

Halifax Unit Linked Property Fund (Pension)

Monthly Investor Factsheet

January 2008

LOOK AT THINGS DIFFERENTLY
BANK OF SCOTLAND

INVISTA
REAL ESTATE
INVESTMENT MANAGEMENT

FUND OBJECTIVE

To provide long-term growth by investing in retail office and industrial properties. The Fund may also finance developments and acquire land for development. The Fund is not invested in quoted property company shares and does not carry gearing.

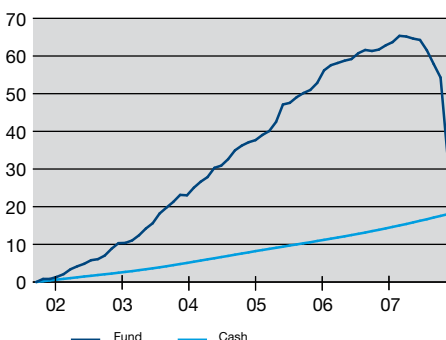
INVESTMENT APPROACH

- Invests directly in property investments and doesn't invest in property shares, Real Estate Investment Trusts or property derivatives.
- Holds a portfolio of property investments that is diversified across the main commercial property sectors and across UK regions, weighted in accordance with strategies designed to achieve optimum performance.
- Holds a mixture of property investments let on secure long leases and those offering opportunities for active management.
- Actively manages the property portfolio to achieve optimum performance consistent with normal property investment risk.
- Achieves exposure to larger property investment through joint investment with other Group-managed funds.

PERCENTAGE ANNUAL PERFORMANCE %

Q3*	Q3 2002	Q3 2003	Q3 2004	Q3 2005	Q3 2006	Q3 2007
Pension	10.32	14.79	16.19	8.84	-17.22	

CUMULATIVE INVESTMENT PERFORMANCE - FIVE YEARS



Basis: % growth, Total return (gross), bid to bid after the deduction of annual management charges only.
Source: Lipper, a RETURNS company. Cash is represented by Moneyfacts Average 90 days 10k.

INVESTMENT MANAGER'S COMMENTS

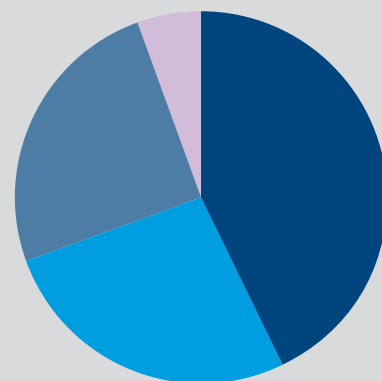
Occupational demand has remained fairly strong with annual rental value growth averaging about 3.9% during 2007. However, capital values have declined through the second half of the year – largely as a result of higher interest rates and the effect of the 'credit crunch' which has affected all capital markets. As a result, the total return from property over 2007 has been negative for the first time since 1992 – in strong contrast to the performance over recent years. It is too early to predict how quickly values will recover, and there could be further falls in the short term, but we consider that values are now at levels from which good medium/long-term performance may reasonably be anticipated. We believe that the Fund will continue to offer a well-balanced portfolio offering stable returns and diversification from equities and bond-style investments.

Fund facts

Investment manager	Robert O'Hara
Launch date	05 Nov 2001
Annual Management Charges	0.5% to 1.45% (Dependent on product)

ABI UK Pension Sector	Property
Availability	Pension

Fund size £138.94 m¹



Fund breakdown

Offices	42.91%
Retail	26.60%
Industrial	25.05%
Other property	0.00%
Cash	5.44%

Ten largest holdings

	Town	%
6-10 St Andrew Street	London EC1	5.7
2/3 Golden Square	London W1	5.5
The Guildford Clinic, Surrey Research Park	Guildford	4.7
Portman Square House	London W1	4.5
Bluwater Shopping Centre	Dartford	4.1
Big Sam Warehouse, Wingates Ind. Est.	Bolton	4.0
Regis House, 41-46 King William St.	London EC4	3.9
Brook Retail Park, Victoria Road	Ruislip	3.0
Plot 11B Pride Park	Derby	2.9
Energis House, Forbury Road	Reading	2.7
Total		41.0

Contacts

For Details on all of our Fund Ranges or to obtain any literature please contact your local Bank of Scotland branch or visit our website www.bankofscotland.co.uk/investments

¹as at 30 November 2007

²30 September to 30 September

The performance data above refers to past performance and should not be seen as an indication of future returns. The past performance of property funds is not always represented by the performance of the property market as a whole.

The value of property is a matter of a valuer's opinion rather than one of fact and investments in property are relatively illiquid and more difficult to realise than equities or bonds. The value of investments and any income from them can go down as well as up and you may get back less than you invested. Cash on deposit is secure, generally more accessible and provides greater certainty of growth.

Issued by Invista Real Estate Investment Management Limited, authorised and regulated by the Financial Services Authority.