Suffolk County Council Pension Fund

REVIEW OF PERFORMANCE
SECOND QUARTER OF CALENDAR YEAR 2011

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For and on behalf of Hymans Robertson LLP
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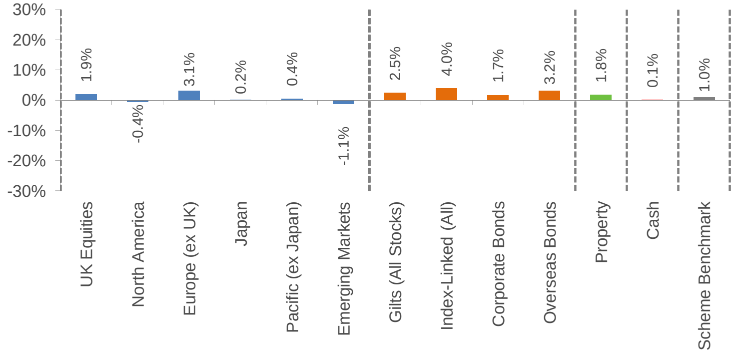
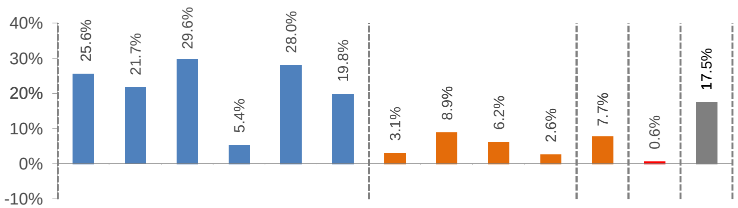
Markets - Historic Returns for World Markets to 30 June 2011

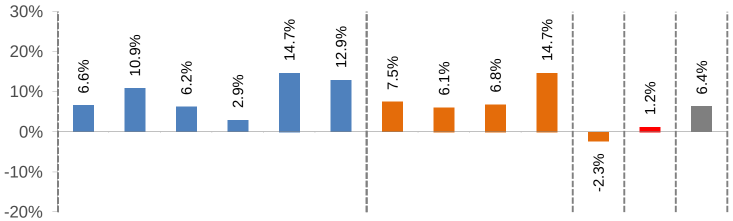
3 Months



12 Months



3 Years



A dominant theme during much of the quarter was the debt crisis in Greece and how the matter might be resolved. Equities fell steeply as the 'crisis' reached its peak in mid June. This was followed by a sharp rally, late in the quarter, as the European Union and IMF agreed a 'bailout'.

The direct negative influence on equities was the deterioration in the global economic outlook. Data published during the quarter indicated a significant slowdown in economic growth in the US. In the UK, economic growth during the first three months of 2011 (reported in Q2) merely offset the contraction recorded in the preceding quarter. Economic strength in Germany and France masked weakness in other Euro-zone-countries. Global inflationary pressures intensified, adding to the strains on the global economy.

In bond markets, yields on ten year issues fell (prices rose) in countries perceived to offer security in uncertain times. In contrast, bond yields rose (prices fell) in heavily indebted euro-zone countries.

Key events during the quarter were:

Global Economy

US central bank lowered its forecast for economic growth in 2011 and 2012
Short-term interest rates were held in UK, US and Japan; modest increase in euro-zone
Rating agencies assigned a negative outlook on US government debt; the political stand-off in agreeing the US debt limit has been unhelpful
US confirmed the end of its quantitative easing programme (effective end June)
Japanese economy contracted for two consecutive quarters

Equities

US equities reached a post 'crisis' high in April on strong corporate results
The strongest sectors relative to 'All World' Index were Health Care (+7.7%) and Consumer Goods (+5.9%); the weakest were Oil & Gas (-5.7%) and Financials/Technology (both -2.7%)

Bonds

Index linked gilts outperformed fixed interest issues on concerns over inflation
The yield differentials between highly indebted Euro countries and Germany widened further
Due to economic uncertainty, market expectations for an increase in short-term interest rates have been pushed out, potentially into 2012, despite inflationary pressures. Indications that the US may engage in a further round of quantitative easing is a measure of its determination to support the economy if necessary.

