

# Fund Factsheet

## ISA/CIP Portfolio 3 Medium

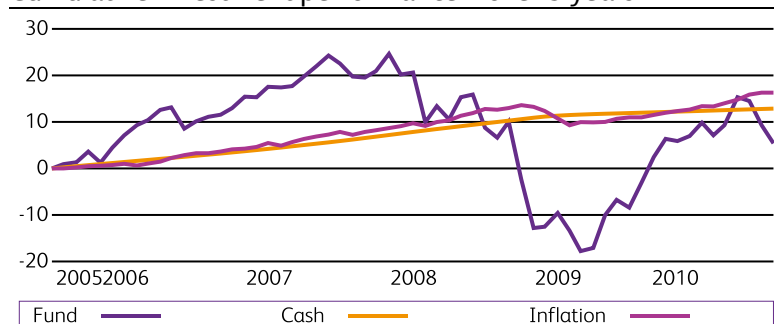
(Pre 30/07/07)

As at 30 June 2010

### Fund performance

	30 Jun 05 30 Jun 06	30 Jun 06 29 Jun 07	29 Jun 07 30 Jun 08	30 Jun 08 30 Jun 09	30 Jun 09 30 Jun 10
Corporate Bond (OEIC)	0.8	0.4	-4.8	-8.3	16.3
UK FTSE All Share Tracking (OEIC)	17.8	15.6	-14.3	-20.1	19.0
UK Equity Income (OEIC)	18.0	15.7	-15.5	-15.2	18.3
UK Growth (OEIC)	15.4	15.2	-14.0	-20.2	17.7
Portfolio Return	14.6	13.2	-13.0	-17.6	18.1

### Cumulative investment performance – over 5 years



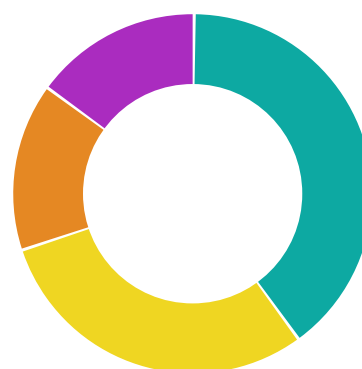
Source all returns: Lipper, a REUTERS company Returns are shown net of annual management charges only, with net income reinvested. Cash is represented by the Moneyfacts Average 90 Day 10k Index. Inflation is represented by the UK Retail Prices Index

**Important notes:** Past performance is not a guide to future performance. The investment's value and the income from it will fall as well as rise and may be affected by market and currency movements. You may get back less than originally invested. Cash on deposit is more secure, generally more accessible and provides greater certainty of growth.

### Portfolio features

- Possible to achieve a better trade off between risk and return by spreading or diversifying investments. Your portfolio is diversified to get the best return for your own risk profile. This factsheet shows the split of your investments and the performance. The performance of all funds in your portfolio is constantly monitored and formally reviewed on a regular basis by a dedicated investment committee.

### Portfolio weights



- UK FTSE All Share Tracking (OEIC) 40.0%
- UK Growth (OEIC) 30.0%
- Corporate Bond (OEIC) 15.0%
- UK Equity Income (OEIC) 15.0%

### Market commentary

Greece's sovereign debt difficulties, the health of the eurozone banking system and economic developments in China and the US sounded a cautious tone for investors during the second quarter of 2010. As a result, the revival in equity markets that had begun in early 2009 came to a decisive halt. Even while markets were rising, concerns about the strength and sustainability of the global economic recovery were never far from the surface. But as the crisis surrounding Greece's public finances deepened – and investors began to fret about the possibility of a double-dip recession – equities began their retreat.

Having gained ground for most of the previous year, corporate bonds started to suffer from selling pressure at the end of April and throughout May. Renewed concerns about Greece's debt-ridden economy sent investors dashing for the shelter of government bond markets.

Concerns over the European Union and International Monetary Fund's commitment to mount a rescue package prompted a flight to the perceived quality of "core" government bond markets where prices were rising. The yield on ten-year German bunds fell below 3% for the first time in almost a year.

**Contact details:** For further information please contact Adviser Services on 0870 607 6771 or visit [www.bankofscotland.co.uk/privateclients](http://www.bankofscotland.co.uk/privateclients)

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### Glossary

**ABI Sector** – The Association of British Insurers classification scheme for life and pension funds that share similar characteristics, e.g. Balanced Managed

**Annual management charge** – A charge taken from the fund sometimes referred to as yearly management charge. The charge is expressed as a percentage per annum but is normally taken daily from the fund

**Asset allocation** – The process of dividing investments among different kinds of asset classes such as stocks, bonds, property and cash

**Benchmark** – A measure against which the performance of a fund is compared. The benchmark could be an index for example the FTSE 100, or a sector average

**Bid price** – The price at which you can sell units of a fund

**Bonds (Fixed Interest Securities)** – A bond can be issued by either a company (corporate bond) or a government (gilt) and is a way of raising capital. Most bonds promise to pay a fixed rate of interest for a given period of time, at the end of which the holders are repaid the capital sum

**Cumulative Performance** – Represents total return over a given period

**Discrete Performance** – Represents individual yearly performance

**Dividends** – A portion of a company's profit paid to the shareholders

**Equities** – Commonly used term for shares in a company

**IMA Sector** – The Investment Management Association classification scheme for OEIC/ISA funds that share similar characteristics, e.g. Cautious Managed

**Net Asset Value (NAV)** – The value of an entity's assets less the value of its liabilities

**OEIC (Open Ended Investment Company)** – An OEIC is a pooled investment fund of variable size set up as a company. It owns investment assets, for example stocks and shares, gilts, bonds and other financial instruments. The size of an OEIC varies reflecting the market value of its underlying investments

**Offer Price** – The price at which you can buy units of a fund

**Sector Average** – The average performance of all the funds within a particular sector, for example the IMA Balanced Managed sector

**Underweight/Overweight** – Funds have a target allocation to a particular sector or asset type, for example a managed fund may have a target allocation to equities of 50%. If the fund holds 52% in equities it is said to be overweight equities. Similarly if the fund holds 48% in equities it is said to be underweight equities

**Yield (Historical)** – reflects distribution declared over the past twelve months as a percentage of the mid market unit price, as at the date shown.

**Yield (Distribution)** – reflects the amount that may be expected to be distributed over the next twelve months as a percentage of the mid-market price of the fund as at the date shown. It is based on the snapshot of the portfolio on that day.