings 5.75% 2027	490,000	453	0.05
HSBC Holdings 6.375% 2022	950,000	969	0.11
HSBC Holdings 7% 2038	1,350,000	1,378	0.16
Imperial Tobacco 9% 2022	600,000	799	0.09
InterContinental Hotels Group 6% 2016	250,000	264	0.03
Johnson & Johnson 5.5% 2024	1,500,000	1,797	0.20
KFW 4.75% 2012	1,150,000	1,198	0.14
KFW 4.875% 2013	1,900,000	1,991	0.23
KFW 5.25% 2012	2,540,000	2,556	0.29
KFW 5.375% 2014	1,305,000	1,433	0.16
KFW 5.55% 2021	500,000	612	0.07
KFW 5.75% 2032	1,170,000	1,553	0.18
KFW 6% 2028	1,000,000	1,347	0.15
Lloyds TSB Bank 4% 2011	750,000	638	0.07
Lloyds TSB Bank 6.375% 2014	1,348,000	1,349	0.15
Lloyds TSB Bank 7.625% 2025	2,155,000	2,246	0.26
Marks & Spencer 5.625% 2014	570,000	601	0.07
Marks & Spencer 6.125% 2019	250,000	269	0.03
Merrill Lynch 5.5% 2021	1,000,000	770	0.09
Mitchells & Butlers 5.574% 2030	280,000	183	0.02
MMO2 7.625% 2012	160,000	161	0.02
Monument Global Funding 6% 2014	250,000	266	0.03
Morgan Stanley 5.125% 2015	125,000	122	0.01
Motability 5.375% 2022	550,000	602	0.07
National Australia Bank 5.125% 2021	475,000	490	0.06
National Grid 6% 2038	1,710,000	1,989	0.23
Network Rail 4.375% 2030	600,000	681	0.08
Network Rail 4.875% 2012	1,780,000	1,805	0.21
Northumbrian Water Group 6.875% 2023	260,000	317	0.04
Pacific Life 5.125% 2015	330,000	346	0.04
Prudential Corporation 6.875% 2023	330,000	383	0.04
Rabobank Capital 5.556% Perpetual	710,000	601	0.07
Rabobank Nederland 3.25% 2017	500,000	507	0.06
Roche Holding 5.5% 2015	575,000	642	0.07
Rolls Royce 7.375% 2016	675,000	824	0.09
Royal Bank of Scotland 4.125% 2011	1,340,000	1,341	0.15
Royal Bank of Scotland 6.375% 2014	1,000,000	1,041	0.12
Royal Bank of Scotland 6.875% 2025	1,000,000	998	0.11
Royal Sun Alliance 8.5% Perpetual	671,000	673	0.08
RWE Finance 6.125% 2039	500,000	583	0.07
RWE Finance 6.5% 2021	440,000	515	0.06
Safeway 6.125% 2018	500,000	579	0.07
Santander 6.222% Perpetual, Variable	70,000	46	0.01
Santander 7.3% 2019	450,000	410	0.05
Santander 11.3% Perpetual	200,000	197	0.02
Severn Trent 6.125% 2024	30,000	35	—
Smiths Industries 7.25% 2016	480,000	550	0.06
Society of Lloyds 6.875% 2025	1,965,000	1,975	0.22
South East Water 5.5834% 2029	40,000	42	0.01
South East Water 5.6577% 2019	230,000	252	0.03
Southern Water 6.192% 2029	240,000	276	0.03
Southern Water 6.64% 2026	270,000	325	0.04
SSE 5.75% 2014	1,360,000	1,466	0.17
SSE 5.875% 2022	260,000	298	0.03
Standard Chartered 7.75% 2018	1,000,000	1,083	0.12

