

The **co-operative** asset management

CIS UK Growth Trust

Fund review and outlook as at 31 December 2011

In the last three months the UK stock market has risen by 8.4%. The period has again been volatile, but has also been characterised by some progress on the European debt crisis given a relatively successful political summit and the provision of liquidity to the European Banking sector via the ECB's more liberal commercial lending strategy. In addition, economic data showed some improvement particularly in the US, where activity has picked up significantly following a notable slowdown in previous quarters.

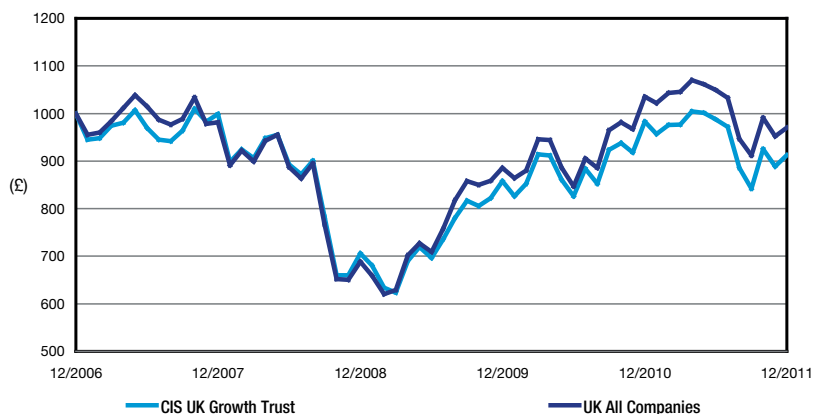
During December the Trust outperformed the median of the sector and the underlying equity market. The fund saw good performance in Hunting where the group continue to benefit from positive trends within hydraulic fracturing and Wolseley where more positive US economic data, particularly in housing, continued to contribute. The main negative was Shaftesbury which suffered from general underperformance within the commercial property market.

During the quarter the Trust outperformed the median. Good performance was seen in stocks such as Antofagasta, the Chilean copper producer, which was a significant beneficiary of improved economic data which was positive for the copper price during the period. Good performance also came from stocks with exposure to hydraulic fracturing, particularly Weir Group and Hunting, the former of which continues to perform well on the growing international demand for unconventional fuels, a market to which Weir is a key

supplier through its pumps operation. In addition, Rolls Royce a significant holding for the fund, outperformed again on the back of improving forecasts for international air travel, particularly within emerging markets. Strong US housing data additionally gave some ballast to Wolseley. The main negatives included Michael Page following a cut to earnings forecasts and BP and Royal Dutch Shell where the Trust is underweight and the stock performed well.

Over 1 and 3 years, the Trust remains in third and fourth quartile respectively. The one year numbers were negatively impacted by a poor January since when performance has been positive. Over three years the performance numbers are negatively impacted by weak performance in 2009. These numbers should improve over the coming year as the impact of 2009 reduces. The Trust retains exposure to a mixture of uncorrelated companies which enjoy the benefits of strong thematic opportunities and good industry exposure.

Performance of £1000 invested over 5 years



Value to latest month end, total return, bid to bid price, Net income re-invested.
Past performance is not a guide to future performance and the value of this investment can go down as well as up. This is not a guaranteed investment and you may get back less than you have put in.

Cumulative performance (% change)

	1 year	3 years	5 years	Since Launch (25/09/89)
Fund	-7.2	29.7	-3.6	421.7
Sector Median	-6.6	39.4	0.5	298.5
Quartile Ranking	3	4	3	1

Percentage Growth to latest month end, total return, bid to bid price, Net income re-invested.

Single year performance (% change)

	31/12/10 - 31/12/11	31/12/09 - 31/12/10	31/12/08 - 31/12/09	31/12/07 - 31/12/08	31/12/06 - 31/12/07
Fund	-7.2	14.7	21.8	-29.3	5.2
Sector Median	-6.6	15.6	28.8	-30.4	3.0

Percentage Growth for discrete 1 year periods, bid to bid price, Net income re-invested.

