

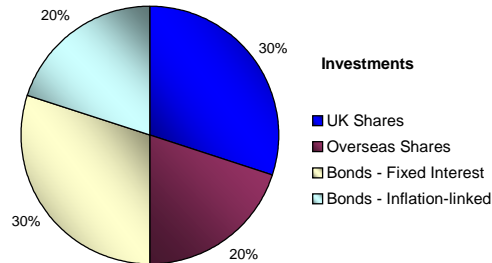
CAUTIOUS OPTION



Objective

The Cautious Option aims to be low risk. By investing only 50% of members' accounts in shares, the Cautious Option enables members to reduce their exposure to share market movements but nevertheless to retain some opportunity for the potential long term growth offered by shares. The other 50% of each member's account is invested in bonds which have more stable returns than shares. To reduce the level of investment risk as members approach their target retirement date, each member's investment account will be progressively switched into cash and inflation-linked bonds over the last five years. You should note that the returns shown on this factsheet assume that you are not in this period.

For the share allocation, this option invests in UK and overseas companies. Within the bond allocation, this option invests in UK fixed interest and inflation-linked government securities. All assets are currently managed by BlackRock in their tracker funds. This means that the assets generally move in line with markets.

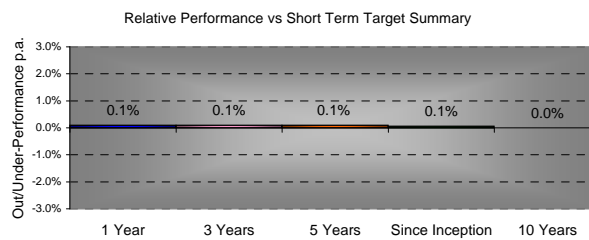


Performance Targets

This option has two targets, one short term and one long term. The short term target for the Cautious Option units is to achieve returns in line with market indices consistent with investment in tracker funds. The long term target for the Cautious Option units is to exceed inflation by 3.5% per year.

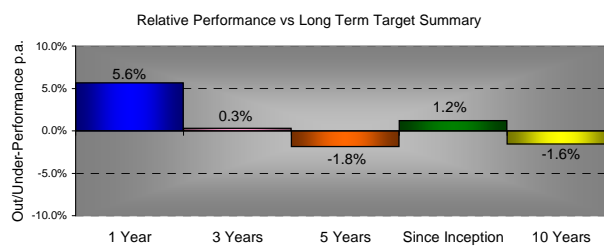
Performance against the short term target

This chart shows the performance of the Cautious Option against the short term target. The performance of the Cautious Option has been 14.1% during the 12 months to 30th June 2011, slightly ahead of its target. As reflected in the chart, performance of the Cautious Option has been marginally ahead of the target over longer periods to 30th June 2011 (except for the illustrative 10 year period where performance was in line with the target).



Performance against the long term target

This chart shows the performance of the Cautious Option against the long term target. The performance of the Cautious Option has been 14.1% during the 12 months to 30th June 2011, 5.6% ahead of the target. Performance (on an annualised basis) was behind the target over 5 and 10 year periods but was ahead over the previous 3 years and the period since inception (April 2003).



Notes

- This option was marginally ahead of its short term target since inception and ahead of its long term target by 1.2% p.a. since inception (1 April 2003, the date when this Unit Linked Option was first made available to Cheviot members).
- All returns are shown net of management and administration fees. They have been estimated by CAMRADATA Analytical Services based on the performance of the underlying BlackRock funds and assuming fees of 1% p.a. No allowance has been made for the reduced fees on the Friends Provident platform.
- Longer term performance, i.e. before this Unit Linked Option was made available to Cheviot members, has been estimated by CAMRADATA Analytical Services based on the historic performance of the BlackRock funds.

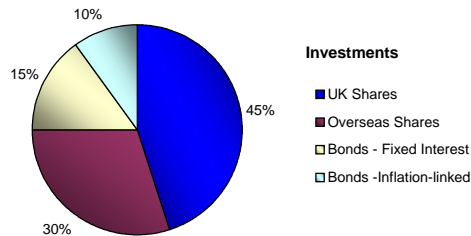
MODERATE OPTION



Objective

The Moderate Option provides members with a medium level of risk by investing 75% in shares, and 25% in bonds. It is designed for members who seek reasonable opportunities for the potential long term growth offered by shares partly balanced by the more stable return associated with bonds. To reduce the level of investment risk as members approach their target retirement date, each member's investment account will be progressively switched into cash and inflation-linked bonds over the last five years. You should note that the returns shown on this factsheet assume that you are not in this period.

