



IFSL BRUNSDON CAUTIOUS GROWTH FUND (Retail Accumulation) FUND FACTSHEET 31 DECEMBER 2012

FUND OBJECTIVE AND POLICY

The aim of the Fund is to increase the value of your investment over the medium to long-term.

The fund is actively managed and is known as a “fund of funds” which means that it invests mainly in other investment funds. The Fund uses rigorous performance analysis and risk management techniques when selecting its investments on an ongoing basis. The targeted funds, in turn, invest in a mixture of shares, tradable debt (bonds) and debt issued by UK and overseas governments (UK and overseas gilts).

The Fund aims to have a low to medium level of volatility over the medium to long term. Volatility is the measurement of the movement in the price of the fund’s shares over a period of time. Very broadly, a fund with a higher level of volatility is considered a higher risk investment than one with a lower level of volatility.

The Fund may use financial contracts (derivatives) to manage risk, reduce costs and improve results.

Income is not distributed but is rolled up (accumulated) into the value of your investment.

You can sell all or part of your investment whenever you like, subject to the minimum holding requirements.

INVESTMENT STRATEGY

The Cautious mandate is looking to target a LIBOR* + 2.5% return per annum on a rolling three year time horizon, while looking to achieve a positive return on any 12 month basis by seeking to find the optimum balance between risk and return using traditional asset classes such as Fixed Interest and Equities, counterbalanced with an allocation to volatility management strategies.

The mandate’s asset allocation has a strong emphasis on risk management effected through maximising diversification and including an allocation to holding lower risk assets. In this way, the overall volatility of the mandate is reduced, increasing the likelihood of achieving the client’s end goal. The alpha generation† target for the Cautious mandate has been set at a level of 1%.

The funds selected to be utilised within this mandate are very core in nature, typically operating with a tracking error of 3 – 6%. These funds are selected for their robust and repeatable investment process within a strong risk framework that has allowed consistent delivery of performance

* LIBOR (London Interbank Offered Rate) is the average interest rate that leading London banks charge when lending to other banks.

† Out-performance of the benchmark

INVESTMENT MANAGERS' MARKET REVIEW



Darren Ripton
Head of Investment Process



David Sullivan
Senior Portfolio Manager

As we entered the fourth quarter of 2012, markets were focused on the approach of the US ‘Fiscal Cliff,’ the combination of spending cuts and tax increases that if left unmanaged would tip the US economy into recession. In the event, the middle class was protected from the worst of the scheduled tax rises, and a decision on the scheduled spending cuts was delayed for two months.

In Europe, the Greek budget included a further austerity package and the country has been given a further two years to implement the measures it has undertaken to reduce its overall debt levels. French banks received a downgrade from the rating agency Standard & Poors, and in Italy, Prime Minister Mario Monti has forced through a swathe of tax increases, spending cuts and structural reforms.

Mark Carney, the next Bank of England governor, has indicated some of the measures he may take once in office. He stated that when interest rates had been cut as far as they could go, banks should commit to keeping rates low for an extended period, until unemployment fell and that they could scrap an inflation target and focus on a nominal GDP target. This could be what is needed to take account of the current state of the economy. The US Federal Reserve has announced similar measures as part of their new policy for the coming months.

Chancellor George Osborne stated that the UK would be forced into borrowing more than anticipated over the next few years. This prompted the main credit rating agencies to put the UK on ‘negative

outlook,’ the stage before a physical downgrade is passed. One of the positives to come from the budget was the announcement that the maximum level of capped drawdown will be reinstated to 120% of the GAD tables. This is good news for pensioners. However, the worsening state of public finances is likely to remain in focus and the extent to which this impacts on growth will steer our investment views in this space.

The growth in asset values experienced in 2012 was better than we anticipated, and was largely founded on loose monetary policy and the sense of protection conferred to investors from global central banks. This situation can only be sustained for so long and we therefore believe that market volatility is likely to remain a feature of 2013, having been largely absent in the second half of 2012. Until some meaningful policy developments emerge from Europe regarding the issues of sovereign solvency and the banking sector, we believe a degree of caution is warranted.

Across both the Cautious Growth and the Adventurous Growth Funds there has been a reduction in both UK and European Investment Grade Bond Funds in Q4 with these monies predominantly being reallocated into a new asset class, Global Reits (Real Estate Investment Trusts). The yield spread of Investment Grade Bonds over Government bonds has fallen through 2012 and although on a relative basis they continue to look attractive, they don’t look as attractive as at the start of the year. As property markets across the world have firmed in 2012, and with demand for prime real estate sites increasing, an allocation to Global Reits adds a new sustainable yield leg to these portfolios. The security used to gain this exposure in both funds is the Schroder Global Property Securities Fund which is run by Jim Rehlaender and has a very consistent track record.



