

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 reflecting the poor performance of companies with exposure to emerging markets. This included Rolls Royce which additionally suffered the aftermath of engineering problems surrounding the A380, Standard Chartered which issued a relatively disappointing trading statement and SAB Miller whose shares look to be consolidating after a long period of out-performance. This reflects a view that rising global inflation concerns will impact emerging economies disproportionately such that a period of anticipated monetary tightening may crimp growth. The quarterly performance was, however, disappointing as the equity market has moved in line with our strategic outlook and the portfolio has a number of companies with strong cyclical exposure.

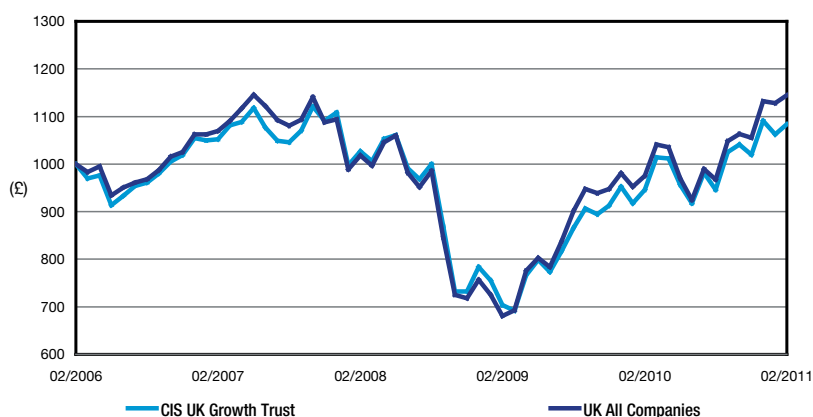
Strong performance for the period was seen in BG following a re-assessment of its prospects in global gas markets and where industry consolidation hopes have risen as the

outlook for the oil price has improved. ITV also benefited from upgrades associated with robust advertising results.

At the sector level the main features were the negative attribution from Support Services and Banks. On the positive General Industrials has been a strong contributor to Trust performance. This has been primarily the strong performance from Smiths Group. At the stock level performance was heavily influenced by the Royal Dutch Shell position.

Over three years the Trust was ranked in third quartile. The fund continues to be focused towards those companies with exposure to the improving economic background.

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	14.7	6.0	14.7	458.3
Sector Median	17.7	12.2	18.8	329.0
Quartile Ranking	4	3	3	1

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	14.7	34.8	-31.4	-2.4	10.9
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

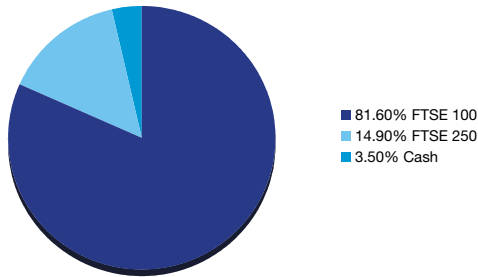
A focused stockpicking FTSE All-Share fund with the aim to deliver top quartile performance over a rolling three-year period measured against the UK All Companies Sector. The Fund also aims to outperform the FTSE All-Share Index.

Key facts

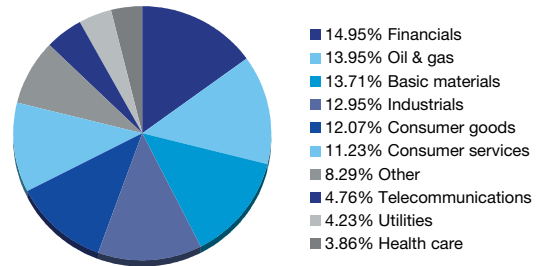
Fund Manager	Andrew Moffat
Fund launch date	25/09/89
Fund size 28/02/11	GBP 1,171.17m
IMA sector	UK All Companies
Sedol code	0159797
Lipper Id	60009200
Risk rating	Balanced
Base currency	GBX
Unit prices	362.90
Type of share	Distribution
Number of holdings	63
Distribution dates	Mar,Sep
PTR (as at 31/03/10)	69.55%
TER (as at 31/03/10)	1.53%
Historic Yield	1.0%

Portfolio structure

Capital split 28/02/11



Sector allocation 28/02/11



Top ten holdings 28/02/11

BG Group Plc	4.17%
British American Tobacco Plc	3.72%
Rio Tinto Plc	3.64%
Standard Chartered Plc	3.58%
BP Plc	3.56%
Anglo American	2.98%
HSBC Holdings Plc	2.91%
Shaftesbury Reit	2.60%
BHP Billiton Plc	2.52%
Lloyds Banking Group Plc	2.21%
Total	31.89%

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 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.

