

Shires Income

SHRS

Morningstar Peer Group Classification

UK Growth & Income

Investment Objective

To provide a high level of income together with growth of both income and capital from a portfolio substantially invested in UK equities.

Valuation statistics (NAVs estimated¹) GBX

	02 Feb 2012	12 m High	Low
Price	187.50	200.00	162.00
Fair Cum NAV	186.77		
Fair Ex NAV	183.54		
Par Cum NAV	186.77		
Par Ex NAV	183.84	200.28	161.95
Fair Cum Discount	0.39		
Fair Ex Discount	2.16		
Par Cum Discount	0.39		
Par Ex Discount	+1.99	5.23	-4.78
Peer Group Discount	-0.62		
Z-Statistic ²	1.64		

Last Actual NAVs (GBX) as at 01 Feb 2012

Fair Cum NAV	187.61
Fair Ex NAV	184.38
Par Cum NAV	187.61
Par Ex NAV	184.38

Key Data

Domicile	UK
Launch Date	31 Mar 1929
Financial Year-end	31 Mar
Exchange	London (LSE)
Next AGM	Jul 2012
NAV Frequency	Daily
Dividend Frequency	Quarterly
Total Assets (GBP)	73.1m
Net Assets (GBP)	54.6m
Shares Outstanding	29,697,580
Gross Gearing ³	134
Net Gearing ⁴	126
Average Daily Shares Traded (1yr)	0.020m
Average Daily Value Traded (1yr)	0.059m
Total Expense Ratio ⁵ (2011)	1.13%
Market Capitalisation (GBP)	55.7m
Net Dividend Yield ⁶	6.40%

Dividend Policy

The fund intends to pay quarterly dividends

Year-on-Year Dividend Growth % (financial year 31 Mar)

2012	2011	2010	2009	2008
-	0.00	-39.24	0.00	2.60

Dividend Growth % (annualised on current financial year)⁷

1 year	2 years	3 years	4 years	5 years
0.00	0.00	-15.30	-11.71	-9.02

Directors

Anthony B Davidson (Chairman), Mervyn D. Couve, David P. Kidd, Andrew Robson

Fund Manager: Susan Anderson (14 Apr 2008) / Ed Beal (14 Apr 2008)

Aberdeen Asset Managers Ltd

40 Princes Street, Edinburgh, UK, EH2 2BY

Telephone: +44 (0)131 528 4000

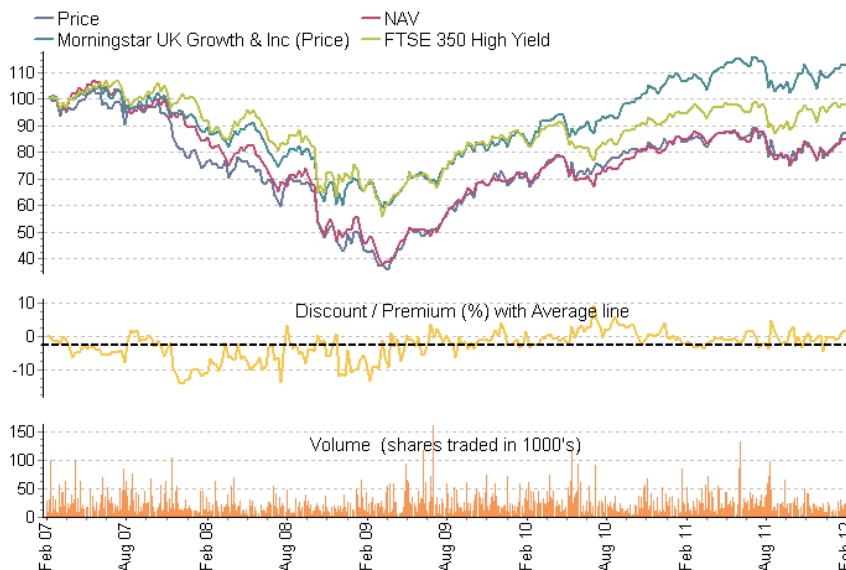
Website: www.shiresincome.co.uk

Stockbroker: JPMorgan Cazenove Limited

Management Fee Summary

Management fee 0.45% p.a. for funds up to GBP100 million and 0.40% p.a. for funds over GBP100 million. The fee is subject to a proportionate reduction to reflect its investment in Shires Smaller Companies plc which is also managed by Aberdeen. Contract terminable by six months notice on either side.

