



Annual Short Reports

For the year ended 31st March 2009

EFA Hallmark Haven Strategy Fund

EFA Hallmark Harmony Strategy Fund

EFA Hallmark Horizon Strategy Fund

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EFA Hallmark Haven Strategy Fund



A Sub-Fund of the EFA Hallmark Investment Portfolio

Authorised Corporate Director's Annual Short Report -

For the year ended 31st March 2009

Investment objective

The objective of the Fund is total investment return, through conservative investment in a diversified portfolio of collective investment schemes, investment trusts, other transferable securities, cash or near cash, deposits, money market instruments and derivatives.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

The portfolio will be actively managed and the Fund may invest in derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging).

It is not intended that the use of derivatives in this way will change the risk profile of the Fund. Borrowing will be permitted under the terms of the Regulations.

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to UCITS schemes.

Performance Summary

Fund performance

as at	Net asset value (£)	Net asset value pence per share	No. of shares in issue
31st March 2007	5,785,930	107.99	5,357,799
31st March 2008	5,736,241	99.64	5,757,236
31st March 2009	4,745,158	87.15	5,444,742

Distribution Summary

Fund accounting dates	Distribution payment dates
Final - 31 March	31 May
Annual - 30 September	30 November

Fund expenses	As at 31st March 2008 %	As at 31st March 2009 %
ACD's periodic charge	1.50	1.50
Other expenses	0.77	1.07
Total expense ratio*	2.27	2.57

*Total Expense Ratio (TER)

This is a measure of the total costs associated with managing the Fund. Apart from the initial charge and transaction costs, all other expenses are included in the TER. The TER is an internationally accepted standard for the comparison of costs for authorised funds.

Portfolio Turnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a twelve month period. The PTR is calculated by taking the sum of all transactions in the Fund's share and is expressed as a percentage of Fund's average net asset value.

The PTR of the Fund as at 31st March 2009 was: 709.49% (2008: 947.61%).

Income Distribution

Calendar year	Income Shares	
	Pence per share	Per £1,000 invested at 03/01/2006 £
2005*	1.1916	11.92
2006	2.2857	22.86
2007	2.8277	28.28
2008	2.5344	25.34
2009**	1.1095	11.10

*22nd March 2005 to 31st December 2005

**1st January 2009 to 31st March 2009

Discrete Annual Performance

	2005*	2006	2007	2008	YTD
Haven Strategy	6.28%	5.21%	0.75%	-10.86%	-4.45%

Source: Lipper Hindsight, Net Income Reinvested.

Investment adviser's report for the year ending 31st March 2009

Performance Review

Haven has not been immune to the global economic situation. The returns relative to Haven's absolute return benchmark and to the IMA Cautious Managed Sector in which Haven sits have been as follows:

	6 months	12 months	2 Years	3 Years	*Since Launch
Hallmark Haven Strategy	-8.18%	-10.61%	-15.15%	-12.10%	-4.04%
Benchmark Return	1.22%	3.87%	9.87%	15.38%	21.03%
IMA Cautious Managed Sector Average	-10.43%	-16.76%	-20.82%	-17.51%	-4.45%

*Launch date 22nd March 2005

Source of returns for Bank of England Base Rate and IMA Sector Average: Reuters Lipper Hindsight. Hallmark Haven Strategy returns are with net income reinvested.

Comments on the reasons behind the performance numbers can be found in the Portfolio Review section below.

Market Review

At the end of August 2008 markets were only slightly down on levels a year ago and it looked possible that the impact of the credit crunch on the wider global economy would be damaging but contained. Things changed in the middle of September when Lehman Brothers was allowed to go bankrupt, AIG nearly went the same way and Merrill Lynch and Lloyds TSB had to step in with indecent haste to rescue Bank of America and HBOS respectively. Since then, the unfolding of the credit crunch has dominated markets in a very negative way and we have subsequently witnessed a series of events that make it quite clear that the economic as well as the financial implications of the current crisis are much more profound than was anticipated in the summer of last year.

As far as the investment markets are concerned, there has been almost nowhere to hide. Equity markets around the world have tumbled, but most other asset classes have fallen also and traditionally safe havens have proved to be anything but that. Only government bonds – gilts in the UK – and gold bullion have bucked the trend. Central bank action in slashing rates has not fed through into the real economy and while government bonds have been firm, corporate bond markets have tumbled as fears over defaults have increased. By early in 2009 corporate bonds were typically been pricing in default rates not seen since the great depression in the 1930s, with yields pricing in defaults on nearly four in ten bonds over the next five years.

