

Investment



Investment funds overview

There are nine separate investment funds which are available for members of our defined contribution (DC) schemes. The funds available are shown in the table below.

Our current DC schemes are: The CARE Scheme DC Structure, the Flexible Retirement Plan, Growth Plan Series 4, the Ethical Fund and the Social Housing Pension Scheme (SHPS) DC Structure.

Please note not all funds are not available for certain schemes. For example, only the Managed Fund Option and the Pre-Retirement Fund Option are available to members of Growth Plan Series 4. The column headed 'Applicable Schemes' shows the investment funds available within each scheme.

Fund Name	Asset Class(es)	Management Type	Applicable Schemes
Core Funds			
Managed Fund Option	53.3% Global Equities 19.2% Alternative Growth Assets 27.5% Bonds and Cash	Active & Passive	FRP SHPS DC CARE DC GP4
Pre-Retirement Fund Option	75% Bonds 25% Cash	Active & Passive	FRP SHPS DC CARE DC GP4
Socially Responsible Investment Fund Option	60% Overseas Equities 40% UK Equities	Passive	FRP SHPS DC CARE DC
Diversified Ethical Fund	28.9% UK Equities 36.1% Overseas Equities 21.0% UK Corporate Bonds 14.0% UK Government Bonds	Active	Ethical Fund FRP
Guest Funds			
Global Equity Fund Option	50% Overseas Equities 50% UK Equities	Passive	FRP SHPS DC CARE DC
Property Fund Option	100% Property	Active	FRP SHPS DC CARE DC
Bond Fund Option	100% UK Government Bonds	Active	FRP SHPS DC CARE DC
Index-Linked Gilts Fund Option	100% Index-Linked Gilts	Active	FRP SHPS DC CARE DC
Cash Fund Option	100% Cash and Other Short-Term Assets	Active	FRP SHPS DC CARE DC

Managed Fund Option

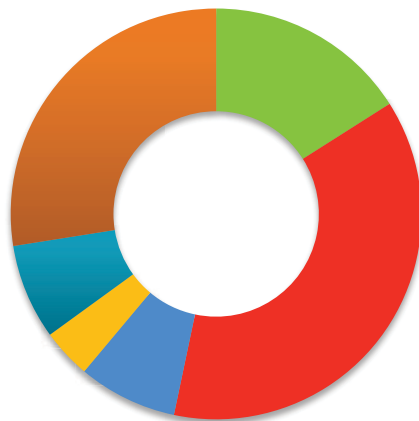


Investment objective

The Managed Fund invests in a range of asset classes, including UK and Overseas Equities, UK Commercial Property and Fixed Interest Bonds. The objective of the Fund is to provide a return from capital appreciation and income over the longer-term. The Fund commenced on 1 October 2006.

Asset classes: 16% UK Equities, 37.3% Overseas Equities, 7.8% Absolute Return, 3.9% Global Tactical Asset Allocation, 7.5% Property and 27.5% Fixed Interest Bonds

How is the fund made up?



- UK Equities - 16.0%
- Overseas Equities - 37.3%
- Absolute Return - 7.8%
- Global Tactical Asset Allocation - 3.9%
- Property - 7.5%
- Fixed Interest Bonds - 27.5%

Fund performance at 31 March 2011

The Managed Fund returned 0.7% during the quarter to 31 March 2011, against the benchmark return of 1.2%. Over the twelve months to 31 March 2011, the Fund returned 8.6% against the benchmark return of 8.2%.

	Quarter	1 Year	3 Years
Fund	0.7%	8.6%	4.8% p.a.
Benchmark	1.2%	8.2%	5.1% p.a.

Other notes

Please note that the Managed Fund has steadily built up its exposure to property as planned. It remains however, slightly underweight against its target exposure (7.5%). Until this is achieved, the excess funds earmarked for property are invested in bonds. Over this period the Trustee expects this decision to have an impact on the performance of the fund against its benchmark.

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure, The CARE Scheme DC and Growth Plan Series 4.

Disclaimer: Please note that the value of assets in each asset class can go down as well as up. Past Performance is not a guide for future performance. Performance figures are shown before the deduction fees.

