

Key Facts	
Domicile	Ireland
Inception	10 May 1996
Legal Structure	UCITS
Fund Size	£3.43bn
Benchmark	30-day LIBID
Dealing Frequency	Daily
Cut Off	2pm Irish Time
Minimum Initial Investment	£1,000,000
ISIN	IE0006492544
Bloomberg Ticker	NORTGBP
SEDOL	0649254
Fund Rating	AAAm/Aaa MR1+
Portfolio Managers	Daniel Smith Geeta Sharma Morten Olsen

Inception date is indicative of funding date on initial share class

Fund Guidelines	
Moodys Minimum Security Rating (LT/ST) or Equivalent	A2/P1
Maximum WAM	60 Days
Maximum WAL	120 Days

Portfolio Information	
Fund	
7-day Average Yield	0.50%
30-day Average Yield	0.54%
WAM as at 31 Dec 2011	16 days
WAL as at 31 Dec 2011	16 days
Fund holdings and shareholder concentration are available upon request.	

INVESTMENT MANAGER

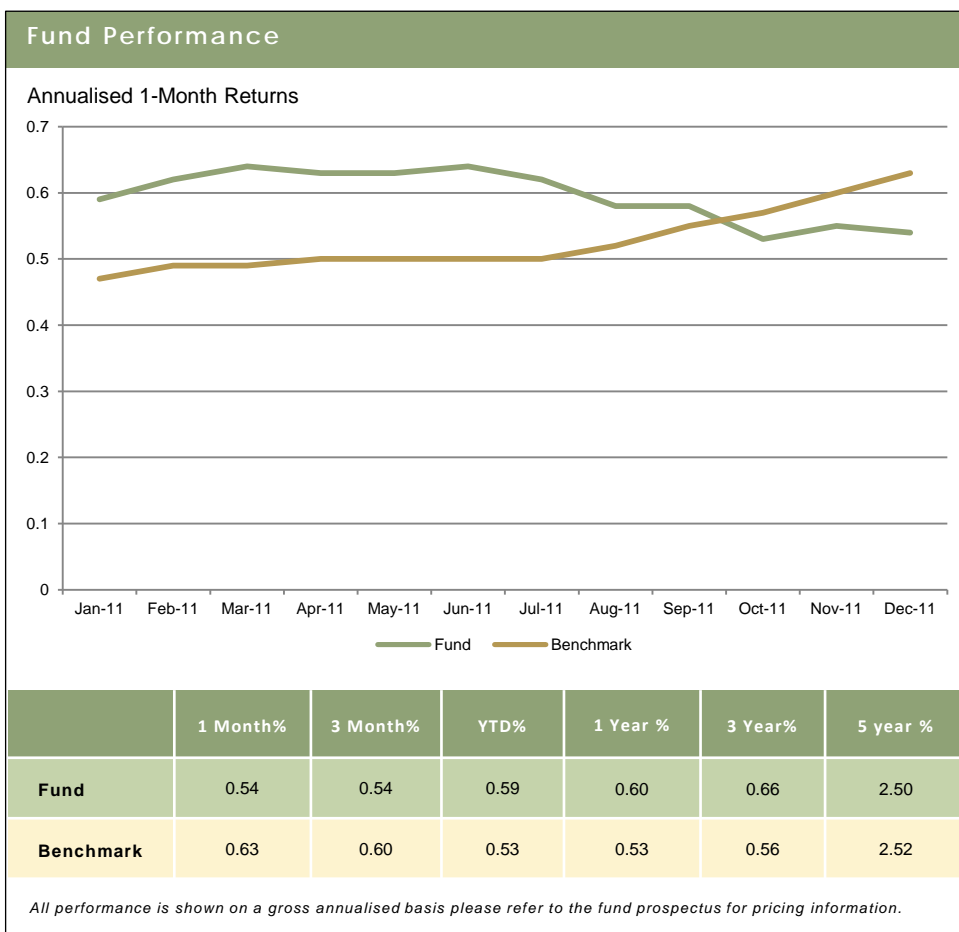
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INVESTMENT OBJECTIVE

The objective of The Sterling Fund is to preserve capital, maintain liquidity and generate current income by investing in high quality fixed income securities denominated in the base currency of the fund.