Commercial property has remained weak throughout the year.

In summary, this has clearly been a very worrying time for the investors and a time that future financial historians will write about for years to come.

Portfolio Review

Throughout most of the twelve month period, Haven's exposure to traditional equity investment has been in the 30% to 40% range, with the majority of this invested in the UK market with a tilt towards shares in larger companies. The four key holdings invested in UK equities have all held up very well and outperformed the FTSE100 and FT All Share Indices. We have continued to use Exchange-Traded Funds to manage the exposure to UK equities on a tactical basis.

Throughout the year the only overseas equity exposure has been to Japan, which performed well during the second half of the period due primarily due to strength in the Yen against the pound.

Haven's exposure to UK corporate bonds has been detrimental to performance. We have, however, maintained an underweight position to fixed interest throughout most of the year, gradually increasing exposure in September and then again in December through purchases of M&G Optimal Income Fund, as we judged that real value was emerging.

We have maintained a zero weighting in commercial property throughout the period, which has proved beneficial.

Exposure to alternative asset classes has not always proved to be the defensive diversifier we had anticipated over the last twelve months. Some have added value, but others have struggled. Haven's holding in Merrill Lynch Elders Capital Accumulator VII has fallen in price due in part to general market fears over counterparty risk with structured products. We are completely comfortable with the position around this fund but the markdown in prices has been indiscriminate. After extensive research, we purchased a small holding in Matrix Asset-Based 2 Fund, a fund of hedge funds active in the asset-backed credit markets but this has suffered from liquidity issues and has not performed as we expected. We remain comfortable with the role of alternative assets in Haven's portfolio and expect them to add value over the next twelve months.

Market Outlook

So where do markets go from here? Throughout the last six months central banks and governments have engaged in large scale, coordinated action but the impact remains uncertain. We have seen interest rate cuts, huge injections of liquidity into the money markets and politicians' promises to 'do whatever it takes' to prevent a global economic meltdown. The recent G20 summit in London, on balance, did more good than harm; while no hugely significant new measures were announced, the summit did provide further evidence of a recognition that a global problem requires a coordinated, global response. But ultimately we all surely recognise that it won't be the politicians that change things and the main sources of optimism for investors probably lie elsewhere.

Perhaps the most important development of the last month or two is that looking at economic data has become a less dismal science. The global economy remains extremely weak, but some indicators of the rate of change suggest that the precipitous decline of late 2008 is starting to ease. This seems particularly true in the 'eye of the storm' – the US – while the UK is also posting a few positive surprises, with improvements in business and consumer confidence.

Other factors contributing to the change in sentiment include banks issuing positive statements on operating profitability in 2009, the advent of quantitative easing policies, the first tentative signs of a narrowing of corporate bond spreads and the sense that perhaps the rate of economic decline is lessening, with commodity prices rallying. Even U.S. housing starts and sales have begun to stabilise from extremely depressed levels and there has been the odd hint that the UK housing market's decline may also be slowing.

How sustainable is this more positive sentiment? The short-term direction of markets is far from clear and only time will tell whether we have now seen the lowest point of this terrible bear market. The US first quarter earnings season is about to get under way and companies' trading statements will be key to the markets' direction. While the consensus remains for a serious contraction in earnings, some strategists are cautiously optimistic. In our view, there are good reasons to believe that the deepest phase of the economic downturn is passing, but with volatility still elevated, risks remain.

History tells us that the stockmarket is a leading indicator. It does not wait for the economy to have turned round before it starts to move in a more positive manner. Rather, it anticipates. It is perfectly possible that it will be 2010 before any 'green shoots' of economic recovery become truly evident but that the climate for investors will look brighter before then. We will remain vigilant and not hesitate to position Haven's portfolio for capital protection if the picture continues to worsen, while doing our best to ensure Haven can benefit from recovery when it comes.