Market Conditions to 30 June 2011

General

In aggregate, equity markets edged ahead over the second quarter (when expressed in sterling terms), despite a number of threats from geo-political tensions. This felt like a triumph of hope over reality. The four main themes were US monetary and fiscal policy, problems in the Eurozone focussed on Greece, tensions in Middle East countries and commodity inflation, particularly the oil price. The current round of US quantitative easing (QE2), a buying package of US$75 billion a month, ceased at the end of June. One consequence of the policy has been US$ weakness. The Federal Reserve is discussing whether a further package of stimulation is needed to sustain domestic recovery which remains weak. The European Central Bank continues to muddle through the crisis, with partial success – the Euro has been surprisingly strong (at least against sterling and the US$), while bond yields have soared in problem countries, now extending to include Italy. Investors appear to have identified a dichotomy between government (bad) and corporate (good). Earnings guidance from US companies reporting in Q3 will enable investors to judge whether we are experiencing an economic soft patch or whether the raft of weak economic data presages a more major setback.

Global Equities

Equity markets just about held their own over the quarter. US and European equities were virtually flat, Japanese equities returned -2.2%, Pacific equities were off 1.9% and emerging market equities were off 1.1%. The modest weakening of sterling over the quarter brought the sterling return from aggregate international equities just into positive territory. In relative terms, the strongest sectors were Healthcare (+7.7% relative), Consumer Goods (+5.9% relative) and Consumer Services (+3.7% relative). Oil & Gas was the weakest sector (-5.7% relative). The relative performances of Healthcare and Oil & Gas reversed between Q1 and Q2, with Q1 favouring economic sentiment and Q2 favouring defensives.

UK Equities

Relative sector performance in the UK mirrored that in global equities, with Oil & Gas underperforming by 5.7% relative. Mid and Small Cap stocks returned to favour. Large cap stocks (FTSE 100) returned 1.6%. FTSE 250 (mid cap stocks) returned 4% and Small Cap returned 2.5%. Undoubtedly, the fact that Oil & Gas represents a large proportion of the FTSE 100 and has limited representation in mid and small cap explains much of the relatively poorer performance of large cap. Value outperformed growth by 1.4%.

At a stock level, the three best performing FTSE 100 stocks were Weir Group, Burberry and Aggreko. Each benefited from sales growth propelled by activity in developing markets. The three weakest performers were Eurasian Natural Resources (where governance issues upset investors), Lloyds Banking Group and Lonmin.

Market Conditions to 30 June 2011 (continued)

Bonds

Bonds experienced a strong quarter with gilts a feature as investors sought security. Nominal gilts returned 2.5%, and index-linked gilts returned 4%. Corporate bonds returned 1.7%, with AAA, AA and BBB issues returning around 2% and A-rated issues returning 1.5%. There was significant activity in the Eurozone with sharp rises in the credit spreads of weaker countries (principally Greece, but also Portugal, Spain and Italy) because of concerns about the ability of these countries to fund their deficits.

Property

UK property returns continued to edge higher over Q2. The total return on the IPD Monthly index, a gross index, was 2.1% with 1.7% coming from income and 0.4% from capital growth. The average return on pooled balanced funds (an index net of fees) was 1.8%. Fundamentals are improving for occupiers with modest rental growth over the quarter. However, this continues to be focused in prime assets. Secondary assets offer higher initial rental yield but investors are concerned about voids so there is little enthusiasm at present to acquire secondary properties. With growing concerns about the outlook for UK economic growth, it is difficult to see this pattern changing in the near term.

