

All data as at 30.09.11

## Pension Information Sheets



Fund Manager  
**James Rigg**  
Since: 10 2007

### Fund aim

The Fund will invest in direct commercial property in the UK. The objective is to outperform the CAPS Median for Pooled Property funds by 1-1.5% per annum, or better, over rolling 3 year periods.

### Fund facts

Benchmark	CAPS Pooled Pension Fund Survey Median - Property
Index	IPD UK Monthly Index
Fund Size	£1096.4m
Fund Launch Date	March 1995
Management Charge	Please refer to your company pension scheme booklet

All information is expressed in UK Sterling

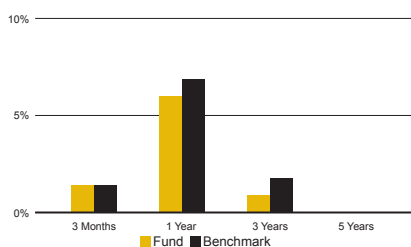
## Property Fund

### Commentary and outlook

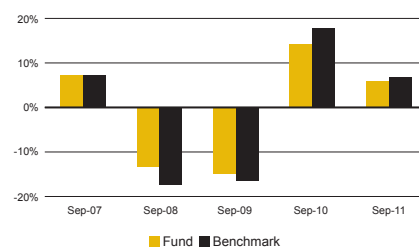
The portfolio produced fractionally higher than average capital value growth than the benchmark in Q3, supported by an above average income return at 1.9% vs 1.6%. The fund remains in acquisition mode and we purchased the freehold of a property in Thoroughfare, Ipswich in Q3 at a net initial yield of 9.3%. We also continued to undertake asset management initiatives during the quarter, completing 13 new lettings and 13 rent reviews. Asset management highlights included extending the lease on a Grade A Basingstoke office at a rent reflecting £16 per square foot; letting a prime office suite on Farringdon Road, London at a rent reflecting £35 per square foot and extending the lease on a Wellingborough office at a rent reflecting £8 per square foot. Looking ahead, we expect rental income to be the dominant component of total returns over the next 18 months. The fund's income focus should stand it in good stead in this environment.

### 5 year performance

Performance - Discrete Periods



Performance 12 months ending



### Fund performance

	3M%	1Y%	3Y%	5Y%
Fund	1.4	6.0	0.9	-0.9
Benchmark	1.4	6.9	1.8	-1.2

### Performance 12 months ending

	30 Sep 07	30 Sep 08	30 Sep 09	30 Sep 10	30 Sep 11
Fund	7.3%	-13.3%	-15.0%	14.2%	6.0%

### Top 5 direct holdings

Property	%	Total % in top 5: 15.5
The Heals Building, London W1	4.5	
Boreham Airfield, Chelmsford	3.7	
Deva Retail Park, Chester	3.0	
Film Hs & Mentorn Hs, London W1	2.2	
The Priory Centre, Worksop	2.1	

Source: Threadneedle

Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise. The performance returns shown on this factsheet are with income reinvested and net of annual management charges. Please see your scheme booklet for full details on all charges that may apply. Performance source: Threadneedle. Three and five year returns are annualised.

## Sector weightings

%	Fund	Deviation from Index	
Retail	37.0	-10.0%	
Offices	31.0	0.0%	
Industrial	15.0	-2.0%	
Miscellaneous	4.0	-1.0%	
Cash & Other	13.0	13.0%	

Source: Factset

## Regional weightings

%	Fund	Deviation from Index	
South East	24.7	7.2%	
London (Inner)	19.3	2.6%	
Yorks/Humberside	11.2	5.0%	
London (Outer)	9.0	-4.5%	
North West	6.8	-1.0%	
East Midlands	6.6	2.1%	
Eastern	5.1	-2.2%	
South West	4.9	-1.5%	
West Midlands	4.8	-2.8%	
Other	7.6	-4.9%	

Source: Threadneedle

## Top 10 tenants payable

	(% of Total Passing Rent)
Virgin Media Limited	3.5
Magnet Limited	2.4
Nike (UK) Ltd	2.4
Hanson Quarry Products	2.3
DSG Retail Ltd	2.2
BMC Software Limited	1.6
Primark Stores Ltd	1.5
Heal & Sons Limited	1.5
Deluxe 142 Ltd	1.4
Waitrose Limited	1.3

Source: Threadneedle

## Portfolio characteristics

	Fund	Index
Net initial yield on property % (to one decimal point)	7.0	6.2
Vacancy rate % (to one decimal point)	9.0	8.1
Number of tenants	950	n/a
Avg term of lease to renewal - years (to one decimal point)	7.1	8.7

Source: Threadneedle

## Risk warnings

**Market Risk:** Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up, and an investor may not get back the amount invested.

**Liquidity risk:** In extreme market conditions it may be difficult for a fund to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising his investment or may incur a dilution adjustment.

**Property risk:** It may be difficult or impossible to realise an investment in the fund because the underlying property concerned may not be readily saleable. The value of property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. The performance of the fund would be adversely affected by a downturn in the Property market.

**Cash risk:** Where a fund holds at any one time a substantial proportion of their assets in cash, near cash or money market instruments, it might not, under such circumstances, participate fully in a rise in market values of the asset classes the fund would otherwise invest in.

Asset class

Higher volatility

Equity

Property

Bond

Cash

Lower volatility



## Contact details

Helpline 0845 3001545

Helpline calls may be recorded