Centurion Fund Managers

Pentad Equity Quarterly Review

Fund Performance to March 2008

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Pentad European Equity

Current Price (as of April 1st 2008)		€ 13.3764
Fund Statistics	**Benchmark**	**Fund**
1st Quarter Performance	-10.85%	-14.56%
12 Month's Return	-8.34%	-17.27%
APR Since Launch	7.64%	7.38%
Sharpe Ratio		0.25

*Benchmark is composed of 70% MSCI Europe and 30% CSFB Tremont Index

Market Commentary

Concerns about the extent of the financial crisis in the US, slowing global economic growth and inflation pressures pushed international equity markets to a painful start in 2008. The MSCI World Index dropped 8.95% in dollar terms during the first quarter and the Standard & Poor's 500 index suffered its worst fist quarter in five and a half years. Central banks struggled to improve liquidity in financial markets to deal with record write-downs and mortgage-related losses.

The European Central Bank (ECB) remained worried about inflation and the possibility that the higher costs of food and energy will drive wages and prices up. These concerns became more important as reports showed that consumer prices in the eurozone rose 3.5% in March, the most since June 1992. The ECB has kept its main rate at a six-year high of 4.00%. The European stock markets remained under pressure, with the MSCI Europe down 16.20% in euro terms. Electronics, IT hardware, forestry and paper were the worst performing sectors.

In the UK, the worst housing slump in 16 years hit consumer spending and caused a slump in the equity market. The FTSE 100 registered its worst first-quarter performance on record since the index was created in 1984, with a drop of 11.7% in local currency terms.

Fund Commentary

Pentad European Equity dropped 14.56% in the first quarter, with seven of the eight underlying funds posting negative returns over the period. Reyl Absolute Return Fund and IShares MSCI EMU Index Fund, the two biggest holdings, posted returns of -3.18% and -9.18% respectively, pushing the returns lower. The superior performance of this class in previous periods has helped to keep the APR since inception positive, at 7.38%, in line with its benchmark APR of 7.64%. Going forward, the Fund Manager will re-align the Fund's asset allocation to increase its defensive positions and enable it to capitalise from the recovery in the equity markets.

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