Total Return Performance (GBP) over 5 years (or since inception)



Performance (Total Return %)⁸ GBP

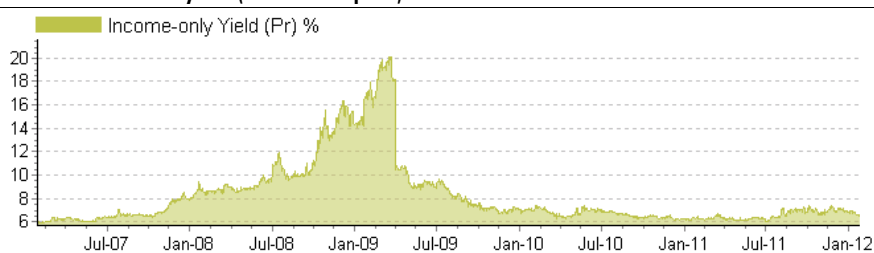
	1 month	3 months	6 months	1 year	YTD	3 years	5 years
Price	+8.31	+8.39	+5.52	+4.55	+8.31	+106.34	-11.22
NAV	+6.17	+5.94	+0.13	+1.03	+6.17	+87.77	-13.77
Peer Group (Price)	+3.45	+4.36	+2.16	+5.45	+3.45	+74.62	+14.05
Peer Group (NAV)	+2.38	+5.10	+2.65	+4.63	+2.40	+67.95	+5.82
Benchmark	+0.18	+3.05	+2.38	+2.72	+0.18	+48.44	-1.65

Peer Group: Morningstar IT UK Growth & Inc P

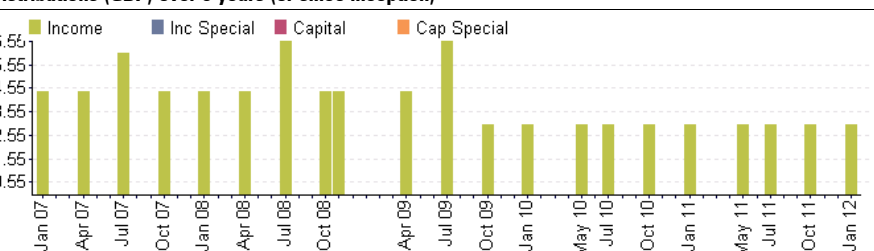
Morningstar Benchmark: FTSE 350 High Yield

Fund distributions reinvested on ex-dividend date⁹

Dividend Yields over 5 years (or since inception)



Distributions (GBP) over 5 years (or since inception)



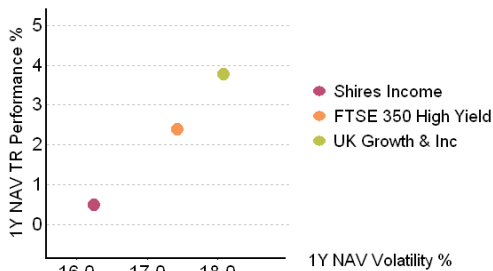
Latest Dividend History (GBP)