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i>Holding</i>	<i>Market Value £'000</i>	<i>% of total net assets</i>
<b>Investments</b>			
<b>CORPORATE BONDS - continued</b>			
Standard Life 6.546% Perpetual, Variable	480,000	387	0.05
Standard Life 6.75% Perpetual	320,000	259	0.03
Telecom Italia 5.625% 2015	1,000,000	990	0.11
Telefonica 5.289% 2022	850,000	810	0.09
Tesco 6.125% 2022	1,120,000	1,309	0.15
Tesco Property 6.0517% 2039	750,000	809	0.09
THFC Fund 5.125% 2037	310,000	321	0.04
UBS 6.375% 2024 Variable	500,000	480	0.06
UBS 6.625% 2018	1,480,000	1,650	0.19
Unilever 4.75% 2017	416,000	466	0.05
United Utilities 5.375% 2018	260,000	289	0.03
Vattenfall 6.875% 2039	450,000	582	0.07
Verizon Wireless 8.875% 2018	800,000	1,074	0.12
Vodafone Group 4.625% 2014	1,000,000	1,073	0.12
Vodafone Group 5.375% 2017	1,053,000	1,186	0.14
Wal Mart Stores 4.75% 2013	350,000	366	0.04
Wal Mart Stores 5.25% 2035	591,000	668	0.08
Wal Mart Stores 5.625% 2034	500,000	596	0.07
Wal Mart Stores 5.75% 2030	478,000	576	0.07
Wales West Finance 5.125% 2016	500,000	546	0.06
Wales West Finance 6.25% 2021	615,000	707	0.08
Welcome Trust 4.75% 2021	1,067,000	1,182	0.14
		<b>115,517</b>	<b>13.14</b>
<b>EUROPEAN GOVERNMENT (1.02%; 1.06%)</b>			
Austria 4% 2016	180,000	170	0.02
Belgium 3.75% 2015	120,000	105	0.01
Belgium 4% 2013	180,000	159	0.02
Belgium 4% 2018	180,000	156	0.02
Belgium 5.5% 2028	160,000	151	0.02
France 3% 2015	380,000	343	0.04
France 3.75% 2012	350,000	305	0.03
France 3.75% 2017	480,000	446	0.05
France 4% 2013	240,000	219	0.02
France 4% 2038	330,000	292	0.03
France 4.25% 2023	250,000	235	0.03
France 5.75% 2032	210,000	230	0.03
Germany 3% 2020	360,000	339	0.04
Germany 3.25% 2015	360,000	338	0.04
Germany 3.5% 2013	950,000	856	0.10
Germany 4% 2037	250,000	260	0.03
Germany 4.25% 2017	580,000	580	0.07
Germany 6.25% 2030	380,000	489	0.05
Italy 4.25% 2015	800,000	666	0.08
Italy 5.25% 2017	500,000	420	0.05
Italy 6% 2031	720,000	572	0.07
Netherlands 4% 2037	130,000	134	0.01
Netherlands 4.5% 2017	120,000	119	0.01
Portugal 5.45% 2013	70,000	49	0.01
Spain 4.2% 2013	630,000	546	0.06
Spain 5.5% 2017	209,000	186	0.02
Spain 5.5% 2021	550,000	473	0.05
Spain 5.75% 2032	166,000	135	0.01
		<b>8,973</b>	<b>1.02</b>
<b>JAPANESE GOVERNMENT (1.31%; 1.11%)</b>			
Japan 0.8% 2013	348,000,000	2,791	0.32

# Family Balanced International Fund

## Manager's Report - continued

### Portfolio Statement - continued

As at 31st October 2011	<i> Holding</i>	<i> Market Value £'000</i>	<i> % of total net assets</i>
<b>Investments</b>			
<b>JAPANESE GOVERNMENT - continued</b>			
Japan 0.9% 2013	162,500,000	1,312	0.15
Japan 1.5% 2015	196,300,000	1,632	0.19
Japan 1.5% 2018	132,750,000	1,118	0.13
Japan 1.7% 2016	129,250,000	1,095	0.12
Japan 2% 2024	197,550,000	1,690	0.19
Japan 2% 2033	86,300,000	703	0.08
Japan 2.1% 2028	44,800,000	378	0.04
Japan 2.4% 2048	95,350,000	<u>808</u>	<u>0.09</u>
		<b>11,527</b>	<b>1.31</b>
<b>UNITED STATES GOVERNMENT (1.25%; 0.97%)</b>			
US Treasury 1.125% 2011	2,710,000	1,681	0.19
US Treasury 1.5% 2013	3,085,000	1,961	0.22
US Treasury 2.875% 2013	390,000	250	0.03
US Treasury 3.75% 2018	1,653,000	1,172	0.13
US Treasury 4.5% 2036	1,020,000	783	0.09
US Treasury 4.625% 2016	3,475,000	2,535	0.29
US Treasury 5.5% 2028	580,000	487	0.06
US Treasury 6.25% 2023	1,100,000	949	0.11
US Treasury 11.25% 2015	1,400,000	<u>1,170</u>	<u>0.13</u>
		<b>10,988</b>	<b>1.25</b>
<b>Total Bonds</b>		<b>147,005</b>	<b>16.72</b>
<b>Futures (0.17%; 0.08%)</b>			
DJ Euro Stoxx 50 (EUR)	304	973	0.11
Liffe – FTSE 100 (GBP)	48	138	0.02
S&P EMINI (USD)	99	<u>365</u>	<u>0.04</u>
		<b>1,476</b>	<b>0.17</b>
<b>Total Futures</b>		<b>1,476</b>	<b>0.17</b>
<b>Investment Assets</b>		<b><u>767,323</u></b>	<b><u>87.27</u></b>
<b>Net Current Assets</b>		<b><u>111,958</u></b>	<b><u>12.73</u></b>
<b>Total Net Assets at 31st October 2011</b>		<b><u>879,281</u></b>	<b><u>100.00</u></b>

