

# Fund Factsheet Feb 2010

## Winterthur Invesco Perpetual Corporate Bond (Investment Bond)

### Fund Objective

The Fund aims to achieve a high level of overall return, with relative security of capital. It is invested in fixed interest securities.

### Winterthur Fund Information (as at 31/01/2010)

Launch Date	03/10/2003
Unit price (p)	134.40
Fund currency	British Pounds
Fund size (£m)	10.75
ABI Sector	Sterling Corporate Bond
Fund Management Charge p.a.	1.00%
Fund Expenses p.a	0.20%
SEDOL	3360198
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Mexid	PTIPCL

### Underlying Fund Information (as at 30/11/2009)

Launch Date	24/07/1995
Fund currency	British Pounds
Fund size (£m)	5639.71
Yield	5.7
Gross Redemption Yield	-
OBSR Rating	AAA

### Benchmark

IMA UK Corporate Bond Sector

### Asset Allocation (as at 31/12/2009)

■ BBB	42.1%
■ A	31.9%
■ BB	9.4%
■ Non-Rated Investment Grade Bonds	4.6%
■ AAA	4.0%
■ AA	3.1%
■ B	2.1%
■ CC	1.9%
■ Non-Rated	0.7%
■ CCC	0.2%

### Principal Holdings (as at 31/12/2009)

■ LONG GILT FUTURE 29/03/10	3.8%
■ US TREAS NTS 4.50% 15/08/39	1.6%
■ US LONG BOND FUT 22/03/2010	1.3%
■ SANTANDER 11.3% PREF (T1)	1.2%
■ SIEMENS NETHERLANDS 6.125% 14/09/16	1.2%
■ GENERAL ELECTRIC 6.5% 15/09/2017	1.2%
■ RENTOKIL INITIAL 5.75% NTS 31/03/16	1.0%
■ HEINEKEN NV 7.25% BDS 10/03/15	1.0%
■ JOHN LEWIS 8.375% 08/04/2019	1.0%
■ BARCLAYS 14% STEP (T1)	1.0%

### Discrete performance to end of December

	(31/12/08 - 31/12/09)	(31/12/07 - 31/12/08)	(31/12/06 - 31/12/07)	(31/12/05 - 31/12/06)	(31/12/04 - 31/12/05)
% growth	19.4%	-6.2%	2.4%	1.6%	5.4%

Investors should be aware that the value of units may fall as well as rise and is not guaranteed, and that past performance is not a guide to future performance.

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### Discrete performance to end of January

	(31/01/09 - 31/01/10)	(31/01/08 - 31/01/09)	(31/01/07 - 31/01/08)	(31/01/06 - 31/01/07)	(31/01/05 - 31/01/06)
% growth	22.96%	-6.50%	2.63%	0.62%	5.30%
Sector Average	21.96%	-12.73%	0.16%	-1.00%	5.17%
Quartile	2	2	1	1	3
Rank	67/201	53/185	17/163	12/120	54/82

### Cumulative performance to 31/01/2010

	3 mths	1 year	3 year	5 year	10 year
% growth	3.54%	22.96%	18.00%	25.02%	-
Sector Average	2.72%	21.96%	6.61%	11.00%	-
Quartile	1	2	1	1	-
Rank	40/215	67/201	23/163	8/82	-

### Performance for 5 years to 31/01/2010



### 3 year Statistical Data to 31/01/2010

Beta	0.86
Alpha	3.74
Monthly Volatility	1.90
R <sup>2</sup>	0.88

Investors should be aware that the value of units may fall as well as rise and is not guaranteed, and that past performance is not a guide to future performance. Different funds carry different levels of risk. Investors may not get back the full amount invested. Data source: Financial Express.

Where a fund invests in shares or other assets which are designated in a different currency to the fund, or where the underlying fund is denominated in a different currency, prices may rise and fall purely as a result of exchange rate fluctuations.

It should be noted that the performance of the Winterthur fund may not necessarily match the performance of the underlying fund due to fund charges and appropriate adjustments for taxation. Winterthur reserves the right to revise its charges at any time.

