

## LIST OF INVESTMENT FUNDS

### 1 CORE FUNDS

1.1 You can select from one or more of a range of core asset class Investment Funds operated by Standard Life Investments (SLI).

**Core Fund** **(Annual Management Charge - AMC)**

**FTSE Tracker** **(AMC 0.1%)**  
**(launched 1 July 1998)**  
**Benchmark: FTSE All-Share Index**

**Global Equity Tracker** **(AMC 0.125%)**  
 Benchmark: Composite of 50% FTSE All-Share, 50% FTSE World excluding UK

**UK Gilt Tracker** **(AMC 0.1%)**  
 Benchmark: FTSE A All Stocks Gilt Index

**Consensus Tracker** **(AMC 0.125%)**  
 Benchmark: CAPS Pooled Pension Fund Survey Balanced Fund Section

**Sterling Fund** **(AMC 0.2%)**  
 The Sterling Fund is a cash fund. The Fund invests not only in bank/building society deposits but also holds other short-term sterling assets.

Tracker funds invest monies in such a way that they should always return the same performance (before charges) as the appropriate index for the asset class (e.g. the FTSE All-Share Index for the UK Equity Tracker Fund). This approach should result in a broadly average performance when compared to other managers investing in the same type of assets (before changes). However, the investment charges are generally much lower.

### 2 DEFAULT LIFESTYLE BASIS

The lifestyle basis seeks to secure the higher long-term returns available from equities but, acknowledging the volatility of equities, moves your monies into cash as you approach your Normal Retirement Date.

Lifestyling is the name given to the strategy of gradually switching your account out of equities (stocks and shares) as you approach the Scheme's retirement age. Under the Default Lifestyle Basis an individual account will be invested as follows:

Term to Normal Retirement (years)	FTSE Tracker Fund (UK equities)	Sterling Fund (Cash)
5 +	100%	Nil
4	80%	20%
3	60%	40%
2	40%	60%
1	20%	80%
0	nil	100%

Investments are switched between funds annually, on or around your birthday, to achieve amounts set out in line with the above asset distributions.

If you plan to retire early or leave your monies invested in the Scheme past your Scheme Normal Retirement Date this strategy may not be appropriate and you should consider alternative specific funds within the core range.

The range of core funds is monitored regularly by the Trustees and their investment advisor. They look at the performance to ensure that it remains consistent with the benchmark and also at the charges to ensure they remain competitive.

A wider range of 40 or so investment funds are available from the Scheme's investment manager (Standard Life Investments). Details are summarised in the next section of this Appendix.

### **3 WIDER RANGE OF INVESTMENT FUNDS**

Other funds available from Standard Life Investments are managed on an active management basis and have higher charges. The range includes Balanced Managed, Equity, Bond and Manager of Manager Funds.

Your choice of where to invest your funds will depend upon your attitude to risk and your own personal circumstances.

Members choosing to invest outside the Core range into the Wider range are asked to sign an Investment Disclaimer acknowledging that, whilst the funds are made available by the Trustees the member has taken on responsibility for his own investment selection and no investment responsibility or liability remains with the Trustees.

It is strongly recommended that if you are proposing to invest in the Wider range you take advice from an Independent Financial Advisor who will also be asked to sign the Investment Disclaimer form.

**To continue with your pre 5 April 2006 arrangements or to select from this Wider range of Standard Life funds for your new, re-directed or increased contributions, you and your adviser will need to submit an application form (including a disclaimer signed by you and your adviser confirming that you understand that higher charges and risks are associated with these funds).**

#### **Balanced Managed Funds**

#### **(Annual Management Charges – AMC)**

##### **Managed Fund**

**(AMC 0.4%)**

The Managed Fund is primarily equity based and is SLI's most popular investment-linked fund. It is actively managed to take advantage of the opportunities identified by SLI's investment teams. A substantial part of the portfolio will normally be invested in UK equities, with the remainder held in overseas equities, fixed interest stocks and property. The objective is to maximise returns whilst spreading the risk.

##### **Cautious Managed Fund**

**(AMC 0.4%)**

The Cautious Managed Fund has a broad spread of assets, predominantly invested in equities and fixed interest securities. It is intended to be less volatile than the Managed Fund, with a higher percentage of the Fund in lower volatility assets. The Fund will use property and bonds to protect investors from the impact of significant falls in equity markets. SLI's investment team will continuously assess the prospects for specific markets and will vary the proportions held according to the opportunities identified. SLI may, in certain circumstances, use derivatives for asset allocation purposes.

##### **Ethical Fund**

**(AMC 0.4%)**

The Ethical Fund is invested primarily in UK equities to provide good long-term growth prospects.

The Fund also invests in UK corporate bonds to provide an element of price stability. In the medium term this Fund may invest internationally. However, there will always be a bias towards the UK. The choice of equities and bonds is restricted by the Ethical Policy which, for example, prevents investment in companies which damage the environment or test cosmetics on animals. Companies making a positive contribution to society, for example those with environmental initiatives, will be favoured.

