

All data as at 31.12.11

## Pension Information Sheets



Fund Manager  
**Quentin Fitzsimmons**  
Since: 04 2010

### Fund aim

The fund invests primarily in sterling denominated UK fixed interest securities. It aims to achieve yearly returns that are 0.5% or more above the benchmark over rolling 3 year periods.

### Fund facts

Benchmark	Composite index*
Fund Size	£40.0m
Fund Launch Date	December 1971
Management Charge	Please refer to your company pension scheme booklet

All information is expressed in UK Sterling

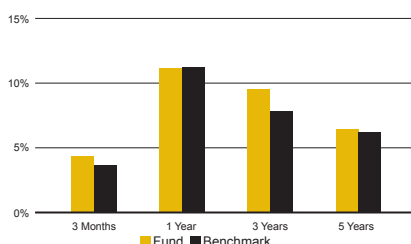
## UK Bond Fund

### Commentary and outlook

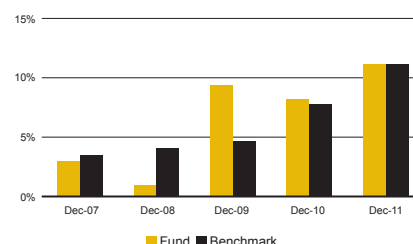
The fund outperformed its composite benchmark during the fourth quarter, with both of the underlying portfolios performing well against their respective indices. The gilt portfolio was favourably positioned in anticipation of the announcement on quantitative easing (QE) in early October, holding overweight positions in the 10 to 30-year part of the yield curve and underweights in short-dated bonds. With QE purchases focused on longer maturities, longer-dated gilts outperformed early in the quarter, vindicating this positioning. We subsequently reduced the duration of the fund, locking in gains. By the end of the period we had moved to an underweight duration position in anticipation of rising yields in the first part of 2012. In the corporate bond part of the fund, we were overweight in lower-rated credit, which outperformed, and underweight in supranationals such as EIB, which fared particularly badly. Activity in this part of the fund was very light, reflecting limited liquidity and the consequent high cost of dealing.

### 5 year performance

Performance - Discrete Periods



Performance 12 months ending



### Fund performance

	3M%	1Y%	3Y%	5Y%
Fund	4.4	11.2	9.6	6.5
Benchmark	3.7	11.2	7.9	6.2

### Performance 12 months ending

31 Dec 07	31 Dec 08	31 Dec 09	31 Dec 10	31 Dec 11
3.0%	1.0%	9.4%	8.2%	11.2%

### Top 10 holdings

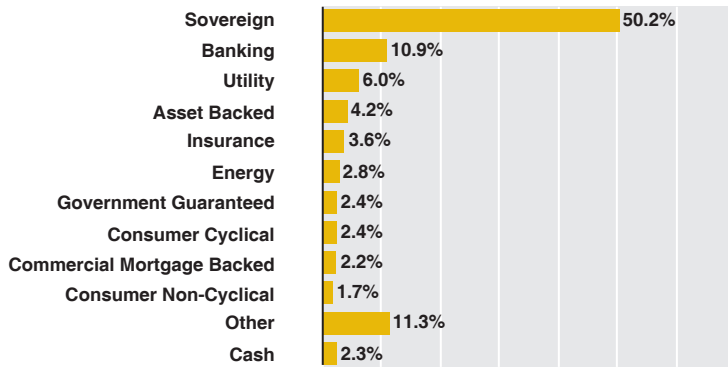
	%	
UK Treasury 4.25% 2040	4.5	Total % in top 10: 30.2 Total number of issues in portfolio: 245
UK Treasury 3.75% 2019	3.7	
UK Treasury 5.25% 2012	3.6	
UK Treasury 4.0% 2022	3.1	
UK Treasury 1.75% 2017	3.1	
UK Treasury 2.25% 2014	2.7	
UK Treasury 3.75% 2020	2.7	
UK Treasury 4.75% 2030	2.5	
UK Treasury 2.75% 2015	2.3	
UK Treasury 3.75% 2052	2.2	

Source: Factset

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 gross of annual management charges. The effect of charges will reduce the performance figures accordingly. Please see your scheme booklet for full details on all charges that may apply. Performance source: Threadneedle. Three and five year returns are annualised.

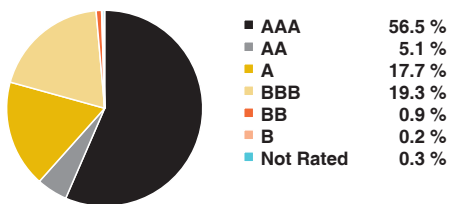
\* Consists of 50% iBoxx Sterling Non Gilts Index and 50% FT British Government All Stocks Index.

## Sector weightings



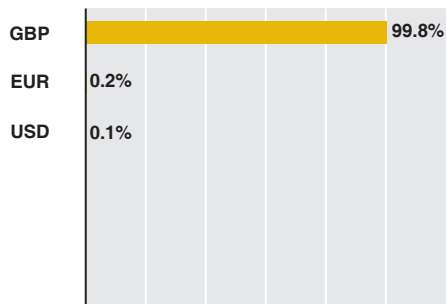
Source: Factset

## Credit rating weightings (ex cash)



Source: Factset

## Net currency exposure



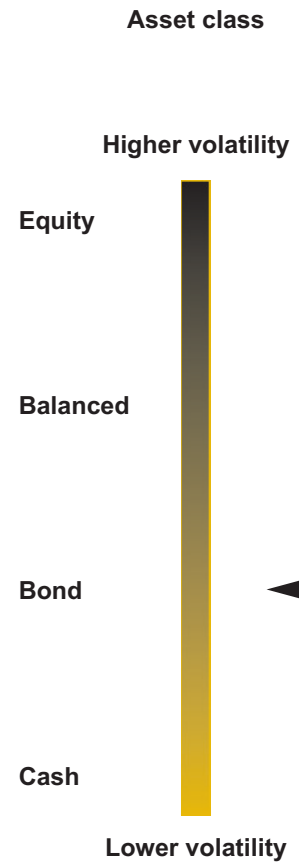
Source: Factset

## 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.

**Fixed Income Fund Risk:** The interest rate on most government and corporate bonds will not increase in line with inflation. Thus, over time, the real value of investor's income could fall.

**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.



## Contact details

Helpline 0845 3001545

Helpline calls may be recorded