

THE KING & SHAXSON FUND PLC
(Investment Company with Variable Capital)

REPORT & AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

Registered Number 415070

THE KING & SHAXSON FUND PLC

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THE KING & SHAXSON FUND PLC

MANAGEMENT AND ADMINISTRATION

Registered Office: HSBC House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland

Directors

Nicholas Wallis
Lorcan Tiernan*
Jim Ruane*

Independent Auditors

KPMG
Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

Investment Manager and Promoter

King & Shaxson Asset Management Limited
6th Floor
Candlewick House
120 Cannon Street
London EC4N 6AS
England

Custodian

HSBC Institutional Trust Services (Ireland) Limited
HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Registrar and Transfer Agent

BNY Mellon Fund Services (Ireland) Limited
Formerly (AIB/BNY Fund Management
(Ireland) Limited)
Guild House
Guild Street
IFSC
Dublin 1

Legal Advisors

as to English Law:
Macfarlanes
10 Norwich Street
London EC4A 1BD
United Kingdom

Administrator & Secretary

HSBC Securities Services (Ireland) Limited
HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Legal Advisors

as to Irish Law
Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Sponsoring Broker

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

All Directors are non-executive
*Independent Director

THE KING & SHAXSON FUND PLC

DIRECTOR'S REPORT

The Directors present to the shareholders their annual report together with the audited financial statements of the King & Shaxson Fund Plc for the year ended 31 March 2008.

General Information

The King & Shaxson Fund Plc (the "Company") is an open ended umbrella type investment company with variable capital and limited liability, incorporated in Ireland on 7 February 2006 under the Companies Acts, 1963 to 2006 with registration number 415070. The Company has been authorised by the Financial Regulator as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes. There exists segregated liability between the Funds and the Company. The Company has established four funds: KS Ethical Green Solutions Fund, KS Ethical Balanced Income Fund, KS Cash Plus Fund and KS Prudential Liquidity Fund. At 31 March 2008, the Company had launched three Funds, KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund which offer Euro and Sterling Class Shares and KS Prudential Liquidity Fund which has gone into liquidation on 28 August 2007.

| Fund | Currency | Launched |
|---|-----------------|-----------------|
| KS Ethical Green Solutions Fund – Class B | GBP | 15 August 2006 |
| KS Ethical Balanced Income Fund – Class B | GBP | 15 August 2006 |

Results, Activities and Future Developments

The results for the year are shown in the Profit and Loss Account on page 28.

A detailed review of activities and future developments is contained in the Investment Manager's Reports on page 7 to 8. The Directors have directed the affairs of the Company in accordance with the Companies Acts, 1963 to 2006.

Risk Management Objectives and Policies

Investment in the Company involves a number of risks. Details of these risks are contained in the prospectus. Details of the risks associated with financial instruments are included in Note 8.

Directors

The Directors of the Company are detailed on page 2. The following were the Directors during the year under review:

Nicholas Wallis
Lorcan Tiernan
Jim Ruane

Directors' and Secretary's Interests

The Directors and Company Secretary who held office at 31 March 2008 had no interest in the shares of the Company at 31 March 2008. Nicholas Wallis, a director of the company, is an employee of the Manager, King & Shaxson Asset Management Limited.

THE KING & SHAXSON FUND PLC

DIRECTOR'S REPORT (continued)

Segregated Liability of Sub Funds

The Company has been established as an umbrella company with segregated liability between Funds. As a result, neither the Company nor any Director, receiver, examiner, liquidator or other person shall apply nor be obliged to apply, the assets of any one Fund in satisfaction of any liability incurred on behalf or attributable to any other Fund.

Dividends

The Company does not expect to pay dividends in respect of KS Ethical Green Solutions Fund.

It is intended the KS Ethical Balanced Income Fund will pursue a distribution policy so that the Fund will be able to obtain certification as a "Distributing Fund" under the United Kingdom Income Corporation Taxes Act, 1988 for the purpose of United Kingdom taxation.

Post Balance Sheet Event

The distribution paid on 19 May 2008, out of the KS Ethical Balanced Fund, is detailed in Note 20 to the financial statements.

Principal Risks and Uncertainties

A detailed review of the principal activities is included in the Investment Manager's Reports on pages 7 to 8. The risks that the Company is exposed to are outlined in the notes to the financial statements on pages 32-53.

Accounting Records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by appointing HSBC Securities Services (Ireland) Limited to carry the administration of the Company. The administration duties include the keeping of all relevant records and accounts of the Company.

The books of account of the Company are maintained at HSBC Securities Services (Ireland) Limited, HSBC House, Harcourt Street, Dublin 2, Ireland.

Independent Auditor

KPMG, Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board of Directors

Lorcan Tiernan

Jim Ruane

14 July 2008

THE KING & SHAXSON FUND PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Company's Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 1963, to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. They are also responsible for safeguarding the assets of the Company. In this regard, they have entrusted the assets of the Company to the Custodian for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts.

On behalf of the board of Directors

Lorcan Tiernan

Jim Ruane

14 July 2008

THE KING & SHAXSON FUND PLC

STATEMENT OF CUSTODIAN'S RESPONSIBILITIES AND CUSTODIAN'S REPORT

Report of the Custodian to the Shareholders

We have enquired into the conduct of the The King & Shaxson Fund plc (the "Company") for the year ended 31 March 2008, in our capacity as Custodian to the Company.

This report including the opinion, has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Board of Directors and Custodian

The Board of Directors has the primary responsibility for ensuring that the Company complies with the terms of the UCITS Regulations and the Company's constitutional documentation.

The Custodian must enquire into the conduct of the Company, in each annual accounting period and report thereon to the shareholders.

The Custodian's report shall state whether in its opinion the Company has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate regulations.

If the Company has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Custodian must state why this is the case and outline the steps which it has taken to rectify the situation.

The Custodian also takes into its custody, or under its control, all the assets of the Company and holds them in safekeeping for the shareholders.

Basis of Custodian Opinion

The Custodian conducts its reviews, on a test basis, to ensure that it adheres to the duties outlined in UCITS Notice 4 and to ensure that the Company is managed in all material respects in accordance with its constitutional documentation and the appropriate regulations.

The Custodian ensures, on a test basis, that the Company complies with the limitations imposed on investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations.

Opinion

In our opinion, The King & Shaxson Fund plc has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company and the Custodian by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ("the Regulations");

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of association and the Regulations.

On behalf of

HSBC Institutional Trust Services (Ireland) Limited
HSBC House
Harcourt Street
Dublin 2
Ireland

14 July 2008

**THE KING & SHAXSON FUND PLC
INVESTMENT MANAGER'S REPORT**

FOR THE YEAR ENDED 31 MARCH 2008

The last six months have been the some of the most difficult in recent memory for the world's capital markets. In fact, we have heard many times references to the 1970s and stagflation, as economists predict declining global growth coupled with rising oil and food prices, as well as inflation busting pay settlements in key economic sectors. We believe we are seeing the first effects of a global redistribution of wealth, away from the developed west, towards the developing east. Whilst this would come as no great surprise, as the rise of China, India and other emerging economies has been obvious for some time, the fact that we are now beginning to see this impact the daily financial affairs of individuals in the developed world (so far through higher food and fuel prices in particular) provides clear evidence that the global economic landscape is changing.

KS ETHICAL GREEN SOLUTIONS FUND

About one third of the fund remains invested in clean and renewable energy, from generators such as Iberdrola Renovables the world's largest renewable energy generator, to smaller clean coal development companies and energy storage companies. We still see strong potential for this sector and during the period we used market weakness to add more wind and solar exposure to the fund. Whilst we have recently taken some profit in the wind sector, we continue to add to solar as the growth potential for this sector remains very strong with global demand increasing as technology improves.

We still feel that water is one of the most overlooked sectors in the environmental market and that clean and safe water remains one of the biggest environmental challenges faced by the world today. At the moment about 8% of the fund is in water and 10% invested in waste management. We continue to invest in global water operations including the developing world with Sabesp in Brazil, the water and waste- water company for Sao Paulo and Consolidated Water, a desalination operator in the Caribbean.

We also continue to invest in all ethical sectors, and are not just chasing 'hot' sectors. We have been slightly more defensive during this period keeping a high weighting in global public transport companies, at around 18% of the fund. The recent weakness in this sector has given us an opportunity to invest in what remains a key growth sector.

Company Profile: ReneSola Limited

This is a Chinese manufacturer of solar wafers, which are thin sheets of crystalline silicon material primarily used in the production of solar cells. The company is distinguished by manufacturing solar wafers primarily from reclaimable silicon materials, including broken wafers and broken cells that are difficult to process, but less expensive than other reclaimable silicon raw materials. Renesola believes that this affords significant advantages over many of its competitors who rely substantially on virgin polysilicon sourced from the spot market and reclaimable silicon raw materials that are easier to process but more expensive. Its solar wafers are comparable in quality and performance to those made from solar-grade virgin polysilicon because of the use of a high percentage of semiconductor-grade reclaimable silicon materials and proven processing technologies. The use of recycled silicon is of special benefit, given a worldwide shortage of virgin silicon. The company claims to pay great attention to the living and working conditions of every member of its staff, and to regularly perform independent as well as the governmental checks and audits.

THE KING & SHAXSON FUND PLC

INVESTMENT MANAGER'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2008

KS ETHICAL GREEN SOLUTIONS FUND (continued)

Company Profile: Iberdrola Renovables

This Spanish company is a renewable energy company, predominantly involved in wind energy and to a lesser extent in mini-hydro schemes, with very minor interests in solar, biomass and biofuels. Like its former parent company, Iberdrola Renovables has operations throughout Latin America, the US and Europe and has equally good labour policies and environmental standards. It is one of the largest renewable energy providers in the world.

KS ETHICAL BALANCED INCOME FUND

We are beginning to emerge from the effects of the credit crunch, but remain cautious until we see how the UK economy has fared. In practice this means our stance towards equities remains cautious, preferring to invest internationally to get the edge on currencies and that is why we have had a strong European bias in our stock selection. In our UK stock selection we favour defensive sectors, more global companies or companies with special situations. We have also sometimes held more cash than usual as a result of this stance.

During the last three months we have taken some profits in fixed income and invested slightly more in property. We would note that property has turned around a little, and the index has provided a three-month positive return of 6.5%. Having been negative to the sector for some time we now feel it is undervalued in some cases, with deep discounts to asset value and high yields. There is now a case for some careful and selective re-investment in this sector. We still like forestry, as demand for wood remains firm.

Company Profile: Great Lakes Hydro Income Fund

The Great Lakes Hydro Income Fund owns assets that produce electricity exclusively from 26 hydro stations in Canada and the United States. The fund generates a relatively high and stable income and is one of the largest such funds in Canada. Watershed management is a key part of the business strategy, thus ensuring the long-term sustainability of the business. Examples include a substantial investment in the improvement of fish habitats and other investments in tourism facilities, cultural history and fisheries. Power is sold under 16 year contracts, thereby ensuring the long-term stability of income.

Profiles on all companies in the fund can be found on our web-site www.kingandshaxson.com.

