

Choosing investment funds for group pensions

Barclays Global Investors, Fidelity International, Insight Investment Management (Global) Limited, Invesco Perpetual, Newton, Schroders Investments Limited, Scottish Widows Investment Partnership, UBS Global Asset Management



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How your pension contributions are invested

The money you pay into your pension plan is put into investment funds. These funds buy and sell, for example, stocks and shares, bonds, cash deposits and properties – all of these are known as assets – with the aim of building up your investment in order to provide you with an income when you retire.

Clerical Medical offers you a wide range of funds to choose from, with different asset holdings, to suit a wide range of needs. This booklet helps you to decide which funds suit you best. Each fund offers different potential investment returns and levels of risk, so the decisions you make will affect how much pension you eventually get.

Please remember that the value of an investment can go up and down as a result of market and currency movements. The final fund value may be less than the amount you invested. We strongly recommend that you talk to your financial adviser before deciding which funds to invest in.

The investment funds we're offering here come from eight different fund managers: Scottish Widows Investment Partnership (part of the Lloyds Banking Group), together with Barclays Global Investors, Fidelity International, Insight Investment, Invesco Perpetual, Newton, Schroders and UBS.

We've chosen these fund managers because of their reputation, their investment capability and size of fund range, as well as their past performance, sustainability of performance and their approach to investment. See pages 32-33 for a brief description of their background and investment styles. Please note that past performance is not a guide to future performance.

How your pension contributions are invested *continued*

Your pension plan

The choice of funds open to you depends on the type of pension plan you're a member of.

If you have a **Group Personal Pension Plan** you can choose from all the funds shown on pages 22-31. You can switch the investment you have built up, and re-direct your future contributions, into different funds whenever you like.

If you have a **Group Stakeholder Pension Plan** you can choose from all the funds shown on pages 22-31 that are **not** marked with an asterisk. You can switch the investment you have built up, and re-direct your future contributions, into different funds whenever you like.

If you're a member of a **Group Money Purchase Plan** or **Group Additional Voluntary Contribution Plan**, the trustees of the plan will tell you which funds they have chosen to be available to you. If you want to switch funds you should contact the trustees.

Choosing investment funds

When choosing suitable funds you should think about a number of issues. These include:

- What amount of pension do I want to aim for?
- How much time have I got before I want to take the benefits?
- What level of risk am I prepared to take?

Which comes down to:

- do I want higher long-term growth potential, or
- am I looking to safeguard my pension fund?

If, like many people, you don't want to actively choose and manage your investment funds, we offer you a choice of lifestyle investment programmes.

If you choose one of these, we'll automatically invest your contributions into specified funds at specified dates. The aim is to have the potential for stock market growth at the beginning of your pension plan, and then automatically move in stages towards less risky investments as you approach retirement age. More details are on page 8.

What investments are and how they work

Most people are familiar with two types of investment – the interest that they earn on their cash deposits or savings, and their property.

Investment funds also put money into cash deposits and property (although this is mainly in commercial property), but as well as this they invest in equities (stocks and shares in companies) and bonds.

The four main types of investment – known as asset classes – that investment funds put your money into are:

Cash: Cash funds aim to give an attractive rate of return on short-term deposit instruments as well as the liquidity of a short-term investment. These funds invest in all forms of interest bearing money instruments where the capital is at low risk – normally in the UK.

Bonds: Loans, either to a government or a company, which normally have a set repayment date and pay a regular income. Bonds can fall and rise in price as interest rates change and there is a risk that the bond capital and interest may not be paid to the bond holder as agreed. This risk is lower in the case of loans to the UK government, known as **gilts**.

Property: Investments in buildings like office blocks, shopping centres and industrial units, or in the companies that own and run them. The returns from property come from rents, leases and any increase in the valuation of these properties. But property prices may fall as well as rise, and rents may not cover expenses, so property can make a loss as well as a profit.

Equities: Equities are shares listed on a stock exchange. They typically offer a share in the profits of the company in the form of dividend payments. A dividend is simply a share of the net profits that a company decides to divide amongst its shareholders. The value of equities and any dividend income is not guaranteed. The value of your shares will go up and down in line with the stock market, so equities can make a loss as well as a profit.

An investment fund can invest in just one particular asset class. Alternatively we offer funds that package together a mix of various assets to achieve a certain investment aim. These are sometimes called managed funds.

You invest your pension contributions by buying units in one or more funds and the return you get is in proportion to the amount of units you hold.

Balancing risk and return

Each of the asset classes described above has a different level of potential risk and return. By combining investments in the different asset classes – cash, bonds, property and equities – you can spread the risk in your pension fund.

