



Money Market Fund

September 2011

Fund information for quarter end 30 September 2011 (as at 30/09/2011)

Underlying fund launch date	01/12/2009
Unit price	501.30p
Underlying fund size (£m)	0.917
Investment Approach	Passive
Portfolio Manager	State Street Global Advisors Limited – Team Approach

†This is the fund manager of the underlying fund(s).

Fund Holdings:

Funds	Target fund holdings
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Zurich [†] State Street Sterling Liquidity ZP	100.00%
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[†]Zurich is not a fund manager - the Zurich funds invest in the underlying fund.

Top holdings (as at 30/09/2011):

Deutsche Bank AG	9.78%
DBS Bank Ltd	3.91%
DnB NORBank ASA	3.91%
Erste Abwicklungsanstalt	3.91%
Nordea Bank AB	3.91%
NRW.BANK	3.91%
Bank of Western Australia Ltd	3.91%
Stadshypotek AB	3.59%
KBC Bank NV	3.36%
Rabobank Nederland	3.36%

Fund objective

The fund is passively managed to outperform the 7-Day LIBID (London Interbank Bid Rate) benchmark of the underlying fund.

Who manages the funds?

Zurich delegates the investment management of the funds for the Kingfisher Pension Scheme Money Purchase Section (KPS-MP) to underlying fund managers. This fund is currently managed by State Street Global Advisors Limited. Please note that the Trustee has the flexibility to change the underlying fund manager(s) at any time.

Fund features

This fund aims to provide a high level of security by investing in short-term money market instruments and fixed deposits. While this is a low risk fund, no investment strategy is without risk. As such there is a small chance this fund could have a negative return.

Underlying fund breakdown:

Commercial Paper	52.81%	
Repurchase Agreement	13.04%	
Certificates of Deposit	12.60%	
Corporate and Bank Notes	10.37%	
Government Agency	7.82%	
Time Deposits	3.36%	

This data is based on available data for the underlying Zurich pension fund(s) and target fund holdings as shown.

Commentary

With financial markets continuing to show signs of stress and the UK far from immune, the Monetary Policy Committee (MPC) voted unanimously to leave the Bank of England (BoE) base rate unchanged. The panel voted 9–0 to leave policy at the record low of 50 basis points in September, with Adam Posen once again alone in voting for an increase to Quantitative Easing (QE). The bank noted that asset purchases would be the preferred method of stimulating the economy going forward but the debate was ‘finely balanced’. This preference was later reiterated by the external panel member David Miles who commented, ‘I think we do, on the MPC, have substantial ammunition to use if we need to.’ Looking at GBP overnight index swaps it is clear to see the market favours a rate cut with the SONIA (Sterling Overnight Index Average) curve inverted over a 3-month to 2-year horizon.

In the wider economy, central banks across the globe have been acting with concerted effort to stop the further spread of the contagion risks associated with illiquidity. The European Central Bank, in conjunction with the BOE, SNB (Swiss National Bank), BOJ (Bank of Japan) and the Federal Reserve Bank announced fixed-rate, full-allotment USD funding operations in an attempt to unfreeze credit and the inter-bank markets. There will be a series of three separate monthly tenders, commencing in October, to ease funding requirements over year end.

The latest inflation numbers published for August showed CPI (Consumer Price Index) increasing at 4.5% from a year earlier. Utility price increases are still the main driver with companies forced to increase prices after rising commodity costs. As such, UK inflation is forecast to reach 5% in the short term before falling back to 2% in 2012.

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Things you need to know

We've based this information on our current understanding of law and practice. We make every effort to ensure that this information is helpful, accurate and correct, but it may change or may not apply to your personal circumstances.

All funds carry some risk and you should consider these risks before making an investment decision. Investment returns are not guaranteed and the value can fluctuate. The main factors which may increase the risk of this fund include:

- * The amount invested in company shares
- * The split between government and corporate bonds
- * The extent to which the fund invests in high yield assets
- * The amount held in overseas assets
- * Any concentration in specific areas or sectors

What is the dealing cycle?

The fund is forward priced, which means that the member gets the next available price after they invest. The fund has a dealing cycle of T + 0. This means that the money received on day T buys units at the valuation date price applicable at close of business on the same day.

Who is this factsheet for and what does it do?

This factsheet is for the members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP). Its purpose is to indicate how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an Independent Financial Adviser. If you do not have an Independent Financial Adviser you can find a local adviser at www.unbiased.co.uk. The commentary in this factsheet reflects the general views of the individual fund manager(s) and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

There is not yet sufficient history for performance data to be shown for this fund.

For more
information please
contact the Trustee of
the KPS - MP

www.kingfisherpensions.com

08456 80 70 60