THE KING & SHAXSON FUND PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING & SHAXSON FUND PLC

We have audited the financial statements of King & Shaxson Fund PLC for the year ended 31 March 2008, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and the Portfolio of Investments, along with the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We also report to you whether in our opinion proper books of account have been kept by the Company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit, and whether the Company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information is comprised of the Directors' Report, the Custodian's Report and the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

THE KING & SHAXSON FUND PLC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KING & SHAXSON FUND PLC (CONTINUED)**

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 March 2008, and its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

**KPMG
Chartered Accountants
Registered Auditor
1 Harbourmaster Place
IFSC
Dublin 1**

14 July 2008

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|----------|--------------------------------|-------------------|-------------------------|
| | Transferable Securities | | |
| | Equities | | |
| | Basic Materials | | |
| 10,000 | Plantic Technologies | 4,600 | 0.27 |
| 1,000 | Precious Woods Holding | 57,230 | 3.36 |
| | | 61,830 | 3.63 |
| | Consumer Goods | | |
| 4,000 | Cranswick | 20,500 | 1.20 |
| 4,000 | Interface | 28,277 | 1.66 |
| | | 48,777 | 2.86 |
| | Consumer Services | | |
| 10,000 | Arriva | 68,500 | 4.02 |
| 6,000 | FirstGroup | 33,780 | 1.98 |
| 51,000 | MTR | 88,031 | 5.17 |
| 2,500 | National Express | 25,100 | 1.47 |
| | | 215,411 | 12.64 |
| | Healthcare | | |
| 2,000 | Brookdale Senior Living | 24,050 | 1.41 |
| 220,000 | Optiscan Imaging | 24,756 | 1.45 |
| 3,000 | Stratec Biomedical Systems | 33,724 | 1.99 |
| 1,500 | Wellpoint | 33,298 | 1.96 |
| | | 115,828 | 6.81 |
| | Industrial | | |
| 7,500 | Biffa | 26,119 | 1.53 |
| 4,000 | Advanced Vision Technology | 21,271 | 1.25 |
| 1,000 | Arcadis | 30,320 | 1.78 |
| 9,000 | Augean | 6,030 | 0.35 |
| 1,500 | Canadian National Railway | 36,453 | 2.14 |
| 50,000 | Ceramic Fuel | 10,500 | 0.62 |
| 25,000 | Eaga | 45,938 | 2.70 |
| 12,803 | Enfis Group | 14,339 | 0.84 |
| 10,000 | Halma | 19,325 | 1.13 |
| 2,500 | Headwaters | 16,591 | 0.97 |
| 47,000 | Hyflux | 51,820 | 3.04 |
| 15,000 | ITM Power | 9,337 | 0.55 |

THE KING & SHAXSON FUND PLC
KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Transferable Securities (continued) | | |
| | Equities (continued) | | |
| | Industrial (continued) | | |
| 14,000 | Muehlhan | 29,913 | 1.76 |
| 24,111 | Nviro Cleantech | 10,850 | 0.64 |
| 6,800 | Polyfuel | 1,360 | 0.08 |
| 3,500 | Renesola | 9,730 | 0.57 |
| 18,485 | RPS Group | 59,291 | 3.48 |
| 10,000 | Shanks Group | 25,850 | 1.52 |
| 5,000 | SIG | 43,925 | 2.58 |
| 7,200 | Sims Group | 95,239 | 5.59 |
| 5,500 | Straight | 2,915 | 0.17 |
| 28,090 | Vycon | 19,663 | 1.15 |
| | | 586,779 | 34.44 |
| | Oil & Gas | | |
| 10,250 | D1 Oils | 4,331 | 0.25 |
| 3,500 | Gamesa | 80,615 | 4.73 |
| 2,600 | Nordex | 50,889 | 2.99 |
| 1,400 | Solarworld | 34,210 | 2.01 |
| | | 170,045 | 9.98 |
| | Technology | | |
| 4,450 | INIT Innovation in Traffic Systems | 25,970 | 1.53 |
| 24,200 | RM | 47,674 | 2.80 |
| | | 73,644 | 4.33 |
| | Utilities | | |
| 2,000 | Cia Saneamento Basico | 44,599 | 2.62 |
| 3,500 | Consolidated Water | 38,531 | 2.25 |
| 15,000 | Greenko Group | 14,400 | 0.85 |
| 15,000 | Iberdrola Renovables | 52,619 | 3.09 |
| 31,250 | Novera Energy | 28,125 | 1.65 |
| 1,500 | Ormat Technologies | 32,415 | 1.89 |
| 85,000 | Polaris Geothermal | 42,932 | 2.52 |
| 2,000 | Renewable Energy | 28,020 | 1.65 |
| 20,000 | Rurelec | 10,200 | 0.60 |
| 3,000 | Theolia | 45,898 | 2.70 |
| | | 337,739 | 19.82 |
| | Total Equities | 1,610,053 | 94.51 |

THE KING & SHAXSON FUND PLC
KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Transferable Securities (continued) | | |
| | Corporate Bonds | | |
| 30,000 | First Group 6.125% 18/01/2019 | 27,727 | 1.63 |
| | Total Corporate Bonds | 27,727 | 1.63 |
| | Total Transferable Securities | 1,637,780 | 96.14 |
| | Warrant | | |
| 85,000 | Polaris Geothermal | 0 | 0 |
| | Total Warrant | 0 | 0 |
| | Total financial assets at fair value through profit or loss | 1,637,780 | 96.14 |
| | Other net assets and liabilities | 65,147 | 3.86 |
| | Net assets attributable to holders of redeemable participating shares | 1,702,927 | 100.00 |

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|----------|--------------------------------|-------------------|-------------------------|
| | Transferable Securities | | |
| | Equities | | |
| | Basic Materials | | |
| 10,250 | D1 Oils | 18,168 | 1.19 |
| 2,500 | Headwaters | 27,787 | 1.81 |
| 1,000 | Precious Woods Holding | 42,683 | 2.78 |
| | | 88,638 | 5.78 |
| | Consumer Goods | | |
| 4,000 | Cranswick | 37,600 | 2.45 |
| 4,000 | Interface | 32,610 | 2.12 |
| 3,000 | LKQ | 33,406 | 2.18 |
| 10,600 | Sunopta Inc | 64,259 | 4.19 |
| | | 167,875 | 10.94 |
| | Consumer Services | | |
| 5,000 | Arriva | 37,150 | 2.42 |
| 6,000 | First Group | 39,840 | 2.60 |
| 51,000 | MTR | 65,020 | 4.24 |
| 1,075 | Whole Foods Market | 24,560 | 1.60 |
| | | 166,570 | 10.86 |
| | Healthcare | | |
| 10,000 | Curanum | 49,205 | 3.21 |
| 220,000 | Optiscan Imaging | 42,136 | 2.75 |
| 2,000 | Stratec Biomedical Systems | 33,935 | 2.21 |
| | | 125,276 | 8.17 |

THE KING & SHAXSON FUND PLC
KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Transferable Securities (continued) | | |
| | Equities (continued) | | |
| | Industrial | | |
| 4,000 | Advanced Vision Technology | 33,120 | 2.16 |
| 1,650 | Arcadis | 53,674 | 3.50 |
| 9,000 | Augean | 11,700 | 0.76 |
| 7,500 | Biffa | 25,725 | 1.68 |
| 50,000 | Ceramic Fuel | 23,500 | 1.53 |
| 20,000 | Halma | 44,050 | 2.87 |
| 47,000 | Hyflux | 41,822 | 2.73 |
| 4,000 | Insituform Techs | 42,399 | 2.76 |
| 4,000 | Intertek Group | 36,220 | 2.36 |
| 15,000 | ITM Power | 17,663 | 1.15 |
| 1,930 | Pentair | 30,622 | 2.00 |
| 6,800 | Polyfuel | 3,026 | 0.20 |
| 18,485 | RPS Group | 60,076 | 3.92 |
| 10,000 | Shanks Group | 26,900 | 1.75 |
| 7,200 | Sims Group | 69,098 | 4.50 |
| 5,500 | Straight | 12,485 | 0.81 |
| 1,000 | Union Pacific | 51,725 | 3.37 |
| 1,083 | Vestas Windsystems | 30,826 | 2.01 |
| 28,090 | Vycon | 22,472 | 1.47 |
| | | 637,103 | 41.53 |
| | Technology | | |
| 4,450 | INIT Innovation in Traffic Systems | 23,738 | 1.55 |
| 24,200 | RM | 45,799 | 2.98 |
| | | 69,537 | 4.53 |
| | Utilites | | |
| 5,000 | Aqua America | 57,129 | 3.72 |
| 31,250 | Novera Energy | 21,250 | 1.39 |
| 1,500 | Ormat Technologies | 32,006 | 2.09 |
| 170,000 | Polaris Geothermal | 29,301 | 1.91 |
| 4,450 | Renewable Energy | 51,108 | 3.33 |
| | | 190,794 | 12.44 |

THE KING & SHAXSON FUND PLC
KS ETHICAL GREEN SOLUTIONS FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Transferable Securities (continued) | | |
| | Equities (continued) | | |
| | Total Equities | 1,445,793 | 94.25 |
| | Corporate Bonds | | |
| 30,000 | First Group 6.125% 18/01/2019 | 30,093 | 1.96 |
| | Total Corporate Bonds | 30,093 | 1.96 |
| | Government Bond | | |
| 50,000 | IFFIM 5.000% 14/11/2011 | 25,612 | 1.67 |
| | Total Government Bonds | 25,612 | 1.67 |
| | Total Transferable Securities | 1,501,498 | 97.88 |
| | Total financial assets at fair value through profit or loss | 1,501,498 | 97.88 |
| | Other net assets and liabilities | 32,513 | 2.12 |
| | Net assets attributable to holders of redeemable participating shares | 1,534,011 | 100.00 |

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

**KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)**

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--------------------------------|---------------------------|---------------------------------|
| | Transferable Securities | | |
| | Equities | | |
| | Basic Materials | | |
| 3,656 | Johnson Matthey | 73,230 | 1.95 |
| 1,000 | Precious Woods Holding | 57,230 | 1.52 |
| | | 130,460 | 3.47 |
| | Consumer Goods | | |
| 1,700 | Continental | 87,148 | 2.32 |
| 3,500 | Philips Eltn Kon | 67,611 | 1.80 |
| | | 154,759 | 4.12 |
| | Consumer Services | | |
| 13,075 | Arriva | 89,564 | 2.38 |
| 60,000 | DSG International | 37,950 | 1.01 |
| 14,334 | FirstGroup | 80,700 | 2.14 |
| 30,000 | Kingfisher | 39,510 | 1.05 |
| 7,500 | National Express | 75,300 | 2.00 |
| | | 323,024 | 8.58 |
| | Financial | | |
| 13,000 | Aviva | 80,210 | 2.13 |
| 70,000 | Dawnay Day Carpathian | 51,800 | 1.38 |
| 4,000 | Deutsche Wohnen | 56,924 | 1.51 |
| 46,150 | Friends Provident | 57,041 | 1.52 |
| 10,000 | Great Lakes Hydro Income | 82,039 | 2.18 |
| 170,000 | MedicX | 138,125 | 3.67 |
| 20,000 | Wichford | 27,850 | 0.74 |
| | | 493,989 | 13.13 |
| | Healthcare | | |
| 2,000 | Brookdale Senior Living | 24,050 | 0.64 |
| 2,000 | Fresenius Medical Care | 50,658 | 1.35 |
| | | 74,708 | 1.99 |

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|----------|--|-------------------|-------------------------|
| | Transferable Securities (continued) | | |
| | Equities (continued) | | |
| | Industrial | | |
| 15,164 | Biffa | 52,809 | 1.40 |
| 2,000 | Canadian National Railway | 48,604 | 1.29 |
| 17,020 | Halma | 32,891 | 0.86 |
| 4,000 | Kingspan Group | 27,139 | 0.72 |
| 14,750 | Shanks Group | 38,129 | 1.01 |
| 6,000 | SIG | 52,710 | 1.40 |
| | | 252,282 | 6.68 |
| | Technology | | |
| 3,000 | Nokia | 47,907 | 1.27 |
| | | 47,907 | 1.27 |
| | Telecommunications | | |
| 120,000 | Vodafone | 180,960 | 4.81 |
| 11,000 | Windstream | 65,972 | 1.75 |
| | | 246,932 | 6.56 |
| | Utilities | | |
| 20,000 | Iberdrola Renovables | 70,159 | 1.86 |
| 12,050 | Scottish & Southern Energy | 169,062 | 4.49 |
| 20,808 | United Utilities | 143,679 | 3.82 |
| 1,500 | Veolia Environnement | 52,798 | 1.40 |
| | | 435,698 | 11.57 |
| | Total Equities | 2,159,759 | 57.37 |
| | Corporate Bonds | | |
| 75,000 | Aviva 5.902% VRN Perp | 59,858 | 1.59 |
| 165,000 | British Telecom 5.750% 07/12/2028 | 138,802 | 3.69 |
| 147,000 | Deutsche Bahn Fin 4.750% 14/03/2018 | 117,560 | 3.12 |
| 65,000 | Deutsche Bahn Finance 4.875% 06/07/2009 | 52,117 | 1.39 |
| 50,000 | Dixons Group 6.125% 15/11/2012 | 44,307 | 1.18 |
| 50,000 | First Group 6.125% 18/01/2019 | 46,212 | 1.23 |
| 100,000 | France Telecom 5.625% 23/01/2034 | 87,708 | 2.33 |