Type	Dividend	Declared Date	Ex Div Date	Record Date	Payment Date	Financial Year
Income	3.000	22 Dec 11	04 Jan 12	06 Jan 12	31 Jan 12	2012
Income	3.000	08 Sep 11	05 Oct 11	07 Oct 11	31 Oct 11	2012
Income	3.000	01 Jun 11	06 Jul 11	08 Jul 11	29 Jul 11	2011
Income	3.000	30 Mar 11	06 Apr 11	08 Apr 11	28 Apr 11	2011
Income	3.000	21 Dec 10	05 Jan 11	07 Jan 11	31 Jan 11	2011
Income	3.000	28 Sep 10	06 Oct 10	08 Oct 10	29 Oct 10	2011
Income	3.000	27 May 10	07 Jul 10	09 Jul 10	30 Jul 10	2010
Income	3.000	30 Mar 10	07 Apr 10	09 Apr 10	30 Apr 10	2010
Income	3.000	30 Dec 09	06 Jan 10	08 Jan 10	29 Jan 10	2010
Income	3.000	01 Oct 09	07 Oct 09	09 Oct 09	30 Oct 09	2010
Income	6.550	27 May 09	01 Jul 09	03 Jul 09	31 Jul 09	2009
Income	4.400	04 Feb 09	08 Apr 09	14 Apr 09	30 Apr 09	2009

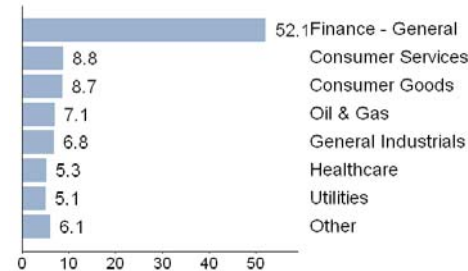
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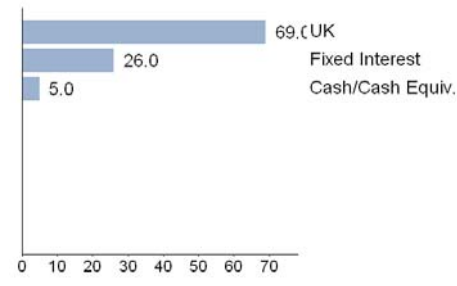
Risk & Return⁹



Sector Breakdown (%)



Geographic Breakdown (%)



Largest Holdings (% Portfolio¹⁰) as at 31 Dec 2011

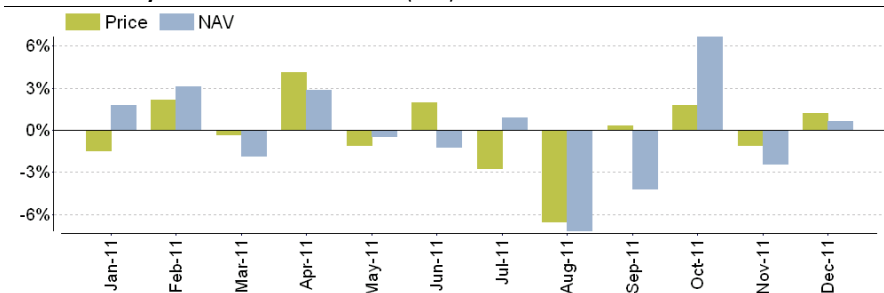
Aberdeen Smaller Co High Inc Trust	6.1%
British American Tobacco	5.4%
Royal Dutch Shell PLC B	5.0%
Vodafone Group Plc	4.0%
Glaxosmithkline Plc	3.6%
Centrica Plc	3.3%
National Grid	2.9%
BP Plc	2.9%
AstraZeneca	2.8%
Unilever PLC	2.6%
Total	38.5%

Capital Structure

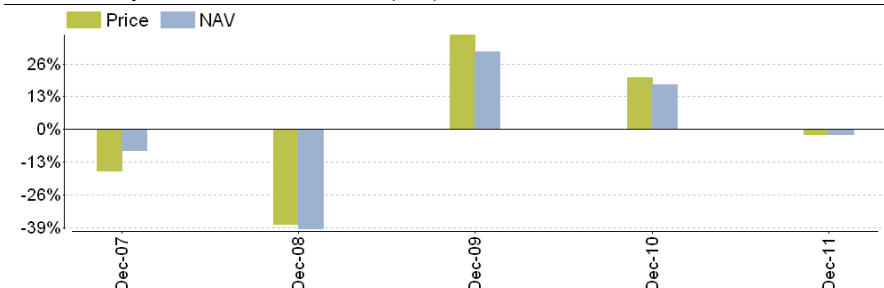
Number of Shares	Share Type
29,697,580	Ord 50p