The sector percentage figures give current percentage first followed by the percentage at the Previous Annual Accounting year.

#### Bond Ratings

Rating	Market Value £'000
Aaa	51,490
Aa	25,112
A	44,742
Baa	25,159
Ba	<u>502</u>
Total	147,005

# Family Balanced International Fund

## Statement of Authorised Corporate Director's Responsibilities

### In relation to the Report and Accounts of the ICVC

The Financial Services Authority's Collective Investment Schemes Sourcebook (COLL) as amended requires the Authorised Corporate Director to prepare financial statements for each accounting period, which give a true and fair view of the financial position of the Company and of its net income and the net losses for the period.

In preparing the financial statements the Authorised Corporate Director is required to:

- (a) Select suitable accounting policies and then apply them consistently.
- (b) Comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by IMA in October 2010.
- (c) Follow generally accepted accounting principles and applicable accounting standards.
- (d) Keep proper accounting records, which enable it to demonstrate that the financial statements as prepared, comply with the above requirements.
- (e) Make judgements and estimates that are reasonable and prudent.
- (f) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this ICVC will continue in operation.

The Authorised Corporate Director confirms that all requirements have been met in preparing the financial statements.

The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director is responsible for the management of the ICVC in accordance with its Instrument of Incorporation, Full Prospectus and COLL.

In pursuing its investment objective set out on page 5 the Company holds a number of financial instruments. These comprise:

Equity shares, equity related shares, non equity shares and debt securities. These are held in accordance with each of the Funds' investment policy;

Shares/units in collective investment schemes which are held in accordance with the Fund's investment objectives and policies;

Derivative transactions which each of the Funds may enter into, the purpose of which is to manage certain aspects of the risks arising from the Funds' investment activities;

Cash, liquid resources and short term debtors and creditors that arise directly from its operations;

Shareholders' funds which represent investors' monies which are invested on their behalf;

Borrowings used to finance investment activity.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments, other than on the Company's account, shall be undertaken (April 2011: same).

## Authorised Corporate Director's Statement

John Reeve  
Chairman

John Adams  
Director

13th December 2011

# Family Balanced International Fund

## Statement of Total Return

For the period 1st May 2011 to 31st October 2011

	Note	October 2011		October 2010	
		£'000	£'000	£'000	£'000
Income					
Net Capital (losses)/gains	3		(79,484)		4,548
Revenue	4	19,506		17,020	
Expenses	5	(6,804)		(5,258)	
Net revenue before taxation		<u>12,702</u>		<u>11,762</u>	
Taxation	6	<u>(343)</u>		<u>—</u>	
Net revenue after taxation for the period			<u>12,359</u>		<u>11,762</u>
<b>Total return before distribution</b>			(67,125)		16,310
Finance Costs: Distributions	7		<u>(12,364)</u>		<u>(11,764)</u>
<b>Change in shareholders' funds from investment activities</b>			<u>(79,489)</u>		<u>4,546</u>

## Statement of Change in Shareholders' Funds

For the period 1st May 2011 to 31st October 2011

	October 2011		October 2010	
	£'000	£'000	£'000	£'000
<b>Opening Net Assets</b>		960,954		1,046,513
Movement due to sale and repurchase of shares:				
Amounts received on creation of shares		8,440		1,666
Less: Amounts paid on cancellation of shares		<u>(22,981)</u>		<u>(129,973)</u>
		(14,541)		(128,307)
Stamp duty reserve tax		(7)		(15)
Change in shareholders' funds from investment activities (see above)		(79,489)		4,546
Retained distribution on accumulation shares		<u>12,364</u>		<u>11,764</u>
<b>Closing Net Assets</b>		<u>879,281</u>		<u>934,501</u>

