

**COLLECTION OF MODERN ART
INTERMEDIARY EXIT CLASS SHARE**
MAY 2011 FACTSHEET

Fund Overview

Fund Objective

The primary investment objective is the preservation of capital and the creation of long-term wealth, whilst offering a hedge against inflation.

Fund Strategy

The Collection of Modern Art can invest across a diversified portfolio of museum quality post-war art. The fund invests predominantly in works by non-producing or deceased blue-chip artists and employs a buy and hold strategy.

Fund Information

Investment Team:

Investment Manager:
Angus Murray

Senior Art Advisor:
Constanze Kubern

Assets Under Management:
\$13.45m

Fund Launch Date:
March 2009

Minimum Investment:
£10,000

Fees:

Management Fee: 1.00%
Administration Fee: 1.25%
Performance Fee: 20.00%

Dealing Frequency:

Monthly**

Benchmark Index:

AMR Post-War 50 Index (14
Month Moving Average -
Central 50%)

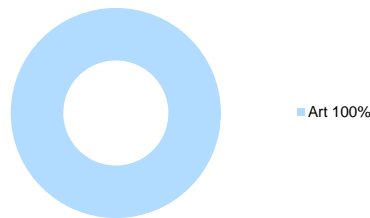
Domicile:

British Virgin Islands

Fund Performance*

Month to Date:	0.15%
Year to Date:	8.16%
Cumulative Returns:	27.11%
Annualized Returns:	14.69%
Monthly Average Returns:	1.15%
Positive Returns:	71.43%

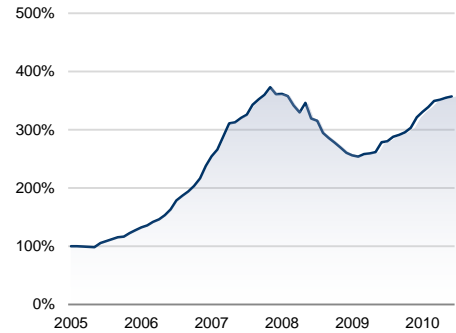
Sector Breakdown***



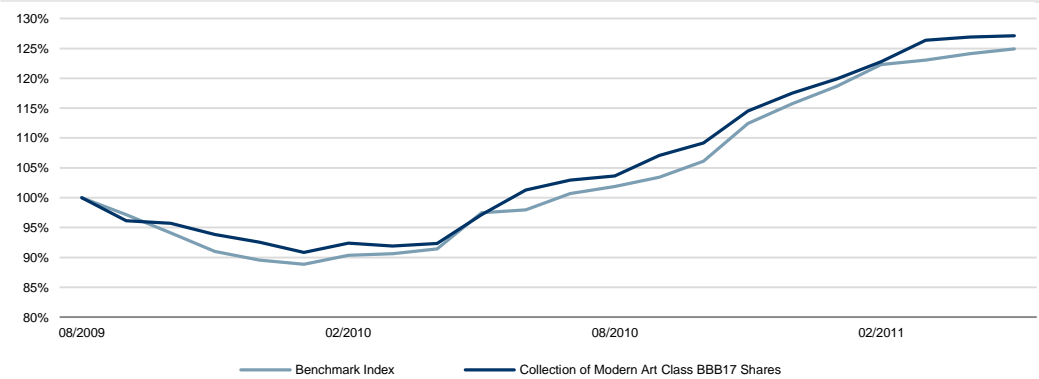
Fund Risk Statistics*

Standard Deviation:	8.17%
Downside Deviation:	3.73%
Sharpe Ratio:	1.73
Sortino:	3.70
Alpha:	0.34%
Beta:	0.76

Index Cumulative Returns



Cumulative Returns



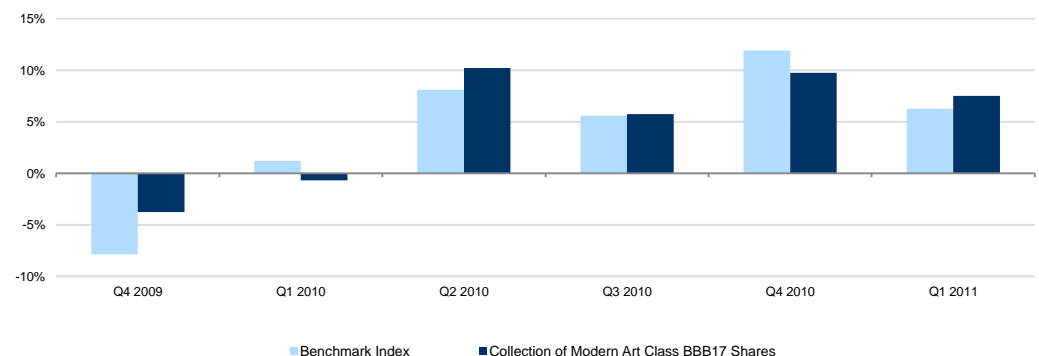
Historical Performance

Class	1mth	3mth	6mth	YTD	1yr	3yr	5yr
BBB17 - £GBP	0.15%	3.54%	10.97%	8.16%	30.80%	N/A	N/A
Benchmark Index	0.64%	2.13%	11.13%	7.90%	28.13%	11.39%	239.55%

