

GVI Global Industrial Share Fund

Stock Update 22 November 2005 – highlights of September reporting season

Good afternoon,

As mentioned in our recent monthly update, many stocks held in our portfolio are currently reporting their September quarter results. We have highlighted below the results of four core holdings of the GVI Global Industrial Share Fund.

GVI as a boutique international equity manager aims to be transparent with regards to its portfolios and in order to achieve this we will seek to communicate regularly with our investors to enable them to have a better understanding of the type of companies that we are comfortable owning on behalf of Global Industrial Share Fund clients. We thus intend to send out regular bulletins on portfolio stocks held in addition to our regular monthly fund update.

Associated British Foods (ABF)

ABF is one of the most conservative UK-based international food and ingredient companies. Its recent FY 2005 earnings were in line with market and our expectations. Pleasingly, ABF's EPS grew by 14% and its final dividend was increased by 8%.

Following its recent results, ABF is now trading on a 2006 P/E of 14.7 times and a dividend yield of around 2.5 %. Importantly, ABF's balance sheet remains very strong – the company has no debt and a cash balance of over £300 million. Following our recent meetings with the company, we are confident that at some stage the company will either significantly increase its dividend payments or make further earnings positive acquisitions, as it has successfully done in the past.

Scottish and Newcastle (S&N)

S & N is a long established UK brewer. In the last ten years, the company has sold out of its UK real estate and pub portfolio to expand its brewing interests into other established European countries and is now a major brewer in France, Finland and Portugal. In recent times, through the acquisition of a 50 % stake in Baltic Beverage Holdings (BBH), S&N has become a substantial brewer in Finland and Russia, with the latter being a rapidly growing market. The company also has small brewing interests in China and India.

The company recently announced a robust quarterly result and that cash flow remains strong. Despite challenging market conditions, the company reported an improvement in volumes and pricing in both France and the U.K. In addition, the company reported that its substantial cost cutting programme in the UK is on track to produce cost savings of £60 million by 2007. BBH reported volume growth of 14 %, sales growth of 24.5% and EBITDA growth of 31.7%.

S & N remains our favoured global brewer and remains attractively priced on a 2006 P/E ratio of 14.6 times and a dividend yield of 4.5 %.

Telecinco

Telecinco is a long established and leading Spanish TV broadcaster, and is also one of Europe's most profitable TV stations. The company recently released its third quarter results which were ahead of analysts estimates. Telecinco's results showed that the company's TV advertising revenues grew by +13.5% and that free cash flow accelerated.

The company reported that its net cash holding (it has no debt) increased by another €100 million to €362 million at the end of the September. After recently meeting with the company in Spain, we believe that the company is able to maintain its leading position and that its dividend payout could be substantially increased beyond their current payout ratio of 80%.

Telecinco remains one of our preferred global media companies. It has no debt and trades on a 2006 P/E of 14.5 times and a dividend yield of 5.7 %.

Sanofi-Aventis

Sanofi is a French-based pharmaceutical company and the world's third largest drug company and was created after the merger of French based Sanofi and Aventis in 2004. Sanofi is the now world's biggest producer of flu vaccines and continues to have success with many recently released drugs.

Sanofi recently reported its third quarter results and these were ahead of expectations. Net income rose to €1.92 billion with the company continuing its success in driving down all major cost items after last year's merger.

Sales of top drugs Lovenox rose 13.8% at constant rates to €551 million and Plavix rose 22.8% to €534 million. Other drugs that helped drive top-line growth were: chemotherapy treatment Eloxatin, which had 28.3% growth to €422 million; breast cancer drug Taxotere, which had 13.8% growth to €420 million; and insulin drug Lantus, which had 44.4% growth to €325 million euros.

Vaccine sales rose 27.8% during the quarter to €717 million euros, with its flu vaccines revenue rising 8.7%.

On a P/E of just 13.5 times 2006 earnings and a respectable dividend yield of over 2%, we believe Sanofi-Aventis offers exceptional value at these levels. The company has a strong balance sheet (25 times interest cover), continues to generate huge cash flows and has one of the largest new product pipelines of the leading drug firms.

Company valuation metrics:

Company	Country	Type of company	PE (2006)	Yield (2006)
ABF	UK	Consumer Staples	14.3x	2.4%
Scottish & Newcastle	UK	Consumer Staples -brewer	14.6 x	4.5%
Telecinco	Spain	Discretionary - Broadcasting	14.5 x	5.7 %
Sanofi Aventis	France	Healthcare	13.5 x	2.1%

Kind regards,

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