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|----------|--|-------------------|-------------------------|
| | Transferable Securities (continued) | | |
| | Corporate Bonds (continued) | | |
| 109,000 | Kingfisher 5.625% 15/12/2014 | 85,678 | 2.28 |
| 100,000 | SNCF 5.375% 18/03/2027 | 103,988 | 2.76 |
| 150,000 | Yorkshire Water Finance 5.375% 21/02/2023 | 137,407 | 3.65 |
| | Total Corporate Bonds | 873,637 | 23.22 |
| | Government Bonds | | |
| 125,000 | KFW 5.375% 07/12/2011 | 128,757 | 3.42 |
| 50,000 | KFW-Kredit Wiederaufbau 5.750% 07/12/2011 | 52,079 | 1.38 |
| | Total Government Bonds | 180,836 | 4.80 |
| | Supra National Bond | | |
| 200,000 | IFFIM 5.000% 14/11/11 | 107,874 | 2.87 |
| | Total Supra National Bond | 107,874 | 2.87 |
| | Total Transferable Securities | 3,322,106 | 88.26 |
| | Closed Ended Investment Fund | | |
| 150,000 | AXA Property Trust | 103,500 | 2.75 |
| 24,950 | Close High Income Properties | 13,224 | 0.35 |
| 71,300 | Isis Property Trust | 75,222 | 2.00 |
| 80,800 | Standard Life Investments Property | 62,418 | 1.66 |
| | Total Closed Ended Investment Fund | 254,364 | 6.76 |
| | Total financial assets at fair value through profit or loss | 3,576,470 | 95.02 |
| | Other net assets and liabilities | 186,130 | 4.98 |
| | Net assets attributable to holders of redeemable participating shares | 3,762,600 | 100.00 |

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|----------|--------------------------------|-------------------|-------------------------|
| | Transferable Securities | | |
| | Equities | | |
| | Basic Materials | | |
| 5,656 | Johnson Matthey | 89,082 | 2.60 |
| 1,000 | Precious Woods Holding | 42,683 | 1.24 |
| | | 131,765 | 3.84 |
| | Consumer Goods | | |
| 4,000 | Philips Eltn Kon | 77,615 | 2.26 |
| | | 77,615 | 2.26 |
| | Consumer Services | | |
| 45,750 | DSG International | 77,775 | 2.27 |
| 14,334 | FirstGroup | 95,178 | 2.78 |
| | | 172,953 | 5.05 |
| | Financial | | |
| 2,000 | Deutsche Wohnen | 53,820 | 1.57 |
| 5,525 | Dexia | 83,917 | 2.45 |
| 105,000 | MedicX | 110,250 | 3.21 |
| 7,075 | Arriva | 52,567 | 1.53 |
| 6,000 | Aviva | 44,910 | 1.31 |
| 4,000 | Eurocommerical Properties | 119,449 | 3.48 |
| 52,150 | Friends Provident | 100,128 | 2.92 |
| 4,065 | Northern Rock | 46,544 | 1.36 |
| 20,000 | Wichford | 43,000 | 1.25 |
| | | 654,585 | 19.08 |
| | Industrial | | |
| 4,000 | Kingspan Group | 53,889 | 1.57 |
| 15,164 | Biffa Plc | 52,013 | 1.52 |
| 34,020 | Halma | 74,926 | 2.18 |
| 6,000 | Intertek Group | 54,330 | 1.58 |
| 14,750 | Shanks Group | 39,678 | 1.16 |
| 1,000 | Union Pacific | 51,725 | 1.51 |
| | | 326,561 | 9.52 |
| | Technology | | |
| 6,000 | Nokia | 70,122 | 2.05 |
| | | 70,122 | 2.05 |

THE KING & SHAXSON FUND PLC

KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|--|---|-------------------|-------------------------|
| Transferable Securities (continued) | | | |
| Telecommunications | | | |
| 5,000 | France Telecom | 67,054 | 1.96 |
| 8,050 | Scottish & Southern Energy | 124,051 | 3.62 |
| 5,109 | Severn Trent | 73,212 | 2.13 |
| 100,000 | Vodafone Group | 135,400 | 3.95 |
| | | 399,717 | 11.65 |
| Utilities | | | |
| 7,865 | National Grid | 62,723 | 1.83 |
| 10,808 | United Utilities | 81,600 | 2.38 |
| 5,000 | Aqua America | 57,129 | 1.66 |
| | | 201,452 | 5.87 |
| Total Equities | | 2,034,770 | 59.32 |
| Corporate Bonds | | | |
| 100,000 | Anglian Water 5.250% 30/10/2015 | 96,820 | 2.82 |
| 75,000 | Aviva 5.902% VRN Perp | 71,551 | 2.09 |
| 115,000 | British Telecom 5.750% 07/12/2028 | 110,573 | 3.22 |
| 87,000 | Deutsche Bahn Finance 4.750% 14/03/2018 | 60,575 | 1.77 |
| 65,000 | Deutsche Bahn Finance 4.875% 06/07/2009 | 44,706 | 1.30 |
| 50,000 | Dixons Group 6.125% 15/11/2012 | 49,680 | 1.45 |
| 50,000 | First Group 6.125% 18/01/2019 | 50,155 | 1.46 |
| 109,000 | Kingfisher 5.625% 15/12/2014 | 103,081 | 3.01 |
| 100,000 | Network Rail 4.875% 27/11/2015 | 96,890 | 2.82 |
| 100,000 | Soc Nat Chemins 5.000% 30/12/2010 | 97,860 | 2.85 |
| 100,000 | Yorkshire Water Finance 5.375% 21/02/2023 | 98,360 | 2.87 |
| Total Corporate Bonds | | 880,251 | 25.66 |
| Government Bonds | | | |
| 125,000 | KFW 5.375% 07/12/2011 | 124,375 | 3.63 |
| Total Government Bonds | | 124,375 | 3.63 |
| Supra National Bond | | | |
| 250,000 | IFFIM 5.000% 14/11/2011 | 128,063 | 3.73 |
| Total Supra National Bond | | 128,063 | 3.73 |
| Total Transferable Securities | | 3,167,459 | 92.34 |

THE KING & SHAXSON FUND PLC
KS ETHICAL BALANCED INCOME FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)
(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Closed Ended Investment Fund | | |
| 24,950 | Close High Income Properties | 31,437 | 0.92 |
| 71,300 | Isis Property Trust | 106,237 | 3.10 |
| 80,800 | Standard Life Investments Property | 98,980 | 2.89 |
| | Total Closed Ended Investment Fund | 236,654 | 6.91 |
| | Total financial assets at fair value through profit or loss | 3,404,113 | 99.25 |
| | Other net assets and liabilities | 25,689 | 0.75 |
| | Net assets attributable to holders of redeemable participating shares | 3,429,802 | 100.00 |

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

**KS PRUDENTIAL LIQUIDITY FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2008**

The KS Prudential Liquidity Fund was liquidated on 28 August 2007 and held no investments on 31 March 2008.

**SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)**

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|---------------------------------------|---|---------------------------|---------------------------------|
| Money Market Instruments | | | |
| Certificates Of Deposit | | | |
| 1,000,000 | Alliance & Leicester 5.520% 08/01/2008 | 997,605 | 2.55 |
| 1,000,000 | Allied Irish Bank 5.410% 30/04/2007 | 1,000,000 | 2.56 |
| 1,500,000 | Barclays Bank 5.300% 10/04/2007 | 1,499,936 | 3.83 |
| 1,500,000 | CBA 5.360% 12/04/2007 | 1,499,980 | 3.83 |
| 1,900,000 | Credit Trust 5.470% 29/05/2007 | 1,899,848 | 4.85 |
| 1,000,000 | Danske Bank 5.360% 12/04/2007 | 999,987 | 2.56 |
| 1,000,000 | Deutsche Bank 5.275% 04/04/2007 | 999,979 | 2.56 |
| 1,000,000 | DZ Bank 5.580% 16/08/2007 | 999,693 | 2.56 |
| 1,000,000 | Fortis Bank 5.380% 19/04/2007 | 999,984 | 2.56 |
| 400,000 | Fortis Bank 5.470% 16/04/2007 | 400,003 | 1.02 |
| 970,000 | Helaba 4.670% 05/04/2007 | 969,850 | 2.48 |
| 1,000,000 | HSBC 5.500% 21/05/2007 | 999,991 | 2.55 |
| 700,000 | ING 4.710% 05/04/2007 | 699,896 | 1.79 |
| 1,000,000 | Irish Life & Permanent 5.500% 01/06/2007 | 999,959 | 2.55 |
| 1,000,000 | LBW 5.260% 07/06/2007 | 999,354 | 2.55 |
| 1,000,000 | Lloyds TSB 5.390% 16/04/2007 | 1,000,000 | 2.55 |
| 1,000,000 | National Australia 5.470% 21/05/2007 | 999,950 | 2.55 |
| 1,000,000 | Northern Rock 5.650% 09/08/2007 | 999,961 | 2.55 |
| 1,500,000 | Royal Bank of Scotland 5.430% 23/04/2007 | 1,499,992 | 3.83 |
| 1,900,000 | Societe Generale 5.400% 14/05/2007 | 1,899,832 | 4.85 |
| 1,000,000 | Standard Life 5.260% 06/06/2007 | 999,366 | 2.55 |
| 1,900,000 | UBS 5.340% 10/04/2007 | 1,899,968 | 4.85 |
| Total Certificates of Deposit | | 25,265,134 | 64.53 |
| Total Money Market Instruments | | 25,265,134 | 64.53 |
| Transferable Securities | | | |
| Corporate Bonds | | | |
| 1,500,000 | Australia & New Zealand Bank FRN 21/07/2009 | 1,501,950 | 3.84 |
| 800,000 | Bank of Ireland FRN 20/09/2010 | 800,160 | 2.04 |
| 1,600,000 | Bank of Nova Scotia FRN 21/12/2011 | 1,599,920 | 4.09 |

THE KING & SHAXSON FUND PLC

THE KING & SHAXSON FUND PLC

KS PRUDENTIAL LIQUIDITY FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2007

(expressed in Sterling)

