



Investment objective

The Trust aims to provide capital appreciation over the medium to long term. To achieve this, the Trust invests in UK and overseas shares, fixed interest and index linked securities, collective investment schemes, cash and near cash. Value is added through the stock picking skills of the investment adviser.

Manager commentary as at 31 December 2012

In notable contrast to 2011, and despite on-going reductions in forecasts of company earnings and for UK economic growth, the UK stock market performed strongly during the final quarter of 2012. Companies perceived as more cyclical, ie whose earnings are more sensitive to economic growth, have also seen their share prices outperform those of their more defensive peers, who have more resilient earnings. The stock market now seems to us to be overly complacent about many things. While the near term risk of a Eurozone area default has now receded, the crisis in the Eurozone is no nearer a final resolution. It is hard to predict how this crisis will be resolved, but we anticipate a prolonged period of poor economic performance, while growth in the UK economy is also likely to remain muted, and we expect further downgrades to forecasts of those companies more sensitive to the economic cycle. However, we maintain our view that there is a population of UK stocks that can grow consistently through this difficult period. Companies that have been delivering growth before, during and after the financial crisis are expected to be able to continue to do so, and we do not believe that their current share prices reflect that ability.

Fund performance

Since launch cumulative performance



■ Strategic Managed [17.92%]

06/04/2010 - 28/02/2013 Powered by data from FE

Cumulative performance (%)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund	7.7	8.2	8.0	-	-

Discrete annual calendar performance (%)

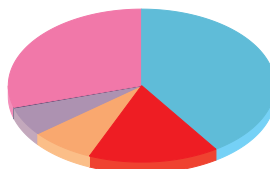
	YTD	2012	2011	2010	2009	2008
Fund	8.1	4.5	0.4	-	-	-

Top 10 holdings

1 British American Tobacco	4.4%	6 AstraZeneca Plc	3.5%
2 Australian Government 4.75%	4.3%	7 BT Group Plc	3.3%
3 UK Treasury 1.75% 2017	4.3%	8 Imperial Tobacco Group Plc	2.3%
4 GlaxoSmithKline Plc	4.2%	9 Buoni Poliennali Del	2.2%
5 UK Treasury 1.75% 2022	4.2%	10 Reckitt Benckiser Group	2.0%

Asset allocation

UK	40.6%
North American	15.8%
European	7.8%
Asia & Pacific	6.1%
Other	0.1%
Cash & Fixed Interest	29.6%



Manager



Neil Woodford - UK equity manager
Invesco Perpetual

Fund facts

Fund manager start date

06 April 2010

Units Acc / Inc

Currency classes GBP

Inception date of the fund

06 April 2010

Fund size £86m (at 28 February 2013)

Mandate size* £2978m

Yield 1.6%

Distribution dates Feb, May, Aug, Nov

Sector Mixed Investment 40-85% Shares

Risk rating Medium

Bloomberg -

ISIN GB00B64LNW33

SEDOL B64LNW3

MEX BPSTRM

Source: Financial Express. All figures are percentage growth on a bid to bid basis for accumulation units, income reinvested and in fund currency. Please be aware that past performance is not indicative of future performance. Equities do not include the security of capital characteristic of a deposit with a bank or building society. The price of units and the income from them may go down as well as up. You may not get back the amount invested.

*This is the total funds under management for the investment mandate across all of the product wrappers.

Unit Trust Yields: The yield is calculated as a percentage of the mid-market unit price as at 28 February 2013. The yield is a historic yield and reflects distributions over the past twelve months. It does not include any preliminary charge and investors may be subject to tax on distributions. It is shown net of tax for a basic rate taxpayer. Yields can fluctuate and therefore are not guaranteed.

Your St. James's Place Partner can provide you with a copy of 'Understanding the balance between risk and reward', which explains investment risk and our risk ratings in more detail.