The risk and potential return of your pension fund will be affected by the proportions of different asset classes held within the fund. Remember, cash deposits represent lower risk and lower potential returns, and UK and foreign shares represent higher risk and higher potential returns.

Management fees

We charge you an annual management charge for each fund, which covers our administration costs, investment management costs and fund expenses. The current charge for each fund is shown in the tables on pages 23-31. However the actual charge you pay may be different, depending on the terms we negotiated with your employer or adviser when the pension plan was set up.

Lifestyle investment programmes

If you know little about making investment decisions, you might want to choose one of our lifestyle investment programmes.

In the early years we'll invest your contributions in funds offering potentially higher growth (with higher risk) and then automatically move them into less risky funds as you approach retirement.

We've designed three programmes for you to choose from: the Cautious Option, the Balanced Option and the Adventurous Option. For each of these options you can choose either funds managed by Scottish Widows Investment Partnership or funds managed by Barclays Global Investors (BGI). All three programmes invest in equities to some extent, as the stock market has historically outperformed other asset classes over the long term. But please note that past performance is not a guide to future performance.

By investing in equities in different proportions, the three programmes offer different investment growth potential to fit different attitudes on investment risk.

The Adventurous Option is for those people who wish to invest **100%** in equities, both UK and overseas, for the period until retirement. The Balanced Option invests approximately **80%** in equities, whilst the Cautious Option invests approximately **55%** in equities. In addition, Barclays Global Investors offer an Aggressive Lifestyle Option which invests approximately **100%** in equities.

You can invest in one of these programmes from the start of your pension plan, or switch into one at any time to help safeguard previous gains. You can only invest in one lifestyle investment programme at any one time.

What happens as you get nearer retirement?

As you get closer to taking your benefits, there is more need to protect the pension fund you have built up from the impact of:

- changeable investment markets
- a rise in the cost of buying a pension at retirement.

So all three programmes start to reduce investment in equities as retirement approaches. The move from equities to more secure investments is different for each programme.

This movement will start ten years before your selected retirement date and continues in differing degrees right up to your retirement date, when all three programmes will have minimal investment in stocks and shares.

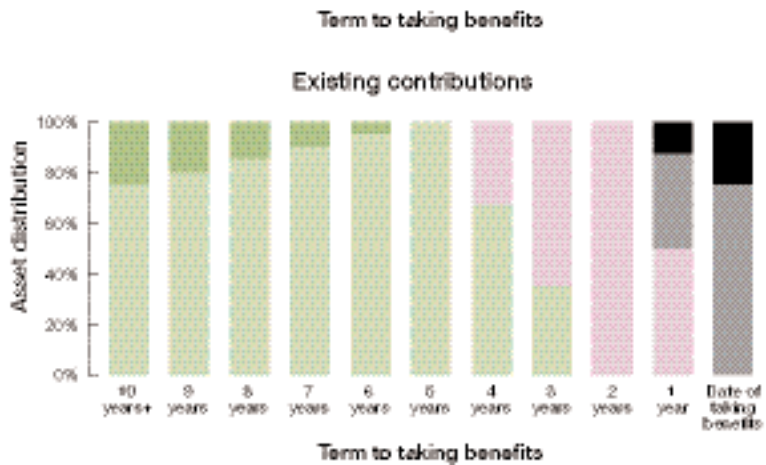
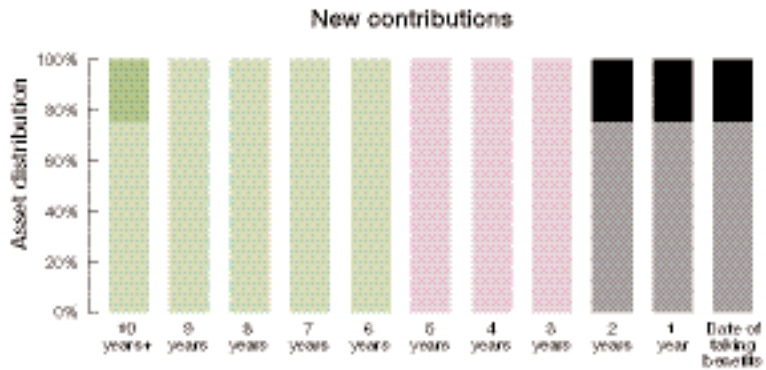
Lifestyle investment programmes *continued*

1 Cautious Option (Scottish Widows Investment Partnership)

- **Initially**, investment will be in the Cautious and Balanced Funds.
- **Ten years from retirement date** your investments will gradually be moved to the Cautious Fund. New contributions will be invested in the Cautious Fund.
- **Five years from retirement date** your investments will gradually be moved to the Non-Equity Fund. New contributions will be invested in the Non-Equity Fund.
- **Two years from retirement date** your investments will gradually be moved to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection Fund (75%) and the Halifax Fund (25%).

