



ST. JAMES'S PLACE
WEALTH MANAGEMENT

UK High Income

Unit Trust

28 February 2013

Investment objective

Aims to achieve capital appreciation over the medium to long-term and to produce a level of income yield in excess of the FTSE All-Share Index, through investment in high yielding UK equities.

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

Five years cumulative performance



■ UK High Income [35.20%]

29/02/2008 - 28/02/2013 Powered by data from FE

Cumulative performance (%)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund	6.8	7.2	10.6	31.7	35.2

Discrete annual calendar performance (%)

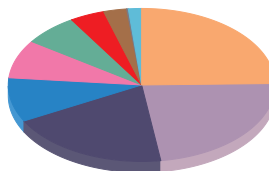
	YTD	2012	2011	2010	2009	2008
Fund	8.6	6.1	4.9	10.0	9.8	-16.3

Top 10 holdings

1 GlaxoSmithKline Plc	9.5%	6 Reckitt Benckiser Group	4.8%
2 AstraZeneca Plc	9.3%	7 BAE Systems Plc	4.7%
3 British American Tobacco	7.8%	8 Capita Plc	4.3%
4 Imperial Tobacco Group Plc	6.2%	9 Rolls Royce Holdings Plc	4.3%
5 BT Group Plc	6.0%	10 Centrica Plc	3.6%

Asset allocation

Industrials	24.7%
Health Care	23.0%
Consumer Goods	19.5%
Financials	9.3%
Utilities	8.1%
Telecommunications	6.6%
Consumer Services	4.2%
Oil & Gas	2.8%
Cash	0.2%
Other	1.6%



Manager



Neil Woodford
Invesco Perpetual

Fund facts

Fund manager start date

01 October 2001

Units Acc / Inc

Currency classes GBP

Inception date of the fund

02 January 1992

Fund size £1129m (at 28 February 2013)

Mandate size* £3079m

Yield 3.5%

Distribution dates Mar, Jun, Sep, Dec

Sector IMA UK Equity Income

Risk rating Medium

Bloomberg -

ISIN GB0007667883

SEDOL 0766788

MEX BPUHIA

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. For this Unit Trust, a portion of the expenses is charged to capital. This has the effect of increasing the distributions for the year by 1.8%, and constraining the fund's capital performance to an equivalent extent.

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.