Pre-Retirement Fund Option

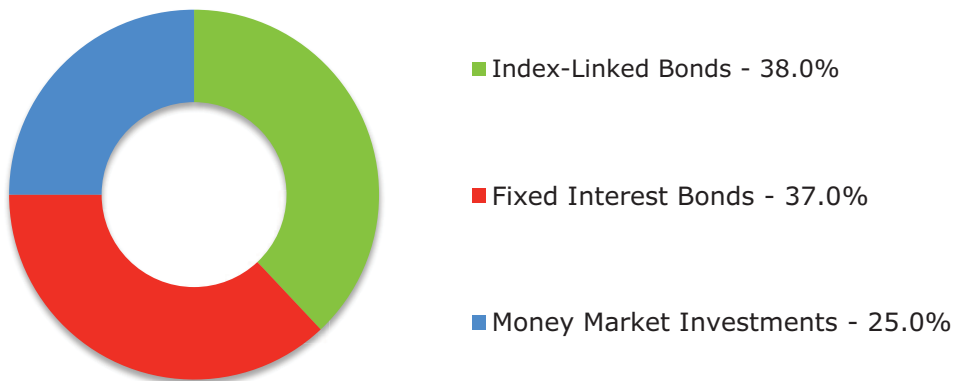


Investment objective

The Pre-Retirement Fund is designed for members approaching retirement. The Fund invests in a range of asset classes, including Index-Linked Bonds, Fixed Interest Bonds and Money Market Investments. The objective of the Fund is to minimise any changes in the level of pension income at retirement due to sudden changes in asset values. The Fund commenced on 1 October 2006.

Asset classes: 38.0% Index-Linked Bonds, 37.0% Fixed Interest Bonds and 25.0% Money Market Instruments

How is the fund made up?



Fund performance at 31 March 2011

The Pre-Retirement Fund returned -0.3% during the quarter to 31 March 2010, against the benchmark return of -0.4%. Over the twelve months to 31 March 2011, the Fund returned 5.5% against the benchmark return of 5.2%.

	Quarter	1 Year	3 Years
Fund	-0.3%	5.5%	4.5% p.a.
Benchmark	-0.4%	5.2%	4.3% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure, The CARE Scheme DC and Growth Plan Series 4.

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Socially Responsible Investment (SRI) Fund Option

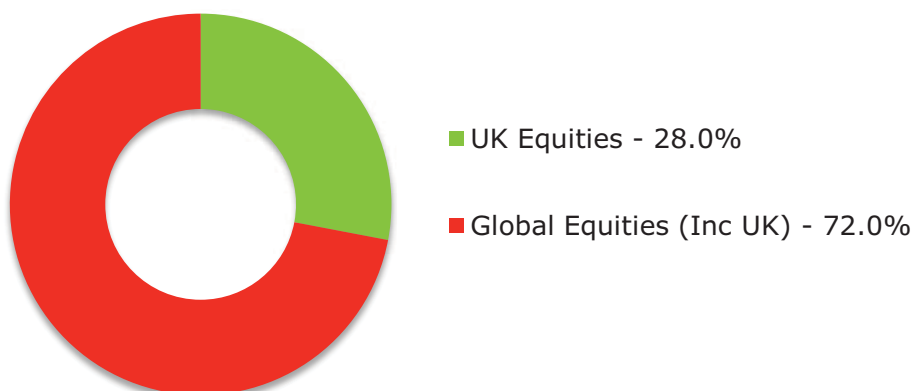


Investment objective

The SRI Fund aims to closely track the performance of an index composed of 28% FTSE4Good UK Index and 72% FTSE4Good Global Index. The Fund invests in a broad spread of equities which are constituents of these indices. The Fund commenced on 1 October 2006.

Asset classes: 28% UK Equities and 72% Global Equities (Inc UK). This is equivalent to a 40% UK Equities and 60% Overseas Equities benchmark.

How is the fund made up?



Fund performance at 31 March 2011

The SRI Fund returned 2.1% during the quarter to 31 March 2011, against the benchmark return of 2.1%. Over the twelve months to 31 March 2011, the Fund returned 8.0% against the benchmark return of 8.1%.

	Quarter	1 Year	3 Years
Fund	2.1%	8.0%	5.2% p.a.
Benchmark	2.1%	8.1%	5.2% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

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Global Equity Fund Option

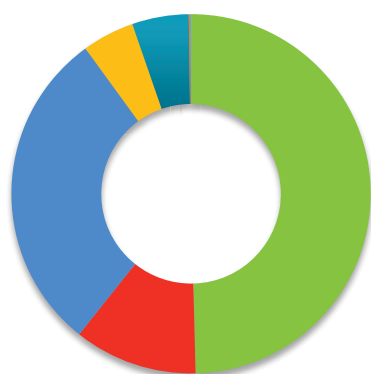


Investment objective

The Global Equity Fund aims to closely track the performance of an index composed of 50% FTSE All-Share Index and 50% FTSE All World developed excluding UK Index. The Fund invests in a broad spread of equities which are constituents of these indices.

