

# The **co-operative** asset management

## CIS Sustainable Leaders 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 the last three months the Trust outperformed the peer group median and ranked second quartile. In the quarter positive attribution was seen from the Support Services sector in which the Trust has an overweight position. Aggreko in particular performed well after issuing strong results and an optimistic outlook for its emerging market temporary power business. The Trust also benefited from an overweight position in Industrial Engineering within which Rotork performed well as it announced an acquisition which enhances the long-term growth potential of the overall company. Positive attribution was also seen from the underweight position in HSBC, the Banking sector continues to struggle with the aftermath of the Credit crisis and we are underweight in this area.

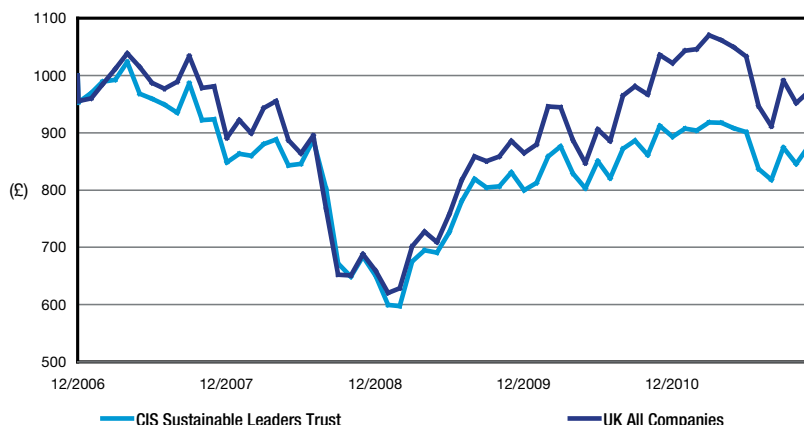
Performance in the quarter was negatively impacted by an underweight position in the Oil & Gas sector. BP and Royal Dutch Shell, in which the Trust has no holding due to environmental concerns, performed strongly as investors were attracted to their exposure to a strong oil price

and as a hedge against geopolitical tensions in the Middle East.

Over the last year performance has been on an improving trend. Encouragingly this improvement has occurred when overall market trends have not been entirely favourable with sectors such as Tobacco and Oil & Gas, to which the Trust has no exposure, performing strongly. This improvement in performance has been a result of the removal of a number of problematic investments and improved stock selection. We are confident that this improvement in performance can continue.

Over three years the Trust was ranked fourth quartile mainly due to stock specific issues, which have now been resolved, and a lack of exposure to commodity investments.

### 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.

\*The Fund moved from Global Growth to UK All Companies Sector on the 7th May 2004.

### Cumulative performance (% change)

	1 year	3 years	5 years	Since Launch (29/05/90)*
Fund	-4.0	28.5	-7.5	293.6
Sector Median	-6.6	39.6	0.4	-
Quartile Ranking	1	4	4	-

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	-4.0	9.9	21.7	-25.9	-2.8
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 UK growth fund focusing on the core themes of the environment, human welfare and sustainability to generate superior investment returns. The fund aims to provide first 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.

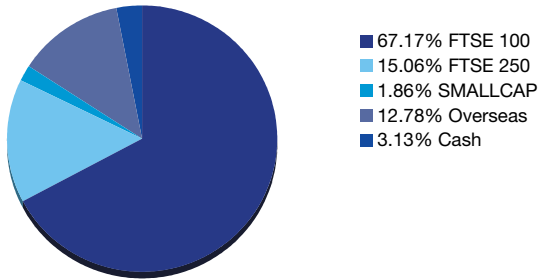
### Key facts

Fund Manager	Mike Fox
Fund launch date	29/05/90
Fund size 31/12/11	GBP 292.76m
IMA sector	UK All Companies
Sedol code	0161510
Lipper Id	60009198
Risk rating	Balanced
Base currency	GBX
Unit prices	278.50
Type of share	Distribution
Number of holdings	52
Distribution dates	Jan, Jul
PTR (as at 30/09/11)	78.78%
TER (as at 30/09/11)	1.53%

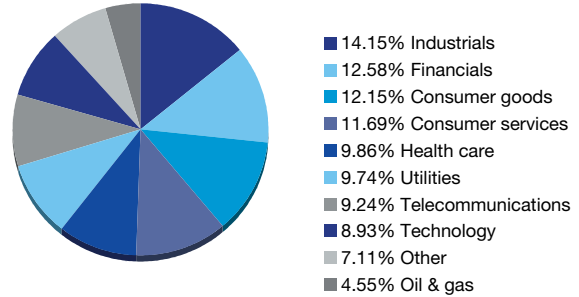


## Portfolio structure

### Capital split 31/12/11



### Sector allocation 31/12/11



### Top ten holdings 31/12/11

Vodafone Group Plc	5.16%
BG Group Plc	4.55%
GlaxoSmithKline Plc	4.46%
BT Group Plc	4.08%
Unilever Plc	3.63%
Rotork Plc	3.43%
International Power Plc	3.12%
Tate And Lyle Plc	3.07%
HSBC Holdings Plc	2.87%
Google Inc	2.61%
Total	36.98%

### Dealing information

Valuation point - 12:00  
 Initial charge - 5.00%  
 Annual management charge - 1.50%  
 Broker line - 0845 603 9986  
 Email: [tcam@cfs.coop](mailto:tcam@cfs.coop)  
 Web: [co-operativeassetmanagement.co.uk](http://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 Sustainable Leaders Trust to independent financial advisers through Cofunds, Hargreaves Lansdown and Fidelity Funds Network.

### Mike Fox - Fund Manager

Mike is Head of Equities and Senior Fund Manager of the Sustainable Leaders Trust, the latter role he has fulfilled since November 2003. During this time he has been awarded Citywire Top 100 UK Growth Fund Manager of the year 2007. Prior to this he worked as an investment analyst for 2 years and as deputy fund manager on the Co-operative staff pension fund for 2 years.



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