Fund aims

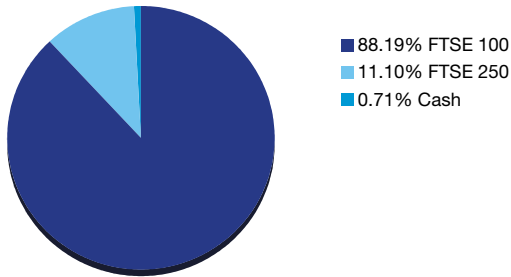
A focused stockpicking FTSE All-Share fund with the aim to deliver top quartile performance over a rolling three-year period measured against the UK All Companies Sector. The Fund also aims to outperform the FTSE All-Share Index.

Key facts

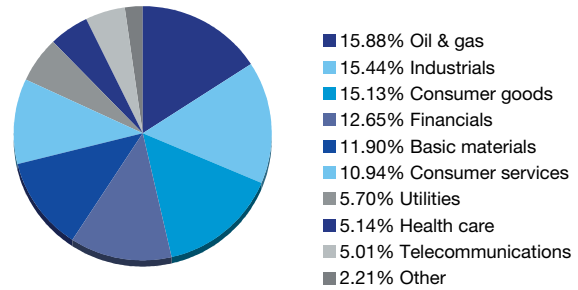
Fund Manager	Andrew Moffat
Fund launch date	25/09/89
Fund size 31/12/11	GBP 1,028.27m
IMA sector	UK All Companies
Sedol code	0159797
Lipper Id	60009200
Risk rating	Balanced
Base currency	GBX
Unit prices	335.90
Type of share	Distribution
Number of holdings	51
Distribution dates	Mar, Sep
PTR (as at 30/09/11)	69.05%
TER (as at 30/09/11)	1.54%
Historic Yield	1.3%

Portfolio structure

Capital split 31/12/11



Sector allocation 31/12/11



Top ten holdings 31/12/11

British American Tobacco Plc	3.36%
Royal Dutch Shell Plc B	3.20%
GlaxoSmithKline Plc	3.19%
BG Group Plc	3.14%
Rolls-Royce Holding Plc	3.04%
Johnson Matthey Plc	2.88%
Vodafone Group Plc	2.85%
SABMiller Plc	2.84%
Tullow Oil Plc	2.83%
Compass Group Plc	2.78%
Total	30.11%

Dealing information

Valuation point - 12:00
 Initial charge - 5.00%
 Annual management charge - 1.50%
 Broker line - 0845 603 9986
 Email: tcam@cfs.coop
 Web: co-operativeassetmanagement.co.uk

Company profile

The Co-operative Asset Management is the fund management arm of The Co-operative Group, responsible for managing over £19 billion of funds, including over £2 billion from retail unit trusts. The Co-operative Asset Management specialises in active UK equities and bonds and gains further insight into alternatives and overseas equities via strategic partnerships. We offer a distinctive responsible investment approach which fully integrates consideration of financial and ESG (environmental, social and governance) issues throughout the investment process.

We offer our UK Growth Trust to independent financial advisers through Cofunds, Hargreaves Lansdown and Fidelity Funds Network.

Andrew Moffat - Fund Manager

Andrew Moffat currently manages the UK Growth Trust, having previously managed the UK Income with Growth Trust for 11 years. He was nominated for Income Manager of the Year (Investment Week 2006, Income sector) and in 2005 achieved 2nd place for investment performance in Citywire's UK retail industry awards. Andrew has over 20 years of industry experience. He previously worked for Equitable Life as UK Fund Manager and trained as an Investment Analyst with Confederation Life in the City. He qualified as an Associate Member of the Society of Investment Analysts in 1990 and is an ongoing Associate of the CFA, UK. He has a BA in Economics and an MA in Finance & Investment.

