

April 2012

Portfolio manager's commentary

The Growth portfolio grew by more than 7% over the last quarter, ahead of its benchmark. This performance came during a period of relative calm despite concerns over the slowing Chinese economy and increases in oil prices. Better news from the US and, to a lesser degree, Europe made it a good period for active stock picking as there was a lot of value to be found.

Due to the current broad spread within the portfolio no specific asset allocation changes were made but we have taken action to adjust individual fund holdings where our criteria were not being met. Additionally we have reallocated the natural resources fund from "hard" commodities into agriculture and UK property into one with a more global reach.

Full details of the changes can be found on the updated fund lists.

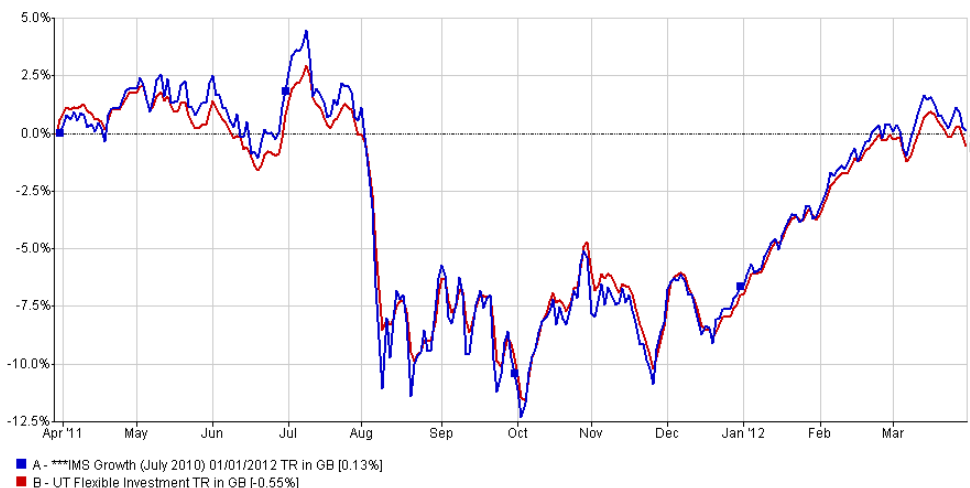
Indicative risk rating



Portfolio mandate

Indicative risk rating	Asset classes	Asset allocation				Benchmark
		Cash	Fixed interest	Equities	Other	
7-8	Minimum	0	0	0	0	Flexible Managed
	Maximum	20	30	100	20	
	Normal alloc.	0	22	74	4	

12 month fund performance versus benchmark



30/03/2011 - 30/03/2012 Data from FE 2012



James Kempster
Portfolio Manager

Portfolio objective

To provide a long-term capital return in excess of the Flexible Managed Sector.

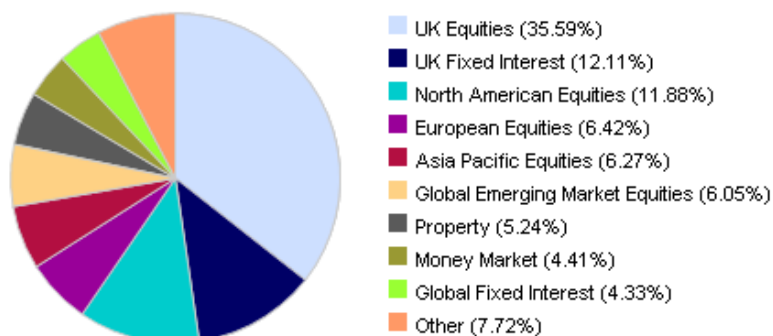
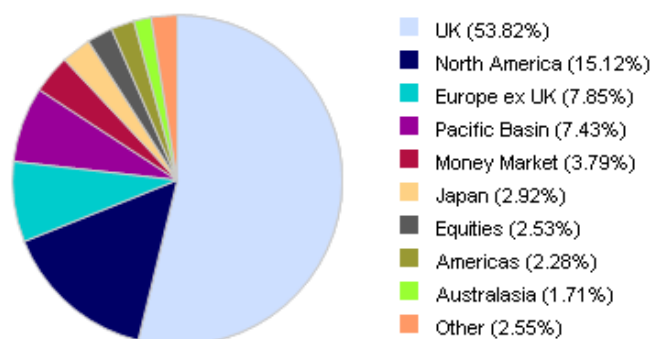
Investment approach

The objective is achieved by using a diverse investment approach across a variety of geographical regions and industrial sectors exchanging a higher level of risk with the potential for a greater rate of return. The performance of all funds in the portfolio is constantly monitored and formally reviewed on a quarterly basis by an investment committee.

Holdings

Asia ex Japan	6.00%
Aberdeen - Asia Pacific	
Emerging Markets	6.00%
M&G Global Emerging Markets	
European Equities	6.00%
Threadneedle - European Select	
Global Fixed Interest	7.00%
Invesco Perpetual - Global Bond	
Global Growth	5.00%
M&G - Global Dividend	
Property	5.00%
First State - Global Property Securities	
Japan Equities	3.00%
Schroder - Tokyo	
Specialist	4.00%
Baring - Global Agriculture	
UK Equities	38.00%
Aberdeen - UK Mid Cap	
JOHCM - UK Opportunities	
Rathbone - Income	
Liontrust - UK Growth	
Liontrust—UK Smaller Companies	
UK Fixed Interest	10.00%
BlackRock - Corporate Bond	
Kames - High Yield Bond	
US Equities	10.00%
Baillie Gifford - American	

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Asset allocation**Regional breakdown****Important notes**

Returns shown are gross of any initial, fund or adviser charges. All data are to 31.03.2012.

Past performance is not a guide to future performance. The value of investments and any income from them will fall as well as rise; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments are not readily realisable and investors may experience difficulty in realising the investment or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling.

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Key facts

Initial charge	Max. 0.09%
Annual charge	Max. 1.50%
ISA qualification	Yes
Twelve month yield	2.20%
Volatility*	15.56 (Benchmark 11.9)
Sharpe ratio**	0.18 (Benchmark 0.00)

The charges shown do not include any that your adviser may elect to receive, are after initial rebates and will depend on the provider selected. Further details are available on request.

*Volatility measures how much an investment deviates from its average over a period – the lower the better.

**The Sharpe Ratio measures the trade-off between risk and return – the higher the better.

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