# Family Balanced International Fund

## Balance Sheet

As at 31st October 2011

	Note	October 2011		April 2011		October 2010	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Assets</b>							
<b>Investment Assets</b>			767,323		900,495		913,981
Debtors	8	5,564		6,353		6,337	
Cash and bank balances	9	<u>108,576</u>		<u>56,562</u>		<u>17,768</u>	
<b>Total Other Assets</b>			<u>114,140</u>		<u>62,915</u>		<u>24,105</u>
<b>Total Assets</b>			<u>881,463</u>		<u>963,410</u>		<u>938,086</u>
<b>Liabilities</b>							
Creditors	10	2,182		2,456		3,585	
<b>Total Liabilities</b>			<u>2,182</u>		<u>2,456</u>		<u>3,585</u>
<b>Net Assets</b>			<u>879,281</u>		<u>960,954</u>		<u>934,501</u>
<b>Shareholders' Funds</b>			<u>879,281</u>		<u>960,954</u>		<u>934,501</u>

# Family Balanced International Fund

## Notes to the Financial Statements

### 1. Accounting Policies

#### *(a) Basis of Accounting*

Financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by IMA in October 2010 (IMA SORP 2010). As a result of the application of IMA SORP 2010 the shares of the Company have been classified as equity instruments. The shareholders' funds are now shown in the Balance Sheet, with consequent other changes in the presentation only. No changes have been made to accounting policies or to the accounting estimates used in applying these policies.

The property of the Company is stated as at close of business on the 31st October 2011, being the last business day of the financial period. The difference between the valuation at the close of business and that at the pricing point is disclosed in Note 12. The difference between these valuations is not considered to be significant.

#### *(b) Income*

Dividends on equities are recognised when the security is quoted ex-dividend, and are shown net of any attributable tax credits. Interest on debt securities is recognised as revenue using the effective interest rate method by reference to the purchase price. Interest on cash balances and other income are accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place.

Income distribution from collective investment schemes (CIS's) are recognised when the security is quoted ex-dividend, and are shown net of any attributable tax credits. Accumulation distributions from CIS's are also recognised when the security is quoted ex-dividend and are included gross of tax deducted. Equalisations received as part of the distribution from CIS's are included within net capital gains or losses.

#### *(c) Valuation*

All investments are valued at their fair value as at close of business on 31st October 2011, being the last business day of the financial period.

Listed investments have been valued at bid value as at close of business on the Balance Sheet date, and are shown net of any accrued interest which is included in the Balance Sheet as a debtor.

Any unlisted, delisted, suspended or unapproved securities have been valued at the Authorised Corporate Director's best estimate.

#### *(d) Deferred Taxation*

Deferred tax is provided for on all timing differences that have originated but not reversed by the Balance Sheet date. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

#### *(e) Foreign Currencies*

Assets and liabilities have been translated into sterling at the exchange rate prevailing at the valuation point. Non-Sterling receipts and payments are translated at the rates applicable on the date of settlement. Any gains or losses arising from holding assets or liabilities denominated in currencies other than sterling are recognised as capital or income depending on the nature of the underlying item.

#### *(f) Dividend Policy*

The net income of the Company is regarded as the amount available for distribution; no adjustment is made in respect of either Authorised Corporate Director expenses or stock dividends. Authorised Corporate Director expenses, to the extent that it is permitted, are charged against income.

Should the expenses exceed the income of the Company no distribution will be made and the shortfall will be transferred from capital.

#### *(g) Special Dividends*

These were recognised as either income or capital depending upon the nature and circumstances of the dividend receivable.

#### *(h) Treatment of Stock Dividends*

The Company may elect to take up stock paid in lieu of a cash dividend. These stocks are recorded in the accounts at a value equal to the dividend cash equivalent. These dividends have been recognised as income and form part of the distribution.

In the case of enhanced stock dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

#### *(i) Treatment of Stocklending*

Stocklending income is recognised on an accruals basis net of associated costs.

#### *(j) Treatment of Expenses*

All expenses, except for those relating to the purchases and sales of investments and Stamp Duty Reserve Tax are charged initially against income.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

### 2. Distribution Policy

All revenue received by the Company less accrued income, revenue expenses and taxation is allocated to accumulation shares.

The distribution is retained and credited periodically to capital.