UK Portfolio Management Ltd

Investment Adviser to the Fund

8th May 2009

Portfolio of Investments as at 31st March 2009

Holding	Market Value £	Percentage of total net assets %
Far East 4.40% (4.00%)		
491,487 Jupiter Japan Income Fund (Inc)	208,734	4.40
Global 9.10% (4.73%)		
20,000 Matrix Asset Based	168,208	3.54
225,556 Standard Life Global Index Linked Bond Fund Institutional (Inc)	263,900	5.56
	432,108	9.10
United Kingdom 63.19% (67.57%)		
272,766 Artemis Income Fund (Inc)	323,720	6.83
300,000 Elders Investment Company 28B Capital (Acc) VII	268,500	5.66
141,036 Investec Capital Accumulator Fund 'A' (Acc)	180,019	3.79
94,288 Investec UK Special Situations 'A'	194,903	4.11
36,900 iShares FTSE 100	145,202	3.06
152,468 JPMorgan Income & Capital Trust	132,647	2.80
220,000 Jupiter Second Enhancedome Trust	155,100	3.27
220,000 Jupiter Second Split ZDP Trust (Pref)	174,350	3.67
438,325 M&G Recovery Fund 'A' (Inc)	308,274	6.50
363,001 M&G Optimal Income Fund	343,871	7.25
262,555 Rensburg UK Equity Income Trust (Inc)	322,417	6.79
511,855 Royal London Income Trust (Inc)	334,753	7.05
128,320 Thames River Multi Hedge	114,205	2.41
	2,997,961	63.19
United Kingdom Fixed Term Deposits 14.75% (8.72%)		
700,000 Alliance & Leicester 0.64% 08/04/2009	700,000	14.75

Portfolio of Investments as at 31st March 2009 - *continued*

Holding	Market Value £	Percentage of total net assets %
Portfolio of Investments 91.44% (85.02%)	4,338,803	91.44
Net other assets	406,356	8.56
Total assets	4,745,159	100.00

	Market Value £	Percentage of total net assets %
Fixed Term Deposit	700,000	16.13
Collective Investment Schemes	3,638,803	83.87
	4,338,803	100.00

Note: Comparative figures shown in brackets relate to 31st March 2008

All holdings are Collective Investment Schemes unless where stated.

EFA Hallmark Harmony Strategy Fund



A Sub-Fund of the EFA Hallmark Investment Portfolio

Authorised Corporate Director's Final Short Report -

For the year ended 31st March 2009

Investment objective

The objective of the Fund is total investment return, through investment in a diversified portfolio of collective investment schemes, investment trusts, other transferable securities, cash or near cash, deposits, money market instruments and derivatives.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

The portfolio will be actively managed and the Fund may invest in derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging).

It is not intended that the use of derivatives in this way will change the risk profile of the Fund. Borrowing will be permitted under the terms of the Regulations.

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to UCITS schemes.

Performance Summary

Fund performance

as at	Net asset value (£)	Net asset value pence per share	No. of shares in issue
31st March 2007	8,627,017	116.85	7,382,756
31st March 2008	8,813,066	105.86	8,325,274
31st March 2009	5,790,353	74.92	7,728,421

Distribution Summary

Fund accounting dates	Distribution payment dates
Final - 31 March	31 May
Annual - 30 September	30 November

Fund expenses	As at 31st March 2008 %	As at 31st March 2009 %
ACD's periodic charge	1.50	1.50
Other expenses	0.87	1.14
Total expense ratio*	2.37	2.64

*Total Expense Ratio (TER)

This is a measure of the total costs associated with managing the Fund. Apart from the initial charge and transaction costs, all other expenses are included in the TER. The TER is an internationally accepted standard for the comparison of costs for authorised funds.

Portfolio Turnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a twelve month period. The PTR is calculated by taking the sum of all transactions in the Fund's share and is expressed as a percentage of Fund's average net asset value.

The PTR of the Fund as at 31st March 2009 was: 298.14% (2008: 345.93%).

Income Distribution

Calendar year	Income Shares	
	Pence per share	Per £1,000 invested at 03/01/2006 £
2005*	1.1299	11.30
2006	2.2847	22.84
2007	2.5055	25.06
2008	2.4472	24.47
2009**	0.9806	9.81

*22nd March 2005 to 31st December 2005

**1st January 2009 to 31st March 2009

Discrete Annual Performance

	2005*	2006	2007	2008	YTD
EFA Hallmark Harmony Strategy	10.83%	8.04%	1.13%	-26.23%	-8.60%

Source: Lipper Hindsight, Net Income Reinvested.