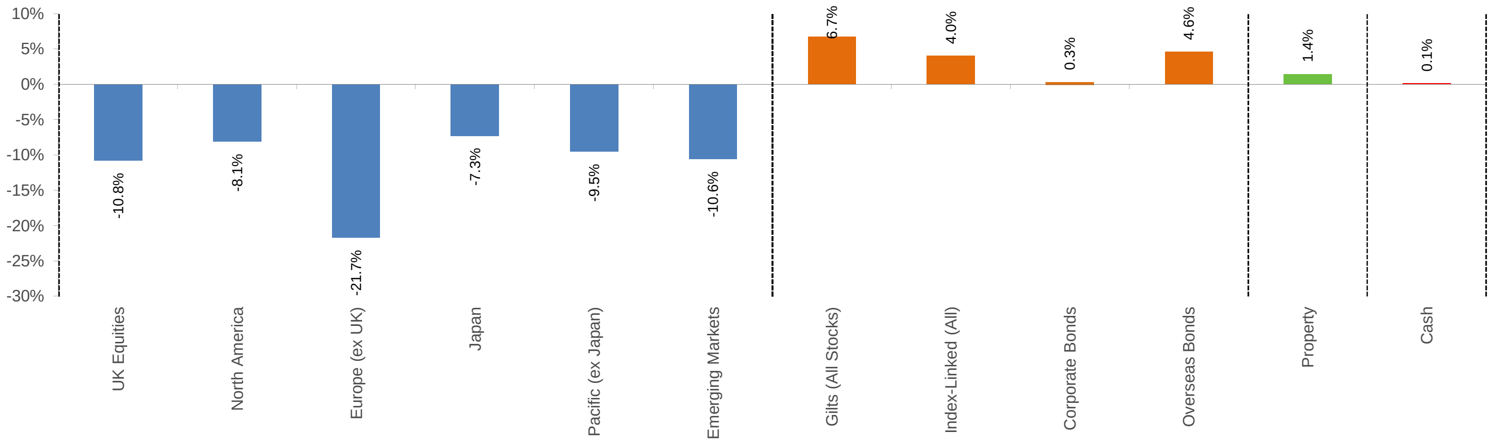
Generic Commentary on Active Managers

Within global equities, the average manager modestly outperformed benchmark. Funds which were defensively positioned and those which were less than fully exposed to emerging markets generally performed better. Those funds which had a bias to value or indeed to growth, those biased to cyclical exposure or those which use fundamental factors generally underperformed. There was considerable dispersion of returns over the quarter. Within UK equities, funds which were defensively positioned or income seeking performed best. The median return was modestly ahead of benchmark, and dispersion of returns was narrower than within global equities.

Within bonds, the median return over Q2 of 2011 was broadly in line with benchmark. Around two thirds of funds performed within ¼% of the benchmark return, so dispersion of returns was relatively modest. The main source of excess return came from security selection. Underperforming managers were generally caught out by failing to capture fully the strong return from gilts over the period.

Markets - Historic Returns for World Markets Update

Period from 30/6/11 to 7/9/11



Over Q3 of 2011 to date (close of business on 7 September), equity markets have posted large negative returns in Sterling terms with Europe and UK posting the biggest falls. In local currency terms, equity markets also fell significantly. Overall, in aggregate, global equities fell over the period by 10.8% in Sterling terms (and by -8.5% in local currencies). In contrast, government bonds have made gains although corporate bonds produced only a marginally positive return. Property has also continued to produce a positive return.

The economic outlook remains uncertain. There are some big specific risks – the European sovereign debt problem is far from fully resolved, the US has not begun to address its long-term fiscal problems – but these have hardly just emerged in the last few weeks. More generally, data have been pointing to an economic slowdown for several months

Managers

The Suffolk Fund returned 1.1% over Q2 of 2011, outperforming its benchmark by 0.1%. It is 0.7% behind benchmark over the last 12 months (+16.7% versus a benchmark return of +17.5%). Longer term numbers lag the total fund benchmark with relative returns of -1.7% p.a. over 3 years and -0.6% p.a. over 5 years.

Aberdeen: Aberdeen underperformed by 0.3% over Q2 of 2011 They are 0.7% ahead of benchmark over 12 months and 0.3% p.a. ahead of benchmark over 3 years.

Alliance Bernstein: Alliance Bernstein performed in line with benchmark over Q2 of 2011. They are 0.5% behind the benchmark over 12 months and 3.9% p.a. behind benchmark since inception on 10 June 2005.

BlackRock: BlackRock underperformed their benchmark by 1.0% over Q2. Their portfolio is 1.4% ahead of benchmark over 12 months. although the last 6 months have been disappointing They are 3.8% p.a. ahead of benchmark over the period since inception (on 19 July 2007).