The unit price normally reflects the price at which the underlying assets can be purchased. However, when there are more units being cancelled from a fund than are being purchased, the unit price

will normally be lower to reflect the price at which the underlying assets can be sold.

The Winterthur fund is single priced, with all net income being retained within the fund. Any performance information shown in blue italics relates to the underlying fund. No product charges have been taken into account except the fund management charge and any additional fund expenses.

Although Winterthur takes every care to ensure that the data provided to external sources about their own funds is accurate, occasionally discrepancies may occur for example due to pricing delays. In all cases Winterthur will endeavour to ensure that these discrepancies are corrected. Winterthur accepts no liability for loss due to such discrepancies where the investor has relied on the information contained in the factsheet to make investment decisions.

The most up-to-date factsheet is available from [www.winterthur-life.co.uk](http://www.winterthur-life.co.uk).

## Glossary

<b>Active/passive management</b>	An active fund manager will select companies whose shares he believes are likely to increase in value the most, aiming to provide returns higher than the benchmark. A passive manager seeks to replicate the benchmark index.
<b>Alpha</b>	A positive alpha is a measure of how much a fund has outperformed its benchmark, and a negative alpha is a measure of how much a fund has underperformed its benchmark. It is often seen as a key measure of the 'added value' given by an active fund manager.
<b>Annualised volatility</b>	The annualised standard deviation of the monthly returns of a fund over a three-year period. Please see Volatility.
<b>Asset allocation</b>	The process of dividing investments among different kinds of asset classes such as stocks, bonds, property and cash.
<b>Benchmark</b>	A measure against which the performance of a fund is compared. The benchmark could be an index for example the FTSE 100, or a sector average. The benchmark is usually stipulated when the fund is launched.
<b>Beta</b>	A measure of the sensitivity of the fund's performance relative to that of its benchmark. A Beta of 1 implies that the fund's performance tends to match that of its benchmark exactly, while a Beta of 1.5 implies that the fund tends to move 50% more than its benchmark, either up or down. Passively managed funds would typically aim for a Beta of 1.
<b>Bid price</b>	The price at which you can sell units of a fund. This term is usually used when a fund has different prices for buying and selling. Please see Offer price.
<b>Bonds</b>	Also referred to as Fixed Interest Securities. A bond can be issued by either a company (corporate bond) or a government (gilt) and is a way of raising capital. Investors buying a bond are effectively loaning money to the issuer. Most bonds promise to pay a fixed rate of interest for a given period of time, at the end of which the holders are, in most cases, repaid the capital sum. It is important to remember that these securities can be traded in the market, and as such their value can go down as well as up.
<b>Bottom-up</b>	An investment approach. A bottom-up investment manager will concentrate on stock selection rather than asset allocation or sector selection. Economic issues and asset allocation guidelines are considered, but are not of primary importance in the construction of the portfolio.
<b>CAPS Pooled Pension Survey</b>	Combined Actuarial Performance Services (provided by Russell/Mellon CAPS). A report displaying the performance of a number of pension funds in the form of time-weighted rates of return calculated both net and gross of fees. There is a specific CAPS Pooled Pension Fund Survey for each sector, for example CAPS Pooled Pension Fund (European) Peer Group.
<b>Collective investment schemes</b>	A generic term for investment funds with more than one investor, for example unit trusts, offshore funds and investment trusts, which are managed by professional managers. By pooling their investments, investors can gain exposure to a wide number of underlying investments (eg bonds or equities).
<b>Dividends</b>	The distribution of part of a company's earnings to shareholders.
<b>Equities</b>	Also referred to as shares. An instrument that signifies an ownership position, or equity, in a corporation.
<b>FTSE techMark 100 Index</b>	Figures published by the Financial Times indicating the relative prices of shares from public limited companies in the UK, which are based on or have a heavy bias to technology.
<b>FTSE All-Share Index</b>	An index representing 98-99% of the value of the shares listed on the UK stockmarket.
<b>Fixed Interest Securities</b>	Also referred to as Bonds.
<b>Fund management charge</b>	A charge taken from the fund. The charge is expressed as a percentage per annum but is normally taken daily from the fund.
<b>Gilt</b>	A bond issued by the UK government. Please see Bonds.
<b>Income</b>	The dividend payment from equities or interest paid on bonds.
<b>Index-linked gilts</b>	Particular type of bond issued by the UK government where the interest paid and the final capital value are linked to the retail price index (RPI), and can therefore fall as well as rise in value.
<b>International bond</b>	A certificate issued by a government or public company outside the UK. Please see Bonds.
<b>International securities</b>	Equities, bonds and other investments existing, occurring or held in any country outside the UK.

