

Fund Information Sheet

Active Diversified Fund

Royal Mail Defined Contribution Plan

As at 31 December 2011

The Active Diversified Fund aims to achieve long term growth in excess of inflation. This Fund predominantly invests in UK and international securities.

The Active Diversified Fund currently invests as follows:

- 100% in the Newton Real Return Fund. This is an actively-managed fund (see the Glossary on page 23 of the Investment Guide for a definition of active management).

Information on the Active Diversified Fund

Launch date	November 2011
Fund size (£m)	0.01 (as at 31/12/2011)
Composite benchmark	To outperform the 1 month LIBOR by 4% p.a. over rolling 3-5 year periods.

Top holdings (as at 31/12/2011)

ETFS Physical Gold	3.5%
Norway (Kingdom of) .4.5% Bds 22/05/2019 NOK1000	3.3%
GlaxoSmithKline PLC	3.1%
Bayer AG	2.5%
Newcrest Mining Ltd	2.4%
USA Treasury Bonds.2.5% TII 15/01/2029 USD100	2.4%
Barrick Gold Corp	2.0%
Reynolds American Inc	2.0%
Roche Hldgs AG	2.0%
RWC Partners Ltd Global Convertibles Fd 'B' GBP	1.8%

Asset split (as at 31/12/2011)

Cash / Cash Equivalents	21.1%
Europe ex UK Equities	17.6%
UK Equities	15.9%
North American Equities	9.9%
Overseas Corporate	7.3%
Other International Equities	4.9%
Overseas Government	4.8%
Commodities	4.7%
Japanese Equities	2.4%
Overseas Index Linked	2.4%
Pacific ex. Japan Equities	2.4%
UK Corporate	2.0%
Other/Non Region Specific	1.8%
UK Index Linked	0.8%
Other/Non Region Specific	0.7%
Index Derivative Instruments	0.3%
Currency Derivative Instruments	0.2%

Source: Newton (as at 31/12/2011)

The percentage split shown is of the underlying fund, which is the Newton Real Return Fund.

Market commentary

Positive returns from most markets in Q4

Global shares rallied in the final quarter of 2011. UK and European markets saw significant gains. Emerging market shares achieved good performance although the Japanese market posted a negative return.

Interest rates in the US, UK and Japan remained at historic lows. European rates were cut by a quarter-point on two occasions. Interest rates were cut in several emerging markets to help offset the impact of slower growth in the developed world.

The Active Diversified Fund was launched in November 2011 which means there is no performance history to show you. The benchmark and fund figures shown illustrate how the underlying fund has performed.

Annual fund performance (as at 31/12/2011)

	31/12/2006-31/12/2007	31/12/2007-31/12/2008	31/12/2008-31/12/2009	31/12/2009-31/12/2010	31/12/2010-31/12/2011
	%	%	%	%	%
Active Diversified Fund	-	-	-	-	-
Benchmark	-	-	-	-	4.7
Newton Fund	-	-	-	-	0.8

Annualised fund performance (as at 31/12/2011)

	3 years % pa	5 years % pa
Active Diversified Fund	-	-
Benchmark	4.7	6.7
Newton Fund	7.3	8.7

Source: Benchmark and Newton Fund performance – Newton (as at 31/12/2011)

Things you need to know

Please read this Information Sheet in conjunction with the Royal Mail Defined Contribution Plan Investment Guide.

All funds carry some risk and you should consider the different types of risk before making any investment decision.

Fund performance data is presented before the deduction of fees.

You shouldn't use past performance as a suggestion of future performance and it shouldn't be used as a reason for making an investment decision.

The value of investments and any income from them can fall as well as rise and will be reduced in real terms by the effects of indication. You may not get back the amount you invested.

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