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**EUROPEAN ECONOMY: BUSINESS CHIEFS ARE OPTIMISTIC FOR THE FUTURE**

**'WALL STREET: MONEY NEVER SLEEPS- RELEASED 6th OCTOBER.'**  
**THE NEW MICHAEL DOUGLAS MOVIE DEALING WITH THE STOCK MARKET CRASH OF 2008**

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## VAM TO LAUNCH NEW COMMODITIES FUND

The specialist investment boutique VAM Funds (Lux) are preparing to launch a new commodity fund to add to their already diversified range. The VAM team were recently pleased to have been awarded a 5 star rating by MoneyMate Ireland for their Emerging Markets fund, and they are hoping the new Commodity Equities Fund will prove equally as impressive. The investment objective has been outlined as 'seeking to achieve capital appreciation through exposure to commodities markets by investing in commodities related Equity.' Managed by Jason Webster of Fleming Family and Partners, the fund will 'operate a core and satellite approach,' investing in a range of commodities sectors to include metals, energy and agriculture. The fund will also maintain 'an additional protective layer pro-

vided by aggressive use of cash and ETF's.' FF & P is a leading, independent & privately owned investment house established in 2000. Indicative holdings for the fund include (amongst others) Nyota Minerals, a company involved in the exploration and development of gold projects, and Northland Resources, who are focussed on mineral properties. As mentioned in our September 8th Newsletter, commodities are still a favourable investment to include in a diversified portfolio, due to its routinely negative correlation to other asset classes. This fund would be a good option to consider as it incorporates a range of commodities instead of just one class. The VAM Commodity Equities Fund is set to launch on October 15th.

For more information or to arrange an investment please contact your IFA or go to [www.churchillandpartners.com/funds-vam.asp](http://www.churchillandpartners.com/funds-vam.asp)



## C.E.B.R: 'WORLD ECONOMY IS NOT HEADING FOR DOUBLE DIP'



The Centre for Economic and Business Research announced on 20th Sept that they do not predict that the global economy will lapse back into a double dip recession, as has

recently been feared. They have however, reported amended growth predictions that fall short of what they previously forecast. A 3.5 % this year and 3.4 % next year in world growth is down from 3.7 % and 4.1%. Though the growth rate is slowing, CEBR executive Douglas Williams advised 'Although their growth will be affected by slower growth in the West, the emerging economies are too resilient for global growth to go negative again in the short term.' The leading think tank's predictions were supported by the OECD (Organisation for Economic Cooperation and Development) statements earlier in September, also reporting slower growth rates and continued uncertainty, but also stating that another recession remained unlikely. Both organisations have predicted that the US economy is expected to have grown by approx 2.5% this year. For more information on this story and more please go to [www.churchillandpartners.com/market-news.asp](http://www.churchillandpartners.com/market-news.asp).

## THE NEXT 11- THE NEW BRICS IN EMERGING MARKETS?

The BRICS could have some healthy competition in the emerging markets sector according to some experts. Two new acronyms have been coined recently to refer to alternative areas that investors may wish to consider, the CIVETS and the Next 11. The first refers to Michael Geoghegan 's (chief Exec of HSBC) collective term for Columbia, Indonesia, Vietnam, Egypt, Turkey and South Africa and HSBC are considering launching a 'Civets Plus' fund next year. The latter, as named by Jim O'Neil of Goldman Sachs and the founder of the term 'BRICS,' refers to a wider range to

include Bangladesh, Egypt, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea and also Turkey, Vietnam and Indonesia. So what makes these regions appealing, and are the leading emerging markets coming to the end of their time in the limelight already? The key selling point for these new emerging market funds is based on diversification. The idea is to invest in these alternative regions as a compliment to other holdings, not necessarily as a replacement. BRICS have not been outdone yet, in fact now that China has overtaken the US as the worlds biggest car market, sales are expected to continue to rise for some time. India has also not yet reached its full potential according to experts. Speaking on the subject of the Next 11, Jim O'Neil stated 'It was never intended to be a BRIC thing. I re-

garded the Brics as four integral parts of the world economy. I wouldn't say the same about all the Next 11 countries.' However Mr. Zafari of Castlestone Management, who have come up with the first fund to invest in the Next 11, believes that the new fund 'gives investors another shot at the concept' referring to the Brics when they were first launched. 'I see the Next 11 as a collection of mini Indias.' Turkey and Indonesia in particular have been identified as 'economic powerhouses' and the performance of all the 11 countries shows a lack of correlation with other debt ridden developed countries. So if you want to further diversify your portfolio, the Next 11 is certainly worth considering. For more information go to [www.churchillandpartners.com/funds-castlestone-mangement.asp](http://www.churchillandpartners.com/funds-castlestone-mangement.asp)



For more information or to arrange an appointment with one of our independent financial advisors contacts us on:  
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### MARKETS UPDATE- Close 06/10/10

	Current	Previous (07-09-10)	Movement %
FTSE	5,681.39	5,407.82	+5.06
DOW	10,967.65	10,340.69	+6.06
CAC	3,764.91	3,643.81	+3.32
SMI	6,351.01	6,316.69	+0.64
DAX	6,270.73	6,117.89	+2.50
NIKKEI	9,691.43	9,226.00	+5.04

For the very latest market info  
[www.churchillandpartners.com/market-news.asp](http://www.churchillandpartners.com/market-news.asp)

### CURRENCY EXCHANGE RATES- 07/10/10

CHF- USD\$: 1.04520	CHF- GBPE: 0.65740
CHF-EUR€: 0.74740	EUR€- USD\$: 1.39920
USD\$- GBPE: 0.62850	EUR€- GBPE: 0.87950

[www.churchillandpartners.com/currency-converter.asp](http://www.churchillandpartners.com/currency-converter.asp)

October 7th 2010

Written & designed by Rosie Clow

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