## Glossary (continued)

<b>Investment trust</b>	A collective investment. Investment trusts are public companies (ie listed on the London Stock Exchange) and are regulated by the Investment Company Act of 1940. Investment trusts have fixed share capital, whose value fluctuates with the demand for their shares on the stockmarket. The price of an investment trust does not necessarily equal the value of its underlying assets.
<b>OEIC</b>	Open Ended Investment Company. An OEIC is a pooled investment fund of variable size set up as a company. It owns investment assets, for example stocks and shares, gilts, bonds and other financial instruments. The size of an OEIC varies reflecting the market value of its underlying investments. OEICs are similar to unit trusts, however OEIC investors own shares in the company rather than units in a unit trust.
<b>Offer price</b>	The price at which you can buy units of a fund. This term is usually used when a fund has different prices for buying and selling. Please see Bid price.
<b>Passive/active Management</b>	A passive manager seeks to replicate the benchmark index. An active fund manager will select companies whose shares he believes are likely to increase in value the most, aiming to provide returns higher than the benchmark.
<b>Quartile</b>	Twenty five percent of the whole. A fund whose performance is 1st quartile in its sector is among the top 25% performers of all similar funds. A fund whose performance is 4th quartile is among the lowest 25% of performers within their sector.
<b>R<sup>2</sup></b>	A measurement of how closely the fund's performance moves in line with that of its benchmark. Values range from 0 to 1, where 0 indicates no relationship and 1 indicates a perfect match.
<b>Rank</b>	This is where the fund ranks in comparison with its peers. For example, a ranking of 16/144 means that the fund is in 16th position out of a total of 144 funds within its sector.
<b>Retail Price Index (RPI)</b>	An inflation indicator that measures the change in the cost of a fixed basket of retail goods.
<b>Securities</b>	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
<b>Share</b>	Also referred to as equities. An instrument that signifies an ownership position, or equity, in a corporation.
<b>Single priced fund</b>	A fund that has the same price for buying and selling on any day.
<b>Stock</b>	Also referred to as equities, shares, equity securities or corporate stock. An instrument that signifies an ownership position, or equity, in a corporation.
<b>Top-down</b>	An investment approach. A top-down investment manager will construct a portfolio by focusing on the country's economy before deciding which sector/stocks to invest in. Economic conditions determine which industries or sectors will produce a good return, and then attractive stocks are sought within those industries/sectors.
<b>Unit Trust</b>	A collective investment. Investors' monies are pooled together and invested according to set investment guidelines. Investors purchase units, which represent their interest in the underlying assets of the fund. The changing price of the units held reflects the rise and fall in the underlying assets of the fund.
<b>Unit</b>	A collective investment is divided into equal parts called units. These units are then bought and sold by investors in a fund. The number of units held is multiplied by the unit price to determine the value of the investors' holding in the fund.
<b>Unit price</b>	The unit price is calculated by taking the value of the total fund, minus any charges, divided by the total number of units held by investors in the fund.
<b>Underlying fund</b>	The funds that the Winterthur pension and Investment Bond funds invest in. For example, the Winterthur Fidelity Special Situations Pension Fund invests in the Fidelity Special Situations OEIC fund.
<b>Volatility</b>	Three-year standard deviation is used to represent volatility, and demonstrates a fund's tendency to rise/fall in value over a specified period of time. Standard deviation measures how far actual fund returns have deviated from the sector average. The more a fund's returns have varied from the sector average, the higher the volatility. The volatility of a fund is partly attributable to the assets in which it invests, for example a fund that invests totally in equities will have a higher volatility than a fund with no equity exposure.
<b>Yield</b>	The amount of income generated by a fund's investment in relation to the price.