

## SMA Safety Fund

### About the Fund - 31 December, 2008

#### Fund Objective

The Scottish Mutual Safety Fund attempts to outperform deposit type accounts over the medium to longer term. As the Fund lies in the ABI Defensive Managed Sector, its returns may be compared with those of its peers in that group. The Fund offers investors exposure to a broadly diversified equity and bond portfolio, as well as cash deposits.

#### Important Note

Past performance is not necessarily a guide to the future and cannot provide a guarantee of the future returns of a fund. Please remember that the value of investments and the income from them can go down as well as up. Scottish Mutual makes no guarantee as to the performance of the fund.

<b>Fund Type</b>	Life
<b>Fund Management Company</b>	Ignis Asset Managers
<b>Fund Universe</b>	ABI Life
<b>Launch Date</b>	29/05/1985
<b>Fund Size</b>	£ 61.6 m
<b>ABI Sector</b>	†Defensive Managed
<b>Fund Code (SEDOL)</b>	0784951
<b>Fund Code (ISIN)</b>	GB0007849515
<b>Fund Code (Mex)</b>	SMSA

**Past performance figures may use information which is not up to date. Current unit prices can be found at [www.scottishprovident.com](http://www.scottishprovident.com)**

Scottish Mutual Assurance Limited is registered in Scotland No. SC133846. Registered Office: 301 St Vincent Street, Glasgow G2 5HN.  
 Scottish Mutual Investment Managers Limited is registered in Scotland No. SC88674. Registered Office: 50 Bothwell Street, Glasgow G2 6HR.  
 Scottish Mutual PEP and ISA Managers Limited is registered in England No. 971504. Registered Office: 1 Wythall Green Way, Wythall, Birmingham B47 6WG. All companies are authorised and regulated by the Financial Services Authority.

Performance Annual Returns	31/12/07 to 31/12/08	31/12/06 to 31/12/07	31/12/05 to 31/12/06	31/12/04 to 31/12/05	31/12/03 to 31/12/04
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Fund (%)	-9.7 %	2.6 %	1.7 %	7.8 %	5.4 %
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Source: Financial Express. Past performance is not a guide to the future and the value of investments may fall as well as rise. Percentage growth, bid to bid, income re-invested.

#### Performance Accumulative

	3 m	6 m	1 yr	3 yr	5 yr
Fund (%)	-2.5 %	-5.8 %	-9.7 %	-5.7 %	7.1 %
Sector Average (%)†	-1.9 %	-4.4 %	-8.6 %	-4.9 %	8.5 %

Calculated to 31 December, 2008

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Percentage growth, bid to bid, income re-invested.

#### Performance Analysis

	AGR *	Volatility	Sharp
Fund	-1.9	5.0	0.0
Sector Average†	-1.3	4.2	0.0

Calculated to 31 December, 2008

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\* AGR - Average annualised growth rate over the past three years where available, bid to bid, income re-invested. Volatility and Sharp calculations are based on data from the past three years where available.

#### Top Ten Holdings

Top Ten Holdings	%	Asset Allocation	%
Treasury 4 1/4 2027/	2.9	UK Fixed Interest	76.5
Eib 8 3/4 2017/	2.3	UK Equities	19.9
Treasury Gil 4 1/4 2049/	2.2	Cash	3.6
Treasury Gil 4 2016/	1.8		
Punch Tavern 7.274 15/22	1.8		
BP	1.7		
Treas.4 1/2 07/03/13	1.6		
Hsbc Hdg. (ord Usd 0.50)	1.6		
Baa Fdg 5.85fr 1115	1.5		
Royal Dutch Shell B	1.4		

As at 31 Dec, 2008

Note: Holdings and sector data is the latest available and serves only to be indicative.

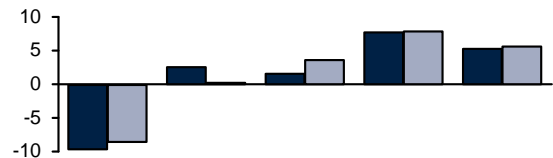
Performance Annual Returns	31/12/07 to 31/12/08	31/12/06 to 31/12/07	31/12/05 to 31/12/06	31/12/04 to 31/12/05	31/12/03 to 31/12/04
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■ Fund (%)	-9.7 %	2.6 %	1.7 %	7.8 %	5.4 %
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■ ABI Sector Average (%)†	-8.6 %	0.3 %	3.7 %	8.0 %	5.7 %
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Quartile Rank Within Sector

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Past performance is not a guide to the future and the value of investments may fall as well as rise. Percentage growth, bid to bid, income re-invested. Please note quartile ranking relates to the calculated value of the sector median which consists of all primary funds in the relevant sector. This median is not the same as the ABI Sector Average shown.

Scottish Mutual makes no guarantee as to the performance of the fund. Due to the launch date of the fund, only limited performance figures may be available.

**Sharpe Ratio:** A measure of the annual excess return (how much the fund is better or worse than the risk-free rate of return ie the yield on Government Gilts) divided by the annualised standard deviation of returns from the benchmark (a measure of how much the fund return varies from the benchmark over time). Sharpe ratio should be positive and the higher the better. It should be noted that negative Sharpe ratios are misleading and should not be used to compare the risk return characteristics of a fund.

**Volatility:** Volatility is represented by the Lognormal Annual Standard Deviation of the fund, (a measure of how much the fund return varies from the benchmark over time).