For the share allocation, this option invests in UK and overseas companies. Within the bond allocation, this option invests in UK fixed interest and inflation-linked government securities. All assets are currently managed by BlackRock in their tracker funds. This means that the assets generally move in line with markets.

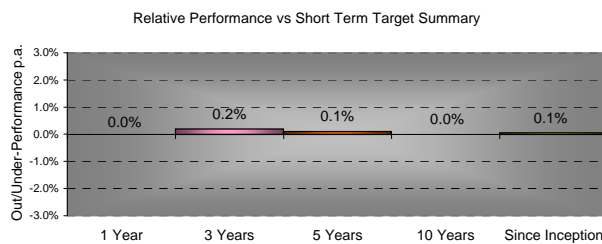


Performance Targets

This option has two targets, one short term and one long term. The short term target for the Moderate Option units is to achieve returns in line with market indices consistent with investment in tracker funds. The long term target for the Moderate Option units is to exceed inflation by 4.25% per year.

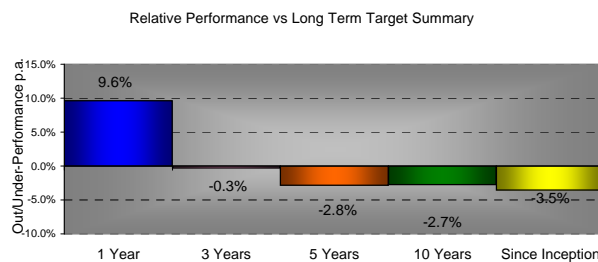
Performance against the short term target

This chart shows the performance of the Moderate Option against the short term target. The performance of the Moderate Option has been 18.8% after fees during the 12 months to 30th June 2011, in line with its target. As reflected in the chart, performance of the Moderate Option has been slightly ahead of the target over most longer periods to 30th June 2011 with the exception of the 10 year numbers where performance has been in line with the Option's target.



Performance against the long term target

This chart shows the performance of the Moderate Option against the long term target. The performance of the Moderate Option has been 18.8% after fees during the 12 months to 30th June 2011, which is 9.6% ahead of its target. Performance (on an annualised basis) was below target over all longer periods, including since inception (July 1999). This underperformance can largely be attributed to weak stock markets for the 2 years prior to 2009 and above target inflation over the last year.



Notes:

- This option was marginally ahead of its short term target since inception but was 3.5% p.a. behind its long term target since inception (1 July 1999, the date when this Unit Linked Option was first made available to Cheviot members).
- All returns are shown net of management and administration fees. They have been estimated by CAMRADATA Analytical Services based on the performance of the underlying BlackRock funds and assuming fees of 1% p.a. No allowance has been made for the reduced fees on the Friends Provident platform.

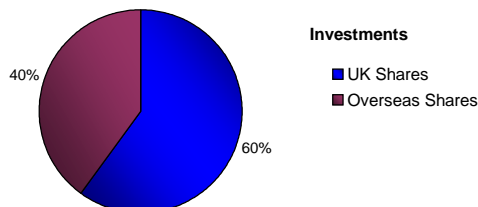
GROWTH OPTION



Objective

The Growth Option consists entirely of shares and is designed for members who are prepared to take more risk to achieve potentially higher investment returns over the long term. To reduce the level of investment risk as members approach their target retirement date, each member's investment account will be progressively switched into cash and inflation-linked bonds over the last five years. You should note that the returns shown on this factsheet assume that you are not in this period.

This option invests in UK and overseas companies. All assets are currently managed by BlackRock in their tracker funds. This means that the assets generally move in line with markets.

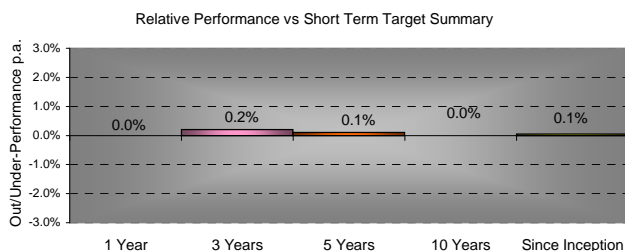


Performance Targets

This option has two targets, one short term and one long term. The short term target for the Growth Option units is to achieve returns in line with market indices, consistent with investment in tracker funds. The long term target for the Growth Option units is to exceed inflation by 5% per year.