(CONTINUED)

| Holdings | Investment | Fair Value GBP | % of Net Asset Value | | | |
|-----------------|---|-------------------|-------------------------|----------------------|-------------------|---------------|
| | Transferable Securities (continued) | | | | | |
| | Corporate Bonds (continued) | | | | | |
| 1,500,000 | BBVA Senior Finance FRN 24/02/2010 | 1,499,775 | 3.83 | | | |
| 800,000 | Canadian Imperial Bank FRN 18/07/2008 | 800,080 | 2.04 | | | |
| 800,000 | Clydesdale Bank FRN 29/06/2011 | 799,800 | 2.04 | | | |
| 800,000 | Credit Agricole FRN 02/02/2011 | 799,880 | 2.04 | | | |
| 600,000 | KBC IFIMA FRN 08/11/2011 | 600,060 | 1.54 | | | |
| 1,500,000 | Santander International FRN 18/07/2011 | 1,500,375 | 3.83 | | | |
| 1,500,000 | Westpac Banking FRN 28/09/2009 | 1,499,625 | 3.83 | | | |
| | Total Corporate Bonds | 11,401,625 | 29.12 | | | |
| | Government Bonds | | | | | |
| 1,000,000 | UK Treasury 5.000% 07/03/2012 | 991,300 | 2.53 | | | |
| 100,000 | UK Treasury 0.000% 09/07/2007 | 98,560 | 0.25 | | | |
| | Total Government Bonds | 1,089,860 | 2.78 | | | |
| | Total Transferable Securities | 12,491,485 | 31.90 | | | |
| | Deposit with Credit Institutions | | | | | |
| 1,019,928 | Dexia 5.320% 02/04/2007 | 1,019,928 | 2.60 | | | |
| | Total deposits with Credit Institutions | 1,019,928 | 2.60 | | | |
| | Financial Derivative Instruments | | | | | |
| | * Interest Rate Swaps at positive fair value | | | | | |
| Currency | Notional Amount | Fund Pays | Fund Receives | Maturity Date | Fair Value | Fund % |
| GBP | 800,000 | GBP-LIBOR-BBA | 5.1875% | 18/07/2007 | 14,901 | 0.04 |
| GBP | 1,500,000 | GBP-LIBOR-BBA | 5.2150% | 18/07/2007 | 30,625 | 0.08 |
| GBP | 1,500,000 | GBP-LIBOR-BBA | 5.2250% | 21/07/2007 | 32,334 | 0.08 |
| GBP | 800,000 | GBP-LIBOR-BBA | 5.2000% | 03/08/2007 | 16,909 | 0.05 |
| GBP | 1,500,000 | GBP-LIBOR-BBA | 5.2500% | 24/08/2007 | 40,007 | 0.10 |
| GBP | 800,000 | GBP-LIBOR-BBA | 5.3475% | 20/09/2007 | 19,306 | 0.05 |
| GBP | 800,000 | GBP-LIBOR-BBA | 5.3575% | 29/09/2007 | 20,299 | 0.05 |
| | Interest Rate Swaps at Positive Fair Value | | | | 174,381 | 0.45 |

THE KING & SHAXSON FUND PLC

**KS PRUDENTIAL LIQUIDITY FUND
SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2007
(expressed in Sterling)
(CONTINUED)**

| Holdings | Investment | Fair Value GBP | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Total financial assets at fair value through profit or loss | 38,950,928 | 99.48 |
| | Other net assets and liabilities | 202,155 | 0.52 |
| | Net assets attributable to holders of redeemable participating shares | 39,153,083 | 100.00 |

*The counterparty for the interest rate swaps is The Royal Bank of Scotland

All transferable securities are admitted to official stock exchange listings.

THE KING & SHAXSON FUND PLC

**BALANCE SHEET
AS AT 31 MARCH 2008
(All amounts expressed in Sterling)**

| | Notes | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|--|-------|---|---|---|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 2, 14 | 139,125 | 282,907 | 43,977 | 466,009 |
| Financial assets at fair value through profit or loss | 2 | 1,637,780 | 3,576,470 | - | 5,214,250 |
| Transferable securities | | | | | |
| - Money market instruments | | - | - | - | - |
| - Financial derivative instruments | | - | - | - | - |
| Deposits with Credit Institutions | | - | - | - | - |
| Due from broker | | - | 76,490 | - | 76,490 |
| Due from shareholder | | - | - | - | - |
| Other receivables | | 5,908 | 28,821 | - | 34,729 |
| TOTAL ASSETS | | 1,782,813 | 3,964,688 | 43,977 | 5,791,478 |
| LIABILITIES | | | | | |
| Investment Management fee payable | 7 | 46,191 | 89,064 | 35,361 | 170,616 |
| Administration fee | 7 | 3,115 | 3,510 | - | 6,625 |
| Audit fee | | 15,518 | 15,334 | 3,489 | 34,341 |
| Directors fee | 7 | 6,019 | 4,628 | 3,527 | 14,174 |
| Custodian fee | 7 | 1,019 | 1,019 | - | 2,038 |
| Due to shareholder | | - | 79,184 | - | 79,184 |
| Other accrued expenses | | 8,024 | 9,349 | 1,600 | 18,973 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES) | | 79,886 | 202,088 | 43,977 | 325,951 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES | | 1,702,927 | 3,762,600 | - | 5,465,527 |
| Shares in issue | | 1,655,108 | 3,919,010 | - | |
| NAV per share | | £1.03 | £0.96 | £0.00 | |

On behalf of the board of Directors

Lorcan Tiernan

Jim Ruane

14 July 2008

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**BALANCE SHEET
AS AT 31 MARCH 2007
(All amounts expressed in Sterling)**

| | Notes | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|--|-------|---|---|---|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 2, 14 | 31,071 | 52,167 | 54 | 83,292 |
| Financial assets at fair value through profit or loss | 2 | 1,501,498 | 3,404,113 | 12,491,485 | 17,397,096 |
| Transferable securities | | | | | |
| - Money market instruments | 2 | - | - | 25,265,134 | 25,265,134 |
| - Financial derivative instruments | 2 | - | - | 174,381 | 174,381 |
| Deposits with Credit Institutions | | - | - | 1,019,928 | 1,019,928 |
| Due from broker | | 32,500 | - | - | 32,500 |
| Due from shareholder | | 2,744 | - | - | 2,744 |
| Other receivables | | 3,699 | 24,807 | 291,792 | 320,298 |
| TOTAL ASSETS | | 1,571,512 | 3,481,087 | 39,242,774 | 44,295,373 |
| LIABILITIES | | | | | |
| Investment Management fee payable | 7 | 15,629 | 29,494 | 54,282 | 99,405 |
| Administration fee | 7 | 4,024 | 4,016 | 13,146 | 21,186 |
| Audit fee | | 5,065 | 4,909 | 5,391 | 15,365 |
| Directors fee | 7 | 4,183 | 4,167 | 4,458 | 12,808 |
| Custodian fee | 7 | 954 | 954 | 3,962 | 5,870 |
| Due to shareholder | | - | - | - | - |
| Other accrued expenses | | 7,646 | 7,745 | 8,452 | 23,843 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES) | | 37,501 | 51,285 | 89,691 | 178,477 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES | | 1,534,011 | 3,429,802 | 39,153,083 | 44,116,896 |
| Shares in issue | | 1,371,396 | 3,124,446 | 37,992,599 | |
| NAV per share | | £1.12 | £1.10 | £1.03 | |

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008
(All amounts expressed in Sterling)**

| | Note | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|---|------|---|---|---|----------------------|
| INCOME | | | | | |
| Interest income | 4 | 4,457 | 85,516 | 1,209,171 | 1,299,144 |
| Dividend income | 4 | 21,379 | 96,176 | - | 117,555 |
| Other income | | 367 | 18,653 | - | 19,020 |
| Losses on financial assets at fair value through profit or loss | 6 | (50,783) | (387,297) | (123,764) | (561,844) |
| TOTAL INVESTMENT (LOSS) / INCOME | | (24,580) | (186,952) | 1,085,407 | 873,875 |
| EXPENSES | | | | | |
| Investment management fee | 7 | (34,545) | (67,536) | 18,920 | (83,161) |
| Administration fee | 7 | (35,350) | (35,704) | (13,005) | (84,059) |
| Audit fee | | (14,524) | (14,524) | (4,132) | (33,180) |
| Directors fees | | (10,561) | (11,429) | (6,695) | (28,685) |
| Custodian fee | 7 | (11,489) | (11,623) | (6,033) | (29,145) |
| Other expenses | | (26,949) | (30,017) | (72,284) | (129,250) |
| OPERATING EXPENSES BEFORE FINANCE COSTS | | (133,418) | (170,833) | (83,229) | (387,480) |
| FINANCE COSTS | | | | | |
| Distributions to redeemable participating shareholders | 11 | - | (165,744) | - | (165,744) |
| Interest expense | 5 | - | (19) | (209,735) | (209,754) |
| Withholding tax | | (610) | (1,456) | - | (2,066) |
| TOTAL FINANCE COSTS | | (610) | (167,219) | (209,735) | (377,564) |
| (DECREASE) / INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS | | (158,608) | (525,004) | 792,443 | 108,831 |

The Company has no recognised gains or losses in the financial year other than those dealt with in the profit and loss account. Results in respect of KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund are from continuing operations. Results in respect of KS Prudential Liquidity Fund are in respect of discontinuing operations as this Fund was terminated on 28 August 2007.

On behalf of the board of Directors

Lorcan Tiernan

Jim Ruane

14 July 2008

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 7 FEBRUARY 2006 (DATE OF INCORPORATION) TO 31 MARCH 2007
(All amounts expressed in Sterling)**

| | Note | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|--|------|---|---|---|----------------------|
| INCOME | | | | | |
| Interest income | 4 | 3,221 | 36,125 | 817,701 | 857,047 |
| Dividend income | 4 | 8,855 | 51,361 | - | 60,216 |
| Other income | | - | 20,327 | 483,320 | 503,647 |
| Gains/losses on financial assets at fair value through profit or loss | 6 | 179,530 | 204,472 | 130,542 | 514,544 |
| TOTAL INVESTMENT INCOME | | 191,606 | 312,285 | 1,431,563 | 1,935,454 |
| EXPENSES | | | | | |
| Investment management fee | 7 | (15,629) | (29,494) | (54,282) | (99,405) |
| Administration fee | 7 | (13,052) | (13,044) | (13,146) | (39,242) |
| Audit fee | | (5,065) | (4,909) | (5,391) | (15,365) |
| Directors fees | | (4,183) | (4,167) | (4,458) | (12,808) |
| Custodian fee | 7 | (3,732) | (3,732) | (3,962) | (11,426) |
| Other expenses | | (7,527) | (7,950) | (8,312) | (23,789) |
| OPERATING EXPENSES BEFORE FINANCE COSTS | | (49,188) | (63,296) | (89,551) | (202,035) |
| FINANCE COSTS | | | | | |
| Interest expense | 5 | (717) | (23,160) | (188,929) | (212,806) |
| Withholding tax | | (380) | (5,245) | - | (5,625) |
| TOTAL FINANCE COSTS | | (1,097) | (28,405) | (188,929) | (218,431) |
| INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS | | 141,321 | 220,584 | 1,153,083 | 1,514,988 |

The Company has no recognised gains or losses in the financial year other than those dealt with in the profit and loss account. Results in respect of KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund are from continuing operations. Results in respect of KS Prudential Liquidity Fund are in respect of discontinuing operations as this Fund was terminated on 28 August 2007.

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE YEAR ENDED 31 MARCH 2008
(All amounts expressed in Sterling)**

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|---|---|---|--|-------------------------------|
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT BEGINNING OF THE YEAR | 1,534,011 | 3,418,738 | 39,153,083 | 44,105,832 |
| Proceeds on the issuance of redeemable shares during the year | 347,093 | 1,115,711 | - | 1,462,804 |
| Payments on redemption of redeemable shares during the year | (19,569) | (246,845) | (39,945,526) | (40,211,940) |
| NET INCREASE FROM SHARE TRANSACTIONS | <u>1,861,535</u> | <u>4,287,604</u> | <u>(792,443)</u> | <u>5,356,696</u> |
| Change in net assets attributable to holders of redeemable participating shares from operations | (158,608) | (525,004) | 792,443 | 108,831 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT END OF THE YEAR | <u>1,702,927</u> | <u>3,762,600</u> | <u>-</u> | <u>5,465,527</u> |

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE PERIOD FROM 7 FEBRUARY 2006 (DATE OF INCORPORATION) TO 31 MARCH 2007**

(All amounts expressed in Sterling)

| | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|---|---|---|--|-------------------------------|
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT BEGINNING OF THE YEAR | - | - | - | - |
| Proceeds on the issuance of redeemable shares during the year | 1,410,790 | 3,293,618 | 38,000,000 | 42,704,408 |
| Payments on redemption of redeemable shares during the year | (18,100) | (84,400) | - | (102,500) |
| NET INCREASE FROM SHARE TRANSACTIONS | <u>1,392,690</u> | <u>3,209,218</u> | <u>38,000,000</u> | <u>42,601,908</u> |
| Change in net assets attributable to holders of redeemable participating shares from operations | 141,321 | 220,584 | 1,153,083 | 1,514,988 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT END OF THE YEAR | <u>1,534,011</u> | <u>3,429,802</u> | <u>39,153,083</u> | <u>44,116,896</u> |

The accompanying notes form an integral part of the financial statements

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1. General Information

The King & Shaxson Fund Plc (the “Company”) is an open ended umbrella type investment company with variable capital and limited liability, incorporated in Ireland on 7 February 2006 under the Companies Acts, 1963 to 2006 with registration number 415070. The Company has been authorised by the Financial Regulator as a UCITS (Undertaking for Collective Investments in Transferable Securities) pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes. There exists segregated liability between the Funds and the Company. The Company has established four funds: KS Ethical Green Solutions Fund, KS Ethical Balanced Income Fund, KS Cash Plus Fund and KS Prudential Liquidity Fund. At 31 March 2008, the Company had launched three Funds, KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund which offer Euro and Sterling Class Shares and KS Prudential Liquidity Fund which has went into liquidation on 28 August 2007.

| Fund | Currency | Launched |
|---|-----------------|-----------------|
| KS Ethical Green Solutions Fund – Class B | GBP | 15 August 2006 |
| KS Ethical Balanced Income Fund – Class B | GBP | 15 August 2006 |

The investment objective of KS Ethical Green Solutions Fund is to provide investors with long term capital growth by investing in a wide range of different assets types and investments, which focus on companies that are of direct social or environmental benefit.

