

Investment objective

The Lincoln Property funds aim to achieve capital appreciation over the medium to long term by investing in commercial property.

Risk category

The funds are categorised as cautious, seeking to protect against loss to the original investment. These funds are best suited to those with fewer years to remain invested or whose financial situation and temperament cannot tolerate much variation in performance.

Fund information

Launch date	1 November 1977	Fund size	Life £112.4m	Pension £68.8m
Fund manager	Castlemere Properties Ltd	AMC	Life 1.58%	Pension 1.26%
Fund sector	UK Direct Property			

Performance figures

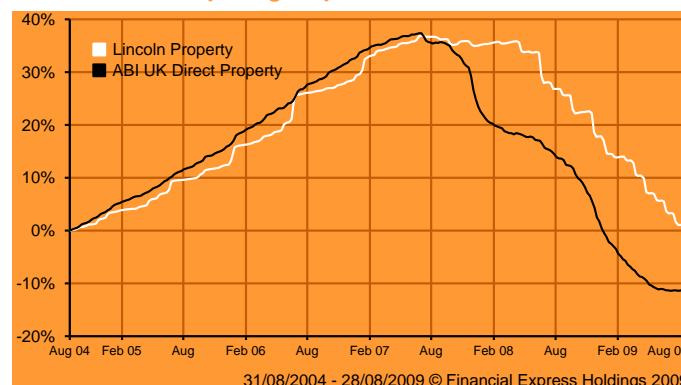
	Discrete years performance % for one year period ending:					Average annual % growth:		
	31 Aug 09	31 Aug 08	31 Aug 07	31 Aug 06	31 Aug 05	3 yrs	5 yrs	10 yrs
Life Fund	-19.4	-7.8	7.7	15.1	9.9	-7.2	0.2	2.9
Pension Fund	-18.8	-8.5	9.3	17.7	11.6	-6.7	1.3	4.5

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

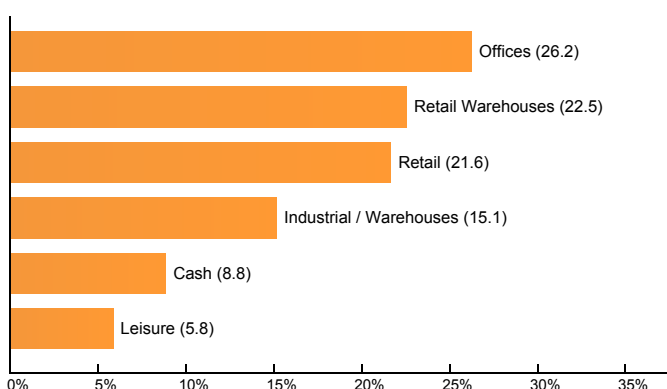
Top 10 holdings

Company (holding)	% holding
234 Kings Road Chelsea London Sw3 Property	11.5
U.K. Pound Sterling Cash Asset	8.8
7 Woolton Street Wolton Liverpool L25 5Qa	8.0
Coopers Hill Compton Ashbourne Derbys	5.4
35 Kings Street Manchester Property	5.2
1-5 Bargehouse Crescent London Se1 9Ph	5.1
Temple Row Birmingham (43-45 & 67-73)	5.1
Causeway Dist Cen Broadway Bus Pk Chatterton Oldha	4.7
8 Angel Court London Ec2	4.5
Wimslow Road Didbury Manchester Property	4.4
TOTAL	62.7

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.

Property can be difficult to sell and in exceptional circumstances Lincoln reserves the right to delay property fund sale transactions for up to six months. Also the value of property is generally a matter of valuers opinion rather than fact.

Source: (top ten fund sizes and allocation where applicable): Castlemere Properties Ltd. 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

Castlemere Properties Limited is a privately owned UK company located in the Greater Manchester area. Castlemere's property professionals have over 30 years experience in property investment, property development, property management and manage the £128 million Lincoln life and pension property fund (as at 31 December 2008).

About the fund manager's investment process

The investment style at Castlemere is based upon broad property and managerial experience with decisions derived from a focus on cost benefit analysis. Castlemere focuses on assessing benefits of transactions and maintaining strategic focus and integrity.

While remaining entrepreneurial, Castlemere does not entertain activity where the downside risk could materially affect returns. Castlemere maintain close contact with the property markets, tenants, agents and purchasers in order to identify changes and opportunities in the property market and adapting to shifts in demands.

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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