

Sydney Charles Retirement Annuity Trust Scheme Low Risk Strategy



Investment Comment

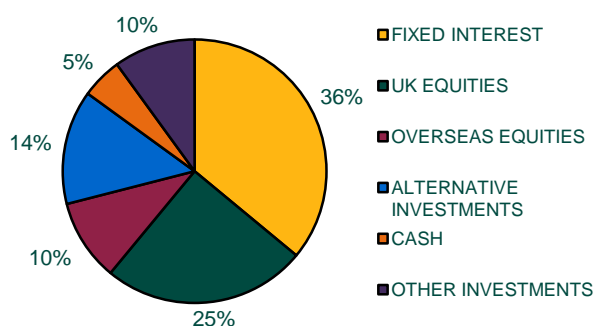
2010 was a typically up and down year, though by the close, the emphasis was decidedly on the up having seen fears of a 'double-dip' recession recede and corporate profitability increase. The authorities' response to the credit crisis, through quantitative easing, has supported economic activity and we are starting to see signs that a normal cycle is evolving. The danger is that inflation may take centre stage and the recent market movements support this. If growth lags inflation then there could be a problem. The Eurozone sovereign debt crisis which manifested itself last year is still to be satisfactorily resolved. Markets will fluctuate and we will continue to seek value and act patiently, rather than chasing too many trends.

From the 15th October to 31st December 2010 the portfolio returned 1.45% against the benchmark which recorded a rise of 0.1%. In view of concerns over inflation, it is intended to reduce exposure to corporate bonds into index linkers and to modestly increase the weighting to equities.

Top Holdings

- 1 Artemis Income Acc
- 2 Investec Cautious Managed Portfolio
- 3 Threadneedle UK Equity Income
- 4 CF Ruffer Total Return Cap
- 5 Invesco Perpetual Corporate Bond Inc
- 6 City Financial Strategic Gilt A
- 7 M&G Optimal Income Acc
- 8 Newton International Bond GBP Dis
- 9 Thames River Global Bond Acc
- 10 M&G Global Basics Cap

Asset Allocation



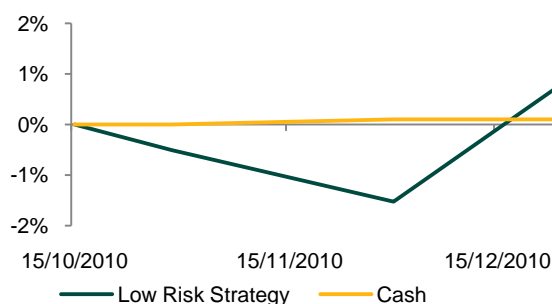
Strategy Details

Structure: A low risk portfolio may comprise up to 70% medium risk assets with the balance being low risk assets. Returns may be obtained through either income or capital growth or a combination of the two.

Volatility: The potential for equity investment will mean that the portfolio may be prone to shorter term periods of fluctuating value. However, the emphasis on capital preservation will mean that these swings will usually be lower than those seen in global equity markets.

Time Horizon: The potential equity investment means that a low risk portfolio should be viewed on a longer term time horizon, typically a minimum of 3-5 years.

Performance Details



Source: Bloomberg & Moventum

| | Lower Risk Strategy | Cash |
|-----------|---------------------|-------|
| 3 Months | - | - |
| 6 Months | - | - |
| 12 Months | - | - |
| Inception | 1.45% | 0.10% |

Source: UK Base Rate

N.B. The asset allocation and holdings are indicative and due to the timing of your investment may not fully reflect the constituents of your own portfolio. Please refer to your adviser for full details.

N.B. Indicative Performance Only.
Performance is calculated on existing strategies and intended as a guide only. Figures from 15th October 2010.

Low Risk Portfolio

| Stock Name | Portfolio % |
|---------------------------------------|----------------|
| FIXED INTEREST | 36.00% |
| Newton International Bond GBP Dis | 6.00% |
| M&G Optimal Income Acc | 7.00% |
| Invesco Perpetual Corporate Bond Inc | 9.00% |
| City Financial Strategic Gilt A | 8.00% |
| Thames River Global Bond Acc | 6.00% |
| UK EQUITIES | 25.00% |
| Artemis Income Acc | 10.00% |
| Threadneedle UK Equity Income | 10.00% |
| Schroder UK Alpha Plus Acc | 5.00% |
| OVERSEAS EQUITIES | 10.00% |
| Newton Global Higher Income Inc | 5.00% |
| M&G Global Basics Cap | 5.00% |
| ALTERNATIVE INVESTMENTS | 14.00% |
| CF Ruffer Total Return Cap | 9.00% |
| Threadneedle Absolute Return Bond Acc | 5.00% |
| CASH | 5.00% |
| JP Morgan Sterling Liquidity Cap | 3.50% |
| Cash | 1.50% |
| OTHER INVESTMENTS | 10.00% |
| Investec Cautious Managed Portfolio | 10.00% |
| TOTAL | 100.00% |

Williams de Broë Limited. Registered office: 100 Wood Street, London, EC2V 7AN.

Registered in England and Wales under Company Number: 2485266. A wholly owned subsidiary of the Evolution Group plc.

Authorised and regulated by the Financial Services Authority. Registered office: 25 The North Colonnade, Canary Wharf, London, E14 5HS. A member of the London Stock Exchange.

This document has been prepared and published by Williams de Broë Limited (Williams de Broë). The information and opinions contained herein are based upon sources believed by Williams de Broë to be reliable, but which may not have been independently verified and no guarantees, representations or warranties are made as to its accuracy, completeness or suitability for any purpose. Any opinion or estimate expressed in this publication is Williams de Broë's current opinion as of the date of this publication and is subject to change without notice. Past performance is not an indication of future performance. The value of investments and any income from them is not guaranteed and may go down as well as up; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments are not readily realisable and investors may experience difficulty in realising the investment or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling. Any references to the impact of taxation are made in the context of current legislation and may not be valid should levels and/or bases of taxation change. Williams de Broë, its employees or a connected company may trade in the investments referred to herein and may also perform investment or other banking services for such companies. This document is not intended as an offer or solicitation for the purchase or sale of any investment or any other action.

No personal recommendation is being made to you; the securities referred to may not be suitable for you and this material should not be relied upon in substitution for the exercise of independent judgement or seeking independent advice. Williams de Broë will not be liable for any direct or indirect damages, including lost profits, arising in any way from the information contained in this material. This material is for the use of intended recipients only and is not directed at you if Williams de Broë is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. This document is being supplied to you solely for your information and may not be re-produced, re-distributed or passed to any other person or published in whole or in part for any purpose. The material in this document is not intended for distribution or use outside of the United Kingdom.