The graphs opposite show the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Cautious Option (Scottish Widows Investment Partnership)



Lifestyle investment programmes *continued*

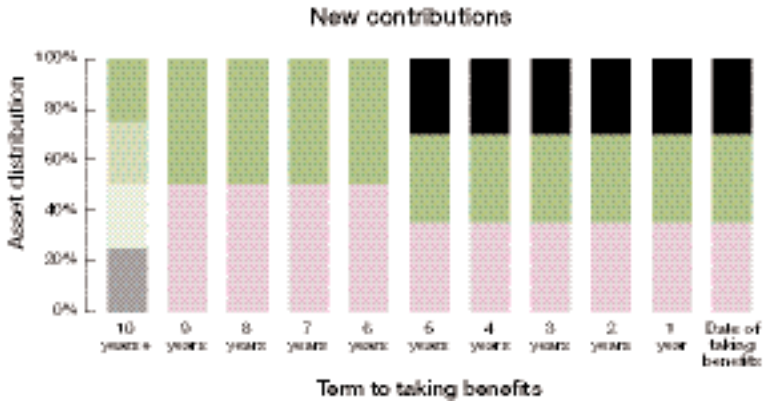
1 Cautious Lifestyle (Barclays Global Investors)

- **Initially**, investment will be made in the BGI UK Equity Index, BGI World (Ex UK) Equity Index, BGI Over 5 years UK Index Linked Gilt Index and BGI Corporate Bond Index funds.
- **Ten years from retirement date** your investments will gradually be moved to the BGI Corporate Bond Index and BGI Over 15 Years Gilt Index funds. This includes any new investments made.
- **Five years from retirement date** your investments will gradually be moved to the Clerical Medical Cash, BGI Corporate Bond Index and BGI Over 15 Years Gilt Index funds. This includes any new investments.

The graph opposite shows the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Cautious Lifestyle (Barclays Global Investors)

- Corporate Bonds
- Over 15 years UK Gilt
- Over 5 years UK Index-Linked Gilt
- World Equity
- UK Equity
- Clerical Medical Cash



Lifestyle investment programmes *continued*

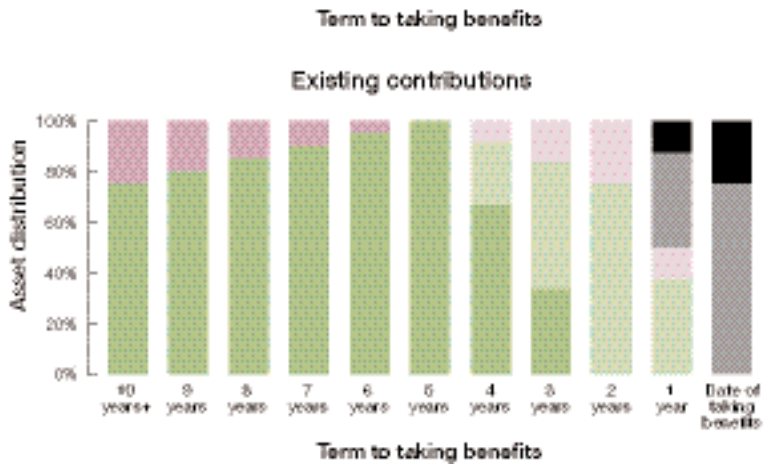
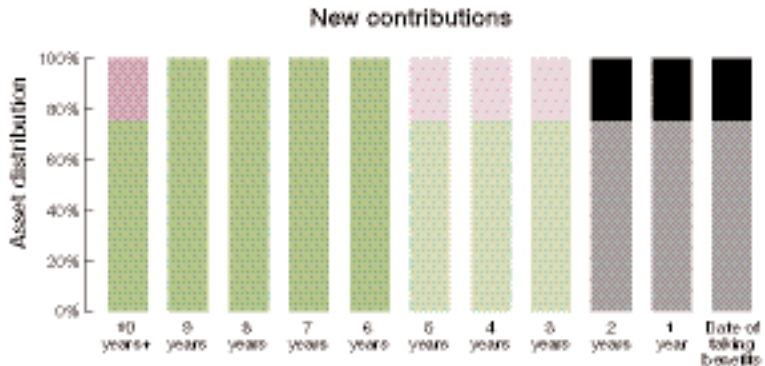
2 **Balanced Option** **(Scottish Widows Investment Partnership)**

- **Initially**, investment will be made in the Balanced and UK Growth Funds.
- **Ten years from retirement date** your investments will gradually be moved to the Balanced Fund. New contributions will be invested in the Balanced Fund.
- **Five years from retirement date** your investments will gradually be moved to the Cautious and Non-Equity Funds. New contributions will be invested in the Cautious Fund (75%) and the Non-Equity Fund (25%).
- **Two years from retirement date** your investments will gradually be moved to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection Fund (75%) and the Halifax Fund (25%).

