

MERRION ACTIVE FUND

30th APRIL 2012

The Active Fund fell 1.7% during April while the benchmark (1/3 ISEQ & 1/3 S&P 500 & 1/3 DJ STOXX 600) fell 0.8%.

Unit Price @ 30.04.2012 = EUR 110.72

PERFORMANCE UPDATE AT 30.04.2012		
	Merrion	B/Mark*
1 Month	-1.7%	-0.8%
Year to date	+7.0%	+9.1%
1 Year	+3.1%	+6.1%
3 Years p.a.	+10.2%	+13.1%
5 Years p.a.	-9.0%	-6.0%
Inception p.a.	+1.4%	+0.5%

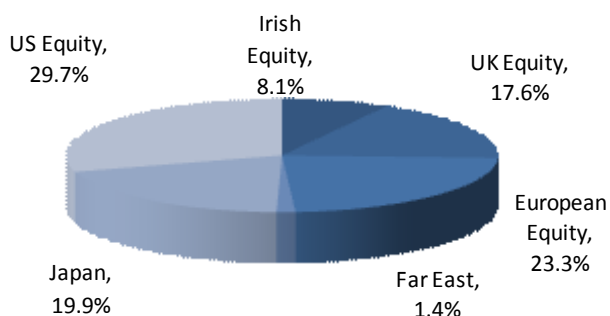
* Benchmark: 1/3 ISEQ & 1/3 S&P 500 & 1/3 DJ STOXX 600

Source: Merrion & Bloomberg 30.04.2012

SECTORAL DISTRIBUTION OF ASSETS		
	Merrion	World
Consumer Discretionary	20.7%	10.9%
Consumer Staples	0.0%	12.3%
Energy	15.7%	10.2%
Financials	10.4%	19.8%
Healthcare	2.2%	8.6%
Industrials & Materials	39.5%	19.3%
Information Technology	11.5%	11.2%
Telecom SVC	0.0%	4.0%
Utilities	0.0%	3.7%
Total	100.0%	100.0%

TOP FIVE STOCKS	
eBay	6.7%
Rio Tinto Zinc	5.5%
CF Industries Holdings	5.4%
Total	5.2%
Intesa Sanpaola	5.2%

Asset Allocation 30.04.2012



Merrion Investment Managers pay trade commissions ranging between 0.10% and 0.20% on trading client securities, depending on the size, nature, execution venue and other considerations relating to the execution of the trade order. An element of this trade commission may be allocated for the purposes of receiving investment research. The purpose of this research is to enhance the quality of the service to the client provided by MIM to its clients. Further details are available on request from Merrion Investment Managers.

Market Review:

Equity markets sold off early in the month before recovering to end the month down 0.6% in euro terms. Economic data in general softened during the month. Data in the US continues to point to modest growth, while data in Europe points to a continuation and deepening of the recession.

On the political front, there has been some push-back within Europe against austerity measures. The Dutch minority government collapsed after the Freedom Party withdrew its support after failing to agree budget cuts to reduce the deficit, while in France, the socialist frontrunner in the presidential election, Francois Hollande, promised to renegotiate the recent EU fiscal pact, to include a focus on growth.

Despite increased concern about growth in Europe and periphery debt markets, the euro was relatively stable, falling by just 0.8% versus the dollar. The Japanese yen rose, recovering some of the losses incurred in the wake of the Bank of Japan's announcement of increased asset purchases and a specific inflation goal

Earnings estimates were close to unchanged during the month with upwards revisions in Japan but small downgrades in Europe and Asia ex-Japan.

Fund Activity:

Since the end of March we have increased the equity weighting in the fund. While macro data continues to dominate headlines, equity valuations remain attractive versus other assets, in particular European and Japanese equity markets are cheap versus their history. Given the attractive valuations and recent underperformance we increased exposure to the Energy and Materials sectors and also to Japanese equities. The fund remains underweight financial stocks.

Outlook:

We remain in an era of increased uncertainty, and hence increased volatility in financial markets, despite efforts by the ECB to alleviate liquidity concerns about euro-zone financials. We expect this to remain a feature of financial markets for some time.

Although the Greek bond swap has been completed, the forced nature of the bond swap coupled with the subordination of private bond holders to the official sector raises questions about previously espoused "risk-free" assets.

Using various valuation measures, equity markets are trading at significant discounts to recent history. Regionally, Japanese and European markets are the most compelling in valuation terms, being cheaper relative to their history than other regions.

From a technical perspective the equity market is showing significant divergences at both a sector and a regional level. The relative performance of the energy sector has been weak but has now approached attractive levels for increasing exposure. While the correction in European markets has been notable, US markets have been much more resilient, and the Chinese market is showing some signs of renewed strength having been in a downtrend for the past three years.