



Investment Solutions

Property Fund Quarter 4 2011

Fund Objective

This Fund aims to generate returns in excess of its benchmark, on a consistent three-year rolling basis. By the careful selection of highly rated specialist asset managers, the Fund aims to achieve superior risk-adjusted returns over time. The Fund will invest in UK commercial properties across all major sectors (offices, industrial and retail). The current appointed manager is Aviva Investors.

Benchmark

The benchmark is the IPD UK Monthly Property Index.

Fund Information

Provider: Investment Solutions Limited

Dealing Frequency: Daily

Launch Date*: 01/10/2004

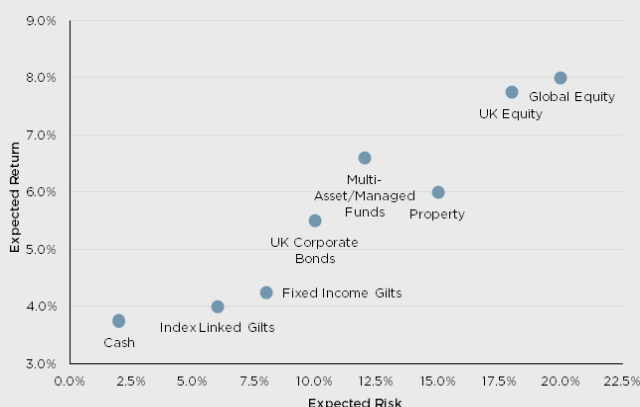
Lower Threshold: £100,000

Availability: Available through selected GPP, Occupational Defined Contribution and Defined Benefit schemes.

Charges: In addition to the Annual Management Charge, periodic charges may also become payable to the underlying fund managers. As at 31/12/2011, these charges are estimated to be 0.56%

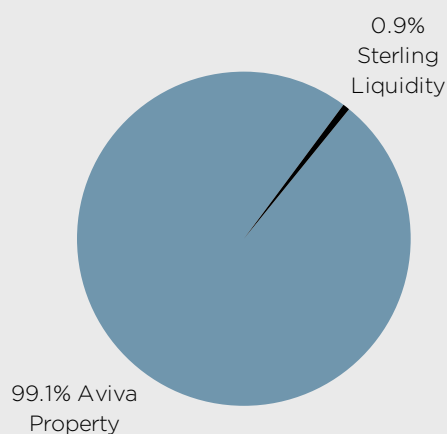
Pricing Structure: Single priced. In the event that the total value of units purchased on a particular day exceeds the value of requests to redeem units, the single price may be equal to the higher creation price. Conversely, this single price may be equal to the lower cancellation price.

Asset Class - Risk Returns



Source: Investment Solutions

Underlying Fund Allocation



Source: Investment Solutions

Performance to Date

	3 months to Q4	One year to 31/12/2011	One year to 31/12/2010	One year to 31/12/2009	One year to 31/12/2008	One year to 31/12/2007	Inception* to 31/12/2011
Fund	1.3%	6.4%	12.3%	1.3%	-19.2%	-5.6%	4.7%
Benchmark	1.6%	8.1%	14.5%	2.2%	-22.5%	-5.5%	4.4%
Relative	-0.3%	-1.7%	-2.2%	-0.9%	3.3%	-0.1%	0.3%

Past performance should not be seen as a guide to future performance and may not be repeated. The value of investments may go down as well as up and investors may not get back the amount originally invested, are not certain to make a profit and may lose money. Performance is quoted using close of business valuations and may differ from statement values, which use dealing valuations. Exchange rate changes may cause the value of overseas investments to rise or fall. Investors should be aware that investment in emerging markets involves a high degree of risk and should be seen as long term in nature. Where a fund is invested with another life company by means of a reinsurance arrangement, we monitor the way the reinsurer manages the business, but we do not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund. The asset allocation and choice of asset managers are at the discretion of Investment Solutions Limited and may be changed without notification to the investor. Investment Solutions Limited is unable to provide advice and can only provide information on its own products and services. Investment Solutions Limited is authorised and regulated by the Financial Services Authority. Registered Number: 3104978. Registered in England and Wales at: 5th Floor, Leon House, 233 High Street, Croydon, Surrey CR9 9AF. Financial Services Authority registered address: 25 The North Colonnade, Canary Wharf, London E14 5HS. For your security telephone conversations may be recorded. Copyright © Investment Solutions Limited 2012. All rights reserved.

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Market Commentary

Global stockmarkets experienced a sharp rebound in the final quarter of 2011. This was a recovery from the setback of the third quarter when markets were very concerned that the US would not raise its debt ceiling and that various peripheral Eurozone countries may default and potentially leave the Euro.

The emerging economies have continued to see slowing growth, and China, in particular, has been using monetary policy actively to engineer a soft landing. The main concern in many global emerging economies is to balance inflationary pressures, with the need to ensure business cycle expansion for as long as possible, whilst encouraging internal demand.

Fixed Interest markets experienced yet another positive return this quarter, as gilts benefitted from the significant uncertainty in global sovereign bond markets. Corporate bonds lagged gilts over the quarter, however, the sector still is, in our view, relatively attractive versus cash or gilts.

The general lull in global growth experienced recently combined with broadly disappointing global macro news-flow leads us to be cautious on investment markets in the short-term. On a more positive note, companies appear to be in reasonable shape globally, and many have strong balance sheets and are maintaining a good dividend policy. Financially, companies appear to be in a better position to weather a market downturn than they were in 2008. However, the periodic setbacks and occasional weaker patches are expected to continue as market sentiment fluctuates and policy makers struggle to deliver appropriate solutions. In the long-term, it is our view that markets and the global economy will move forward and grow, albeit below trend.

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