The graphs opposite show the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Balanced Option (Scottish Widows Investment Partnership)

- UK Growth
- Cautious
- Retirement Protection
- Balanced
- Non-Equity
- Halifax



Lifestyle investment programmes *continued*

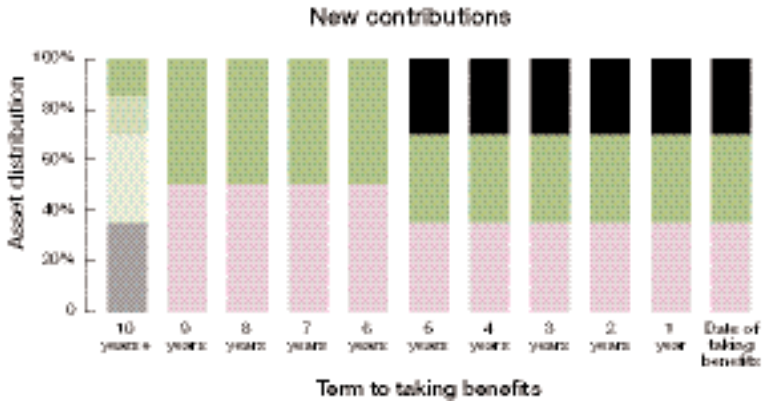
2 **Balanced Lifestyle (Barclays Global Investors)**

- **Initially**, investment will be made in the BGI UK Equity Index, BGI World (Ex UK) Equity Index, BGI Over 5 years UK Index, UK Gilt Index and BGI Corporate Bond Index funds.
- **Ten years from retirement date** your investments will gradually be moved to the BGI Corporate Bond Index and BGI Over 15 Years UK Gilt Index funds. This includes any new investments made.
- **Five years from retirement date** your investments will gradually be moved to the Clerical Medical Cash, BGI Corporate Bond Index and BGI Over 15 Years UK Gilt Index funds.

The graph opposite shows the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Balanced Lifestyle (Barclays Global Investors)

- Corporate Bonds
- Over 15 years UK Gilt
- Over 5 years UK Index-Linked Gilt
- World Equity
- UK Equity
- Clerical Medical Cash



Lifestyle investment programmes *continued*

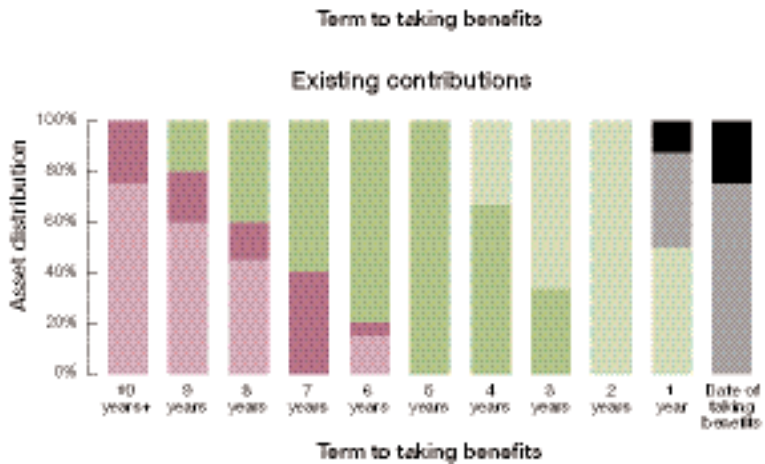
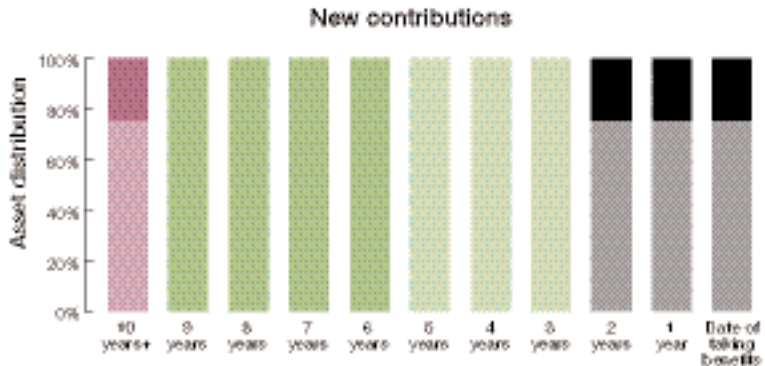
Adventurous Option **(Scottish Widows Investment Partnership)**