Asset classes: 50% UK Equities and 50% Overseas Equities

How is the fund made up?



- UK Equities - 49.6%
- European Equities - 11.1%
- North American Equities - 29.3%
- Japanese Equities - 4.7%
- Pacific Basin Equities - 5.1%
- Emerging Market Equities - 0.1%
- Cash - 0.1%

Fund performance at 31 December 2010

The Global Equity Fund returned 1.8% during the quarter to 31 March 2011, against the benchmark return of 1.8%. Over the twelve months to 31 March 2011, the Fund returned 8.4% against the benchmark return of 8.4%.

	Quarter	1 Year	3 Years	5 Years
Fund	1.8%	8.4%	6.9% p.a.	4.1% p.a.
Benchmark	1.8%	8.4%	7.0% p.a.	4.3% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

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Property Fund Option



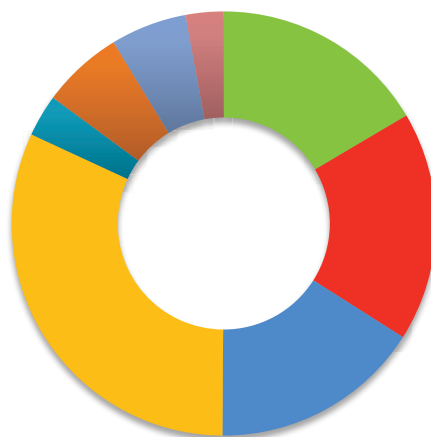
Investment objective

The objective of the Property Fund is to provide a return from capital appreciation and income over the longer-term.

Asset classes: 100% Property primarily via holding a diversified portfolio of properties across the United Kingdom focusing on a mix of freehold and leasehold retail, commercial and industrial properties. The manager may also invest a small part of the portfolio overseas and into property developments if suitable opportunities arise.

The value placed on the holdings in the Property Fund is based on independent valuations of each property on a quarterly basis.

How is the fund made up?



- Midlands - 16.5%
- London - 17.5%
- South East - 16.1%
- North - 31.8%
- Scotland - 3.2%
- Cash - 6.2%
- Others - 5.8%
- South West - 2.9%

Fund performance at 31 Marcg 2011

The UK Property Fund returned 1.7% during the quarter to 31 March 2011, against the benchmark return of 1.9%. Over the twelve months to 31 March 2011, the Fund returned 10.3% against the benchmark return of 8.9%.

	Quarter	1 Year	3 Years	5 Years	10 Years
Fund	1.7%	10.3%	-2.2% p.a.	-0.7% p.a.	5.9% p.a.
Benchmark	1.9%	8.9%	-2.4% p.a.	-0.6% p.a.	6.1% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

Disclaimer: Please note that the value of assets in each asset class can go down as well as up. Past Performance is not a guide for future performance. Performance figures are shown before the deduction fees.

Bond Fund Option

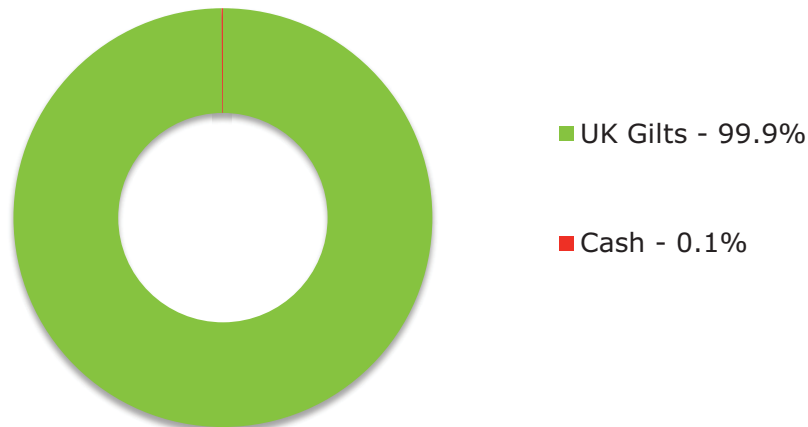


Investment objective

The Bond Fund is mainly invested in UK Government Securities.

