

Asset Allocation Models

- Based on the importance, timescale and degree of risk being taken to achieve the objectives we will use one of the following 7 investment models to asset allocate investment funds.

Investment Risk Profiles and Asset Allocations

Term	Attitude To Risk											
	Cautious				Moderate				Adventurous			
			Asset return	Weighted Return			Asset return	Weighted Return			Asset return	Weighted Return
Short Term (0 - 5 years)	Cash	100%	5.00%	5.00%	Cash	100%	5.00%	5.00%	Cash	100%	5.00%	5.00%
Medium Term (5 - 10 years)	Cash/Money Markets	20%	5.00%	1.00%	Cash/Money Markets	15%	5.00%	0.75%	Cash/Money Markets	5%	5.00%	0.25%
	Fixed Interest	25%	5.25%	1.31%	Fixed Interest	20%	5.25%	1.05%	Fixed Interest	15%	5.25%	0.79%
	Property	15%	5.75%	0.86%	Property	15%	5.75%	0.86%	Property	20%	5.75%	1.15%
	UK Equity	18%	7.50%	1.35%	UK Equity	22%	7.50%	1.65%	UK Equity	26%	7.50%	1.95%
	European Equity	7%	7.50%	0.53%	European Equity	8%	7.50%	0.60%	European Equity	9%	7.50%	0.68%
	North American Equity	7%	7.50%	0.53%	North American Equity	8%	7.50%	0.60%	North American Equity	9%	7.50%	0.68%
	Japanese Equity	4%	7.50%	0.30%	Japanese Equity	6%	7.50%	0.45%	Japanese Equity	8%	7.50%	0.60%
	Emerging Market Equity	2%	8.50%	0.17%	Emerging Market Equity	3%	8.50%	0.26%	Emerging Market Equity	4%	8.50%	0.34%
	Far East Ex Japan Equity	2%	7.50%	0.15%	Far East Ex Japan Equity	3%	7.50%	0.23%	Far East Ex Japan Equity	4%	7.50%	0.30%
	Overall return after charges			5.70%	Overall return after charges			5.94%	Overall return after charges			6.23%
Long Term (10 years plus)	Cash/Money Markets	0%	5.00%	0.00%	Cash/Money Markets	0%	5.00%	0.00%	Cash/Money Markets	0%	5.00%	0.00%
	Fixed Interest	20%	5.25%	1.05%	Fixed Interest	10%	5.25%	0.53%	Fixed Interest	0%	5.25%	0.00%
	Property	20%	5.75%	1.15%	Property	15%	5.75%	0.86%	Property	0%	5.75%	0.00%
	UK Equity	26%	7.50%	1.95%	UK Equity	27%	7.50%	2.03%	UK Equity	28%	7.50%	2.10%
	European Equity	9%	7.50%	0.68%	European Equity	14%	7.50%	1.05%	European Equity	21%	7.50%	1.58%
	North American Equity	9%	7.50%	0.68%	North American Equity	14%	7.50%	1.05%	North American Equity	21%	7.50%	1.58%
	Japanese Equity	8%	7.50%	0.60%	Japanese Equity	10%	7.50%	0.75%	Japanese Equity	14%	7.50%	1.05%
	Emerging Market Equity	4%	8.50%	0.34%	Emerging Market Equity	5%	8.50%	0.43%	Emerging Market Equity	8%	8.50%	0.68%
	Far East Ex Japan Equity	4%	7.50%	0.30%	Far East Ex Japan Equity	5%	7.50%	0.38%	Far East Ex Japan Equity	8%	7.50%	0.60%
	Overall return after charges			6.24%	Overall return after charges			6.56%	Overall return after charges			7.08%

Asset Class	Anticipated return
Cash/Money Markets	5.00%
Fixed Interest	5.25%
Property	5.75%
UK Equity	7.50%
European Equity	7.50%
North American Equity	7.50%
Japanese Equity	7.50%
Emerging Market Equity	8.50%
Far East Ex Japan Equity	7.50%

Notes:

Anticipated asset class returns estimated net of charges levied by fund providers

Investments assumed to be in pension funds or collective investments where income and capital gains tax is nominal.

Overall return after charges is shown net of GDL investment fees