

Active Global Equity Fund

Information is correct as at the 31st December 2011

How the Fund Works

This is an actively managed equity fund, which aims to deliver above average equity fund returns through active country allocation and stock selection.

Investment Objective

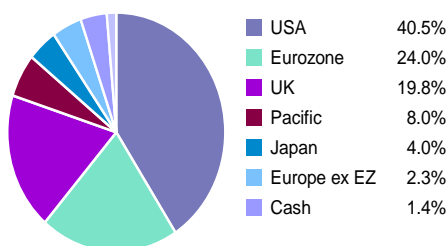
This fund is designed to achieve above average equity fund returns. It is suitable for members with a number of years to retirement who want to pursue an aggressive investment strategy.

How the Fund Operates

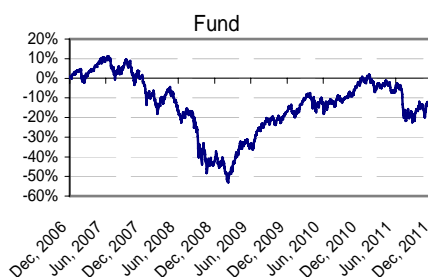
The fund takes active country positions against the international equity portion of the pooled fund surveys. The next decision is which stocks (company shares) to hold within each country portfolio. The core principle of our approach is the calculation of fair value and the exploitation of market mis-pricings.

We believe that this is the crucial decision as picking the best undervalued stocks is a key driver in achieving consistent above average performance. Our stock selection process is a highly disciplined systemic approach combining rigorous quantitative screening with quality analytical work, based on independent research.

Country Distribution



Performance



Period	Return	Benchmark
1 Year	-7.40%	-4.21%
3 Year p.a	15.50%	14.66%
5 Year p.a	-2.26%	-1.77%

Returns are quoted net of fees. The annual management charge is 0.6%. There is no Bid/Offer Spread.

Market Commentary

The fourth quarter of 2011 saw two critical EU Summits, the appointment of two technocratic governments in Italy and Greece, and the change of the leader in both the ECB and the Spanish government. Nevertheless the crisis continues to linger and the immediate problem of what the impact of Italy refinancing over €350bln of debt at a yield of close to 7% will have on its debt dynamics continues to weigh on sentiment. Risk appetite swung during the quarter with expectations as to whether EU leaders would deal with the crisis. Equity markets traded higher in October and December but gave back some of these gains in November. The EU summit at the end of October resulted in increased confidence that a final resolution to the crisis was agreed. However the optimism about this resolution soon waned particularly after markets soon digested that the 50% haircut that Greek private bondholders were asked to take put a credit risk on Eurozone government bonds. The ECB announced a number of unconventional methods of supporting the banking system, however markets were somewhat disappointed by President Draghi refraining from announcing a bond purchasing programme. EU leaders did little to address the immediate funding needs of Eurozone countries in 2012. As a result it is likely that more leaders' summits will be necessary and investors' appetite for holding risky assets will swing accordingly.

Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. The performance of contributions in any given year will depend on both the frequency and the duration of the contributions. This fund may be affected by changes in currency exchange rates. Market conditions may sometimes require us to impose certain restrictions to switches or exits from your pension funds. These restrictions may include a delay in switching funds and/or applying a market value adjustment to the fund. If you invest in this fund you may lose some or all of the money you invest.



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