



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 the final quarter of 2012 we saw equity markets edge forward and UK government bonds modestly lower. US economic data was generally supportive and that from China was also better than expected. Following President Obama's re-election equity prices fell initially but rallied later in November. For the quarter overall Europe was the strongest region, closely followed by the Pacific including Japan. There were no significant changes to asset classes or geographical weights within equities. We remained cautious about the likely medium term returns from government bonds and therefore continued to hold more cash than usual in the 'bonds and cash' part of the portfolio. Investment performance was satisfactory: we outperformed in UK and Emerging Markets equities, offsetting modest underperformance in North America and the Pacific. We outperformed in UK government and international bonds, while being very underweight in the latter was also helpful. We continue to favour equities over bonds and cash in view of their superior and growing income, supported by generally strong balance sheets. The second round of US fiscal cliff negotiations may create short term volatility but is unlikely to do lasting damage. Global growth will remain subdued but the outlook for 2014 is more encouraging.

Fund performance

Since launch cumulative performance



■ Balanced Managed [25.37%]

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

Cumulative performance (%)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund	8.4	11.9	11.8	-	-

Discrete annual calendar performance (%)

	YTD	2012	2011	2010	2009	2008
Fund	7.9	11.4	-3.2	-	-	-

Manager



Richard Peirson
AXA Framlington

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 £88m (at 28 February 2013)

Mandate size* £2071m

Yield 0.7%

Distribution dates Feb, May, Aug, Nov

Sector Mixed Investment 40-85% Shares

Risk rating Medium

Bloomberg -

ISIN GB00B63W3X82

SEDOL B63W3X8

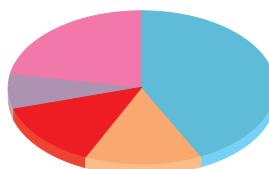
MEX BPBALM

Top 10 holdings

1 Bundesschatzanweisungen 0.75%	2.6%	6 BP Plc	1.8%
2 UK Treasury 2.5% 2020	2.5%	7 UK Treasury 4.75% 2020	1.6%
3 UK Treasury 5% 2025	2.3%	8 Vodafone Group Plc	1.4%
4 HSBC Holdings Plc	2.3%	9 GlaxoSmithKline Plc	1.4%
5 AXA Framlington Emerging	1.9%	10 Diageo Plc	1.4%

Asset allocation

UK	42.7%
European	14.2%
North American	13.5%
Asia & Pacific	7.5%
Cash & Fixed Interest	22.1%



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.