JP Morgan: JP Morgan outperformed by 0.7% over Q2 of 2011. They are ahead of benchmark over the last 12 months by 4.2% and are now ahead of the benchmark by 0.2% p.a. since inception (on 20 July 2007).

Newton: Newton performed in line with benchmark over Q2 of 2011. They are 2.7% behind benchmark over the last 12 months but are 0.2% p.a. ahead of benchmark since inception (on 27 July 2007).

Millennium: Millennium underperformed their LIBOR cash benchmark by 2.3% (net of fees) over Q2. They are 1.0% p.a. ahead of benchmark (net of fees) over 12 months and -3.8% p.a. behind since the mandate commenced on 1 April 2008.

Schroder (Property): Schroder's No 1 portfolio returned 2.0% (net of fees) over Q2. This was 0.2% ahead of Schroder's own benchmark (IPD UK Pooled Property Balanced PUT weighted average index) which returned 1.8%; the All-Balanced Funds index which we consider more representative had a similar return (1.8%). Over 12 months, Schroder's net return of 7.1% was 0.7% behind their benchmark (IPD Balanced PUT) and 0.6% behind the All Balanced Fund index. Over 3 years, Schroder returned -3.9% p.a. (net) which was 0.6% p.a. behind the IPD Balanced PUT index return of -3.3% p.a. and a more significant 1.6% p.a. behind the IPD All Balanced Funds index return of -2.3% p.a.

MANAGER SUMMARY

Mandate	Manager	Value £M 31-Mar-11	Value £M 30-Jun-11	Actual Allocation 30-Jun-11
Multi Asset Passive	Legal & General	430.8	437.2	28.4%
UK Equities	Alliance Bernstein	171.0	174.3	11.3%
UK Equities	BlackRock	143.0	144.3	9.4%
Global Equities	JP Morgan	214.2	216.0	14.0%
Global Equities	Newton	214.6	215.2	14.0%
Bonds	Aberdeen	100.6	102.3	6.7%
Property	Schroder	147.8	150.7	9.8%
Currency Active	Millennium	34.8	34.1	2.2%
Private Equity	Private Equity	60.4	64.8	4.2%
Total Invested Assets		**1,517.2**	**1,538.9**	**100.0%**

ASSET ALLOCATION

Asset Class	Fund (£m)		Strategic Benchmark (%)	Fund (%)		Relative to Strategic Benchmark (%)	
	31/03/2011	30/06/2011		31/03/2011	30/06/2011	31/03/2011	30/06/2011
UK Equities	**353.0**	**359.9**	**22.8**	**23.3**	**23.4**	0.5	0.6
Overseas Equities	**631.0**	**628.4**	**38.2**	**41.6**	**40.8**	3.4	2.6
North America	*261.0*	*260.4*	*15.1*	*17.2*	*16.9*	2.1	1.8
Europe ex UK	*150.3*	*154.6*	*10.5*	*9.9*	*10.0*	-0.6	-0.5
Japan	*55.5*	*55.7*	*6.2*	*3.7*	*3.6*	-2.5	-2.6
Pacific ex Japan	*60.0*	*59.4*	*3.6*	*4.0*	*3.9*	0.4	0.3
Other	*104.1*	*98.4*	*2.8*	*6.9*	*6.4*	4.1	3.6
British Govt Bonds	**51.5**	**52.8**	**4.0**	**3.4**	**3.4**	-0.6	-0.6
Corporate Bonds	**167.2**	**169.5**	**10.4**	**11.0**	**11.0**	0.6	0.6
Index-Linked	**63.3**	**66.1**	**4.3**	**4.2**	**4.3**	-0.1	0.0
Alternatives	**95.2**	**98.8**	**8.2**	**6.3**	**6.4**	-1.9	-1.8
Private Equity	*60.4*	*64.8*	*5.0*	*4.0*	*4.2*	-1.0	-0.8
Active Currency	*34.8*	*34.1*	*3.2*	*2.3*	*2.2*	-0.9	-1.0
Property	**144.5**	**147.7**	**12.0**	**9.5**	**9.6**	-2.5	-2.4
Cash	**11.4**	**15.7**	**0.0**	**0.8**	**1.0**	0.8	1.0
Total Invested Assets	**1,517.2**	**1,538.9**	**100.0**	**100.0**	**100.0**		

