

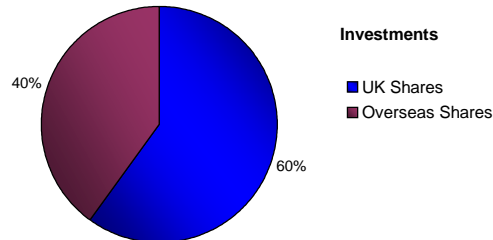
GROWTH OPTION



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 Barclays Global Investors in their tracker funds. This means that the assets generally move in line with markets.

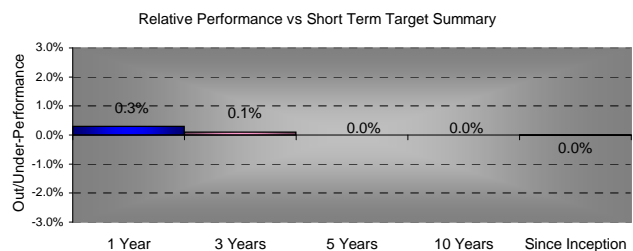


Performance Targets

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.

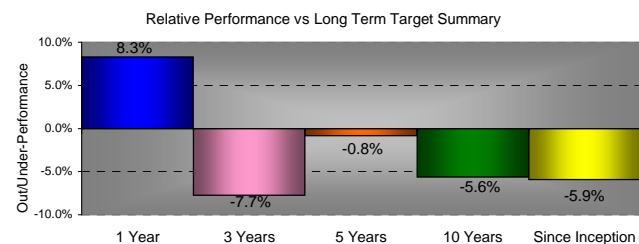
Performance against the short term target

This chart shows the performance of the Growth Option against the short term target. The performance of the Growth Option has been 12% after fees during the 12 months to 30th September 2009, slightly ahead of target. As reflected in the chart, performance of the Growth Option has been broadly in line with the target over the longer periods to 30th September 2009.



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 12% after fees during the 12 months to 30th September 2009, approximately 8.3% above its target. Performance of this option (on an annualised basis) was behind its target over longer periods, including since inception (July 1999), which can be attributed largely to very weak markets. However, markets have rallied recently, leading to good 12-month performance.



Notes:

- This option was slightly ahead of its short term target and is 5.9% 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 Barclays Global Investor's funds.