Investment adviser's report for the year ending 31st March 2009

Performance Review

Harmony's performance has not stood up well to the global economic situation. The returns relative to Harmony's absolute return benchmark and to the IMA Balanced Managed Sector in which Harmony sits have been as follows:

	6 months	12 months	2 Years	3 Years	*Since Launch
Hallmark Harmony Strategy	-18.65%	-27.65%	-33.10%	-29.31%	-18.35%
Benchmark Return	2.22%	5.87%	13.93%	21.54%	29.40%
IMA Balanced Managed Sector Average	-12.39%	-21.34%	-25.42%	-21.60%	-2.65%

*Launch date 22 March 2005

Source of returns for Bank of England Base Rate and IMA Sector Average: Reuters Lipper Hindsight. Hallmark Harmony Strategy returns are with net income reinvested.

Comments on the reasons behind the performance numbers can be found in the Portfolio Review section below.

Market Review

At the end of August 2008 markets were only slightly down on levels a year ago and it looked possible that the impact of the credit crunch on the wider global economy would be damaging but contained. Things changed in the middle of September when Lehman Brothers was allowed to go bankrupt, AIG nearly went the same way and Merrill Lynch and Lloyds TSB had to step in with indecent haste to rescue Bank of America and HBOS respectively. Since then, the unfolding of the credit crunch has dominated markets in a very negative way and we have subsequently witnessed a series of events that make it quite clear that the economic as well as the financial implications of the current crisis are much more profound than was anticipated in the summer of last year.

As far as the investment markets are concerned, there has been almost nowhere to hide. Equity markets around the world have tumbled, but most other asset classes have fallen also and traditionally safe havens have proved to be anything but that. Only government bonds – gilts in the UK – and gold bullion have bucked the trend. Central bank action in slashing rates has not fed through into the real economy and while government bonds have been firm, corporate bond markets have tumbled as fears over defaults have increased. By early in 2009 corporate bonds were typically been pricing in default rates not seen since the great depression in the 1930s, with yields pricing in defaults on nearly four in ten bonds over the next five years.

Commercial property has remained weak throughout the year.

In summary, this has clearly been a very worrying time for the investors and a time that future financial historians will write about for years to come.

Portfolio Review

Throughout most of the twelve month period, Harmony's exposure to traditional equity investment has been in the 50% to 70% range, with typically two-thirds of this invested in the UK market. Over the period we have gradually shifted the UK equity exposure towards funds invested in more defensive companies with strong balance sheets. However, exposure to smaller companies and financials in the first half of the year has impacted on performance. We have continued to use Exchange-Traded Funds to manage the exposure to UK equities on a tactical basis.

Turning to overseas equity exposure, holdings in Asia Pacific and Japanese markets have held up comparatively well, not least due to currency strength against the pound. We have increased exposure to the US equity market as we believe the USA will lead the global economy out of recession.

Harmony's exposure to UK corporate bonds has been very costly to performance in both absolute and relative terms, with holdings in financial bonds proving very ill-judged. We have spent some considerable time looking at these holdings and believe that they will rebound strongly when credit markets pick up, but we would not hesitate to sell if the prognosis doesn't improve.

We have maintained a zero weighting in commercial property throughout the period, which has proved beneficial.

Harmony only has a small exposure to alternative asset classes but this has not proved to be the defensive diversifier we had anticipated over the last twelve months. The holding in Merrill Lynch Elders Capital Accumulator III has fallen in price due in part to general market fears over counterparty risk with structured products. We are completely comfortable with the position around this fund but the markdown in prices has been indiscriminate. We remain comfortable with the role of alternative assets in Harmony's portfolio and expect it to add value over the next twelve months.

Market Outlook

So where do markets go from here? Throughout the last six months central banks and governments have engaged in large scale, coordinated action but the impact remains uncertain. We have seen interest rate cuts, huge injections of liquidity into the money markets and politicians' promises to 'do whatever it takes' to prevent a global economic meltdown. The recent G20 summit in London, on balance, did more good than harm; while no hugely significant new measures were announced, the summit did provide further evidence of a recognition that a global problem requires a coordinated, global response. But ultimately we all surely recognise that it won't be the politicians that change things and the main sources of optimism for investors probably lie elsewhere.

Perhaps the most important development of the last month or two is that looking at economic data has become a less dismal science. The global economy remains extremely weak, but some indicators of the rate of change suggest that the precipitous decline of late 2008 is starting to ease. This seems particularly true in the 'eye of the storm' – the US – while the UK is also posting a few positive surprises, with improvements in business and consumer confidence.