Manager Allocation - Global Equity Benchmarks

Asset Class	Target %	JP Morgan Relative %	Target %	Newton Relative %
UK Equities	8.3	4.0	8.3	0.3
Overseas Equities	91.7	-5.1	91.7	-2.0
North America	*47.3*	-1.4	*47.3*	-12.0
Europe	*17.5*	0.3	*17.5*	1.5
Japan	*7.8*	-2.4	*7.8*	2.3
Asia Pacific	*5.2*	-1.5	*5.2*	5.4
Emerging Markets	*13.9*	-0.1	*13.9*	0.7
Total Equities	100.0	-1.1	100.0	-1.7
Property	-	-	-	-
Total Fixed Interest	-		-	
Cash & Alternatives	-	1.1	-	1.7
Total	**100.0**		**100.0**	

Comments

Newton's regional positioning remains broadly similar to last quarter (driven by their thematic views). They have typically taken more aggressive asset allocation positions than shown above. Their most significant position remains the underweighting of North America, the largest geographical component of the index. Overall JP Morgan's regional tilts have remained broadly unchanged. Their biggest positions remain the overweight to the United Kingdom and underweighting of Japan and North America. Their positioning is slightly more aggressive than normal for them but their deviations from benchmark are modest by comparison with many managers (their largest divergence from benchmark is the 4.0% overweighting of UK).

Sector Allocation - Global Equity Benchmarks

Sector	Target %	JP Morgan Relative %	Newton Relative %
Energy	11.8	-1.8	-1.0
Materials	9.1	-1.7	1.9
Industrials	11.0	2.1	-3.2
Consumer Discretionary	10.1	4.9	2.9
Consumer Staples	9.5	-1.2	-0.6
Healthcare	8.6	4.5	3.4
Financials	20.3	-2.0	-4.7
Information Technology	11.3	-0.5	-0.4
Telecommunication	4.6	-0.6	2.5
Utilities	3.8	-3.8	-3.2
Cash & Others	-	-	2.5
Total	**100.0**		

Comments

JP Morgan's sector positions remains broadly similar to last quarter although they are now overweight Healthcare (a beneficial position given that sector's outperformance in quarter 2). The portfolio is overweight in economically sensitive companies and in small and mid-cap stocks, retaining a positive beta.

Newton's positioning is also broadly similar in direction to the previous quarter. Sector allocation had a positive impact on performance over the quarter, particularly in HealthCare and Financials - stock selection within these sectors also added value. However, stock selection in the Consumer sectors offset this leaving overall performance in-line with benchmark.

Alliance Bernstein - UK Equity Mandate

Overview

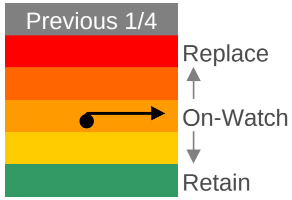
Comments

The portfolio performing in line with the benchmark return of 1.9%. Security selection was disappointing over the period, but this was offset by the positive sector selection. Security selection was particularly hindered by the overweight holdings in Enterprise Inns, Premier Foods and Lloyds Banking Group. In fact, the largest positive stock level contributor over the quarter was achieved from the nil holding in BG Group. Further positive contributions were achieved from the overweight positions in DS Smith and GKN.

At sector level, the overweight allocations to the Medical and Transportation sectors particularly helped performance as investors favoured defensive stocks over the quarter. The large underweight to Financials also contributed positively as concerns over the European debt crisis gathered momentum.