- **Initially**, investment will be made in the UK Growth and International Funds.
- **Ten years from retirement date** your investments will gradually be moved to the Balanced Fund. New contributions will be invested in the Balanced Fund.
- **Five years from retirement date** your investments will gradually be moved to the Cautious Fund. New contributions will be invested in the Cautious Fund.
- **Two years from your retirement date** your investments will gradually be moved to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection Fund (75%) and the Halifax Fund (25%).

The graphs opposite show the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Adventurous Option (Scottish Widows Investment Partnership)

- International Growth
- Balanced
- Retirement Protection
- UK Growth
- Cautious
- Halifax



Lifestyle investment programmes *continued*

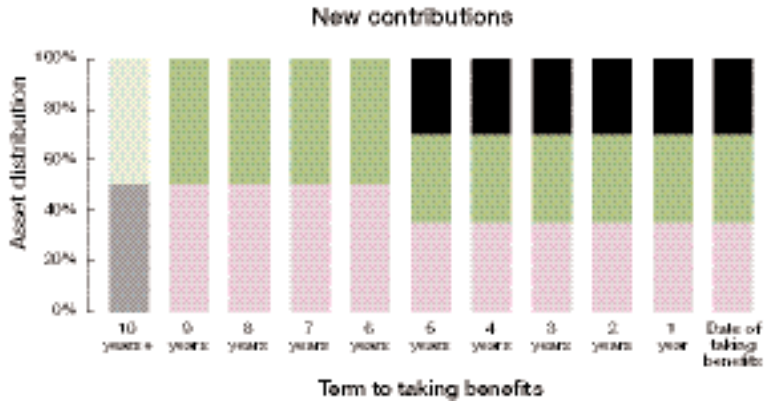
Aggressive Lifestyle (Barclays Global Investors)

- **Initially**, investment will be made in the BGI UK Equity Index and BGI World (Ex UK) Equity Index funds.
- **Ten years from retirement date** your investments will gradually be moved to the BGI Corporate Bond Index and BGI Over 15 Years UK Gilt Index funds. This includes any new investments made.
- **Five years from retirement date** your investments will gradually be moved to the Clerical Medical Cash, BGI Corporate Bond Index and BGI Over 15 Years UK Gilt Index.

The graph opposite shows the progression from funds aiming to provide capital growth to those aiming to offer security near to when you take your benefits. Details of the various funds are shown on pages 23-31.

Asset distribution – Aggressive Lifestyle (Barclays Global Investors)

- Corporate Bonds
- Over 15 years UK Gilt
- Clerical Medical Cash
- World Equity
- UK Equity



The choice of funds available

If you decide to make your own choice of investment funds, this section outlines the funds we currently offer.

If you want to see details of what each fund invests in and its aims, please see the fund factsheets on our website at:

www.clericalmedical.co.uk/Business/FundsPrices/FundFactsheets.asp

Please remember that the value of an investment can go up and down as a result of market and currency movements. The final fund value may be less than the amount you invested. We strongly recommend that you talk to your financial adviser before deciding which funds to invest in.

There may be restrictions on the availability of the funds. For further information you should refer to the full details of your pension plan, which are available on request from your financial adviser.

Unless another fund manager's name is shown, the funds are managed by Scottish Widows Investment Partnership (part of the Lloyds Banking Group).

| Name of fund | Aim of fund | Annual management fee % |
|--|---|-------------------------|
| Clerical Medical Cash | This fund aims to give you an attractive rate of return on short-term deposit instruments as well as the liquidity you may want in a short-term investment. The fund invests in all forms of interest bearing money instruments where the capital is at low risk – normally in the UK. | 1% |
| Clerical Medical Halifax | The fund invests in deposits within the Lloyds Banking Group. The rate of return varies in line with changes in interest rates which, together with the fund charges, are reflected in the unit price. If interest rates fall below the level of fund charges customers may see a fall in the unit price. The published unit price could also fall should the deposit counterparties default. | 1% |
| Clerical Medical UK Property | To provide long-term growth by investing in retail, office, industrial and agricultural properties, and may also finance developments and acquire land for development. The fund aims to provide capital stability over the medium to long term but in the short term there may be a degree of volatility. | 1% |
| Clerical Medical Non-Equity | To provide a long-term total return in excess of returns offered by high interest savings accounts, by investing in a range of commercial property, cash investment, fixed interest and index-linked stocks. However, investing in this fund does not give the same security of capital, easy access or steady growth as with a bank or building society account. | 1% |
| Clerical Medical Gilt & Fixed Interest | To provide long-term growth by investing in a range of fixed interest assets. | 1% |
| Clerical Medical UK Index-Linked Gilt | To achieve capital growth by investing in a range of securities where the capital value and/or interest payments are linked to a specific index. | 1% |

