

The **co-operative** asset management

Fund review and outlook as at 28 February 2011

Over the last three months the UK Equity market has risen by 9.1% reflecting a combination of positive economic data and supportive earnings growth. The market remains underpinned by attractive valuation and a strong macroeconomic backdrop. Nevertheless, it has rallied hard from its previous low and is likely to confront a number of more demanding obstacles as the cycle matures. This will invariably lead to a change in the type of Equity that can support continued stock market recovery.

During the last three months the Trust has underperformed the median of the peer group and was ranked in the fourth quartile. The biggest negative attribution came from the Technology sector, where Cisco and Hewlett Packard both issued disappointing trading updates. Our position in Cisco was subsequently sold, however Hewlett Packard was retained due to its attractive valuation.

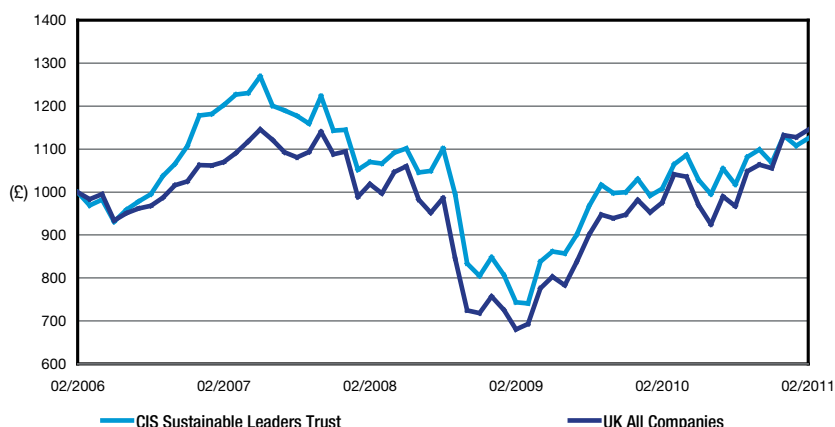
Negative attribution was also seen from the Oil & Gas sector where, although BG and Lonmin have been added to the portfolio, the lack of positions, due to environmental concerns, in BP and Royal Dutch Shell impacted performance. Profit taking in Aggreko and underperformance from RPS also resulted in the negative attribution from the Support Services sector.

On a positive note the Media sector was a notable strong performer as investors bought into the economic recovery story combined with the resurgence of TV advertising. BG performed well as investors gained more confidence in the potential of their Brazilian business.

During the year the fund underperformed what we believe to be its true potential. Although the performance of the commodity sectors over the last three months has been a factor, over the year this has not been a major issue due to the outperformance gained from having no exposure to BP. The issues have been largely stock specific, particularly with Connaught, Cisco and Hewlett Packard. Without these stocks performance would have been significantly better. With the exception of Hewlett Packard all of these stocks have now been exited from the portfolio.

Over three years the Trust was ranked in the fourth quartile mainly due to stock specific issues in the Support Services sector. These stocks have now been sold. The fund continues to be positioned towards companies having a net positive social benefit as we believe these companies will be strong beneficiaries of key themes such as healthcare, the environment and technology.

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	11.8	5.4	18.9	307.7
Sector Median	17.7	12.3	18.8	-
Quartile Ranking	4	4	2	-

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

Single year performance (% change)

	28/02/10 - 28/02/11	28/02/09 - 28/02/10	29/02/08 - 28/02/09	28/02/07 - 29/02/08	28/02/06 - 28/02/07
Fund	11.8	35.7	-30.5	-11.0	26.7
Sector Median	17.7	43.3	-33.2	-4.0	10.7

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.

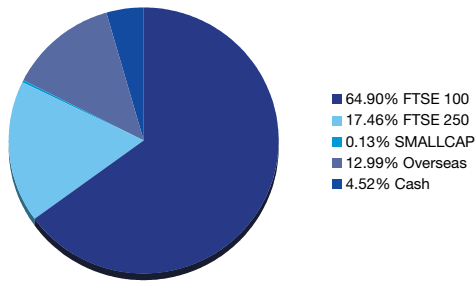
Key facts

Fund Manager	Mike Fox
Fund launch date	29/05/90
Fund size 28/02/11	GBP 305.19m
IMA sector	UK All Companies
Sedol code	0161510
Lipper Id	60009198
Risk rating	Balanced
Base currency	GBX
Unit prices	293.30
Type of share	Distribution
Number of holdings	50
Distribution dates	Jan, Jul
PTR (as at 31/03/10)	70.28%
TER (as at 31/03/10)	1.52%

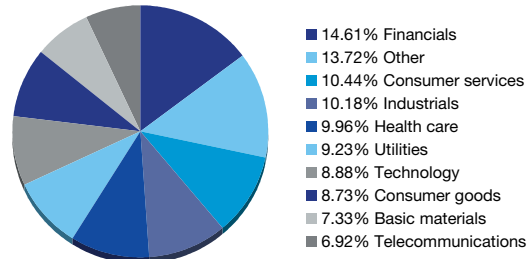


Portfolio structure

Capital split 28/02/11



Sector allocation 28/02/11



Top ten holdings 28/02/11

BG Group Plc	4.77%
Vodafone Group Plc	3.88%
HSBC Holdings Plc	3.85%
GlaxoSmithKline Plc	3.47%
WPP Plc	3.14%
Rotork Plc	3.05%
Unilever Plc	2.98%
Scottish & Southern Energy Plc	2.93%
Lonmin Plc	2.89%
Apple Inc	2.74%
Total	33.70%

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 Financial Services which is part 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, and has a 4* Morningstar rating. Prior to this he worked as an investment analyst for 2 years and as deputy fund manager on the CFS pension fund for 2 years.



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