

## Interim Management Statement – Blue Planet Worldwide Financials Investment Trust

Quarter Ended the 30<sup>th</sup> April 2010

### **Fund Manager's Review**

In April our NAV fell 6.7% to 91.5p per share. The benchmark index made a return of -2.4% over the month. The NAV underperformed the market in the second half of the month as the gearing reintroduced in the fund amplified the effect of the weakness in the market. The share price fell 2.9% to 66.0p. Over the last three months the NAV of the fund has risen 2.5%, whilst the benchmark has risen 12.5% and the share price has fallen 4.3%. As of 30<sup>th</sup> April 2010, shareholder funds were £12,882,213 and total borrowings were £7,500,000.

With the Greek fiscal crisis in the EU and the UK General Election exposure to the UK and Europe remained low this month. Significant investments in the US were made as its economic recovery moves up a gear. Global manufacturing activity continues to pick up, with the pace accelerating in April. While emerging markets have been the main drivers of the early recovery in world trade, US figures are also very encouraging. Production is increasing and creating a pent-up demand for hiring and a jobs recovery is in sight. It appears increasingly likely that US employment has entered a period of sustained expansion. The first quarter results for many of the US financial companies we are invested in are shown below. In these results it is clear that credit pressures have moderated and revenues were resilient. US banks have also relaxed their lending criteria, a precursor to credit expansion and a necessary component for growth. This has led to significant upgrades to profit estimates for US financial companies for 2010 and means that these companies are currently on modest valuations. As the World's major economies are now growing, some rapidly, we anticipate that this will propel share prices upwards over the next year or two.

The following first quarter 2010 results have been issued this month by companies within the portfolio:

Franklin Resources Net Income ("NI") rose 222% year-on-year ("yoy")

Citigroup NI rose 178% yoy

Goldman Sachs NI rose 91% yoy

Bank Mandiri NI rose 43% yoy

Australia and New Zealand Banking Group NI rose 36% yoy

CME Group NI rose 21% yoy

Erste NI rose 10% yoy

Bank of America NI fell 24% yoy

Morgan Stanley returned to profit of \$1.4bn compared to a \$0.6bn loss year ago.

MGIC net loss narrowed to \$150m compared to a net loss of \$184m a year ago.

### Cumulative Performance (%) as of 30<sup>th</sup> April 2010

	Current (p)	1 month	3 months	6 months	1 year	3 years	5 years
NAV	91.52	-6.7%	2.5%	-5.3%	29.1%	-57.2%	15.1%
Share Price - Total Return	66.00	-2.9%	-4.3%	-24.7%	17.6%	-63.5%	-4.6%
Benchmark	73.28	-2.4%	12.5%	11.3%	37.3%	-15.4%	26.4%
Discount/Premium (%)	-27.9	-30.7	-22.7	-9.1	-20.6	-15.5	-12.9

Source: Blue Planet, share price bid to bid, net income reinvested

### Discrete Annual Performance (%) as of 30<sup>th</sup> April 2010

	Share price	Benchmark
1Q/09 - 1Q/10	77.0%	60.1%
1Q/08 - 1Q/09	-68.6%	-34.1%
1Q/07 - 1Q/08	-44.7%	-15.8%
1Q/06 - 1Q/07	31.8%	-1.0%
1Q/05 - 1Q/06	137.3%	43.2%

Source: Blue Planet, share price bid to bid, net income reinvested

## Portfolio Information as of 30<sup>th</sup> April 2010

	Security Type	Security Name	Country	Valuation £	Weighting %
61,696	Equity	BP Global Financials-A Class	Eire	2,555,489	12.5
2,789,060	Equity	Bank Mandiri	Indonesia	1,165,046	5.7
54,100	Equity	Morgan Stanley	US	1,072,508	5.2
1,640,084	Equity	Bank Rakyat Indonesia	Indonesia	1,066,367	5.2
52,000	Equity	Lincoln National Corporation	US	1,040,409	5.1
85,690	Equity	Bank of America Corp	US	997,491	4.9
145,400	Equity	MGIC Investment Corporation	US	992,878	4.8
64,910	Equity	Australia & NZ Banking Group	Australia	949,174	4.6
26,600	Equity	Commonwealth Bank Australia	Australia	941,835	4.6
99,800	Equity	Radian Group Inc.	US	924,558	4.5
55,335	Equity	Westpac Banking Corp	Australia	909,300	4.4
306,345	Equity	Citigroup Inc	US	878,480	4.3
3,240	Equity	CME Group Inc.	US	696,662	3.4
34,130	Equity	Hartford Financial Services	US	638,848	3.1
8,300	Equity	Franklin Resources Inc.	US	628,559	3.1
93,230	Equity	Prudential Plc	UK	539,802	2.6
17,790	Equity	Erste Group Bank AG	Austria	518,817	2.5
87,220	Equity	Turkyie Halk Bankasi	Turkey	448,560	2.2

244,640	Equity	Asya Katilim Bankasi AS	Turkey	425,835	2.1
134,600	Equity	Fortress Investment Group LLC	US	418,587	2.0
7,750	Equity	The Toronto-Dominion Bank	Canada	376,456	1.8
7,280	Equity	Canadian Imperial Bank	Canada	348,380	1.7
3,610	Equity	Goldman Sachs Group Inc.	US	342,517	1.7
409,795	Equity	Other	Other	343,591	1.7
				<b>19,220,149</b>	<b>93.7</b>
	Security Type	Cash Security Name	Denomination	Valuation £	Weighting %
	Liquid Assets	Near Cash Assets	GBP	0	0.0
	Liquid Assets	Cash	GBP	305,805	1.5
	Liquid Assets	Cash	Other Currency	991,780	4.8
				<b>1,297,585</b>	<b>6.3</b>
				<b>20,517,734</b>	<b>100</b>