	October 2011 £'000	October 2010 £'000
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### 3. Net Capital (Losses)/Gains on Investments

The net (losses)/gains on investments during the period comprise:

(Losses)/gains on investments	(76,795)	4,369
(Losses)/gains on futures	<u>(2,689)</u>	<u>179</u>
Net (losses)/gains on investments	<u>(79,484)</u>	<u>4,548</u>

### 4. Revenue

UK dividends	5,462	5,555
UK interest on debt securities	1,585	1,671
Overseas dividends (unfranked)	—	3,708
Overseas dividends (franked)	3,421	—
Overseas interest on debt securities	2,630	2,504
UK property income distribution	72	57
CIS franked income	4,916	2,694
CIS unfranked income	1,092	765
Rebated management fees	104	—
Bank interest	198	35
Foreign currency gain	<u>26</u>	<u>31</u>
	<u>19,506</u>	<u>17,020</u>

### 5. Expenses

**Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:**

Authorised Corporate Director's periodic charge	<u>6,568</u>	<u>5,001</u>
	<u>6,568</u>	<u>5,001</u>

**Payable to the Depositary, associates of the Depositary and agents of either of them:**

Custody transaction charges	6	2
Depositary charges	165	178
Custodian charges	<u>50</u>	<u>64</u>
	<u>221</u>	<u>244</u>

#### Other expenses

Audit fee (including VAT)	6	5
Other expenses	<u>9</u>	<u>8</u>
	<u>15</u>	<u>13</u>

<b>Total Expenses</b>	<u>6,804</u>	<u>5,258</u>
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# Family Balanced International Fund

## Notes to the Financial Statements - continued

	October 2011 £'000	October 2010 £'000
<b>6. Taxation</b>		
a.) Analysis of charge in the period		
Current tax:		
UK corporation tax on net income	—	—
Adjustment in respect of prior periods	<u>(23)</u>	<u>—</u>
	(23)	—
Foreign tax	<u>366</u>	<u>—</u>
Total current tax (note b)	343	—
Deferred tax (note c)	<u>—</u>	<u>—</u>
Total taxation	<u><u>343</u></u>	<u><u>—</u></u>

Corporation tax has been provided at a rate of 20% (April 2011: 20%).

b.) Factors affecting current tax charge for period

The tax assessed for the period is different from the standard rate of corporation tax in the UK for an ICVC (20%). The differences are explained below.

Net income before tax	<u>12,702</u>	<u>11,762</u>
Tax at standard rate of 20%	2,540	2,352
Non taxable income*	(2,760)	(2,513)
Expenses not deductible for tax purposes	1	1
Net accruals	—	(13)
Creation of tax losses	219	51
Overseas withholding tax suffered	366	—
Tax relief on non DTR expensed	—	122
Adjustment in respect of prior periods	<u>(23)</u>	<u>—</u>
Current tax charge for period (note a.)	<u><u>343</u></u>	<u><u>—</u></u>
c.) Provision for deferred tax		
Provision at start of period	—	2
Deferred tax charge in P & L for period (note a)	<u>—</u>	<u>(2)</u>
Provision at end of period	<u><u>—</u></u>	<u><u>—</u></u>

\* As an Authorised ICVC these items are not subject to Corporation Tax.

The Company is exempt from Capital Gains Tax.

The ICVC has not recognised a deferred tax asset of £891k (April 2011: £673k), which has arisen as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of capital gains or the ICVC's investment profile changes. The final unrecognised deferred tax asset at April 2011 was £194k less than that disclosed in the 2011 year end financial statements. The primary reason for this decrease was due to taxable income being accounted for as non-taxable during the year ended 30th April 2011.

## 7. Finance costs

### Distributions

The distributions take account of income received on the creation of shares and income deducted on the cancellation of shares, and comprise:

Interim	<u>12,364</u>	<u>11,764</u>
	12,364	11,764

Details of the distribution per share are set out in the table on page 33.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

