

Scottish Equitable RFM Pension Strategy

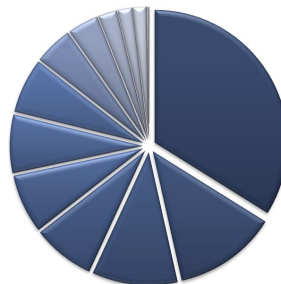
Portfolio Activity

The European Central Bank’s Long Term Refinancing Operation (1trn euros of liquidity) driven euphoric rally started to show some signs of waning as March wore on, although the added stimulus of stronger US economic data than previously envisaged, pushed the S&P500 to pre-Lehman highs. However, investment markets would appear to have risen way beyond the tough reality of weak / recessionary growth through most of the Eurozone for some years to come, and what is beginning to look like a deeper slowdown in China.

Any conversation around demographics always seems to focus on Japan. Undoubtedly, of the major developed economies, they look pretty terrible, but the Japanese have managed to counter their working population decline by increasing female participation (from comparatively low levels) and deferred retirement - apparently around half of the workforce between 65-70 and a quarter of 70-75 year olds are continuing to work. Surprisingly for some, a significant part of Asia’s demographic advantage is steadily coming to an end during the next decade. Their focus needs to shift towards per capita growth and productivity gains or risk getting left behind as other developing countries and regions emerge.

Asset Allocation (%)

Managed cash	33.9	US equities	4.7
Alternatives	12.6	Asian equities	3.8
UK equities	10.4	European equities	2.3
Global bonds	7.6	Resources	1.8
UK fixed interest	7.2	Zeros	1.6
Japanese equities	7.1	Emerging markets	0.3
Property	6.7		



Top 5 Holdings (%)

UK Gilt 4.25% 2027	3.7
Thames River Global Bond	3.5
GLG Japan CoreAlpha Prof Acc	3.4
Fidelity ILF USD	3.4
Schroder Asian Bond	3.2

Fund Objective

A global balanced fund giving a high priority to attractive returns and low volatility through a top down, macro-economic approach.

The manager’s approach is based on a conviction led, flexible approach to portfolio construction, seeking to use skills in asset allocation and investment selection to deliver superior returns without taking undue risk. In addition to the use of open ended funds, the manager invests in closed-ended funds and an element of direct equities to enhance the range of opportunities open to the portfolio and in pursuit of additional returns.

The Fund has an exceptionally attractive long term record in terms of both risk and return. Martin Gray has been the manager since inception.

The consistency of returns through a range of market conditions and the Fund’s superior long term track record make it an ideal core holding for long term investors seeking smoother returns via a flexible, conviction based, balanced multi asset fund.

Key Facts

Price	Mex ID	Fund Size	Fund Managers
401.98p	YVSEGA	£14.5m	Martin Gray & James Sullivan

Scottish Equitable RFM Pension Strategy

Cumulative Performance (%)

	3mths	6mths	1yr	3yrs	5yrs	10yrs	Since Launch	YTD
Scottish Eq. RFM Pension Strategy	-0.6	-1.2	+2.1	+15.1	+25.1	+118.3	+292.4	-0.6
PN Mixed Inv. 40-85% Shares Sector	+5.8	+10.4	+0.9	+48.9	+12.5	+56.0	+166.7	+5.8

Fund launched 16th May 1994. Source: FE Analytics. Total Return, NAV-NAV as at 31.03.12.

Discrete Year Performance (%)

Year Ending	31/03/2012	31/03/2011	31/03/2010	31/03/2009	31/03/2008	31/03/2007
Scottish Eq. RFM Pension Strategy	+2.1	+1.0	+11.6	+2.0	+6.5	+3.4
PN Mixed Inv. 40-85% Shares Sector	+0.9	+7.1	+37.7	-20.8	-4.7	+5.9

