

# Fund Factsheet

## Independently Managed UK Equity Income Fund

As at 31 May 2010

### Fund performance

#### Discrete performance

%	31 May 05 31 May 06	31 May 06 31 May 07	31 May 07 30 May 08	30 May 08 29 May 09	29 May 09 31 May 10
Life	13.96	19.58	-12.72	-17.00	15.45
Pension	17.28	21.87	-15.04	-16.48	15.34

Basis: % growth, bid to bid in sterling. Returns are shown net of annual management charges only, with net income reinvested for life funds and gross income reinvested for pension funds.

Pension fund returns are calculated using the single priced 2000 pension fund. Life returns are calculated using the single priced life fund.

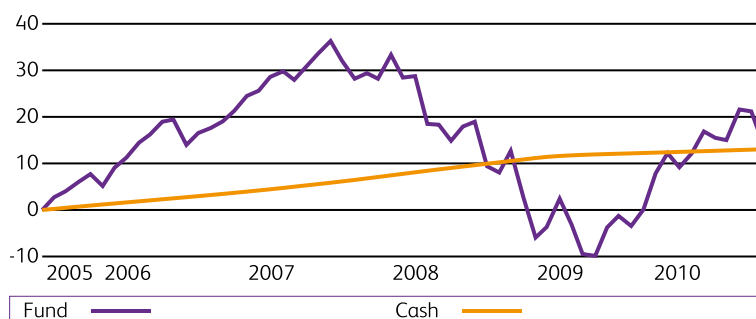
Source all returns: Lipper, a REUTERS company

#### Cumulative performance

%	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5Yrs
Life	-5.96	-0.91	-2.47	15.45	-16.37	13.96
Pension	-6.15	-0.73	-2.29	15.34	-18.16	16.97
Benchmark	-6.23	-1.28	-1.59	22.94	-12.83	28.64

Source all returns: Lipper, a REUTERS company

#### Cumulative investment performance – over 5 years



Basis: % growth, total return (net), bid to bid sterling. Returns are shown net of annual management charges. This figure does not reflect initial charges. Cash is represented by the Moneyfacts Average 90 day 10K Index  
Source all returns: Lipper, a REUTERS company

**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.

### Fund managers commentary

The Fund generated a strong performance in absolute terms, outperforming the peer group sector average, although it nevertheless lost some performance relative to the index. The largest detractors from relative performance came from our yield driven voids in the mining sector as commodity stocks performed well. Domestic banking stocks were also strong as Lloyds Banking Group reported lower bad debt trends. Our yield driven void in HSBC was positive as the stock continued to be negatively impacted by disappointing results. Our void in Prudential was also positive as the AIA bid weighed on the stock. Our positions in Melrose and IMI performed well as management produced good results. Our holding in Tui Travel and Premier Farnell also performed well on good trading.

**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)

### Fund objective

To achieve increasing distributions on a calendar year basis with long-term capital growth.

### Investment approach

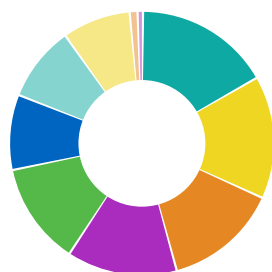
#### Fund facts

Fund management house	<b>Newton</b>
Fund manager	<b>Tineke Frikkee</b>
Life fund size (£m)	<b>1.99</b>
Pension fund size (£m)	<b>0.60</b>
Number of holdings	-
Launch date	<b>18/08/2003</b>
Annual management charge (dependent upon product)	-
ABI Sector	<b>UK Equity Income</b>
IMA Sector	-
Benchmark	<b>FTSE All Share TR</b>
Price / Bid (£)	<b>1.42</b>
Distribution dates	-
Availability	<b>Life and Pension</b>

# Independently Managed UK Equity Income Fund

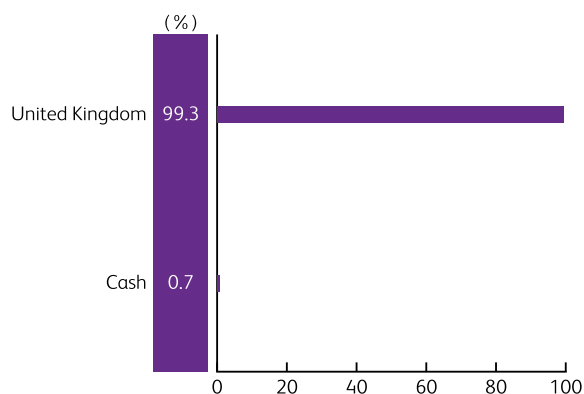
As at 31 May 2010

## Fund sector breakdown



Financials	16.8%
Oil & Gas	15.2%
Consumer Services	14.1%
Industrials	13.6%
Utilities	12.6%
Health Care	9.2%
Consumer Goods	9.2%
Telecommunication	8.3%
Cash	0.7%
Basic Materials	0.4%
Options	0.0%

## Geographic distribution



## Top holdings

Top Holdings	%
Royal Dutch Shell PLC	7.0
GlaxoSmithKline PLC	6.7
Vodafone Group PLC	6.1
Centrica PLC	4.0
British American Tobacco PLC	3.0
BAE Systems PLC	2.9
Reed Elsevier PLC	2.5
AstraZeneca PLC	2.5
National Grid PLC	2.2
	36.9

## 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.