The investment objective of KS Ethical Balanced Income Fund is to provide investors with an income by investing in a diversified portfolio of listed equities, government and non-government fixed income securities, investment trusts or companies that can invest in real estate or companies.

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland and in accordance with the Companies Acts, 1963 to 2006 and all regulations to be construed as one with those Acts and the European Communities (Undertaking for Collective Investments in Transferable Securities) Regulations, 2003. Fair value accounting has been applied to derivatives and also to other financial assets designated at fair value through profit or loss, as permitted under company law. All other assets and liabilities are stated at cost or amortised cost as appropriate or redemption amount (redeemable shares).

FRS 29 Financial Instruments: Disclosures was effective for periods beginning on or after 1 January 2007. Therefore the Fund has complied with that standard’s requirements for the first time in 2007 with comparative information being given for 2006.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

2. Significant accounting policies (continued)

(b) Foreign currency translation

The functional currency of the Company is Sterling ("GBP") as the Directors have determined that this reflects the Company's primary economic environment. The presentation currency of the Company is also GBP. Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to GBP at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Profit and Loss Account.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to GBP at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash are presented in the Profit and Loss Account.

(c) Financial instruments

(i) Classification

In accordance with FRS25 and FRS26 the Company has designated its equity and bond investments into the financial assets at fair value through profit or loss category. Deposits are classified as loans and receivables.

Financial assets that are classified as loans and receivables include balances due from brokers, deposits and accounts receivable.

Financial liabilities that are not at fair value through profit or loss include balances due to brokers, accounts payable and financial liabilities arising on redeemable shares.

(ii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the profit and loss account.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate. Financial liabilities arising from the redeemable shares issued by the Company are carried at the redemption amount representing the investors' right to a residual interest in the Company's assets.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non- exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date. Fair values for unquoted equity investments are estimated, if possible, using applicable price earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Commercial paper is valued on an amortised cost basis with reference to the maturity date of the instruments. Deposits with credit institutions are valued at par.

(iv) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the profit and loss account as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the profit and loss account.

(v) Recognition and Derecognition

The Fund recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the Fund. The Fund derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Fund

(vi) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

(vii) Specific instruments

Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

2. Significant accounting policies (continued)

(d) Interest income

All interest income and expense is recognised in the profit and loss account as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Interest income includes the amortisation of any discount or premium and any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Interest income on debt instruments at fair value through profit or loss is accrued using the original effective interest rate and classified to the interest income line item within the profit and loss account. Interest income is recognised on a gross basis, including withholding tax, if any.

(e) Dividend income

Dividend income relating to exchange-traded equity investments is recognised in the profit and loss account on the ex-dividend date.

In some cases, the Company may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Company recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

(f) Expenses

All expenses, including management fees and custodian fees, are recognised in the profit and loss account on an accrual basis. Included in other operating expenses are legal and advisory fees.

(g) Gains and losses on investments

Realised gains and losses on sales of investments are calculated on a first in first out basis. Unrealised gains and losses on investments arising during the year are taken to the profit and loss account, in accordance with EU Fair Value Regulations.

(h) Taxation

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes.

(i) Redeemable shares

All redeemable shares issued by the fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. In accordance with FRS 25 such instruments give rise to a financial liability for the present value of the redemption amount. In accordance with the issue prospectus the Fund is contractually obliged to redeem shares at mid-market prices. Due to the fact that in accordance with FRS 26 the best measure of fair value of a financial asset is usually the current bid price, the redeemable shares need to be adjusted to bid-market prices to balance the balance sheet.

(j) Share capital

Non participating shares are not redeemable, do not participate in the net income or dividends of the Company and are classified as equity, as per the Company's articles of association.

(k) Due from and to broker

Amounts due from and to broker represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year.

(l) Cashflow statement

The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

3. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a "Relevant Period". A "Relevant Period" is an eight year period beginning with the acquisition of the shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A Chargeable event does not include:

- (i) any transaction in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) an exchange of units representing one Sub-fund for another Sub-fund of the Company; or
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another company; or
- (iv) certain exchanges of Shares between spouses and former spouses.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect.

In the absence of an appropriate signed declaration, the Company will be liable to Irish tax on the occurrence of a chargeable event.

There were no chargeable events during the year under review.

Capital gains; dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

4. Interest and Dividend Income

The following table details the interest income earned by the Company during the period.

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|--|---|---|--|-------------------------------|
| Interest income from debt securities designated at fair value through profit or loss | 2,199 | 65,145 | 786,519 | 853,863 |
| Interest income for financial assets that are not at fair value through profit or loss | | | | |
| Cash and cash equivalents | 2,258 | 20,371 | 422,652 | 445,281 |
| Total Interest Income | 4,457 | 85,516 | 1,209,171 | 1,299,144 |

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)

4. Interest and Dividend Income (continued)

| | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|--|---|---|--|----------------------|
| Interest income from debt securities designated at fair value through profit or loss | 836 | 32,312 | 817,701 | 850,849 |
| Interest income for financial assets that are not at fair value through profit or loss | | | | |
| Cash and cash equivalents | 2,385 | 3,813 | - | 6,198 |
| Total Interest Income | 3,221 | 36,125 | 817,701 | 857,047 |

The following table details the dividend income earned by the Company during the period

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|---|---|---|--|----------------------|
| Dividend income from equity securities designated at fair value through profit and loss | 21,379 | 96,176 | - | 117,555 |
| Total Dividend Income | 21,379 | 96,176 | - | 117,555 |

| | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|---|---|---|--|----------------------|
| Dividend income from equity securities designated at fair value through profit and loss | 8,855 | 51,361 | - | 60,216 |
| Total Dividend Income | 8,855 | 51,361 | - | 60,216 |

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)

5. **Interest Expense**

The following table details the interest expense incurred by the Company during the period

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|--|---|---|--|-------------------------------|
| Interest expense for financial assets that are not at fair value through profit or loss | | | | |
| Cash and cash equivalents | - | (19) | (209,735) | (209,754) |
| Total Interest Expense | - | (19) | (209,735) | (209,754) |

| | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|--|---|---|--|-------------------------------|
| Interest expense for financial assets that are not at fair value through profit or loss | | | | |
| Cash and cash equivalents | (717) | (23,160) | (188,929) | (212,806) |
| Total Interest Expense | (717) | (23,160) | (188,929) | (212,806) |

6. **Net Gains/Losses on Financial Assets at Fair Value through Profit or Loss**

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Prudential Liquidity Fund 2008 GBP | Total 2008 GBP |
|--|---|---|--|-------------------------------|
| Realised gain | | | | |
| Net realised gain on investments | 144,118 | 196,948 | 39,773 | 380,839 |
| Net realised gain/(loss) on currency transactions | 3,385 | 3,425 | (370) | 6,440 |
| Net realised gain | 147,503 | 200,373 | 39,403 | 387,279 |
| Unrealised gain/(loss) | | | | |
| Net unrealised loss on investments | (197,125) | (589,890) | (163,167) | (950,182) |
| Net unrealised gain/(loss) on currency transactions | (1,161) | 2,220 | - | 1,059 |
| Net unrealised loss | (198,286) | (587,670) | (163,167) | (949,123) |
| Net Losses on Financial Assets at Fair Value through Profit or Loss | (50,783) | (387,297) | (123,764) | (561,844) |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

6. Net Gains/Losses on Financial Assets at Fair Value through Profit or Loss (continued)

| | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2007 GBP | KS Prudential Liquidity Fund 2007 GBP | Total 2007 GBP |
|---|---|---|--|-------------------------------|
| Realised gain/(loss) | | | | |
| Net realised gain on investments | 51,237 | 57,221 | (32,484) | 75,974 |
| Net realised gain on currency transactions | 361 | 2,843 | - | 3,204 |
| Net realised gain/(loss) | 51,598 | 60,064 | (32,484) | 79,178 |
| Unrealised gain/(loss) | | | | |
| Net unrealised gain on investments | 127,768 | 144,415 | 163,167 | 435,350 |
| Net unrealised gain/(loss) on currency transactions | 164 | (7) | (141) | 16 |
| Net unrealised gain | 127,932 | 144,408 | 163,026 | 435,366 |
| Net Gains on Financial Assets at Fair Value through Profit or Loss | 179,530 | 204,472 | 130,542 | 514,544 |

7. Related Parties

Investment Manager

The Company's investment activity is managed by King & Shaxson Asset Management Limited ("the Investment Manager"). The Investment Manager is entitled to receive an annual fee of 1.50 % of the Net Asset Value for Class B shares for the KS Ethical Green Solutions Fund. The Investment Manager is entitled to receive an annual fee of 1.50 % of the Net Asset Value for Class B shares for the KS Ethical Balanced Income Fund. The Investment Manager is entitled to receive an annual fee of 0.20% of the Net Asset Value of the Institutional Shares for the KS Prudential Liquidity Fund. The management fees for the year amounted to £83,161 (2007: £99,405) of which £170,616 (2007: £99,405) was payable at 31 March 2008.

Administrator

The Manager has engaged HSBC Securities Services (Ireland) Limited ("the Administrator") on behalf of the Company to act as the administrator. The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears at a rate which shall not exceed 8 basis points per annum of the Net Asset Value of the KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund and 4 basis points per annum of the Net Asset Value of the KS Prudential Liquidity Fund. The administrator is also entitled to be repaid out of the assets of the Company all of its reasonable out of pocket expenses. The administrator fees for the year amounted to £84,059 (2007: £39,242) of which £6,625 (2007: £21,186) was payable at 31 March 2008.

Custodian

The Company has appointed HSBC Institutional Trust Services (Ireland) Limited ("the Custodian") to act as Custodian of the Company. The Custodian is entitled to receive out of the assets of the Company an annual fee, accrued at each valuation point and payable monthly in arrears, which shall not exceed 2 basis points per annum of the KS Ethical Green Solutions Fund and KS Ethical Balanced Income Fund and 1 basis point per annum of the Net Asset Value of the KS Prudential Liquidity Fund. The Custodian shall be entitled to be repaid all of its disbursements out of the assets of the relevant Fund. The custodian fees for the year amounted to £29,145 (2007: £11,426) of which £2,038 (2007: £5,870) was payable at 31 March 2008.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

7. Related Parties (continued)

Directors' Fees

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of €20,000 per annum. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. The director's fees for the year amounted to £28,685 (2007: £12,808) of which £14,174 (2007: £12,808) was payable at 31 March 2008.