	October 2011 £'000	April 2011 £'000	October 2010 £'000
<b>8. Debtors</b>			
Amount due for creation of shares	—	189	—
Sales awaiting settlement	—	—	524
Accrued income - UK dividends	502	2,144	709
Accrued income - overseas	111	335	522
Accrued income - UK unfranked income	—	—	32
Accrued income - property income distribution	32	28	5
Accrued income - CIS franked income	—	—	259
Accrued income - CIS unfranked income	—	148	21
Accrued income in value	3,965	2,938	3,784
Accrued bank interest	21	7	4
Corporation tax	608	—	—
Foreign currency gains	5	2	—
Fee rebates	15	9	31
Overseas tax recoverable	305	553	446
	<u>5,564</u>	<u>6,353</u>	<u>6,337</u>
<b>9. Cash and Bank Balances</b>			
Cash on long term deposit	87,750	20,000	—
Cash and bank balances*	21,433	36,410	17,043
Futures cash balances	(607)	152	725
Total cash and bank balances	<u>108,576</u>	<u>56,562</u>	<u>17,768</u>
* Large cash balances are being held to cover the futures contracts.			
<b>10. Creditors</b>			
Amount due for cancellation of shares	40	77	306
Purchases awaiting settlement	—	23	521
Accrued expenses	2,141	2,355	2,447
Corporation tax	—	—	125
Foreign currency loss	—	—	185
Other creditors	1	1	1
	<u>2,182</u>	<u>2,456</u>	<u>3,585</u>

### 11. Related Party Transactions

The Authorised Corporate Director of Family Balanced International Fund, Family Investment Management Limited, is a wholly owned subsidiary of Family Assurance Friendly Society Limited ("the Society"), being the ultimate controlling party. The Society and Family Balanced International Fund, are deemed to be related parties. In addition, State Street Trustees Limited, as Depositary, is also regarded as a related party.

All share creations and cancellations, and all balances due as at 31st October 2011 in respect of creations and cancellations, as disclosed in the Balance Sheet, are executed with the Authorised Corporate Director (April 2011: same).

Total Authorised Corporate Director charges and Depositary fees incurred during the period are disclosed in note 5.

All bank balances are with the Depositary as at 31st October 2011 and are disclosed in the Balance Sheet.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

### 12. Risk Management

Financial Instruments are valued at fair value in accordance with Financial Reporting Standard 26 as disclosed in note 1(c).

#### Management of risk

The principal risks arising from the Company's financial instruments are market price and credit risks. The Authorised Corporate Director reviews (and agrees with the Depositary) policies for managing each of these risks. These policies have remained unchanged since the beginning of the period to which these financial statements relate, and the preceding period.

#### Fair values of financial instruments

All of the financial assets of the Company are held at fair value.

#### Financial liabilities and equity instruments

The units of the Trust are puttable equity instruments and the main liability of the Trust is that due to the unitholders. Puttable means that the unitholder can sell, at their discretion, the units they hold back to the Fund, for cash for the price quoted that day.

- At the Balance Sheet date the liability to redeem shares to the shareholders was £879,280,859 (April 2011: £960,954,184)

The fair value of the Company is derived from the cancellation price of the shares as at 31st October 2011, which is the lowest redeemable value of the Company.

Set out below is a comparison by category of book values and fair values of the Company's financial liabilities and equity instruments as at 31st October 2011.

		<b>Book Value</b> <b>(fair value at close)</b> £	<b>Fair Value</b> <b>(at pricing point)</b> £
<b>Primary financial liabilities and equity instruments held or issued to finance the Fund's operations:</b>			
Liability to redeem shares	October 2011	879,280,859	892,948,102
	April 2011	960,954,184	959,859,133

#### Market price risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Investment Advisor meets monthly (or more often if appropriate) to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that the individual stocks also meet the risk reward profile that is acceptable.

The Authorised Corporate Director does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Derivative Risk

The Authorised Corporate Director may employ derivatives solely for the purposes of Efficient Portfolio Management with the aim of reducing the risk profile of the Company.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

### Interest rate risk

The Company invests in debt securities. Any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Investment Advisor being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general if interest rates rise the income potential of the Company also rises but the value of the debt securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

The Company may invest at fixed rates of interest and may then use interest rate swaps to generate the desired interest income profile and to manage the Company's exposure to interest rate fluctuations. At the period end, 16.72% (April 2011: 14.47%) of the Company's assets were at fixed rates of interest.

The Investment Advisor reviews interest rate risk as part of its monthly asset allocation process.

### Interest rate exposure

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date.

The interest rate profile of the Company's financial assets at the period end is set out in the table (i) below. The comparative figures for the previous accounting date are shown in table (ii).

Table (i)

At period end 31st October 2011

Currency	Total Market value	Floating rate	Fixed rate	Weighted average effective yield rate	Weighted average period for which rate is fixed (years)
	£'000	£'000	£'000	%	
Sterling	132,855	17,338	115,517	4.69	11.96
Euro	10,416	1,444	8,972	3.73	8.71
Japanese Yen	13,987	2,460	11,527	0.96	8.67
US Dollar	11,180	192	10,988	1.34	6.20

The floating rate financial assets comprise Sterling bank deposits that earned interest based on the six month London Inter Bank Offer Rate (LIBOR), or their foreign equivalent.

