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Investment Committee Meeting February 2010

Dear All

Following our recent meeting on 1st February 2010 in London I am writing to outline the thoughts of your investment committee.

Although the UK economy officially came out of recession in quarter 4 of 2009 the growth at 0.1% was weaker than expected by many economists and market commentators. The economy had previously contracted for six consecutive quarters - the longest period since quarterly figures were first recorded in 1955 (source BBC).

Coming out of recession is good news however our "anecdotal antenna" tells us that we are not out of the woods just yet. At some point the Government will have to end the car scrappage scheme which has contributed greatly to this positive growth.

Having met with a number of Investment Professionals recently to establish their view on the future of the UK and Global economies there was some good news for homeowners (with mortgages). Most market commentators expect interest rates to stay low for some time. This is not good news however for savers. In investment terms, although there will be opportunities for investors. Most commentators and professional investors expect growth to be sluggish at best in the UK but expect the global economic recovery to continue.

What does this mean for our portfolio's?

Although predominately denominated in sterling and UK based the equity component of our portfolio's tend to focus on the FTSE 100. This is a highly international index which includes leading global companies such as HSBC, BP, Vodafone, Royal Dutch Shell, GlaxoSmithKline and BHP Billiton. As a whole, companies that comprise the FTSE 100 derive more than two thirds of their revenues from outside the UK. Our portfolios continue to have a bias towards income which helps reduce volatility.

The performance of our portfolios over the 12 months ending 31/01/2010:

Speculative	25.73%
Adventurous	17.73%
Moderate	11.05%
Cautious	13.24%
Defensive	4.15%

Recommendations:

Although we feel that the economic recovery will be sluggish there are some signs that inflation is starting to creep up. Although fairly benign we feel that over the medium term interest rates will need to rise to combat it. If this happens our fixed interest holdings (corporate bond and gilts) will be affected as they become less attractive to investors if returns from deposit accounts go up.

With this in mind as a tactical move I recommend a switch from the Skandia Fidelity Institutional Bond fund into Skandia's Index Linked Gilt fund (details attached). This also has the benefit of reducing costs as the Index Linked Gilt fund has lower charges than the Fidelity Institutional Bond fund.

Our other corporate bond/fixed income funds will be kept under review and we will revisit them at our next investment committee meeting.

Please remember to respond to this email if you accept our recommendations. Without your response we are unable to switch your investment.

And Finally


Lets hope the UK's fragile recovery continues and gains strength over the coming months. Our thoughts are with you If you are facing redundancy or have been made redundant. For practical tips and guidance log onto the Financial Service Authorities (FSA) Money Made Clear Website:

www.moneymadeclear.fsa.gov.uk

If you have any queries or questions about the content of this report please call me on 0800 0438341 or contact me via email advice@thepensionreviewservice.com or through the contact page on our website www.thepensionreviewservice.com

And just to cheer you up I will leave you with the following English Proverb "A smooth sea never made a skilled mariner"

Kind regards



Mark Abley

The pension Review Service