

Lincoln UK Equity Income

as at 31 August 2009

Investment objective

The Lincoln UK Equity Income funds aim to maximise Income and growth mainly through a portfolio of UK securities.

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 people who can remain invested in them for at least five years and whose financial situation and temperament can tolerate some swings in performance.

Fund information

Launch date	1 July 1982	Fund size	Life £46.6m	Pension £64.6m
Fund manager	Mondrian Investment Partners Limited	AMC	Life 1.44%	Pension 1.19%
Fund sector	UK Equity income			

Performance figures

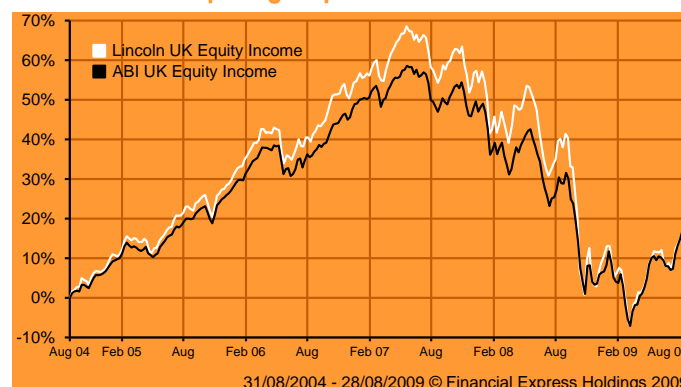
	Discrete years performance % for one year period ending:					Average annual % growth:		
	31 Aug 09	31 Aug 08	31 Aug 07	31 Aug 06	31 Aug 05	3 yrs	5 yrs	10 yrs
Life Fund	-14.2	-9.8	10.4	17.0	22.2	-5.1	4.1	-0.3
Pension Fund	-12.6	-9.3	10.4	14.2	21.7	-4.3	4.0	0.2

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

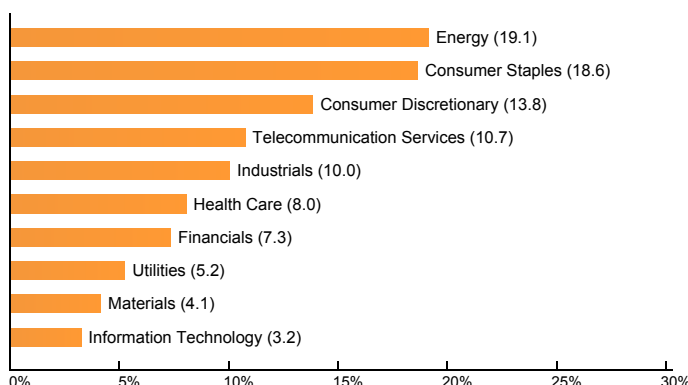
Top 10 holdings

Company (holding)	% holding
BP	5.8
Royal Dutch Shell	5.5
GlaxoSmithKline	5.4
Unilever	5.2
Vodafone	5.1
Reed Elsevier	4.8
Tesco	4.8
BG Group	4.4
Compass	3.9
Total SA	3.6
TOTAL	48.5

Performance vs peer group



Sector 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): Mondrian Investment Partners Limited. 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

Mondrian Investment Partners Limited was founded in 1990. Located in London, Mondrian employs 51 investment professionals who manage over £33 billion of assets as at December 2008. Mondrian is an active value-orientated defensive manager.

About the fund manager's investment process

In the management of equity assets, Mondrian invest in securities where rigorous dividend discount analysis identifies value in terms of the long term flow of income.

Dividend yield and future real growth play a central role in their decision making process and over time the dividend component is expected to be a meaningful portion of the expected total return. The methodology is applied consistently to individual securities across all markets and industries.

Key to the security selection process is fundamental company analysis and a regular program of meeting with companies. Tied to the security selection is a top-down country allocation overlay that helps to structure Mondrian's equity portfolios. Equity market valuations are based on inflation adjusted dividend discount analysis, coupled with long term purchasing power parity analysis of currencies. Mondrian believe that they have an important competitive advantage in its internally generated long term valuations, which allows them to identify and keep a strict sell discipline in volatile markets.

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

If you are a financial adviser, contact us on : -

Telephone: 0845 075 3535

Web: www.lincoln-ifa.co.uk

Email: ifasupport@lincolnuk.co.uk

If you are a customer, contact us on : -

Telephone: 0845 605 2323

Web: www.lincolnuk.co.uk

Email: customer.services@lincolnuk.co.uk