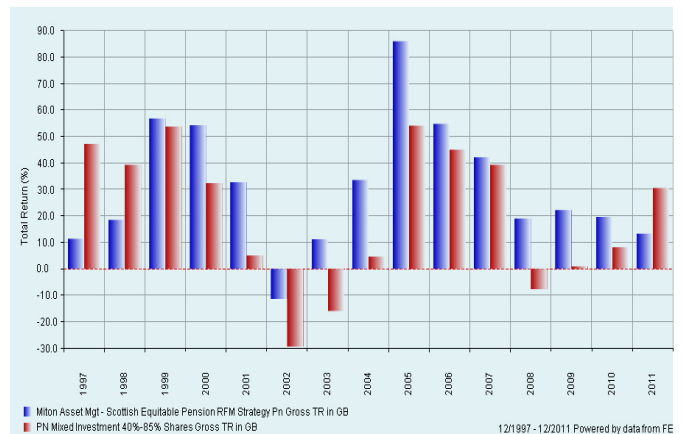
Source: FE Analytics. Total Return, NAV-NAV.

Risk Return



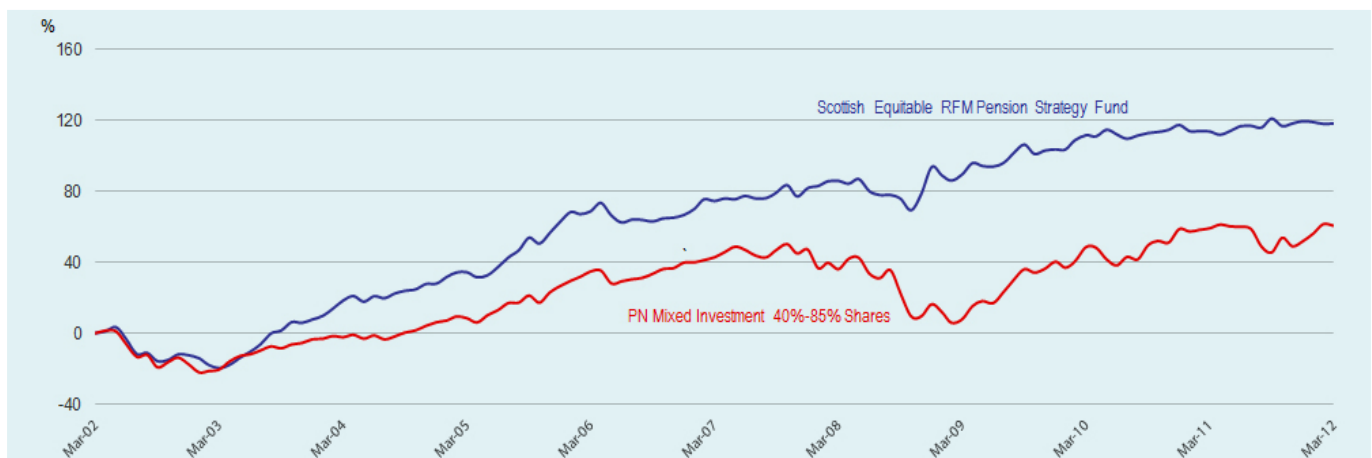
Source: FE Analytics: Total Return, NAV-NAV performance vs volatility scatter chart from 16.05.94 (inception) to 31.03.12 of Scottish Equitable RFM Pension Strategy and PN Mixed Investment 40-85% Shares Sector.

Rolling 3 Year Returns



Source: FE Analytics. Rolling 3 year Total Return chart on a NAV-NAV basis, over a period of 15 years of the Scottish Equitable RFM Pension Strategy and PN Mixed Investment 40-85% Shares Sector.

Performance Over 10 Years



Source: FE Analytics. Total return, NAV-NAV line chart over 10 year period: 31.03.02 to 31.03.12.

Important Information

Past performance should not be seen as an indication of future performance. The information on this factsheet is as at 31.03.2012 unless stated otherwise. The views expressed are those of MAM, the Investment Manager of the Fund, at the time of writing, are subject to change without notice and should not be interpreted as investment advice. This fund is only available through limited Scottish Equitable products, please contact your Financial Adviser for further information. This fact sheet is for professional use only and should not be relied upon by private investors.

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