Other factors contributing to the change in sentiment include banks issuing positive statements on operating profitability in 2009, the advent of quantitative easing policies, the first tentative signs of a narrowing of corporate bond spreads and the sense that perhaps the rate of economic decline is lessening, with commodity prices rallying. Even U.S. housing starts and sales have begun to stabilise from extremely depressed levels and there has been the odd hint that the UK housing market's decline may also be slowing.

How sustainable is this more positive sentiment? The short-term direction of markets is far from clear and only time will tell whether we have now seen the lowest point of this terrible bear market. The US first quarter earnings season is about to get under way and companies' trading statements will be key to the markets' direction. While the consensus remains for a serious contraction in earnings, some strategists are cautiously optimistic. In our view, there are good reasons to believe that the deepest phase of the economic downturn is passing, but with volatility still elevated, risks remain.

History tells us that the stockmarket is a leading indicator. It does not wait for the economy to have turned round before it starts to move in a more positive manner. Rather, it anticipates. It is perfectly possible that it will be 2010 before any 'green shoots' of economic recovery become truly evident but that the climate for investors will look brighter before then. We will remain vigilant and not hesitate to position Harmony's portfolio for capital protection if the picture continues to worsen, while doing our best to maintain a sensible balance between capital protection and maximising returns; we will be doing our best to ensure Harmony can benefit from recovery when it comes.

UK Portfolio Management Ltd

Investment Adviser to the Fund

8th May 2009

Portfolio of Investments as at 31st March 2009

Holding	Market Value £	Percentage of total net assets %
Europe 6.19% (5.61%)		
481,359 Schroder European Alpha Plus Fund 'A' (Inc)	358,275	6.19
Far East 10.77% (8.54%)		
205,575 Aberdeen Asia Pacific 'A' (Inc)	186,148	3.21
125,000 Newton Asian Income Trust (Inc)	119,525	2.06
497,162 Old Mutual Japan Select Fund	318,283	5.50
	623,956	10.77
United Kingdom 66.08% (70.45%)		
572,499 AXA Framlington Equity Income Fund (Inc)	502,139	8.67
411,384 BlackRock UK Dynamic Fund	370,081	6.39
750,000 Elders Investment Company 21A Capital (Acc) III	474,375	8.20
175,815 iShares FTSE 100	691,832	11.95
48,000 iShares FTSE 250	302,401	5.22
383,068 JO Hambro UK Opportunities Institutional 'A'	379,315	6.55
603,743 Mellon-Newton Higher Income (Inc)	274,582	4.74
577,071 Old Mutual Corporate Bond Fund (Inc)	363,266	6.27
356,494 Royal London Sterling Extra Yield Bond Fund 'A' (Acc)	239,454	4.14
366,245 Schroder UK Alpha Plus Fund 'A' (Inc)	228,939	3.95
	3,826,384	66.08
United States 3.76% (1.54%)		
370,448 UBS US Equity Fund 'B' (Acc)	217,564	3.76
Others 0.00% (9.95%)		
Portfolio of Investments 86.80% (96.09%)	5,026,179	86.80
Net other assets	764,175	13.20
Total net assets	5,790,354	100.00

Note: Comparative figures are for the period ended 31st March 2008.

All holdings are Collective Investment Schemes unless where stated.

EFA Hallmark Horizon Strategy Fund



A Sub-Fund of the EFA Hallmark Investment Portfolio

Authorised Corporate Director's Final Short Report -

For the year ended 31st March 2009

Investment objective

The objective of the Fund is capital growth, through adventurous investment in a diversified portfolio of collective investment schemes, investment trusts, other transferable securities, cash or near cash, deposits, money market instruments and derivatives.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, meaning that the investment adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

The portfolio will be actively managed and the Fund may invest in derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging).

It is not intended that the use of derivatives in this way will change the risk profile of the Fund. Borrowing will be permitted under the terms of the Regulations.

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to UCITS schemes.

Performance Summary

Fund performance

as at	Net asset value (£)	Net asset value pence per share	No. of shares in issue
31st March 2007	2,512,316	130.90	1,919,214
31st March 2008	3,001,429	127.19	2,359,877
31st March 2009	2,409,227	94.87	2,539,619

Distribution Summary

Fund accounting dates	Distribution payment dates
Final - 31 March	31 May
Annual - 30 September	30 November

Fund expenses	As at 31st March 2008 %	As at 31st March 2009 %
ACD's periodic charge	1.50	1.50
Other expenses	0.67	0.69
Total expense ratio*	2.17	2.19

*Total Expense Ratio (TER)

This is a measure of the total costs associated with managing the Fund. Apart from the initial charge and transaction costs, all other expenses are included in the TER. The TER is an internationally accepted standard for the comparison of costs for authorised funds.