## **Equity Funds**

### **UK Equity Fund**

**(AMC 0.4%)**

The UK Equity Fund is invested in a broad range of UK equities, chosen by the Investment Managers, to give a spread over the most attractive sectors of the market. It may also invest in other companies which have a major part of their business in the UK.

### **Institutional UK Equity Select Fund**

**(AMC 0.6%)**

The UK Equity Select Fund invests in a fairly concentrated portfolio of UK equities and therefore adopts more aggressive stock and sector positions than those in the UK Equity Fund. As a result the Fund has higher risk/return characteristics than the UK Equity Fund.

### **Overseas Fund**

**(AMC 0.5%)**

The Overseas Fund provides exposure to a range of worldwide economies. It invests in the most attractive shares, chosen by the Investment Managers, of the major global equity markets. The fund may also have some exposure to emerging markets.

### **Global Equity 50:50 Fund**

**(AMC 0.4%)**

The Global Equity 50:50 Fund is an equity fund split equally between the UK and overseas equity markets. The proportions held are decided after reviewing the prospects for each market and will vary from time to time around the long term strategic asset allocation of 50% in UK equities and 50% in overseas equities weighted by global market capitalisation as defined by the MSCI World ex UK IndexSM.

### **Global Equity Select 60:40 Fund**

**(AMC 0.5%)**

The Global Equity Select 60:40 Fund is a more specialised, balanced equity fund with higher than average risk/return characteristics. A substantial part of the portfolio is invested in the UK Equity Select Fund, with the remainder held in overseas equities. The proportions held are decided after reviewing the prospects for each market and will vary from time to time. Compared to other balanced products such as the Managed Fund, exposure to the UK Equity Select Fund results in more aggressive stock and sector positions being adopted.

### **European Fund**

**(AMC 0.3%)**

The European Fund invests in a portfolio of shares representing a wide variety of countries and industrial sectors in Europe. The distribution of the Fund's assets is adjusted in light of changing expectations for European economies, industries and companies.

### **North American Fund**

**(AMC 0.3%)**

The North American Fund is invested in a portfolio of shares representing a wide variety of industries in North America, principally in the US.

### **Japanese Fund**

**(AMC 0.3%)**

The Japanese Fund invests in the Japanese equity market. It maintains a balanced portfolio covering both export-orientated and domestic related industries.

### **Pacific Basin Fund**

**(AMC 0.3%)**

The Pacific Basin Fund invests in a portfolio of shares in the Pacific Basin area, excluding Japan. Eligible areas include Australia, Hong Kong, Singapore and the Indian sub-continent. This Fund, like

the Japanese Fund, maintains a balanced portfolio covering both export-orientated and domestic related industries.

**European Equity Tracker** (AMC 0.15%)  
Benchmark: FTSE W Europe excluding UK index

**US Equity Tracker** (AMC 0.15%)  
Benchmark: FTSE AW USA Index

**Japanese Equity Tracker** (AMC 0.15%)  
Benchmark: FTSE AW Japan Index

**Pacific Basin Equity Tracker** (AMC 0.15%)  
Benchmark: FTSE AW Developed Asia Pacific excluding Japan Index

**Overseas Equity Tracker** (AMC 0.15%)  
Benchmark: FTSE World Ex UK Index

### **Bond Funds**

**UK Fixed Interest Fund** (AMC 0.3%)  
The UK Fixed Interest Fund invests in UK government securities as well as other fixed interest stocks, such as corporate bonds. Although the income from fixed interest stocks is fixed, the price of the underlying assets can go down as well as up.

**Overseas Fixed Interest Fund** (AMC 0.3%)  
The Overseas Fixed Interest Fund provides exposure to a range of worldwide bond markets. As with other bond funds, although the income from fixed interest stocks is fixed, the price of the underlying assets can go down as well as up.

**Long Corporate Bond Fund** (AMC 0.3%)  
The Long Corporate Bond Fund invests principally in the UK, non-gilt, fixed interest market. The Fund will provide appreciation in the unit value from capital growth and income using a portfolio of mainly UK corporate bond securities. When appropriate, the Fund may invest in other UK fixed interest securities e.g. gilts and debentures. This Fund is measured against the Over 10 Years Merrill Lynch Sterling Non-Gilt Index.

**Long Bond Fund** (AMC 0.3%)  
The Long Bond Fund invests principally in the UK long gilt market with up to 25% being invested in non-gilt, sterling fixed interest bonds. However, non-gilt bonds will only be invested in when conditions are suitable and the relative valuations with gilts look attractive. The Fund will identify bonds which represent good fundamental value and where this value is likely to be realised on a six to twelve month view, will be one of the main driving forces behind the Fund.

**Corporate Bond Fund** (AMC 0.3%)  
The Corporate Bond Fund is managed in a similar way to the Long Corporate Bond Fund in that it invests principally in the UK, non-gilt, fixed interest market. The Fund will provide appreciation in the unit value from capital growth and income using a portfolio of mainly UK corporate bond securities. When appropriate, the Fund may invest in other UK fixed interest securities e.g. gilts and debentures. The benchmark for the Corporate Bond Fund is the Merrill Lynch Sterling Non-Gilt All Stocks Index.