Table (ii)

At period end 31st October 2010

Currency	Total Market value	Floating rate	Fixed rate	Weighted average effective yield rate	Weighted average period for which rate is fixed (years)
	£'000	£'000	£'000	%	
Sterling	130,527	16,721	113,806	4.61	14.60
Euro	10,521	—	10,521	2.60	8.51
Japanese Yen	131,320	119,995	11,325	0.88	8.02
US Dollar	9,938	3	9,935	1.68	5.92

### Liquidity risk

The Company's assets comprise mainly of readily realisable securities, which can be readily sold. The main liability of the Company is the redemption of any shares that investors wish to sell.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

### Currency rate risk

The Company invests in foreign equities and foreign debt securities, which are priced in local currency. The local value is converted to sterling at the prevailing exchange rate for valuation purposes. The Company is exposed to the possibility of sharp currency movements, which can affect the value of the portfolio on a daily basis.

The Company may be subject to short term exposure to exchange rate movement, for instance where there is a difference between the date when the investment purchase or sale is entered into and the date when settlement of the proceeds occurs. When the Company enters into such a transaction which will involve the buying and selling of foreign currency in order to complete, a forward contract is entered into at the same time as the initial transaction in order to eliminate exchange rate risk.

The Company receives income in currencies other than sterling and movements in exchange rates can affect the sterling values of this income. The Company converts all receipts of income into sterling on or near the date of receipt. However it does not hedge or otherwise seek to avoid rate movement risk on income accrued but not received.

On the basis of the Authorised Corporate Director's analysis, it is estimated that a rise/fall of 1 per cent in the strength of sterling throughout the period would have reduced/increased the value of investments by approximately 0.24% (April 2011: 0.25%). The effect on the income of the Company would be negligible. This is well within the ranges that the Authorised Corporate Director regards as acceptable.

### Foreign currency exposure

The currency profile of the Company's financial instruments at the Balance Sheet date was:

At period end 31st October 2011

Currency	Net Current Assets (Liabilities) £'000	Futures £'000	Investments £'000	Total £'000	30th April 2011 £'000
Danish Krone	—	—	1,788	1,788	2,396
Euro	1,280	973	59,159	61,412	78,111
Japanese Yen	2,497	—	11,527	14,024	10,638
Norwegian Krone	—	—	2,218	2,218	2,532
Swedish Krona	—	—	5,049	5,049	6,656
Swiss Franc	78	—	16,152	16,230	18,198
US Dollar	409	365	107,799	108,573	113,567
	4,264	1,338	203,692	209,294	232,098
UK Sterling	107,694	138	562,155	669,987	728,856
Total	<u>111,958</u>	<u>1,476</u>	<u>765,847</u>	<u>879,281</u>	<u>960,954</u>

### Credit risk

Certain security transactions that the Company enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.

The Company only buys and sells investments through brokers, which have been approved by the Investment Advisor as an acceptable counter-party. The Authorised Corporate Director undertakes periodic visits to the Investment Advisor to confirm that delegated functions are being performed in accordance with Financial Services Authority's rules.

Cash balances are held only with institutions that have the highest credit ratings.

# Family Balanced International Fund

## Notes to the Financial Statements - continued

### 13. Portfolio Transaction Costs

	October 2011 £'000	October 2010 £'000
Analysis of total purchase costs		
Purchases in period before transaction costs	8,829	1,132
Commissions	10	18
Taxes	<u>17</u>	<u>15</u>
Total purchase costs	27	33
Gross purchase total	<u>8,856</u>	<u>1,165</u>
Analysis of total sale costs		
Gross sales in period before transaction costs	4,923	31,272
Commissions	(17)	(55)
Taxes	<u>(1)</u>	<u>(1)</u>
Total sales costs	(18)	(56)
Total sales net of transaction cost	<u>4,905</u>	<u>31,216</u>

### 14. Contingent Liabilities

As at 31st October 2011 there were no contingent liabilities. As at 30th April 2011 there was one contingent liability, the holding of 28,235 UBI Banca warrants which had a call price of EUR 12.3 and a ratio of 20:1, which gave a liability of EUR 17,355 with a sterling equivalent of £15,436.