Nicholas Wallis, a director of the company, is an employee of the Manager, King & Shaxson Asset Management Limited.

Lorcan Tiernan, a director of the Company, is a consultant to Dillon Eustace, legal advisor to the Company.

8. Share Capital

The authorised capital of the Company is €300,000 divided into 300,000 Non-Participating Shares of One Euro (€1) each and 500,000,000,000 Shares of no par value each. Non-participating shares do not entitle the shareholders thereof to any dividend and on winding up entitle the holders to receive the amount paid up but do not entitle them to the Assets of the Company. These shares are dealt with by way of this note only. The fund is not subject to any regulatory capital requirements.

KS Ethical Green Solutions Fund

| | Number | Number |
|-------------------------------|-----------------------|-----------------------|
| | Class B Shares | Class B Shares |
| | 2008 | 2007 |
| Issued and fully paid: | | |
| Opening number of shares | 1,371,396 | - |
| Subscriptions during the year | 283,712 | 1,388,037 |
| Redemptions during the year | - | (16,641) |
| Closing number of shares | 1,655,108 | 1,371,396 |

KS Ethical Balanced Income Fund

| | Number | Number |
|---------------------------------------|-----------------------|-----------------------|
| | Class B Shares | Class B Shares |
| | 2008 | 2007 |
| Class B shares issued and fully paid: | | |
| Opening number of shares | 3,124,446 | - |
| Subscriptions during the year | 794,564 | 3,201,791 |
| Redemptions during the year | - | (77,345) |
| Closing number of shares | 3,919,010 | 3,124,446 |

KS Prudential Liquidity Fund

| | Number | Number |
|-------------------------------|-----------------------------|-----------------------------|
| | Institutional Shares | Institutional Shares |
| | 2008 | 2007 |
| Issued and fully paid: | | |
| Opening number of shares | 37,992,599 | - |
| Subscriptions during the year | - | 37,992,599 |
| Redemptions during the year | (37,992,599) | - |
| Closing number of shares | - | 37,992,599 |

The fund does not have any externally imposed capital requirements.

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

9. Net asset value

The Net Asset Value per Share as per the Financial Statements at 31 March 2008 is:

KS Ethical Green Solutions Fund

| | 2008 | 2007 |
|------------------------------|------------|------------|
| Net Asset Value | £1,702,927 | £1,534,011 |
| Number of shares outstanding | 1,655,108 | 1,371,396 |
| NAV per share | £1.03 | £1.12 |

KS Ethical Balanced Income Fund

| | 2008 | 2007 |
|------------------------------|------------|------------|
| Net Asset Value | £3,762,600 | £3,429,802 |
| Number of shares outstanding | 3,919,010 | 3,124,446 |
| NAV per share | £0.96 | £1.10 |

KS Prudential Liquidity Fund

| | 2008 | 2007 |
|------------------------------|------|-------------|
| Net Asset Value | - | £39,153,083 |
| Number of shares outstanding | - | 37,992,599 |
| NAV per share | - | £1.03 |

10. Financial Instrument Risk

Financial instruments and associated risks

The Funds' risks are those set out in the Prospectus and Supplements and any consideration of risk here should be viewed in the context of the Prospectus and Supplements which is the primary documentation governing the operation of the Funds and any subscriptions and redemptions. The Funds invest in equities and bonds in different regions and different sectors. The Directors consider three broad types of risks that are relevant and material for the Funds: Market Risk, Credit Risk and Liquidity Risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The investment objective of KS Ethical Green Solutions Fund is to provide investors with long term capital growth by investing in a wide range of different asset types and investments, which focus on companies that are of direct social or environmental benefit. The investment objective of KS Ethical Balanced Income Fund is to provide investors with an income by investing in a diversified portfolio of listed equities, government and non-government fixed income securities, investment trusts or companies that can invest in real estate or companies.

Market Risk

Market risk embodies the potential for both loss and gains and includes market price risk, currency risk and interest rate risk.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held, which are classified as financial assets at fair value through profit or loss. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. Market price risk represents the potential loss that can be caused by a change in the market value of the Company's investments. The Company's exposure to market price risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Investment Manager monitors the Company's exposure to market price risk.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Market Price Risk (continued)

As at 31 March 2008, had the equity markets strengthened by 5%, with all other variables held constant, net assets attributable to holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the income statement would have increased by the amounts shown below, an equal change in the opposite direction would have decreased the net assets attributable to holder of redeemable shares by an equal but opposite amount.

| | 2008 | 2007 |
|---------------------------------|-------------|-------------|
| | GBP | GBP |
| KS Ethical Green Solutions Fund | 80,503 | 72,290 |
| KS Ethical Balanced Fund | 120,706 | 113,571 |

Currency risk

The Company may invest in assets denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of this currency relative to other currencies may change in a manner, which may have a favourable or unfavourable effect on the value of that portion of the Company's assets. The monetary assets and liabilities of currencies other than the GBP to which the Company has an exposure at March 31, 2008 are detailed below. All amounts are stated in GBP.

2008 - KS Ethical Green Solutions Fund

| Currency | Monetary Assets | Monetary Liabilities | Net Exposure |
|----------------------|------------------------|-----------------------------|---------------------|
| Australian Dollar | 121,814 | - | 121,814 |
| Canadian Dollar | 42,932 | - | 42,932 |
| Danish Krone | 60,057 | - | 60,057 |
| Euro | 405,880 | (27,698) | 378,181 |
| Hong Kong Dollar | 88,031 | - | 88,031 |
| Norwegian Krone | 28,020 | - | 28,020 |
| Singapore Dollar | 51,820 | - | 51,820 |
| Swiss Franc | 57,591 | - | 57,591 |
| United States Dollar | 256,043 | - | 256,043 |
| Total | 1,112,187 | (27,698) | 1,084,489 |

2008 - KS Ethical Balanced Income Fund

| Currency | Monetary Assets | Monetary Liabilities | Net Exposure |
|----------------------|------------------------|-----------------------------|---------------------|
| Canadian Dollar | 84,082 | - | 84,082 |
| Euro | 842,983 | (26,550) | 816,433 |
| Swedish Krona | 76,500 | - | 76,500 |
| Swiss Franc | 57,591 | - | 57,591 |
| United States Dollar | 248,506 | - | 248,506 |
| Total | 1,309,662 | (26,550) | 1,283,112 |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Currency risk

2007 - KS Ethical Green Solutions Fund

| Currency | Monetary Assets | Monetary Liabilities | Net Exposure |
|----------------------|------------------|----------------------|------------------|
| Australian Dollar | 113,013 | - | 113,013 |
| Canadian Dollar | 30,958 | - | 30,958 |
| Danish Krone | 30,826 | - | 30,826 |
| Euro | 227,349 | (15,105) | 212,244 |
| Hong Kong Dollar | 65,021 | - | 65,021 |
| Norwegian Krone | 51,108 | - | 51,108 |
| Singapore Dollar | 41,822 | - | 41,822 |
| Swiss Franc | 42,979 | - | 42,979 |
| United States Dollar | 422,422 | - | 422,422 |
| Total | 1,025,498 | (15,105) | 1,010,393 |

2007 - KS Ethical Balanced Income Fund

| Currency | Monetary Assets | Monetary Liabilities | Net Exposure |
|----------------------|-----------------|----------------------|----------------|
| Euro | 597,547 | (14,918) | 582,629 |
| Swiss Franc | 42,979 | - | 42,979 |
| United States Dollar | 237,312 | - | 237,312 |
| Total | 877,838 | (14,918) | 862,920 |

2007 - KS Prudential Liquidity Fund

| Currency | Monetary Assets | Monetary Liabilities | Net Exposure |
|--------------|-----------------|----------------------|-----------------|
| Euro | 54 | (18,116) | (18,062) |
| Total | 54 | (18,116) | (18,062) |

As at 31 March 2008, had the Sterling strengthened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the income statement would have decreased by the amounts shown below. The analysis is performed on the same basis for 2007.

| | 2008 GBP | 2007 GBP |
|--------------------------------------|---------------------|---------------------|
| KS Ethical Green Solutions Fund | 54,224 | 50,520 |
| KS Ethical Balanced Income Fund | 64,156 | 43,146 |
| KS Ethical Prudential Liquidity Fund | - | (903) |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Interest rate risk

The majority of the Portfolio's financial assets and liabilities are non-interest bearing and as a result, the Portfolio is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Cash at brokers and counterparties comprise current accounts which bear interest at short term market rates and therefore are not exposed to significant amounts of interest rate risk. The sensitivity to interest changes and the consequent impact on net assets and profit is considered as not material.

The Fund also invests in interest bearing instruments. The Funds' interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Fund's exposure to interest rate risks. It includes the Funds' assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date.

KS Ethical Green Solutions Fund

| At 31 March 2008 | Less than 1 month GBP | 1 month -1 year GBP | 1 year - 5 year GBP | 5 year and above GBP | Non- interest bearing GBP | Total GBP |
|---|--|------------------------------------|------------------------------------|---|--|----------------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | - | - | - | 27,727 | 1,610,053 | 1,637,780 |
| Other receivables and prepayments | - | - | - | - | 5,908 | 5,908 |
| Cash at bank | 139,125 | - | - | - | - | 139,125 |
| Total assets | 139,125 | - | - | 27,727 | 1,615,961 | 1,782,813 |
| Liabilities | | | | | | |
| Accrued expenses | - | - | - | - | 79,886 | 79,886 |
| Redeemable shares | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | 79,886 | 79,886 |
| Total interest sensitivity gap | 139,125 | - | - | 27,727 | | |

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)

10. Financial Instrument Risk (continued)

Interest rate risk (continued)

| At 31 March 2007 | Less than 1 month GBP | 1 month- 1 year GBP | 1 year – 5 year GBP | 5 year and above GBP | Non- interest bearing GBP | Total GBP |
|--|--------------------------------|---------------------------|---------------------------|-------------------------------|------------------------------------|--------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | - | - | 25,612 | 30,093 | 1,445,793 | 1,501,498 |
| Due from brokers | - | - | - | - | 32,500 | 32,500 |
| Due from Shareholder | - | - | - | - | 2,744 | 2,744 |
| Other receivables and prepayments | - | - | - | - | 3,699 | 3,699 |
| Cash at bank | 31,071 | - | - | - | - | 31,071 |
| Total assets | 31,071 | - | 25,612 | 30,093 | 1,484,736 | 1,571,512 |
| Liabilities | | | | | | |
| Accrued expenses | - | - | - | - | 37,501 | 37,501 |
| Redeemable shares | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | 37,501 | 37,501 |
| Total interest sensitivity gap | 31,071 | - | 25,612 | 30,093 | | |

KS Ethical Balanced Income Fund

| At 31 March 2008 | Less than 1 month GBP | 1 month- 1 year GBP | 1 year – 5 year GBP | 5 year and above GBP | Non- interest bearing GBP | Total GBP |
|--|--------------------------------|---------------------------|---------------------------|-------------------------------|------------------------------------|--------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | - | - | 385,134 | 777,213 | 2,414,123 | 3,576,470 |
| Due from broker | - | - | - | - | 76,490 | 76,490 |
| Other receivables and prepayments | - | - | - | - | 28,821 | 28,821 |
| Cash at bank | 282,907 | - | - | - | - | 282,907 |
| Total assets | 282,907 | - | 385,134 | 777,213 | 2,519,434 | 3,964,688 |
| Liabilities | | | | | | |
| Accrued expenses | - | - | - | - | 122,904 | 122,904 |
| Due to Shareholders | - | - | - | - | 79,184 | 79,184 |
| Total liabilities | - | - | - | - | 202,088 | 202,088 |
| Total interest sensitivity gap | 282,907 | - | 385,134 | 777,213 | | |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Interest rate risk (continued)