Asset classes: Predominately Gilts

How is the fund made up?



Fund performance at 31 March 2011

The Bond Fund returned -1.1% during the quarter to 31 March 2011, against the benchmark return of -1.5%. Over the twelve months to 31 March 2011, the Fund returned 6.8% against the benchmark return of 6.9%.

	Quarter	1 Year	3 Years	5 Years
Fund	-1.1%	6.8%	6.1% p.a.	4.7% p.a.
Benchmark	-1.5%	6.9%	5.1% p.a.	3.8% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

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Index-Linked Gilts Fund Option

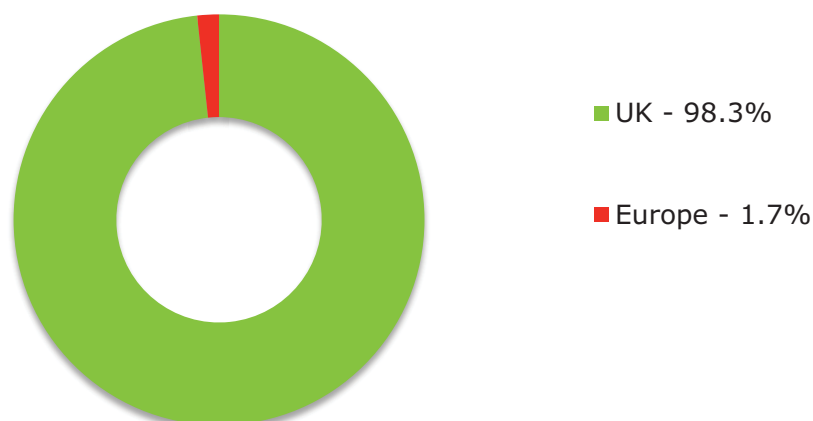


Investment objective

The Index-Linked Gilts Fund is principally invested in UK Government issued index-linked treasury stocks. It may also be invested in any similar UK stocks issued in the future. The returns from index-linked treasury stocks are linked to the Retail Prices Index; however, the returns from the Fund are not – they are linked to the underlying price of the stock which can go up or down.

Asset classes: Predominately Index-Linked Gilts

How is the fund made up?



Fund performance at 31 March 2011

The Index-Linked Gilts Fund returned -0.1% during the quarter to 31 March 2011, against the benchmark return of -0.2%. Over the twelve months to 31 March 2011, the Fund returned 6.8% against the benchmark return of 6.7%.

	Quarter	1 Year	3 Years	5 Years
Fund	-0.1%	6.8%	5.3% p.a.	6.2% p.a.
Benchmark	-0.2%	6.7%	4.6% p.a.	5.9% p.a.

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

Disclaimer: Please note that the value of assets in each asset class can go down as well as up. Past Performance is not a guide for future performance. Performance figures are shown before the deduction fees.

Cash Fund Option

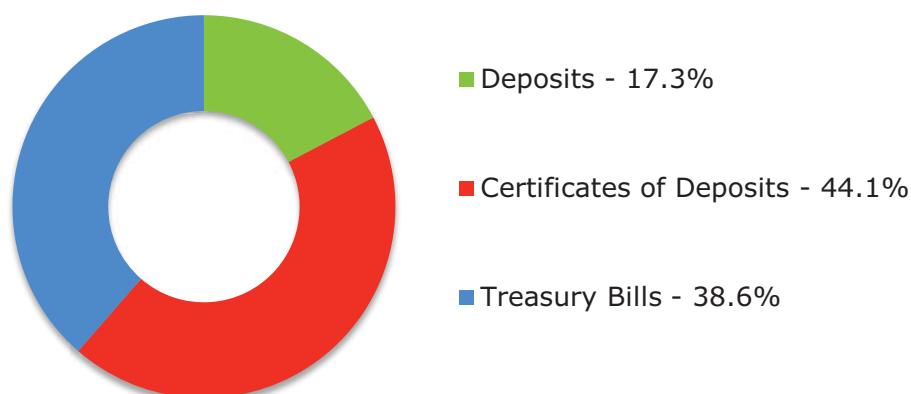


Investment objective

The Cash Fund is intended to provide a temporary home for money when the short-term outlook is uncertain for investments in Equities, Property or Fixed Income Securities. The Fund invests not only in bank/building society deposits but also holds other short-term sterling assets. Some of the cash investments that the Fund may hold are not 'guaranteed' in the same way as high street bank or building society accounts are. Therefore, in extreme circumstances it is possible that the value of the Fund may fall.