 The choice of funds available *continued*

| Name of fund | Aim of fund | Annual management fee % |
|---|--|-------------------------|
| Clerical Medical Barclays Global Investors Over 5 Years UK Index-Linked Gilt Index* | To achieve long-term growth by investing in UK government index-linked securities (index-linked gilts) that have a maturity period of five years or longer. The fund aims to achieve a return that is consistent with that of the FTSE UK Gilts Index-Linked Over 5 Years Index. | 1% |
| Clerical Medical Barclays Global Investors Corporate Bond Index* | To achieve long-term growth by investing in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return that is consistent with that of the iBoxx £ Non-Gilts Index. iBoxx is the standard benchmark index for corporate bonds, in much the same way as the FTSE All-Share is for UK equities. | 1% |
| Clerical Medical Fidelity Defensive Managed** | To achieve capital growth through investment in a wide range of Fidelity investment funds. | 1.75% |
| Clerical Medical Fidelity MoneyBuilder Income** | To achieve an attractive level of income from a portfolio primarily invested in sterling denominated fixed-interest securities. | 1.6% |
| Clerical Medical Invesco Perpetual Distribution** | To achieve a balance of income and capital growth through a portfolio of primarily UK equity and fixed interest securities. | 1.85% |
| Clerical Medical Invesco Perpetual Global Bond** | To achieve a good overall investment return in the medium to long term with relative security of capital. The fund intends to invest primarily in international bonds of differing interest yields and maturities. | 1.65% |

| Name of fund | Aim of fund | Annual management fee % |
|---|--|-------------------------|
| Clerical Medical Newton International Bond* | To achieve income and capital growth from the world's government bond markets. | 1.4% |
| Clerical Medical Schroder Corporate Bond** | To achieve an optimum level of interest (or yield) with the lowest level of risk by investing in bonds and other fixed interest securities, primarily those issued by companies and the British government. | 1.6% |
| Clerical Medical Schroder Gilt & Fixed Interest** | To achieve a high level of income with the potential for capital growth, from investment in a diversified portfolio of sterling denominated fixed interest securities. | 1.35% |
| Clerical Medical Schroder Monthly High Income** | To provide a high level of income, which is distributed monthly by investing in a diverse portfolio of bonds. | 1.6% |
| Clerical Medical Target Return** | To achieve capital growth in line with long-term stockmarket returns but with a reduced level of risk over a market cycle (the period between two significant market peaks often, but not always, lasting between 5 and 10 years). | 1.75% |
| Clerical Medical Cautious | To achieve long-term growth by reinvesting the income generated by the underlying assets. The manager invests predominantly in UK equities, fixed interest, index-linked stocks and cash. | 1% |
| Clerical Medical Retirement Protection | To broadly match the performance of those UK gilt-edged stocks that influence market yields for pension annuity rates by investing totally in long-dated stocks. | 1% |

 The choice of funds available *continued*

| Name of fund | Aim of fund | Annual management fee % |
|---|---|-------------------------|
| Clerical Medical Barclays Global Investors Over 15 Years UK Gilt Index* | To achieve long-term growth by investing in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return that is consistent with that of the FTSE UK Gilts Over 15 years Index. | 1% |
| Clerical Medical Newton Phoenix** | To achieve long-term growth with low volatility through a widely diversified portfolio. | 1.85% |
| Clerical Medical Balanced Fund of Funds** | The objective of the fund is to achieve a similar level of capital growth to funds in the balanced managed sector but with a reduced level of risk. The fund aims to achieve this by investing in a wide range of assets on a multi-manager basis, including Absolute Return funds whose objective is to provide positive returns in all market environments. | 1.75% |
| Clerical Medical Balanced | To provide long-term capital growth by investing in a range of UK and overseas equities, and a minority exposure to fixed interest, index-linked stocks, property and cash investments. | 1% |
| Clerical Medical UK Equity Income | To provide an above average and increasing income, together with long-term capital growth, by investing primarily in shares of UK companies. | 1% |
| Clerical Medical Dynamic Return** | To achieve capital growth in excess of long-term stockmarket returns but with a reduced level of risk over a market cycle (the period between two significant market peaks often, but not always, lasting between 5 and 10 years). | 1.75% |
| Clerical Medical UK Growth | To provide long-term capital growth by investing in a range of UK equities. | 1% |