Despite the new challenges in the market environment, the manager has not changed its investment strategy. The manager maintains a focus on holding companies which have strong cash flows and are trading at deep discounts to the wider market. The manager believes that these holdings will allow for a strong bounce when the market begins to

Hymans Robertson View



Recent News

Claude Chene, the London based CEO of Europe and Head of Distribution for the UK & Ireland, has resigned to become Global Head of Distribution at Ignis Asset Management (formerly Resolution). Chene had moved to the UK in 1998 to launch Alliance Bernstein's UK and European proposition. Following Chene's departure, Richard Haxe's role as Head of European Distribution will once again incorporate the UK and Ireland, whilst David Steyn, Global COO who is based in Munich, will take over as CEO of Europe. Simon King remains as Head of Client Servicing. Chene's departure is disappointing, but has no direct impact on portfolio management.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	1.9	25.0	0.7	2.9
Benchmark	1.9	25.6	6.6	7.1
Relative	0.0	-0.5	-5.5	-3.9

3 Year Relative Return

Actual % p.a.	Target % p.a.
-5.5	1.5

3 Year Tracking Error

Actual	Target
3.5	3-5%

BlackRock - UK Equity Mandate

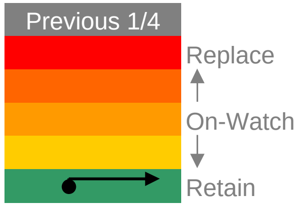
Overview

Comments

Despite a second quarter of underperformance in quarter 2, BlackRock's performance remains well ahead of benchmark over the longer term. Premier Oil, Tullow Oil and oil services group AMEC detracted from performance following the fall in the oil price. Jupiter Fund Management fell ahead of a management share placing despite announcing growth in assets whilst Lloyds underperformed as the group made further provisions for PPI mis-selling and Irish impairments.

Portfolio activity in the second quarter was relatively modest. In financials they purchased a new position in Legal & General and added to Standard Life. Both of these life insurance companies are trading on low valuations with high dividend yields and are well positioned for the introduction of the retail distribution review. Elsewhere in financials they added exposure through a new position in Jupiter Fund Management and an addition to Schroders. They have continued to add to the position in Carphone Warehouse as the joint venture with Best Buy in the US is growing strongly and capturing market share from the incumbent mobile telecom providers. They sold to take profits in Admiral and GKN following periods of good performance as was the holding in engineering company Smiths but this time due to disappointing business developments.

Hymans Robertson View



Recent News

No significant news on the equity side of the business.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	0.9	27.4	8.8	4.9
Benchmark	1.9	25.6	6.6	1.1
Relative	-1.0	1.4	2.1	3.8

3 Year Relative Return

Actual % p.a.	Target % p.a.
2.1	1.5

3 Year Tracking Error

Actual	Target
3.8	

JP Morgan - Global Equity Mandate

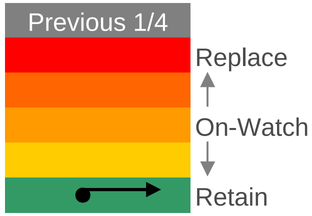
Overview

Comments

JP Morgan outperformed by 0.7% over the quarter, and have significantly outperformed over the 12 month period to end June. Stock selection in the consumer discretionary, financials and healthcare sectors contributed positively to returns, while stock selection in the information technology sector detracted. From a regional perspective, positive contributions to returns came from stock selection in Europe ex UK, North America and Pacific ex Japan, while Japan detracted from performance. The portfolio's underweight position in consumer staples hurt performance as the sector rose strongly in a volatile quarter. Style performance across momentum was a strong positive for returns this quarter, while their small cap exposure detracted.

The portfolio remains largely unchanged from last quarter, it maintains its overweight exposure to growth/momentum and value stocks, with a greater tilt towards growth/momentum. The portfolio's size bias continues to reflect an underweight in large cap stocks and an overweight in small and mid cap stocks. Overall, their regional and sector tilts have remained broadly unchanged. They are now overweight healthcare stocks. Given the portfolio's overweight in economically sensitive companies and in small and midcap stocks, the portfolio's beta remains positive.