KS Ethical Balanced Income Fund (continued)

| At 31 March 2007 | Less than 1 month GBP | 1 month- 1 year GBP | 1 year – 5 year GBP | 5 year and above GBP | Non- interest bearing GBP | Total GBP |
|---|--|--|------------------------------------|---|--|----------------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | - | - | 395,004 | 737,685 | 2,271,424 | 3,404,113 |
| Other receivables and prepayments | - | - | - | - | 24,807 | 24,807 |
| Cash at bank | 52,167 | - | - | - | - | 52,167 |
| Total assets | 52,167 | - | 395,004 | 737,685 | 2,296,231 | 3,481,087 |
| Liabilities | | | | | | |
| Accrued expenses | - | - | - | - | 51,285 | 51,285 |
| Redeemable shares | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | 51,285 | 51,285 |
| Total interest sensitivity gap | 52,167 | - | 395,004 | 737,685 | | |

The weighted average year to maturity as at 31 March 2008 of the Interest bearing financial assets are detailed in the table below.

| | KS Ethical Green Solutions Fund | KS Ethical Balanced Income Fund |
|-----------------------------------|--|--|
| Weighted Average to Maturity 2008 | 7.90 years | 7.73 years |
| Weighted Average to Maturity 2007 | 6.81 years | 6.90 years |

Credit Risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's Investment Manager has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Credit Risk (continued)

At 31 March 2008, the following funds' financial assets were exposed to credit risk amounting to:

| | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Balanced Income Fund 2008 GBP | Total 2008 GBP |
|---------------------------------|---|---|-------------------------------|
| Investments in debt instruments | 27,727 | 1,162,347 | 1,190,074 |
| Cash and Cash equivalents | 139,125 | 282,907 | 422,032 |
| Due from broker | - | 76,490 | 76,490 |
| Other receivables | 5,908 | 28,821 | 34,729 |
| | 172,760 | 1,550,565 | 1,723,325 |

| | KS Ethical Green Solutions Fund 2007 | KS Ethical Balanced Income Fund 2007 | KS Prudential Liquidity Fund 2007 | Total 2007 |
|------------------------------------|---|---|--|-----------------------|
| Investments in debt instruments | 55,705 | 1,132,689 | 12,491,485 | 13,679,879 |
| Money market instruments | - | - | 25,265,134 | 25,265,134 |
| Net-settled derivative instruments | - | - | 174,381 | 174,381 |
| Deposit with credit institutions | - | - | 1,019,928 | 1,019,928 |
| Cash and Cash equivalents | 31,071 | 52,167 | 54 | 83,292 |
| Due from broker | 32,500 | - | - | 32,500 |
| Due from shareholder | 2,744 | - | - | 2,744 |
| Other receivables | 3,699 | 24,807 | 291,792 | 320,298 |
| | 125,719 | 1,209,663 | 39,242,774 | 40,578,156 |

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved.

As at the year end, the Custodian held 96.81% (2007: 99.20%) of the total assets of the Funds. Substantially all of the assets, including cash, of the fund are held by the custodian, HSBC Institutional Trust Services (Ireland) Limited. Bankruptcy or insolvency of the custodian may cause the Fund's rights with respect to securities and cash held by the custodian to be delayed or limited or curtailed. The Fund monitors its credit risk exposure to the custodian by monitoring the credit quality and financial positions of the custodian the Fund uses.

Credit risk arising on debt instruments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties of credit ratings of at least BB or better. At 31 March, the Company invested in debt securities with the following credit quality.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Credit Risk (continued)

The table details the fair value of debt instruments and their associated credit rating.

| Rating | KS Ethical Green Solutions Fund 2008 GBP | KS Ethical Green Solutions Fund 2007 GBP | KS Ethical Balanced Income Fund 2008 GBP | KS Ethical Balanced Income Fund 2007 GBP |
|---------------|---|---|---|---|
| AAA | - | 25,612 | 392,698 | 447,188 |
| AA | - | - | 169,677 | 105,281 |
| A | - | - | 284,973 | 266,731 |
| BBB | 27,727 | 30,093 | 314,999 | 263,809 |
| BB | - | - | - | 49,680 |

Liquidity Risk

The Funds are exposed to daily cash redemptions of redeemable shares. They therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of; they invest only a limited proportion of its assets in investments not actively traded on a stock exchange. The Funds' listed securities are considered readily realisable, as they are listed on stock exchanges. The Funds have the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the year.

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. No such investments were held at the balance sheet date.

The table below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| 2008 KS Ethical Green Solution Fund | Less than 3 months GBP | 1 - 3 months GBP | Less than 1 year GBP | No stated maturity GBP |
|--|---------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|
| Investment Management fee payable | 46,191 | - | - | - |
| Administration fee | 3,115 | - | - | - |
| Audit fee | 15,518 | - | - | - |
| Director fee | 6,019 | - | - | - |
| Custodian fee | 1,019 | - | - | - |
| Other accrued expenses | 8,024 | - | - | - |
| Net Assets attributable to holders of redeemable participating shares | 1,702,927 | - | - | - |
| | 1,782,813 | - | - | - |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Liquidity Risk (continued)

| 2008 | Less than | | Less than | No stated |
|--|------------------|---------------------|------------------|------------------|
| KS Ethical Balanced Income Fund | 3 months | 1 - 3 months | 1 year | maturity |
| | GBP | GBP | GBP | GBP |
| Investment Management fee payable | 89,064 | - | - | - |
| Administration fee | 3,510 | - | - | - |
| Audit fee | 15,334 | - | - | - |
| Director fee | 4,628 | - | - | - |
| Custodian fee | 1,019 | - | - | - |
| Due to shareholders | 79,184 | - | - | - |
| Other accrued expenses | 9,349 | - | - | - |
| Net Assets attributable to holders of redeemable participating shares | 3,762,600 | - | - | - |
| | 3,964,688 | - | - | - |
| <hr/> | | | | |
| 2008 | Less than | | Less than | No stated |
| KS Prudential Liquidity Fund | 3 months | 1 - 3 months | 1 year | maturity |
| | GBP | GBP | GBP | GBP |
| Investment Management fee payable | 35,361 | - | - | - |
| Audit fee | 3,489 | - | - | - |
| Director fee | 3,527 | - | - | - |
| Other accrued expenses | 1,600 | - | - | - |
| | 43,977 | - | - | - |
| <hr/> | | | | |
| 2007 | Less than | | Less than | No stated |
| KS Ethical Green Solution Fund | 3 months | 1 - 3 months | 1 year | maturity |
| | GBP | GBP | GBP | GBP |
| Investment Management fee payable | 15,629 | - | - | - |
| Administration fee | 4,024 | - | - | - |
| Audit fee | 5,065 | - | - | - |
| Director fee | 4,183 | - | - | - |
| Custodian fee | 954 | - | - | - |
| Other accrued expenses | 7,646 | - | - | - |
| Net Assets attributable to holders of redeemable participating shares | 1,534,011 | - | - | - |
| | 1,571,512 | - | - | - |
| <hr/> | | | | |

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

10. Financial Instrument Risk (continued)

Liquidity Risk (continued)

| 2007 KS Ethical Balanced Income Fund | Less than 3 months GBP | 1 - 3 months GBP | Less than 1 year GBP | No stated maturity GBP |
|--|---------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|
| Investment Management fee payable | 29,494 | - | - | - |
| Administration fee | 4,016 | - | - | - |
| Audit fee | 4,909 | - | - | - |
| Director fee | 4,167 | - | - | - |
| Custodian fee | 954 | - | - | - |
| Other accrued expenses | 7,745 | - | - | - |
| Net Assets attributable to holders of redeemable participating shares | 3,429,802 | - | - | - |
| | 3,481,087 | - | - | - |

| 2007 KS Prudential Liquidity Fund | Less than 3 months GBP | 1 - 3 months GBP | Less than 1 year GBP | No stated maturity GBP |
|--|---------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|
| Investment Management fee payable | 54,282 | - | - | - |
| Administration fee | 13,146 | - | - | - |
| Audit fee | 5,391 | - | - | - |
| Director fee | 4,458 | - | - | - |
| Custodian fee | 3,962 | - | - | - |
| Other accrued expenses | 8,452 | - | - | - |
| Net Assets attributable to holders of redeemable participating shares | 39,153,083 | - | - | - |
| | 39,242,774 | - | - | - |

11. Distributions

The Company does not expect to pay dividends in respect of KS Ethical Green Solutions Fund and KS Prudential Liquidity Fund.

It is intended the KS Ethical Balanced Fund will pursue a distribution policy so that the Fund will be able to obtain certification as a “Distributing Fund” under the United Kingdom Income Corporation Taxes Act, 1988 for the purpose of United Kingdom taxation. The Director’s current intention is to distribute in respect of each accounting period substantially the whole of the net income (including interest and dividends) of the Fund.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

11. Distributions (continued)

In addition, the Directors may distribute such part of any realised and unrealised capital gains less realised and unrealised capital losses attributable to the Fund as, in their opinion, is appropriate to maintain a satisfactory level of distribution for the Fund. Otherwise all income and gains of the Fund will be accumulated within the Fund.

The following distributions were paid out of the KS Ethical Balanced Fund as at 31 March 2008:

| Ex Date | Pay Date | Shares in Issue | Dividend Rate | Dividend Amount |
|----------------|-----------------|------------------------|----------------------|------------------------|
| 9 Nov 2007 | 12 Nov 2007 | 3,915,981.74 | £0.0225 | £88,109 |

| Ex Date | Pay Date | Shares in Issue | Dividend Rate | Dividend Amount |
|----------------|-----------------|------------------------|----------------------|------------------------|
| 8 May 2007 | 11 May 2007 | 3,450,433.98 | £0.0225 | £77,635 |

12. Reconciliation of Net Asset Value

The published net asset value per share differs from that presented in these financial statements. The difference is between the Prospectus policy adopted for valuation (at “mid prices”) and the valuation method (at “bid prices”) required by the Financial Reporting Standards.

A reconciliation of the net asset value as at 31 March 2008 is as follows:

| | KS Ethical Green Solutions | KS Ethical Balanced Income |
|--|---|---|
| As at 31 March 2008 | | |
| As per valuation in accordance with prospectus | 1,725,906 | 3,791,464 |
| Adjustment for bid pricing | (12,264) | (15,188) |
| Adjustment for organisational costs | (10,715) | (13,676) |
| Financial Statement Net Asset Value | <u>1,702,927</u> | <u>3,762,600</u> |

A reconciliation of the net asset value as at 31 March 2007 is as follows:

| | KS Ethical Green Solutions | KS Ethical Balanced Income | KS Prudential Liquidity |
|--|---|---|------------------------------------|
| As at 31 March 2007 | | | |
| As per valuation in accordance with prospectus | 1,543,111 | 3,436,339 | 39,175,415 |
| Adjustment for bid pricing | (9,100) | (6,537) | (22,332) |
| Financial Statement Net Asset Value | <u>1,534,011</u> | <u>3,429,802</u> | <u>39,153,083</u> |

THE KING & SHAXSON FUND PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

13. Fair value information

Many of the Fund's financial instruments are carried at fair value on the balance sheet. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including amounts due from / to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all the Funds' financial assets and financial liabilities at the balance sheet date approximated their fair values.

14. Bank balances

All cash amounts are deposited with HSBC Bank plc.

15. Exchange Rates

The following exchange rate was used at the year end to translate assets and liabilities into the measurement currency (GBP):

| | 2008 | 2007 |
|----------------------|---------|---------|
| Australian Dollar | 2.1773 | 2.4279 |
| Canadian Dollar | 2.0393 | 2.2627 |
| Danish Krone | 9.3537 | - |
| Euro | 1.2543 | 1.4734 |
| Hong Kong Dollar | 15.4684 | 15.3265 |
| Norwegian Krone | 10.1000 | 11.9723 |
| Singapore Dollar | 2.7391 | - |
| Swedish Krone | 11.7858 | - |
| Swiss Franc | 1.9657 | 2.3944 |
| United States Dollar | 1.9875 | 1.9614 |

16. Soft commission arrangements

There were no soft commission arrangements affecting the company during the year ended 31 March 2008 or the year ended 31 March 2007.