| Name of fund | Aim of fund | Annual management fee % |
|--|---|-------------------------|
| Clerical Medical UK Equity Fund of Funds** | To achieve long-term capital growth by investing predominantly in units of collective investment schemes which invest in any sector of the UK economy. The fund may also invest directly in securities in such sectors. | 1.75% |
| Clerical Medical UK Equity Tracker | To achieve long-term capital growth by investing in a representative sample of UK equities, and for these assets to match the capital performance of the FTSE All-Share Index. | 1% |
| Clerical Medical Barclays Global Investors UK Equity Index | To achieve a long-term growth by investing in the shares of UK companies in order to achieve a return that is consistent with that of the FTSE All-Share Index. | 1% |
| Clerical Medical Invesco Perpetual High Income** | To achieve a high level of income, together with capital growth, by primarily investing in companies listed in the UK. | 1.8% |
| Clerical Medical Newton Balanced* | To achieve a balance between capital growth and income from a portfolio of UK and international securities. | 1.25% |
| Clerical Medical Newton Income* | To achieve capital growth and provide an income from a portfolio of predominantly UK equities. | 1.35% |
| Clerical Medical Schroder Managed Balanced** | To achieve capital growth through a balanced exposure to international equities and bonds, by investing primarily in authorised unit trusts managed by Schroders. | 1.3% |
| Clerical Medical UBS Global Allocation* | To achieve long-term growth through the active management of a diversified portfolio invested in domestic and international equities, bonds and cash. | 1.25% |

 The choice of funds available *continued*

| Name of fund | Aim of fund | Annual management fee % |
|---------------------------------|---|--|
| Clerical Medical UBS UK Growth* | To achieve long-term growth through active management of a diversified portfolio invested primarily in UK equities. | 1.25% |
| Clerical Medical With-Profits** | With-profits is only available if you are an existing member of, or a new member to, a plan set up before 6 April 2006. | 1% for schemes set up before 1 January 2004 |
| | <p>These funds enable investors to share in the performance (the 'profits') of Clerical Medical's With-Profits Funds, through regular bonuses. They aim to deliver performance based on a mix of assets (including a significant proportion in company shares and property), whilst 'smoothing' through some of the ups and downs of stock market values. Over the longer term, the potential performance of the assets is similar to other funds we offer with a similar mix of assets.</p> <p>But over the short term, smoothing reduces the effect of market ups and downs. The guarantees provided by the fund also make with-profits different from other types of investment. Normally, the same smoothing approach applies on all money taken out of the With-Profits Fund, but a market value reduction (MVR) may apply where the amount is not guaranteed.</p> <p>If you are investing in the With-Profits Fund, you should read the 'With-profits summary' which explains more fully how we run the fund. This is available on request.</p> | 1.3% for schemes set up on or after 1 January 2004 |
| Clerical Medical Adventurous | To provide higher long-term growth than the average balanced managed fund. The fund may invest in an unrestricted range of global equities. | 1% |
| Clerical Medical Ethical | To achieve long-term growth of capital and income by investing primarily in shares of UK and/or European companies, which meet a range of ethical criteria. | 1% |

| Name of fund | Aim of fund | Annual management fee % |
|---|--|-------------------------|
| Clerical Medical Global Equity Tracker** | To achieve long-term growth by investing in four underlying tracker funds which seek to match the performance of the FTSE All-Share Index, S&P 500, Dow Jones Eurostoxx 50 and Nikkei 300. | 1% |
| Clerical Medical International Growth | To provide long-term capital growth by investing in UK and overseas equities. It generally aims to have a higher exposure to overseas equities than the average balanced managed fund. | 1% |
| Clerical Medical Fidelity Growth and Income** | To achieve a combination of income and long-term capital growth from a portfolio primarily made up of shares of UK companies. | 1.75% |
| Clerical Medical Newton Higher Income* | To achieve a high, and rising, income by investing in UK companies. | 1.4% |
| Clerical Medical Newton Managed* | To maximise the total return from income and capital growth from a portfolio of UK, EC and international securities. | 1.25% |
| Clerical Medical Schroder Global Equities** | To achieve a high total return by investing principally in equities listed on stock markets around the world. | 1.45% |
| Clerical Medical Schroder UK Mid 250** | To achieve long-term capital growth by investing in the medium sized companies listed on the FTSE mid 250 index. | 1.85% |
| Clerical Medical UBS Global Growth* | To achieve long-term growth through active management of a diversified portfolio invested in global equities other than UK equities. | 1.25% |