**Gilt Fund** (AMC 0.3%)  
The Gilt Fund invests in a diversified portfolio of conventional UK Government fixed interest securities. In addition, we may invest up to 10%, in aggregate, in UK Government Index-Linked securities and cash.

**Index Linked Fund****(AMC 0.3%)**

The Index-Linked Fund is invested principally in UK government issued index-linked treasury stock. It may also be invested in any similar UK stocks issued in the future. The returns from index-linked treasury stock are linked to the Retail Price 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.

**Protection Fund****(AMC 0.3%)**

The Protection Fund aims to minimise any charges to the level of pension income which could be secured at retirement resulting from changes in the cost of purchasing pensions in the period before retirement. To achieve this the Fund invests primarily in long dated Government Gilts which will rise and fall broadly in line with the cost of purchasing pensions.

**Overseas Bond Tracker****(AMC 0.125%)**

Benchmark: JP Morgan Traded World ex. UK Bonds Index

**Other Funds****Pooled Property Fund****(AMC 0.5%)**

The Property Fund is invested in a diversified portfolio of properties throughout the UK with the assets of the Fund held in a mix of freehold and leasehold retail, commercial and industrial properties. The Investment Managers may invest a small part of the Fund in properties elsewhere in Europe and in property developments, if opportunities arise. The value placed on the holdings in the Property Fund is based on independent valuations of each property on a quarterly basis.

**Manager of Manager Funds**

These funds are independently managed to provide access to leading fund managers in each asset class.

**MoM Balanced Managed Fund****(AMC 0.8%)**

The Fund is primarily equity based containing a significant exposure to UK equities, with the remaining assets held in overseas equities, fixed interest stocks and property. Asset allocation reflects the balanced managed sector consensus as measured by Lipper.

The asset mix is rebalanced regularly to reflect the consensus market view.

**MoM UK Equity Fund****(AMC 0.8%)**

The objective of the Fund is to provide capital appreciation, investing in an actively managed portfolio of mainly UK Equities. The aim is for the annualised investment performance to exceed the FTSE All-share Index over rolling 3 year periods.

**MoM Global Equity Fund****(AMC 0.8%)**

The Fund is designed for investors who are looking to obtain a broadly based exposure to global equity markets in conjunction with a core holding in UK equities. Wilshire Associates undertake extensive research and select a number of fund managers within each global equity asset class, blending managers with differing investment styles and market capitalisation bias. Wilshire monitor the selected managers to ensure a continued performance contribution over the market cycle in line with the manager's investment philosophy and process. Managers can be replaced if evolving organisational, personnel or other qualitative factors are likely to impact on the ability to achieve the benchmark objectives. The Fund maintains half the portfolio in UK equities with the remaining asset mix diversified according to the geographical weighted asset mix within the FT World (Ex UK) Index.

**MoM Overseas Equity Fund****(AMC 0.8%)**

The Fund is designed for investors who are looking to obtain a broadly based exposure to global equity markets outside the UK. Asset allocation reflects the geographical weighted asset mix within the FTSE World (Ex UK) Index.

**MoM North American Equity Fund****(AMC 0.8%)**

The objective of the Fund is to provide capital appreciation, investing in an actively managed portfolio of mainly US equities. The aim is for annualised investment performance to exceed the S&P 500 Index over rolling 3 year periods.

**MoM European Equity Fund****(AMC 0.8%)**

The objective of the Fund is to provide capital appreciation, investing in an actively managed portfolio of mainly European equities. The aim is for the annualised investment performance to exceed the MSCI Europe (ex UK) Index over rolling 3 year periods.

**MoM Pacific Basin Equity Fund****(AMC 0.9%)**

The objective of the Fund is to provide capital appreciation, investing in an actively managed portfolio of equities within the Pacific Basin region. The aim is for the annualised investment performance to exceed the MSCI All Country Asia Pacific Free (Ex Japan) Index over rolling 3 year periods.

**MoM Japanese Equity Fund****(AMC 0.9%)**

The objective of the Fund is to provide capital appreciation, investing in an actively managed portfolio of mainly Japanese equities. The aim is for the annualised investment performance to exceed the MSCI Japan Index over rolling 3 year periods.

**MoM UK Bond Fund****(AMC 0.75%)**

The Fund is designed for investors who are looking to obtain a diversified portfolio of mainly UK Fixed Interest securities. The aim is for the annualised investment performance to exceed an equal composite of the FTSE Actuaries UK Government All Stocks and the Merrill Lynch Sterling non-Gilt indices over rolling 3 year periods.

**Fund AMCs are as at January 2006 and are subject to review. Further details of each fund are available on Standard Life Investments website:**

**[www.standardlifeinvestments.com](http://www.standardlifeinvestments.com)**