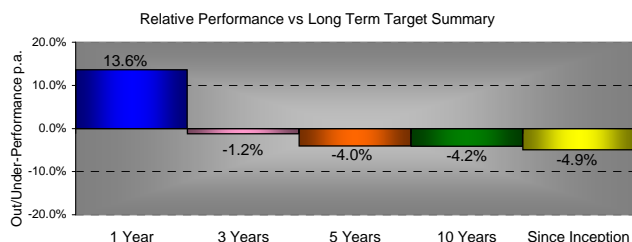
Performance against the short term target

This chart shows the performance of the Growth Option against the short term target. The performance of the Growth Option has been 23.6% after fees during the 12 months to 30th June 2011, in line with its target. As reflected in the chart, performance of the Growth Option has been slightly ahead of the target over the longer periods to 30th June 2011, except over the previous 10 years where the Option has performed in line with the target.



Performance against the long term target

This chart shows the performance of the Growth Option against the long term target. The performance of the Growth Option has been 23.6% after fees during the 12 months to 30th June 2011, approximately 13.6.0% ahead of its target. Performance (on an annualised basis) was behind its target over longer periods, including since inception (July 1999), which can be attributed largely to weak markets for the 2 years prior to 2009 and above target inflation over the last year.



Notes:

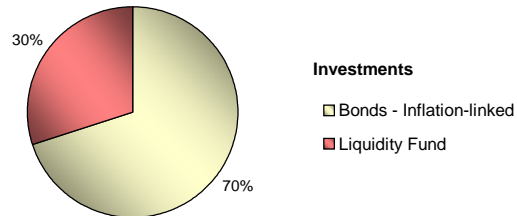
- This option was marginally ahead of its short term target since inception and 4.9% p.a. behind its long term target since inception (1 July 1999, the date when this Unit Linked Option was first made available to Cheviot members).
- All returns are shown net of management and administration fees. They have been estimated by CAMRADATA Analytical Services based on the performance of the underlying BlackRock funds and assuming fees of 1% p.a. No allowance has been made for the reduced fees on the Friends Provident platform.

RETIREMENT PROTECTION OPTION

Objective

The Retirement Protection Option is only available to members who are within five years of their Target Retirement Date. The option is designed to minimise uncertainty in pension benefits and the amount of cash available at retirement. 30% of each member's account is invested in cash and money market instruments with the remaining 70% invested in inflation linked government bonds.

This option invests in a mixture of bonds, cash and money market instruments. The allocation to bonds invests in UK inflation-linked government securities, whilst the liquidity fund invests in a blend of cash and money market instruments. All assets are currently managed by BlackRock.

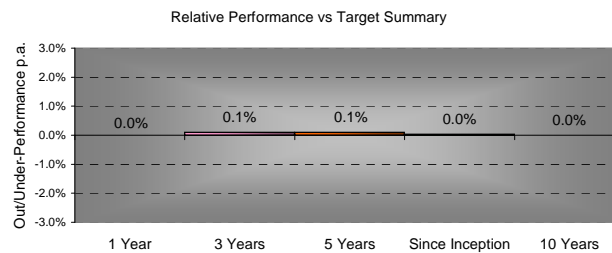


Performance Targets

The target for the Retirement Protection Option units is to achieve returns in line with the relevant market indices.

Performance against the target

This chart shows the performance of the Retirement Protection Option against its target. The performance of the Retirement Protection Option has been 5.9%, in line with its benchmark over the 12 months to 30th June 2011. As reflected in the chart, performance of the Retirement Protection Option has been marginally ahead of the target on a 3 and 5 year basis to 30th June 2011. Performance since inception and over the 10 years to 30th June 2011 has been in line with the target.



Notes:

- This option was in line with its target since inception (1 April 2003, the date when the Unit Linked Option was first made available to Cheviot members).
- All returns are shown net of management and administration fees. They have been estimated by CAMRADATA Analytical Services based on the performance of the underlying BlackRock funds and assuming fees of 1% p.a. No allowance has been made for the reduced fees on the Friends Provident platform.
- Longer term performance, i.e. before this Unit Linked Option was made available to Cheviot members, has been estimated by CAMRADATA Analytical Services based on the historic performance of the BlackRock funds.