Hymans Robertson View



Recent News

No significant news to report.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	0.8	26.4	9.2	3.7
Benchmark	0.1	21.3	8.4	3.5
Relative	0.7	4.2	0.7	0.2

3 Year Relative Return

Actual % p.a.	Target % p.a.
0.7	1.5

3 Year Tracking Error

Actual	Target
2.1	

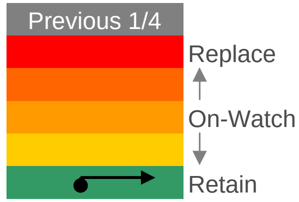
Newton - Global Equity Mandate

Overview

Comments

Newton performed in-line with the benchmark over the quarter. Positive relative performance in the first two months of the quarter were eroded in June when a combination of factors prompted a market rally. Consumer sectors were the main source of underperformance, mainly due to stock selection issues whilst stock selection in the technology sector was positive, Within the consumer sectors, stock selection took away 0.7% from performance - Brazil's Hypermarcas and Danish jeweller Pandora were the two largest individual negative stock contributors. The overweight to healthcare was beneficial as more defensive stocks outperformed the market as was positioning in financials. Stocks like Roche, GlaxoSmithKline, Towa and Novartis from the healthcare sector were among the portfolio's best positive contributors as was Jardine Matheson and AIA from the financials sector.

Hymans Robertson View



Recent News

Newton recently announced some changes in the Research team. Bob Gullett who has been part of their Financials sector hub since joining Newton 10 years ago has retired. Over the last couple of years they have been working towards a steady transition of his responsibilities to other members of the investment team. At the other end of the seniority scale, David Stephenson is leaving the research team after only 9 months at Newton, to take the helm of his family's Metal Stockholding business. Charles French and Paul Schenk will cover off the Insurance sector whilst they recruit a replacement.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	0.1	18.0	4.0	4.0
Benchmark	0.1	21.3	8.4	3.8
Relative	0.0	-2.7	-4.1	0.2

3 Year Relative Return

Actual % p.a.	Target % p.a.
-4.1	1.5

3 Year Tracking Error

Actual	Target
14.6	5-7%

Aberdeen - Bond Mandate

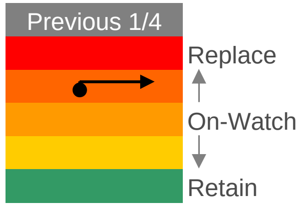
Overview

Comments

Aberdeen underperformed the benchmark over the quarter but remain ahead over the year. The markets have been dominated by the threat of a Greek default, causing a flight to quality and Aberdeen were poorly positioned for this. In particular, their underweight duration detracted from relative performance as yields fell and the yield curve steepened. An overweight position in financials also hurt; financials suffered on market concerns over exposure to sovereign debt. Selection within credit further detracted from performance; a holding in Refer (Portuguese rail infrastructure) proved detrimental, and further research has led Aberdeen to cut some of their holding and downgrade expectations on this stock.

Despite the disappointing quarter Aberdeen remain convinced their strategy will pay off in the long term. They believe government bonds are overvalued and have added to their short duration position to exploit future yield rises. The small allocation to high yield was closed out at the beginning of Q2 and there are no plans to invest again at this time. The emerging market allocation will be retained and may be added to opportunistically.

Hymans Robertson View



Recent News

Aberdeen announced a restructuring to its Fixed Income team which has resulted in the Global Rates and Currency teams being disbanded to create two new teams. In addition, Nick Griffiths (co-head of Global Rates) has resigned from the company to join L&G as Head of Global Rates. The new teams are designed to give the firm a more Global Macro focus. Apparently the restructuring had been under discussion for some time.
The decision to make the announcement at this stage was down to Nick's decision to resign from the company (likely prompted by a failure to secure one of the Team Head positions). Nick's departure is another in a long list of senior departures over the last few years and again raises questions over the firm's ability to retain key investment individuals and the long term stability of the fixed income team.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	1.7	5.3	8.0	5.3
Benchmark	2.0	4.6	7.6	4.8
Relative	-0.3	0.7	0.3	0.4