Portfolio Turnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a twelve month period. The PTR is calculated by taking the sum of all transactions in the Fund's share and is expressed as a percentage of Fund's average net asset value.

The PTR of the Fund as at 31st March 2009 was: 547.33% (2008: 999.68%).

Income Distribution

Calendar year	Income Shares	
	Pence per share	Per £1,000 invested at 03/01/2005 £
2005*	0.5569	5.57
2006	0.6111	6.11
2007	0.8177	8.18
2008	0.7788	7.79
2009**	0.4558	4.56

*22nd March 2005 to 31st December 2005

**1st January 2009 to 31st March 2009

Discrete Annual Performance

	2005*	2006	2007	2008	YTD
Horizon Strategy	20.83%	6.90%	4.61%	-24.57	-4.42%

Source: Lipper Hindsight, Net Income Reinvested.

Investment adviser's report for the year ending 31st March 2009

Performance Review

Throughout most of the twelve month period, Horizon's exposure has been restricted to a combination of UK and overseas equities and cash. Overseas exposure has increased as a percentage of the total. We have not held any fixed interest, commercial property or alternative assets in the portfolio.

In April and May we adopted a more defensive stance, selling all exposure to individual bank shares and also selling the holding in Merrill Lynch World Mining. In June we bought back into equities, including an increase in the exposure to the US market. In September, prematurely with hindsight, we bought back into Merrill Lynch World Mining, which had a negative impact on performance in the Autumn although this fund has performed strongly towards the end of the year covered by this report. Equity exposure was increased still further in February, again a little prematurely, although this has left Horizon well-positioned for the rally towards the end of March.

In general terms, Horizon's equity exposure has been overweight in medium and smaller-sized companies relative to the market indices, which has proved slightly counterproductive, although as the period ends we are witnessing something of a recovery in such companies and Horizon looks well-placed to benefit.

We have continued to use Exchange-Traded Funds to manage the exposure to UK equities on a tactical basis. Towards the end of the year we also introduced exposure to an ETF invested in the US market. The USA has now replaced Japan as the largest overseas exposure, due to a belief that the world's largest economy will lead the global recovery.

	6 months	12 months	2 Years	3 Years	*Since Launch
Hallmark Horizon Strategy	-15.03%	-24.97%	-26.46%	-22.52%	-2.59%
Benchmark Return	3.20%	7.87%	18.06%	27.94%	38.27%
IMA Active Managed					
Sector Average	-14.09%	-24.48%	-28.19%	-24.91%	-4.24%

*Launch date 22nd March 2005

Source of returns for Bank of England Base Rate, IMA Sector Average and Hallmark Horizon Strategy: Reuters Lipper Hindsight. Hallmark Horizon Strategy returns are with net income reinvested in GBP, no initial charges applied.

Comments on the reasons behind the performance numbers can be found in the Portfolio Review section below.

Market Review

At the end of August 2008 markets were only slightly down on levels a year ago and it looked possible that the impact of the credit crunch on the wider global economy would be damaging but contained. Things changed in the middle of September when Lehman Brothers was allowed to go bankrupt, AIG nearly went the same way and Merrill Lynch and Lloyds TSB had to step in with indecent haste to rescue Bank of America and HBOS respectively. Since then, the unfolding of the credit crunch has dominated markets in a very negative way and we have subsequently witnessed a series of events that make it quite clear that the economic as well as the financial implications of the current crisis are much more profound than was anticipated in the summer of last year.

As far as the investment markets are concerned, there has been almost nowhere to hide. Equity markets around the world have tumbled, but most other asset classes have fallen also and traditionally safe havens have proved to be anything but that. Only government bonds – gilts in the UK – and gold bullion have bucked the trend. Central bank action in slashing rates has not fed through into the real economy and while government bonds have been firm, corporate bond markets have tumbled as fears over defaults have increased. By early in 2009 corporate bonds were typically been pricing in default rates not seen since the great depression in the 1930s, with yields pricing in defaults on nearly four in ten bonds over the next five years.