Share Class Information

Class	Nav	Bloomberg	ISIN	Start Date
BBB17 - £GBP	£1,461.75	CLBBB17 VI	VGG227301246	31/08/09

Quarterly Performance



Glossary

Sharpe Ratio

Measures how much fund performance is attributed to risk. The Sharpe Ratio is calculated as the average excess rate of return over the risk-free rate divided by the Standard Deviation of the excess returns. A Sharpe Ratio above 1 is good.

Sortino Ratio

The Sortino Ratio is similar to the Sharpe Ratio except it only focuses on risk surrounding fund performance when it falls below a specified target or rate of return.

Standard Deviation

A measure of volatility, often described as risk. The Standard Deviation measures the amount performance varies from its average. The larger the number, the more fund performance differs from its average, so the more volatility there is.

Investment Manager

BRITISH VIRGIN ISLANDS

Castlestone Management
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Tortola BVI

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Managers Commentary

Castlestone Management's Collection of Modern Art fund (CoMA) returned 8.13% during the first 5 months of 2011 even as global equity markets remain troubled by economic uncertainty and political unrest. This figure is in line with the AMR Post-War Art 50 Index, the benchmark index for investments into the Post-War art genre, and a recent external and independent valuation by one of the leading art appraisers

May's Post-War and Contemporary Art auctions in New York confirmed the positive trend from the equivalent set of auctions which took place in November 2010, despite falling 16.5% short of the November total. The Evening sales at the leading auction houses¹ reached \$462.6 million, with Andy Warhol dominating the sales. Nine of his top lots accounted for over \$110 million of the total turnover. This is 15% higher than the equivalent set of auctions in May last year, but still 31% below the peak of the in May 2008.²

ArtTactic's latest US & European Confidence survey showed an increase in its Art Market Confidence Indicator of 11.6% over the second half of 2010, 36% of the participants also believed there was to be a positive increase in the market during the first half of 2011, this sentiment was apparent in the recent auction results. The survey's findings suggest that over the next six months the market will settle, with a slowing of recovery from 2009 lows and prices consolidating around current levels. Real assets are expected to remain a safe bet for investors, as demand should remain strong alongside continuing economic uncertainty. Supply restraints are also still in place as sellers will become increasingly reluctant to part with pieces, these restraints twinned with the increases in demand should result in further price increases for Post-War works throughout the second half of 2011.

Research by Mike Moses of beautiful Asset Advisors which was published this month on the back of the NY auction series indicates that Post-War art has once again been the best performing collecting category over the past 5, 10 and 25 years. Especially mid-tier works of art (up to \$1M range), are better investments than trophy works selling for multiple millions. The market is much more liquid at this lower price segment, thereby significantly lowering resale risk. The New York Post-War & Contemporary Art Day auction series not only generated record prices but also the highest sales volume since the downturn began in 2008. Different to the Evening sales at which demand was sluggish for many pieces, demand at the Day sales concentrated in quality pieces by Alexander Calder, Andy Warhol and Gerhard Richter - works comparable to pieces held by the Collection of Modern Art fund. In view of these market developments, we are confident that our investment strategy of buying into Post-War art from blue-chip artists within the mid-tier price segment will remain successful moving forward.

Disclaimer: This document is intended for and directed at investment professionals and is not intended for retail customer use. Persons who do not have professional experience in matters relating to investments should not rely on it.

Sources: ¹ Castlestone Management, Sotheby's, Christie's and Phillips de Pury. ² ArtTactic.

* Performance Statistics represent Collection of Modern Art Fund Class BBB17.

** Subscriptions must be received by the close of business London (GMT) on the 25th day of the preceding month, or the previous business day in the case of a UK or Netherlands public holiday

*** The allocations are indicative and for illustrative purposes only.

The data denotes the actual performance net of management fees, performance fees and expenses of the Collection of Modern Art share class BBB17 August 31, 2009 and AMR Post-War 50 Index (14 Month Moving Average - Central 50%) since December 31, 2003.

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