3 Year Relative Return

Actual* % p.a.	Target** % p.a.
0.3	0.75

3 Year Tracking Error

Actual	Target
2.9	1.5

* gross of fees ** net of fees

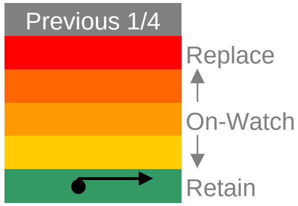
Schroder - Property Fund of Funds

Overview

Comments

The portfolio returned 2.0% over the quarter outperforming the benchmark by 0.2%. Performance of core holdings such as Hermes PUT and SEPUT were key drivers over the quarter. Although returns lag the benchmark over 12 months, this is due to the impact of transaction costs. Schroders have taken a holding (4.5% of the portfolio) in their Real Income Fund which aims to maintain real income and help protect value in a low growth environment by identifying areas of the UK property market where rental income growth is less correlated to growth in the wider economy and is expected to match or exceed inflation over the medium term. It aims to diversify the portfolio's alternative property exposure (predominantly student accommodation) and to access a diversified opportunity set of smaller funds and joint ventures which would otherwise be too small for the portfolio to acquire in isolation. The fund currently has two holdings, the UNITE UK Student Accommodation Fund and the Motor Retail Property Unit Trust. Strategy going forward is to seek niche sectors of the property market which are uncorrelated to wider economic growth with focus on attractive initial yields with rental growth potential supported by underlying occupier demand. They aim to reduce the portfolio's exposure to 'opportunistic' style funds, which typically operate with higher than average debt levels and allocate sale proceeds to funds with lower leverage and above average income yields.

Hymans Robertson View



Recent News

In April, Schroder announced the appointment of Nick Scott as Head of Retail for the Schroder Exempt Property Unit Trust (SEPUT) which represents 10% of the Suffolk portfolio. Scott has joined from NewRiver Retail, with over 20 years of retail experience across both the occupational and investment markets. Scott spent over 10 years at Parkridge Developments Ltd where he was Director of Investment & Development, responsible for the creation of value enhancement strategies with specific emphasis on the retail sector. There were no other changes to the Schroder property team during the quarter.

Performance Summary (No 1 Fund)

	Current 1/4 %	1 Year %	3 Years % p.a.	5 Years % p.a.
Fund	2.0	7.1	-3.9	-2.6
Benchmark	1.8	7.8	-3.3	-3.1
Relative	0.2	-0.7	-0.6	0.5

3 Year Relative Return

Actual % p.a.	Target % p.a.
-0.6	1.5

3 Year Tracking Error

Actual	Target
1.5	n/a

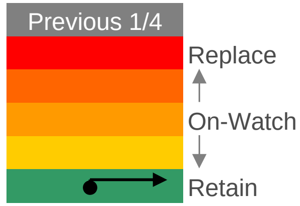
Millennium - Active Currency

Overview

Comments

In April the fund exhibited positive performance up 1.31%. The start of a monetary tightening cycle by the ECB helped drive the EUR/USD higher, despite renewed market concerns about sovereign debt at the periphery, a position which contributed to the positive return on the long EUR vs. USD position in the portfolio. The revision by S&P of the US sovereign rating outlook from stable to negative underlined the fundamental drivers behind a weakening USD which further benefitted the portfolio as it was positioned short the USD vs. A broad range of currencies. However, May saw a reversal in this positive performance. The worst performing allocation over the quarter was the long EUR vs. USD position which detracted -0.61% from performance in May as the USD strengthened on positive economic news and EUR-centric concerns. The fund was also positioned long EUR vs. CHF which reported a loss as the EURO weakened. The end of the quarter saw a further reversal in sentiment and the long EUR vs. USD position contributed positive performance, however this was offset by long USD positions as the currency once again weakened.

Hymans Robertson View



Recent News

Millennium hired a new head of Business Development, Monica Fan, who joined in the second quarter. She will look to increase their institutional business going forward. At present the firm continues to see most interest in the dynamic hedging offering as opposed to active currency. This is reflected industry wide and Millennium openly admit the current environment is not the most conducive for fundamental currency investing. However the firm does not intend to make any changes to its process.

Performance Summary (absolute return)

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	-2.1	-0.2	-1.8	-1.8

* Inception - 1 April 2008, performance shown is absolute return net of fees

Inception Return

Actual % p.a.	Target % p.a.
n/a	n/a

Inception Tracking Error

Actual	Target
n/a	n/a