Commercial property has remained weak throughout the year.

In summary, this has clearly been a very worrying time for the investors and a time that future financial historians will write about for years to come.

Portfolio Review

Throughout most of the twelve month period, Horizon's exposure has been restricted to a combination of UK and overseas equities and cash. Overseas exposure has increased as a percentage of the total. We have not held any fixed interest, commercial property or alternative assets in the portfolio.

In April and May we adopted a more defensive stance, selling all exposure to individual bank shares and also selling the holding in Merrill Lynch World Mining. In June we bought back into equities, including an increase in the exposure to the US market. In September, prematurely with hindsight, we bought back into Merrill Lynch World Mining, which had a negative impact on performance in the Autumn although this fund has performed strongly towards the end of the year covered by this report. Equity exposure was increased still further in February, again a little prematurely, although this has left Horizon well-positioned for the rally towards the end of March.

In general terms, Horizon's equity exposure has been overweight in medium and smaller-sized companies relative to the market indices, which has proved slightly counterproductive, although as the period ends we are witnessing something of a recovery in such companies and Horizon looks well-placed to benefit.

We have continued to use Exchange-Traded Funds to manage the exposure to UK equities on a tactical basis. Towards the end of the year we also introduced exposure to an ETF invested in the US market. The USA has now replaced Japan as the largest overseas exposure, due to a belief that the world's largest economy will lead the global recovery.

Outlook

So where do markets go from here? Throughout the last six months central banks and governments have engaged in large scale, coordinated action but the impact remains uncertain. We have seen interest rate cuts, huge injections of liquidity into the money markets and politicians' promises to 'do whatever it takes' to prevent a global economic meltdown. The recent G20 summit in London, on balance, did more good than harm; while no hugely significant new measures were announced, the summit did provide further evidence of a recognition that a global problem requires a coordinated, global response. But ultimately we all surely recognise that it won't be the politicians that change things and the main sources of optimism for investors probably lie elsewhere.

Perhaps the most important development of the last month or two is that looking at economic data has become a less dismal science. The global economy remains extremely weak, but some indicators of the rate of change suggest that the precipitous decline of late 2008 is starting to ease. This seems particularly true in the 'eye of the storm' – the US – while the UK is also posting a few positive surprises, with improvements in business and consumer confidence.

Other factors contributing to the change in sentiment include banks issuing positive statements on operating profitability in 2009, the advent of quantitative easing policies, the first tentative signs of a narrowing of corporate bond spreads and the sense that perhaps the rate of economic decline is lessening, with commodity prices rallying. Even U.S. housing starts and sales have begun to stabilise from extremely depressed levels and there has been the odd hint that the UK housing market's decline may also be slowing.

How sustainable is this more positive sentiment? The short-term direction of markets is far from clear and only time will tell whether we have now seen the lowest point of this terrible bear market. The US first quarter earnings season is about to get under way and companies' trading statements will be key to the markets' direction. While the consensus remains for a serious contraction in earnings, some strategists are cautiously optimistic. In our view, there are good reasons to believe that the deepest phase of the economic downturn is passing, but with volatility still elevated, risks remain.

History tells us that the stockmarket is a leading indicator. It does not wait for the economy to have turned round before it starts to move in a more positive manner. Rather, it anticipates. It is perfectly possible that it will be 2010 before any 'green shoots' of economic recovery become truly evident but that the climate for investors will look brighter before then. We will remain vigilant and not hesitate to position Horizon's portfolio for capital protection if the picture continues to worsen, while always bearing in mind that Horizon's emphasis is on maximising returns and we will be doing our best to ensure Horizon can benefit from recovery when it comes.