Asset classes: 100% Money Market Instruments.
Includes deposits, certificates of deposits and treasury bills.

How is the fund made up?



Fund performance at 31 December 2010

The Cash Fund returned 0.2% during the quarter to 31 March 2011, against the benchmark return of 0.1%. Over the twelve months to 31 March 2011, the Fund returned 0.6% against the benchmark return of 0.5%.

	Quarter	1 Year	3 Years	5 Years
Fund	0.2%	0.6%	N/A	N/A
Benchmark	0.1%	0.5%	N/A	N/A

Other notes

This fact sheet is applicable to the Flexible Retirement Plan, the Social Housing Pension Scheme (SHPS) DC Structure and The CARE Scheme DC.

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Diversified Ethical Fund Option



Investment objective

The Diversified Ethical Fund invests across a range of asset classes, selecting securities on a screened basis with the aim of investing in companies which make a positive contribution to society and avoiding those that are harmful. Performance is measured against a composite benchmark.

Screening is a process where companies are selected based on the activities they are involved in.

Positive screening takes place in the following areas that:

- Provide the basic necessities of life
- Offer customers ethical product choices
- Improve quality of life through the responsible use of new technologies
- Meet sustainable development challenges
- Provide good environmental management
- Actively addresses climate change
- Promote and protect human rights
- Provide good employment practices
- Make a positive impact on local communities
- Provide effective anti-corruption controls
- Provide transparent communication

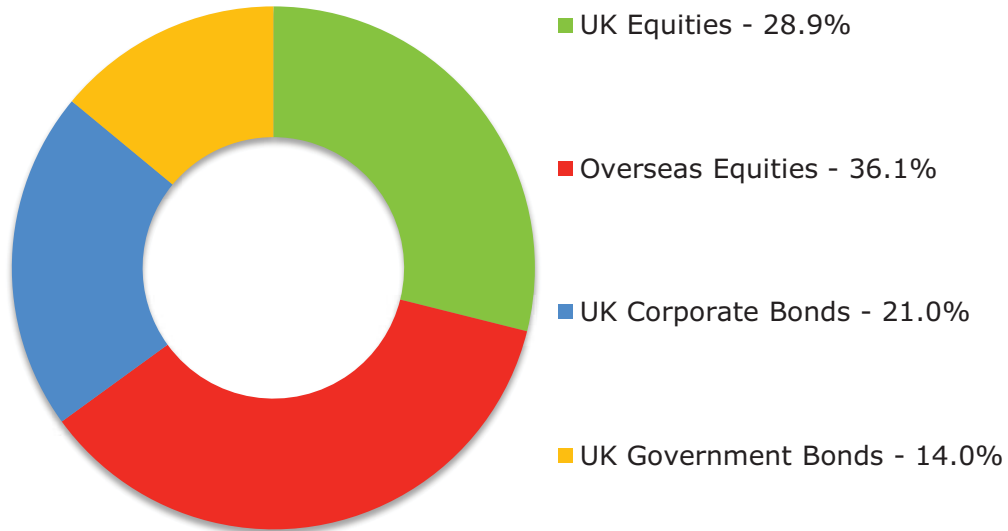
Negative screening takes place in areas that are involved in the following:

- Poor environmental practices
- Tobacco
- Alcohol
- Gambling
- Pornography or violent material
- Manufacture and sale of weapons
- Unnecessary exploitation of animals
- Nuclear power generation
- Human rights abuses

Disclaimer: Please note that the value of assets in each asset class can go down as well as up. Past Performance is not a guide for future performance. Performance figures are shown before the deduction fees.

Asset classes: 28.9% UK Equities, 36.1% Overseas Equities, 21.0% UK Corporate Bonds and 14.0% UK Government Bonds.

How is the fund made up?



Fund performance at 31 March 2011

The Diversified Ethical Fund returned 1.8% during the quarter to 31 March 2011, against the benchmark return of 1.8%.

	Quarter	1 Year	2 Years	3 Years
Benchmark	-0.3%	N/A	N/A	N/A
Performance	0.6%	N/A	N/A	N/A

Other notes

This fact sheet is applicable to the Ethical Fund, Flexible Retirement Plan.

Disclaimer: Please note that the value of assets in each asset class can go down as well as up. Past Performance is not a guide for future performance. Performance figures are shown before the deduction fees.