IFSL BRUNSDON CAUTIOUS GROWTH FUND PERFORMANCE: One year to 31 December 2012



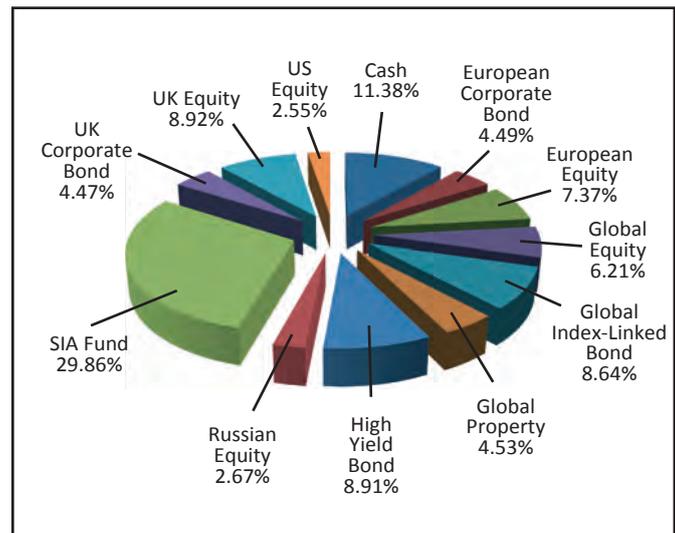
Discrete 1 year performance, 31/12/11 - 31/12/12	Performance from inception, 3/10/11 - 31/12/12
5.45%	6.50%

*Please Note:
5 year discrete data is not yet available as Fund was not launched until 3/10/11*

INVESTMENT HOLDINGS AS AT 31 DECEMBER 2012

Security Name	Weight
SIA FUND GBP	29.86
PIMCO FUNDS GBL INVESTORS GBL HIGH YLD BD FD INST GBP DHGD	8.91
STANDARD LIFE INVST GBL INDX LKD BOND INSTL ACC NAV	6.05
SCHRODER UNIT TST INSTL EUROPEAN I ACC	5.52
SCHRODER GBL PROPERTY SEC FUND GBP	4.53
INSIGHT LIQUIDITY FUNDS GBP LIQUIDITY FUND CLS 5 SHS	4.1
DEUTSCHE GBL LIQUIDITY SER MANAGED GBP B	4.1
AEGON ASSET MGMT UK EQTY B INSTL ACC NAV	3.32
Liquidity GBPCapital Ac-CAPGBP	3.18
DB X TRACKERS MSCI RUSSIA CAPPED INDX ETF	2.67
PIMCO GBL INVRS GBL REAL RTN BD INS GBP	2.59
THREADNEEDLE AMER INST FUND GBP	2.55
SCHRODER INSTL GBL EQTY I ACC	2.49
ARTEMIS FUND MGRS INCOME I ACC	2.47
STANDARD LIFE INV EUROPEAN CORPORATE BOND A E	2.25
M&G SEC EUROPEAN CORP BD GBP A ACC NAV	2.24
THREADNEEDLE INV UK FUND INSTL NET ACC	2.24
ABERDEEN UT MGRS WORLD EQTY FD A ACC	1.88
CAZENOVE INV FUND MGMT EUROPEAN ACC FUND CLS X GBP	1.85
BNY MELLON FD MGRS NEWTON GBL HIGHER INC INST ACC GBP	1.84
M&G STRATEGIC CORPORATE BOND GBP A ACC	1.49
INVESTEC MGRS STRATEGIC BOND I NET GBP DIS NAV	1.49
FIL INV SVCS UK INSTL UK CORP BD GROSS NAV	1.49
STANDARD LIFE INVST UK SMALLER COS ACC INST	0.89
TOTAL	100%

ASSET ALLOCATION



FUND INFORMATION

Launch date	3rd October 2011
Fund size as at 31 December 2012	£14 million
SEDOL Code	B45SPL2
Annual Management Charge (AMC)	1.05%
Ongoing charge*	2.07%

* The ongoing charge represents all the costs declared by the fund manager, including the annual management charges, and expresses them as an annual percentage. This includes everything from fund management costs, through audit, legal and custody fees to all 'other' running costs and can vary from year to year, as it depends on the percentage of the overall fund size. The figure quoted here is the ongoing charge for the period ended 31 August 2012 and is also a 'synthetic ongoing charge' which takes into account the costs borne by the Sub-Funds through holdings in the underlying funds.

SERVICE PROVIDERS

Investment Manager	Standard Life Wealth
Authorised Corporate Director	Investment Fund Services Ltd.
Depository	NatWest
Auditor	Ernst & Young LLP
Admin./Custodian/Registrar	BNP Paribas Securities Services

View latest real-time market snapshot at: www.bloomberg.com/quote/IFSCGRA:LN

IMPORTANT INFORMATION

Please note that past performance is not a reliable indicator of future performance. The value of your investment and any income from it can go down as well as up. You may not get back the amount originally invested. Please also note that tax treatment depends on individual circumstances and may be subject to change in the future. The information in this Fact Sheet does not constitute advice or recommendation and does not form part of any contract for the sale or purchase of any investment. Potential investors should read the Key Investor Information Document before investing. The Prospectus is available on request.

INVESTMENT FUND SERVICES LTD (IFSL)

Investment Fund Services Limited (IFSL) acts as Authorised Corporate Director (ACD) and provides fund hosting services to the Brunson Investment Funds. IFSL is authorised and regulated by the FSA. IFSL was acquired by UFC Fund Management PLC (UFC) in December 2012. UFC's subsidiary Marlborough Fund Managers has been active as ACD for its own fund range and for a number of third-party funds for over 25 years, and its administration services have earned a reputation for excellence. Registered Office: Marlborough House 59 Chorley New Road Bolton BL1 4QP Registered in England No. 06110770



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