UK Portfolio Management Ltd

Investment Adviser to the Fund

8th May 2009

Portfolio of Investments as at 31st March 2009

Holding	Market Value £	Percentage of total net assets %
Europe 3.60% (3.93%)		
37,491 Neptune European Opportunities Fund (Inc)	86,793	3.60
Far East 7.43% (10.12%)		
53,619 First State Asia Pacific Fund 'B' (Acc)	116,488	4.84
95,326 Martin Currie Japan Alpha Fund 'B'	62,400	2.59
	178,888	7.43
Global 8.03% (4.87%)		
43,000 BlackRock World Mining	140,395	5.83
5,263 BlackRock Gold & General Trust (Acc)	53,046	2.20
	193,441	8.03
United States 8.59% (0.00%)		
17,500 iShares S&P 500	97,038	4.03
91,241 Martin Currie America 'B' (Acc)	109,945	4.56
	206,983	8.59
United Kingdom 50.86% (58.96%)		
100,400 iShares FTSE 100	395,074	16.40
16,000 iShares FTSE 250	100,800	4.18
110,673 Liontrust First Growth (Acc)	149,453	6.20
22,400 M&G UK Select Fund 'A' (Inc)	178,961	7.43
86,690 Rensburg UK Select Growth Fund (Inc)	143,386	5.95
225,000 River & Mercantile UK Smaller Companies Fund (Inc)	132,642	5.51
144,272 Standard Life UK Opportunities Inst (Acc)	124,968	5.19
	1,225,284	50.86

Portfolio of Investments as at 31st March 2009

Holding	Market Value £	Percentage of total net assets %
United Kingdom Investment Trusts 5.12% (5.48%)		
12,020 Atlantis Japan Growth Fund	55,786	2.32
57,000 Baillie Gifford Japan Trust	67,545	2.80
	123,331	5.12
Other 0.00% (13.53%)		
Portfolio of Investments 83.63% (96.89%)	2,014,720	83.63
Net other assets	394,506	16.37
Total net assets	2,409,226	100.00
	Market Value net assets £	Percentage of total %
Investment Trusts	123,331	6.12
Collective Investment Schemes	1,891,389	93.88
	2,014,720	100.00

Note: Comparative figures shown in brackets relate to 31st March 2008.

All holdings are Collective Investment Schemes unless where stated.

Other information about the Company during the year

Reports & Accounts

The information in this report is designed to enable shareholders to make an informed judgment on the activities of the Company during the period it covers and the result of those activities at the end of the year. The full Report and Accounts are available free of charge on request from the Authorised Corporate Director (the “ACD”). For more information about the activities and performance of the sub-funds during the year and previous years, please contact the ACD at the address as noted on page 23.

Change of Registrar

With effect from 1st November 2008 the responsibility for the maintenance of the register of holders was transferred from Northern Trust International Fund Administration Services (UK) Limited to the ACD, WAY Fund Managers Limited at the address of the ACD. All enquiries, changes of address or alteration to the register should now be addressed to WAY Fund Managers Limited. The ACD address is also the address at which the register of holders may be inspected.

Listing of prices

The latest share prices are available at www.fundlistings.com

Alternatively, you can contact us on 01202 855 856 (9 a.m. to 5 p.m. Monday-Friday excluding bank holidays) and we will be happy to provide you with the most recent price of your shares.

Risk profile

The following are important warnings:

- Investors should appreciate that there are inherent risks in all types of investments. Stock market prices can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment. Investment in the Fund should be regarded as a long-term investment. There can be no guarantee that the objectives of the Fund will be achieved.
- The capital value and the income from shares in the Fund can fluctuate and the price of shares and the income from them can go down as well as up and are not guaranteed. On encashment, particularly in the short term, investors may receive less than the original amount invested. The ACD's initial charge is deducted from an investment at the outset and an equivalent rise in the value of the shares is required before the original investment can be recovered.
- Defensive investment in cash and money market instruments, at times when relevant stockmarket indices are rising, may constrain the growth of capital invested in the Fund.
- Investments may be made in assets denominated in various currencies and the movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gains and losses otherwise experienced on such investments.
- It must be emphasised that past performance is not necessarily a guide to future growth or rates of return.
- Exemptions, thresholds and rates of tax may change in future tax years.
- Some or all of any other charges and expenses may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth.

Depository

State Street Trustees Limited
One Canada Square
London
E14 5AF

Authorised and regulated by the Financial Services Authority.

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

ACD Contact Details

WAY Fund Managers Limited,
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne, Dorset BH21 7SB

Authorised and regulated by the Financial Services Authority
and a member of IMA.

Investment Adviser*

UK Portfolio Management Limited
Ropergate House
45 Ropergate
Pontefract
West Yorkshire WF8 1JY

Authorised and regulated by the Financial Services
Authority.

*With effect from 28th July 2008 the Investment Adviser, YIG
Asset Management Limited, changed its name to UK Portfolio
Management Limited.

Telephone: 01202 855 856 Fax: 01202 855 850

Website: www.wayfunds.com

Email: customerservices@wayfunds.com

Calls may be recorded for security purposes
and to improve customer service.