

Kleinwort Benson Retirement Plan Investment Strategy - EUR Cautious

Fund Benchmark

BarCap Euro EMU HICP Lkd TR EUR

Investment Objective

To achieve capital returns in excess of cash and/or inflation over the medium to long term, by employing an investment strategy that places an emphasis on capital preservation with a cautious approach to long-term capital growth.

Fund Manager Commentary

Investor confidence has improved significantly since late 2011, however, the outlook for growth remains challenging. The consensus expects the global economy to grow by 2.2% in 2012. This forecast is below trend & is lower than the International Monetary Fund's most recent forecast of 3.3%. Looking forward, we anticipate a gradual increase in the growth rate in several major economies. The Euro-zone debt crisis may be in remission but the consensus forecasts that GDP growth will fall by 0.4% this year. On balance, we consider that growth at the levels forecast will be insufficient to make much of a dent in excess capacity or to generate inflationary pressures. Equity markets drifted lower in early March, however, the latest & largest supply of liquidity to the financial system from the European Central Bank boosted investor confidence & helped global equity markets to rally into the month end. The MSCI World Index rose 1% for the month although the FTSE 100 fell, failing to hold on to gains as economic data disappointed at month end. Commodity prices also finished a little lower & gold failed to recover from last month's disappointment at the lack of additional quantitative easing in the US. Hedge fund performance was mixed & UK Government bonds retreated modestly in March as investors generally favoured risk assets.

Risk Measures

Alpha	-0.49	3-Yr Sharpe Ratio	-0.60
Beta	0.07	3-Yr Std Dev	1.67
R-Squared	9.16	3-Yr Risk	-
Information Ratio	-0.65	5-Yr Risk	-
Tracking Error	7.07	10-Yr Risk	-

Calculations use BarCap Euro EMU HICP Lkd TR EUR (where applicable)

Maturity Range

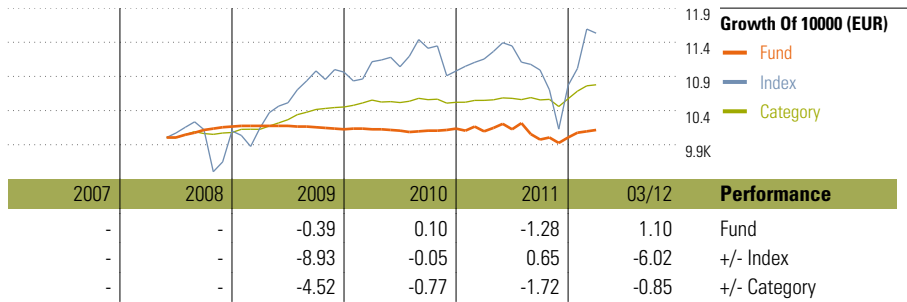
	%
1 to 3	17.32
3 to 5	25.97
5 to 7	37.87
7 to 10	18.84
10 to 15	0.00
15 to 20	0.00
20 to 30	0.00
Over 30	0.00

Morningstar Rating™

N/A

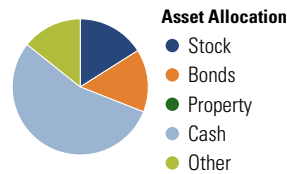
Morningstar® Category

EUR Diversified Bond - Short



Trailing Returns (31 Mar 2012)	Return %	+/-Idx	+/-Cat	Quarterly Returns	1st qtr	2nd qtr	3rd qtr	4th qtr
3 Months	1.10	-6.02	-0.85	2012	1.10	-	-	-
6 Months	1.40	-3.51	-0.71	2011	-0.39	0.30	-1.48	0.30
1 Year	0.20	-3.20	-1.89	2010	0.00	-0.20	0.00	0.30
3 Years Annualised	-0.20	-4.56	-2.27	2009	0.10	0.00	-0.20	-0.30
5 Years Annualised	-	-	-	2008	-	-	1.10	0.49

Portfolio 31 Mar 2012



Top 5 Instruments and Issuers	% Bond
Non-US Corp	69.68
US Corporate	30.32

Credit Quality	%	%	
AAA	95.95	BBB	0.00
AA	4.05	BB	0.00
A	0.00	B	0.00
		Below B	0.00
		Not Rated	0.00

Data as of: 31 Mar 2012

Coupon Range	%
0 PIK	0.00
0 to 4	43.29
4 to 6	56.71
6 to 8	0.00
8 to 10	0.00
10 to 12	0.00
Over 12	0.00

Morningstar Fixed Income Style Box™

Effective Duration (Y)	3.86
Effective Maturity (Y)	-
Avg Credit Quality	AAA

Top 10 Holdings

Top 10 Holdings	% Port.
Cse D'Amort Dette 2.625%2012-04-25	12.41
Euro Inv Bk 4.75%2017-10-15	5.66
Bluecrest Allblue Fund EUR	4.83
Aberdeen Emerging Markets I	4.46
ETFS Gold Bullion Securities ETC	4.25
BH MACRO LD ORD NPV EUR	4.21
Rabobank Nederland 3.375%2016-01-18	3.88
Fidelity Germany A-EUR	3.33
Procter & Gamble 4.125%2020-12-07	2.81
Dexion Absolute Limited EUR	2.69