17. Cross liability among classes

Where the assets of a class are insufficient to meet that class's liabilities, any liabilities which remain undischarged will attach to the Fund as a whole and will be allocated amongst the other classes.

18. Comparative figures

The comparative figures are for the period from 7 February 2006 (date of incorporation) to 31 March 2007.

THE KING & SHAXSON FUND PLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
(CONTINUED)**

19. Events before balance sheet date

Investors in Prudential Liquidity Fund redeemed their investment on 28 August 2007.

Following the merger of The Bank of New York Company Inc. and Mellon Financial Corporation in July 2007, the Registrar and Transfer Agent changed its name from BNY Fund Services (Ireland) Limited to BNY Mellon Fund Services (Ireland) Limited on 20 March 2008.

20. Post balance sheet events

The following distribution was paid out of the KS Ethical Balanced Fund:

| Ex Date | Pay Date | Shares in Issue | Dividend Rate | Dividend Amount |
|----------------|-----------------|------------------------|----------------------|------------------------|
| 16 May 2008 | 19 May 2008 | 3,987,888.94 | £0.0225 | £89,728 |

21. Authorisation of the Financial Statements

The Financial Statements were authorised for issue by the Directors on 14 July 2008.

THE KING & SHAXSON FUND PLC

**KS ETHICAL GREEN SOLUTIONS FUND
UNAUDITED PORTFOLIO MOVEMENTS**

**20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR
(expressed in Sterling)**

| | Number of Shares | Cost/Proceeds GBP |
|----------------------------|-------------------------|------------------------------|
| Largest Purchases | | |
| Vossloh | 3,232 | 166,087 |
| Fresenius Medical Care | 4,000 | 97,799 |
| Intertek Group | 10,000 | 92,104 |
| Gamesa | 3,500 | 66,708 |
| Arriva | 9,000 | 65,438 |
| Wellpoint | 1,500 | 58,481 |
| Iberdrola Renovables | 15,000 | 56,910 |
| Conergy | 1,500 | 56,249 |
| Nordex | 2,600 | 54,309 |
| Eaga | 25,000 | 53,033 |
| Tomra | 15,000 | 52,177 |
| Essilor International | 850 | 51,444 |
| Muehlhan | 14,000 | 49,889 |
| Cia Saneamento Basico | 2,000 | 49,829 |
| Theolia | 3,000 | 47,266 |
| Brookdale Senior Living | 2,000 | 46,075 |
| Stratec Biomedical Systems | 3,000 | 45,991 |
| Amplifon | 10,000 | 45,703 |
| Consolidated Water | 3,500 | 44,530 |
| EDF Energies Nouvelles | 1,500 | 44,184 |
| Largest Sales | | |
| Vossloh | 3,232 | 182,668 |
| Intertek Group | 14,000 | 140,063 |
| Fresenius Medical Care | 4,000 | 105,268 |
| SunOpta | 14,600 | 72,842 |
| Aqua America | 5,000 | 58,247 |
| Vestas Windsystems | 1,083 | 57,634 |
| Union Pacific | 1,000 | 56,287 |
| Curanum | 10,000 | 53,784 |
| Essilor International | 1,700 | 53,229 |
| EDF Energies Nouvelles | 1,500 | 51,163 |
| Renewable Energy | 2,450 | 47,330 |
| Tomra | 15,000 | 46,410 |
| LKQ | 3,000 | 44,965 |
| Insituform Techs | 4,000 | 40,998 |
| Amplifon | 10,000 | 40,838 |
| Stratec Biomedical Systems | 2,000 | 37,906 |
| Renesola | 10,000 | 37,794 |

THE KING & SHAXSON FUND PLC

KS ETHICAL GREEN SOLUTIONS FUND

UNAUDITED PORTFOLIO MOVEMENTS

20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR

(expressed in Sterling)

| | Number of Shares | Cost/Proceeds GBP |
|--------------------------|-------------------------|------------------------------|
| Largest Purchases | | |
| Pentair | 1,930 | 32,521 |
| Arriva | 4,000 | 31,705 |
| Conergy | 1,500 | 30,585 |

THE KING & SHAXSON FUND PLC

**KS ETHICAL BALANCED INCOME FUND
PORTFOLIO MOVEMENTS**

**20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR
(expressed in Sterling)**

| | Number of Shares | Cost/Proceeds GBP |
|------------------------------------|------------------|----------------------|
| Largest Purchases | | |
| SNCF 5.375% 18/03/2027 | 250,000 | 270,601 |
| AXA Property Trust | 300,000 | 214,931 |
| Vodafone Group | 120,000 | 197,719 |
| Fresenius Medical Care | 7,000 | 173,318 |
| Philips | 7,500 | 152,529 |
| Soc Natl Chemins 5.000% 30/12/2010 | 150,000 | 150,925 |
| Intertek Group | 11,000 | 101,265 |
| DSG International | 60,000 | 98,555 |
| France Telecom 5.625% 23/01/2034 | 100,000 | 98,308 |
| Great Lakes Hydro Income Fund | 10,000 | 96,899 |
| National Express | 7,500 | 86,766 |
| Continental | 1,700 | 82,654 |
| Arriva | 11,000 | 79,999 |
| Windstream | 11,000 | 79,455 |
| Gamesa | 4,000 | 79,287 |
| Deutsche Telekom | 9,000 | 77,537 |
| IFFIM 5.000% 14/11/2011 | 150,000 | 77,025 |
| Hennes & Mauritz | 2,500 | 76,349 |
| Iberdrola Renovables | 20,000 | 75,625 |
| Marks & Spencer | 12,500 | 73,386 |
| Largest Sales | | |
| Soc Natl Chemins 5.000% 30/12/2010 | 250,000 | 256,414 |
| Philips | 8,000 | 172,091 |
| Network Rail 4.875% 27/11/2015 | 170,000 | 171,801 |
| Intertek Group | 17,000 | 170,004 |
| Vodafone Group | 100,000 | 166,269 |
| SNCF 5.375% 18/03/2027 | 150,000 | 165,535 |
| Fresenius Medical Care | 5,000 | 129,691 |
| AXA Property Trust | 150,000 | 114,753 |
| Dexia | 8,025 | 113,263 |
| IFFIM 5.000% 14/11/2011 | 200,000 | 110,736 |
| Eurocommerical Properties | 4,000 | 110,436 |
| Anglian Water 5.250% 30/10/2015 | 100,000 | 97,226 |
| Gamesa | 4,000 | 91,143 |
| France Telecom | 5,000 | 86,938 |
| Nokia | 6,000 | 85,403 |
| Deutsche Telekom | 9,000 | 81,591 |

THE KING & SHAXSON FUND PLC

**KS ETHICAL BALANCED INCOME FUND
PORTFOLIO MOVEMENTS**

**20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR
(expressed in Sterling)**

| | Number of Shares | Cost/Proceeds GBP |
|----------------------|-------------------------|------------------------------|
| Largest Sales | | |
| DSG International | 45,750 | 80,399 |
| Hera SpA | 35,000 | 79,070 |
| Marks & Spencer | 12,500 | 76,284 |
| Hennes & Mauritz | 2,500 | 75,398 |

THE KING & SHAXSON FUND PLC

**KS ETHICAL PRUDENTIAL LIQUIDITY FUND
PORTFOLIO MOVEMENTS**

**20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR
(expressed in Sterling)**

| | Number of Shares | Cost/Proceeds GBP |
|--|------------------|----------------------|
| Largest Purchases | | |
| UK Treasury Bill 0.000% 28/08/2007 | 17,500,000 | 17,461,837 |
| UK Treasury Bill 0.000% 06/08/2007 | 4,500,000 | 4,485,968 |
| UK Treasury Bill 0.000% 23/07/2007 | 4,000,000 | 3,982,890 |
| UK Treasury Bill 0.000% 20/08/2007 | 4,000,000 | 3,982,345 |
| UK Treasury Bill 0.000% 29/05/2007 | 3,000,000 | 2,996,421 |
| UK Treasury Bill 0.000% 25/06/2007 | 3,000,000 | 2,987,822 |
| UK Treasury Bill 0.000% 16/04/2007 | 2,000,000 | 1,996,666 |
| UK Treasury Bill 0.000% 14/05/2007 | 2,000,000 | 1,991,947 |
| Svenska Handelsbank 5.550% CD 02/04/2007 | 1,900,000 | 1,900,222 |
| National Australia Bank 5.840% CD 28/08/2007 | 1,900,000 | 1,900,049 |
| Barclays Bank 5.700% CD 14/06/2007 | 1,900,000 | 1,900,047 |
| UBS 5.850% CD 06/08/2007 | 1,900,000 | 1,900,032 |
| UBS 5.610% CD 06/07/2007 | 1,900,000 | 1,900,000 |
| UBS 5.330% CD 10/05/2007 | 1,900,000 | 1,900,000 |
| Nordea 5.460% CD 12/06/2007 | 1,900,000 | 1,900,000 |
| Credit Indus Comm 5.600% CD 29/06/2007 | 1,900,000 | 1,900,000 |
| Barclays Bank 5.330% CD 10/05/2007 | 1,900,000 | 1,900,000 |
| Fortis Bank 5.710% CD 14/06/2007 | 1,500,000 | 1,500,037 |
| Royal Bank of Scotland 5.860% CD 28/08/2007 | 1,500,000 | 1,500,028 |
| Royal Bank of Scotland 5.700% CD 25/07/2007 | 1,500,000 | 1,500,000 |
| Largest Sales | | |
| UK Treasury Bill 0.000% 28/08/2007 | 11,000,000 | 10,993,119 |
| UK Treasury Bill 0.000% 23/07/2007 | 4,000,000 | 3,998,153 |
| UK Treasury Bill 0.000% 20/08/2007 | 4,000,000 | 3,998,093 |
| UK Treasury Bill 0.000% 25/06/2007 | 3,000,000 | 2,998,637 |
| UK Treasury Bill 0.000% 29/05/2007 | 3,000,000 | 2,998,208 |
| UK Treasury Bill 0.000% 06/08/2007 | 2,500,000 | 2,498,819 |
| UK Treasury Bill 0.000% 09/07/2007 | 2,100,000 | 2,099,026 |
| UK Treasury Bill 0.000% 14/05/2007 | 2,000,000 | 1,999,131 |
| UK Treasury Bill 0.000% 16/04/2007 | 2,000,000 | 1,999,128 |
| UK Treasury 5.000% 07/03/2012 | 2,000,000 | 1,983,049 |
| Svenska Handelsbank 5.550% CD 02/04/2007 | 1,900,000 | 1,900,001 |
| Barclays Bank 5.700% CD 14/05/2007 | 1,900,000 | 1,900,000 |
| Credit Indust Com 5.470% CD 26/02/2007 | 1,900,000 | 1,900,000 |
| National Australia Bank 5.840% CD 28/08/2007 | 1,900,000 | 1,900,000 |

THE KING & SHAXSON FUND PLC

**KS ETHICAL PRUDENTIAL LIQUIDITY FUND
PORTFOLIO MOVEMENTS**

**20 LARGEST PURCHASES AND SALES (AMALGAMATED BY SECURITY) DURING THE YEAR
(expressed in Sterling)**

| | Number of Shares | Cost/Proceeds GBP |
|--|-------------------------|------------------------------|
| Largest Sales | | |
| Nordea 5.460% CD 12/06/2007 | 1,900,000 | 1,900,000 |
| UBS 5.610% CD 06/07/2007 | 1,900,000 | 1,900,000 |
| UBS 5.850% CD 06/08/2007 | 1,900,000 | 1,900,000 |
| Credit Indus Comm 5.600% CD 29/05/2007 | 1,900,000 | 1,900,000 |
| Barclays Bank 5.330% CD 10/04/2007 | 1,900,000 | 1,899,999 |
| UBS 5.340% CD 10/04/2007 | 1,900,000 | 1,899,997 |