 The choice of funds available *continued*

| Name of fund | Aim of fund | Annual management fee % |
|--|---|-------------------------|
| Clerical Medical European | To achieve long-term capital growth by investing primarily in shares of European (excluding UK) companies. | 1% |
| Clerical Medical North American | To achieve long-term capital growth by investing primarily in shares of US companies. | 1% |
| Clerical Medical Smaller Companies | To achieve long-term capital growth by investing primarily in UK smaller companies. | 1% |
| Clerical Medical Barclays Global Investors World (ex-UK) Equity Index* | To achieve long-term growth by investing in the shares of overseas companies in order to achieve a return that is consistent with that of the FTSE All-World Developed ex-UK Index. | 1% |
| Clerical Medical Fidelity Worldwide Special Situations** | To achieve capital growth from a portfolio of international securities, but with a bias towards the UK equity market. | 2.1% |
| Clerical Medical Newton American* | To achieve capital growth from a portfolio of US equities. | 1.35% |
| Clerical Medical Newton Continental European* | To achieve capital growth from a carefully selected portfolio of continental European equities. | 1.35% |
| Clerical Medical Newton International Growth* | To achieve capital growth from a portfolio of international securities. | 1.35% |

| Name of fund | Aim of fund | Annual management charge % |
|--|--|----------------------------|
| Clerical Medical UBS UK Smaller Companies* | To achieve long-term capital growth through active management of a diversified portfolio primarily invested in UK smaller companies. | 1.25% |
| Clerical Medical UBS US Equity* | To achieve long-term growth through active management of a diversified portfolio primarily invested in US equities. | 1.25% |
| Clerical Medical Japanese | To achieve long-term capital growth by investing primarily in shares of Japanese companies. | 1% |
| Clerical Medical Far Eastern | To achieve long-term capital growth by investing primarily in shares of Asian (excluding Japan) and Australasian companies. | 1% |
| Clerical Medical Newton Oriental** | To achieve capital growth by investing in the Asian and Pacific markets, excluding Japan. | 1.5% |

The charge shown reflects a 1% product charge plus the extra charge (where applicable) for the specific fund chosen. The total AMC may be different for you depending on the terms of your employer's scheme, negotiated by your employer or their financial adviser when the scheme was set up.

*These funds may be available through group stakeholder depending on the terms of your employer's scheme.

**These funds are not accessible through group stakeholder schemes.

Charges are current as at November 2010. Charges, terms and limits can change.

Investment managers

This section gives you a brief description of the fund managers who provide the investment funds offered by Clerical Medical.

Please note that past performance is not a guide to future performance.

Scottish Widows Investment Partnership (SWIP)

SWIP was established in 2000 and is one of Europe's largest asset management companies with assets under management of £136.4bn. SWIP manages funds for a wide range of UK and international clients and is the centre of fund management excellence for the Lloyds Banking Group.

They invest in all major asset classes – including domestic and overseas equities, property, bonds and cash. In addition, they offer access to specialist areas such as multi-manager, smaller companies and socially responsible investment. (Source: SWIP as at 30 June 2010).

Insight Investment

Insight Investment was launched in September 2002 and as at 30 June 2010 held £102.1 billion in assets under management. (Source: Insight Investment).

Barclays Global Investors

Established over 30 years ago, Barclays Global Investors (BGI) is today one of the world's largest investment managers with more than £1,000 billion assets under management (source: BGI as at March 2009).

Fidelity

Founded in Boston in 1946, they have over 450 investment professionals covering over 90% of the world's companies by market capitalisation. Their aim is to identify companies which will outperform, regardless of the prevailing conditions in the stock market. The company and its subsidiaries manage assets of more than \$200 billion (source: Fidelity as at 30 June 2010).

Invesco Perpetual

Invesco Perpetual is one of the largest independent investment managers in the UK currently managing £34.4 billion of assets (source: Invesco Perpetual as at 31 December 2008).

Newton

Newton Investment Management has been managing investments since 1978 with over £41 billion of assets under management (source: Newton as at 30 June 2010).

Schroders

Schroders are one of the world's largest independent fund managers with £164 billion assets under management (source: Schroders as at 30 June 2010). With a history of 200 years, Schroders has built a diverse and flexible fund range spanning all the major regions and asset classes.

UBS

UBS Global Asset Management is a business group of UBS, one of the world's largest money managers. UBS was responsible for managing £354 billion worth of assets (source: UBS as at 30 June 2010).

Important notes

We reserve the right to delay the date of exchange for a switch. The period of delay will not be more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases.

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