### 15. Non – Eligible Markets

As at 31st October 2011 there were no transferable assets held that trade on non-authorised markets (30th April 2011 none).

### 16. Stamp Duty Reserve Tax

SDRT is paid by the Authorised Corporate Director and not charged to the property of the Family Investments Global ICVC.

### 17. Share Classes

The Company only issues accumulation shares. The Company issues five share classes. The Authorised Corporate Director's charge for these classes are listed below as a percentage of the Fund's Net Asset Value, calculated daily but taken monthly.

Share Class	%
A	1.50
B	1.00
C	1.95
D	0.95
E	0.50

All share classes have the same terms and rights in respect of winding up, tax allocation and distributable income.

# Family Balanced International Fund

## Distribution Table

The distribution table forms part of the notes to the financial statement.

**For the period ended 31st October 2011**

*Distribution - in pence per share*

31st October 2011	Current Year	Prior Year
Share Class 'A'	3.6948	3.4779
Share Class 'B'	1.7083	1.2245
Share Class 'C'	1.1460	0.6960
Share Class 'D'	1.6929	1.2095
Share Class 'E'	5.1523	3.7968

## Corporate Shareholders Information

A shareholder within the charge to UK corporation tax receives the allocation excluding any equalisation as unfranked income to the extent that the income from which the allocation is made is not franked investment income.

Where the income from which the allocation is made is not wholly franked investment income, part of the allocation is received as an annual payment from which income tax at the lower rate has been deducted.

31st October 2011	Franked% (1)	Unfranked % (2)
Share Class 'A'	55.00	45.00
Share Class 'B'	55.00	45.00
Share Class 'C'	55.00	45.00
Share Class 'D'	55.00	45.00
Share Class 'E'	55.00	45.00

(1) The percentage of the total allocation that is received as franked investment income.

(2) The percentage of the allocation that is received as an annual payment after deduction of income tax at the lower rate and is chargeable to corporation tax. It is not franked investment income.

# Family Balanced International Fund

## General Information

### Launch:

The Fund was launched on 6th April 2009 there was no initial offer price or period.

### Distributions:

The annual accounting year ends on 30th April.

The interim accounting date is the 31st October.

Income is reinvested net of Income Tax, and distribution certificates are distributed twice a year two months in arrears of the interim date and four months in arrears of the annual date.

### Reports:

Authorised Corporate Director's reports for the Family Balanced International Fund are published twice a year. The Interim report on 31st December and the Annual report on 31st August.

### Prices:

The Family Balanced International Fund is a "single priced" Fund in that there is only one purchase or sale price quoted. The price investors pay to purchase single priced shares is the approximate net asset value (NAV) per share, plus any fees that the fund imposes at purchase.

Prices are calculated as at 10.00 (UK time) on each business day.

Shareholders can obtain the price of their shares by calling the Authorised Corporate Director on 0808 100 7654 7654 (telephone calls may be recorded or monitored) or going to the Authorised Corporate Director website ([familyinvestments.co.uk](http://familyinvestments.co.uk)).

### Shares:

The Family Balanced International Fund issues only accumulation shares. Accumulation shares ensure that any distribution is added to the value of the investment.

### Buying and selling shares:

The Authorised Corporate Director can receive written requests to buy or sell shares during normal business hours. The shares will be bought and sold following the next price calculation.

### Cancellation rights:

Investors entering into a contract to purchase shares will have the right to cancel said purchase within 14 days of receipt of the cancellation notice. Please note that, for lump sum investments, clients who exercise their right to cancel may be charged for any market loss (shortfall) incurred.

### Prospectus:

The Full Prospectus for the Family Balanced International Fund is available on request from the Authorised Corporate Director.

### Other Authorised Funds managed by Family Investment Management Limited:

The Full Prospectuses and latest Report and Accounts for any of the Authorised Funds managed by Family Investment Management Limited are available upon request.

**Managed by**

Family Investment Management Limited

16 West Street

Brighton

East Sussex BN1 2RE

Tel: 01273 724570

Fax: 01273 736958

Member of the IMA

Authorised and regulated by the Financial Services Authority

Family Investments is the trading name of Family Assurance Friendly Society (incorporated under the Friendly Societies Act 1992, Reg No. 939F), Family PEP Managers Limited (Co. No. 2934967), Family Investment Management Limited (Co. No. 1915516) and Family Equity Plan Limited (Co. No. 2208249), which are all authorised and regulated by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS). Registered in England at: 16-17 West Street, Brighton, East Sussex BN1 2RL.

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