

Investment objective

The Lincoln Schroders funds aim to achieve capital appreciation over the medium to long term by investing in a portfolio of UK and international equities, global fixed interest securities and property.

Risk category

The funds are categorised as balanced, seeking to achieve a balance between the need to preserve the original investment and the need for growth and/or income. These funds are more appropriate for those who can remain invested in them for at least five years.

Fund information

| | | | | |
|--------------|---------------------------------|-----------|--------------|-----------------|
| Launch date | 1 January 1983 | Fund size | Life £129.4m | Pension £424.7m |
| Fund manager | Schroders Investment Management | AMC | Life 1.29% | Pension 1.03% |
| Fund sector | Balanced Managed | | | |

Performance figures

| | Discrete years performance % for one year period ending: | | | | | Average annual % growth: | | |
|--------------|--|-----------|-----------|-----------|-----------|--------------------------|-------|--------|
| | 31 Aug 09 | 31 Aug 08 | 31 Aug 07 | 31 Aug 06 | 31 Aug 05 | 3 yrs | 5 yrs | 10 yrs |
| Life Fund | 1.6 | -3.2 | 7.9 | 9.4 | 18.6 | 2.0 | 6.6 | 2.1 |
| Pension Fund | 1.2 | -4.8 | 8.6 | 10.3 | 21.3 | 1.5 | 6.9 | 2.6 |

Past performance should not be taken as a guide to the future.

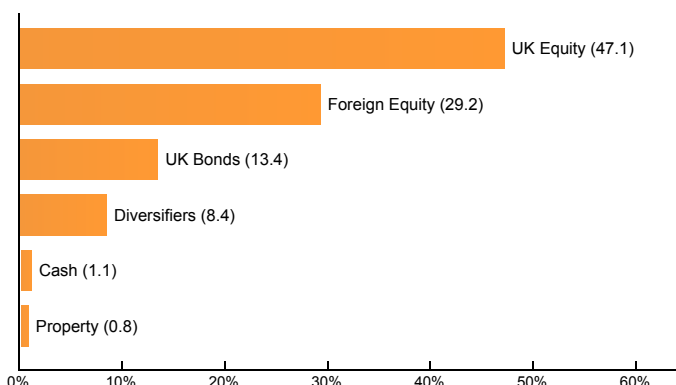
Top 10 holdings

| Company (holding) | % holding |
|--|-------------|
| Schroder QEP Global Core Fund | 17.8 |
| Schroder Active Value Fund | 11.6 |
| Schroder Sterling Broad Fund | 8.9 |
| Schroder Uk Alpha Plus Fund | 7.8 |
| Schroder Income Fund | 5.8 |
| Schroder All Maturities Corporate Bond Fund | 4.5 |
| Schroder Emerging Market Debt Absolute Return Fund | 4.4 |
| Schroder International Selection High Yield Fund | 3.0 |
| GlaxoSmithKline | 2.0 |
| Royal Dutch Shell B | 1.9 |
| TOTAL | 67.7 |

Performance vs peer group



Asset allocation



Source (performance figures): Financial Express as at the end Aug 2009, bid - bid, net income reinvested. You may not get back your original investment. Unit values and the income from them can fall as well as rise and are not guaranteed. Where applicable exchange rates may also cause the value of underlying investments to go down or up. Tax benefits of investments depend on your individual circumstances and may be changed without advance warning.

Source: (top ten fund sizes and allocation where applicable): Schroders Investment Management. These splits shown apply to the pension funds. There might be a slight difference between the allocations in the life fund but this typically would not be more than 1%.

The AMCs quoted include an allowance for the investment management expenses associated with the fund, including the costs of any external fund managers. Because of the different costs associated with managing different types of assets and because different fund managers manage different funds, the allowance for investment management expenses varies depending on the fund.

About the fund manager

Founded in 1804, Schroders is an independent, pure fund manager, with no priorities other than a continued focus on delivering high quality service and consistent performance excellence. With £110 billion of funds under management as at 31 December 2008 and an international network spanning the globe, Schroders has the perspective, experience and expertise to identify major investment potential.

About the fund manager's investment process

At Schroders, team culture is an essential ingredient. At each stage of the investment process, specialist teams make decisions, each with clearly defined areas of expertise and accountability. These teams support the principles on which the Schroders Investment philosophy is built.

About Lincoln

Lincoln Financial Group is the UK business name of Lincoln National (UK) PLC and its UK subsidiary companies.

The UK operation dates back to 1934 with assets under management of £3.92 billion (as at 31 March 2009). Lincoln Assurance Limited is part of Lincoln in the UK, within which UK life and pensions business is written. AKG actuaries' current financial strength rating (as at October 2008) rated Lincoln Assurance Limited with an overall Financial Strength rating of 'B+'. Lincoln in the UK is passionate about doing the best for its customers at or in retirement, by bringing to the market reliable and flexible solutions which enables a smooth transition through retirement, protecting and enhancing wealth to enjoy an income for life. Lincoln serves the needs of customers nationwide through financial advisers and is dedicated to building excellent customer service.

On 15 June 2009 Sun Life Financial of Canada announced that it is acquiring Lincoln (UK). The Canadian company already has a UK operation and has taken this opportunity to purchase Lincoln UK which is a highly complementary business and brings to them our additional product development and IFA distribution capability.

For more information

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