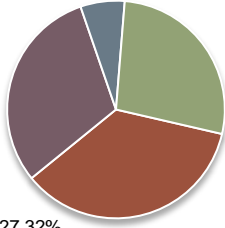
INVESTOR PROFILE

Investors seeking a conservative and highly liquid investment approach for their short term cash investments. Designed for institutional investors including: multi-nationals, pension funds, insurance companies, sovereign wealth funds, charities and subadvisory.



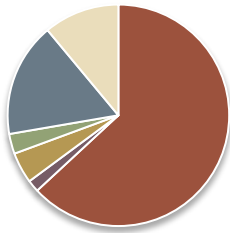
Sector Breakdown

- Gov't Backed Repo: 35.52%
- TDs: 30.59%
- CP: 6.57%
- Govt/Supra/Agency: 27.32%

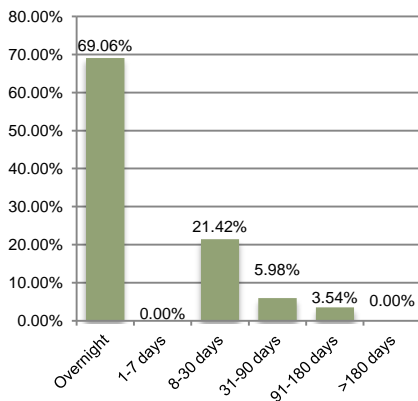


Moody's Breakdown

- Aaa: 63.10%
- Aa1: 1.75%
- Aa2: 4.52%
- Aa3: 2.92%
- A1: 16.66%
- A2: 11.05%



Maturity Distribution



PORTFOLIO MANAGER

Northern Trust Global Investments has a team approach to portfolio management to ensure consistency of coverage and performance. The Sterling Fund is managed in London by the Liquidity Management team which is led by David Blake.

PORTFOLIO MANAGER COMMENTARY

Economic data was fairly soft during the month as austerity and the slowdown in the euro area continued. November PMI Manufacturing was broadly unchanged, whilst the services PMI was slightly better than the forecast, rising from 51.3 to 52.1. Both industrial and manufacturing production were down -0.7% MOM in December, whilst the ILO unemployment rate remained at 8.3% in December. On a brighter note, inflation fell from 5.0% to 4.8% in November.

The Bank of England (BoE) left its policy on the bank rate and the asset purchases unchanged in December. The committee acknowledged that economic activity has remained subdued given the UK's exposure to weaknesses in the euro area. It retained the view that inflation will likely fall sharply by early 2012 as temporary factors influencing it recede, although there is uncertainty over the pace at which it will continue to fall thereafter. The existing programme of asset purchases will take a further two months to complete, whilst substantially increasing the current monthly rate of purchases will prove challenging due to market capacity and volatility in the financial markets.

The ECB's announcement to offer bank loans for three years at 1% helped the markets recover slightly in December. However, rising pressures in the banking sector due to ongoing concerns in Europe and increased stress in markets led to a sharp increase in 3 month LIBOR rates. The yields on longer-term UK government bonds were also volatile and on balance moved lower over the month.

PORTFOLIO OUTLOOK

Uncertainty over the outlook increased over the month. Although the worst risks from the euro crisis did not materialise the magnitude of the current uncertainties did not warrant a change to the path of asset purchases at this meeting. Against this backdrop we maintained a high level of overnight liquidity in the fund and an emphasis on managing our credit risk exposures with a bias to quality and stronger macro-economic regions was maintained.

For More Information

Please visit www.northerntrust.com/pooledfunds or please contact your local Northern Trust Global Investments representative using the information below.

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