Loan CCY	£m	Redemption	Coupon
GBP	18.5		2.210%
GBP	0.1		3.500%

Discrete Monthly Price & NAV Total Return % (GBP)



Discrete Yearly Price & NAV Total Return % (GBP)



Risk & Correlation

	3 months	6 months	1 year	3 years	5 years
Alpha (NAV) ¹¹	0.03	-0.02	-0.67	0.17	-0.16
Beta (NAV) ¹²	0.89	0.92	1.10	1.36	1.24
R-squared (NAV) ¹³	0.86	0.88	0.90	0.83	0.77
Sharpe (NAV) ¹⁴	0.83	-0.10	-0.20	0.65	-0.17
Price Volatility ¹⁵	27	33	26	28	30
NAV Volatility ¹⁵	14	20	16	17	22
Benchmark Volatility ¹⁵	15	21	17	18	23
Peer Group Price Volatility ¹⁵	16	22	18	19	23
Peer Group NAV Volatility ¹⁵	15	22	18	17	22

Additional Performance (Total Return⁸) GBX

Period	Price	NAV	Peer Price	Peer NAV	Benchmark
2012	+8.31	+6.17	+3.45	+2.40	+0.18
2011	-2.49	-2.38	+2.08	+3.29	+5.49
2010	+20.43	+17.86	+25.29	+16.76	+6.19
2009	+37.55	+30.65	+24.69	+25.40	+18.82
2008	-38.03	-39.86	-26.11	-30.64	-26.69
2007	-16.81	-8.89	-4.49	+0.61	+1.18
Since FTSE 2009 Low (13 Mar 09)	+140.21	+117.54	+95.24	+94.80	+73.75
Since Sub-Prime (20 Nov 07)	+3.40	-7.19	+22.81	+10.49	+0.99
Since FTSE 2007 Peak (13 Oct 07)	-10.74	-14.17	+11.11	+1.96	-7.27
Since FTSE 2003 Low (12 Mar 03)	+185.26	+132.19	+189.85	+170.59	+124.60
Since NASDAQ Recovery (30 Sep 02)	+75.46	+83.01	+153.38	+136.61	+101.99

Wind-up Provisions/Buy Back Policy

The Fund has an unlimited life. The authority to repurchase up to 14.99% of the issued share capital was renewed at the last AGM.

1 **NAV Estimation** - Fair value of debt refers to the market price of the debt if it is traded or, if it is not traded, an estimation of its value calculated using points over gilt methodology.
 Cum Income NAVs include net revenue in the financial year to date. All estimates are fully diluted for the effects of warrants, convertibles or treasury shares. NAV estimations are created and maintained by Morningstar. For more detailed methodology document please contact FD.Support@morningstar.com

2 **Z-Statistic 1y** - Shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount - Mean) / Std Dev

3 **Gross Gearing** - The ratio of estimated gross Assets to the Net Assets, expressed as a percentage

4 **Net Gearing** - The ratio of estimated Gross Assets minus cash and fixed interest to the Net Assets, expressed as a percentage. Cash and fixed interest represents not-equity exposure.

5 **Total Expense Ratio** - (Total Expenses - Performance Fees - Cost of Leverage - Tax - Restructuring Costs) / Average Net Assets

6 **Net Dividend Yield** - This is calculated by dividing the current financial years dividends (this will include prospective dividends) by the current price.

7 **Dividend Growth** - The annualised percentage growth in dividends. Based upon the current financial year, including any future estimates or forecasts.

8 **Performance** - Calculated using start and end period Share Prices or NAV Dividends are reinvested on the ex-dividend date at the prevailing Share Price or NAV.

9 **Risk & Return** - 1 Year ex income par NAV total return performance against 1 Year NAV volatility. Please see notes 8 and 15 for performance and volatility definitions respectively.

10 **Portfolio** - In order to calculate the portfolio value we deduct any holdings in cash only (Note that Fixed Interest is not included).

11 **Alpha** - The difference between the fund's average excess total return and the benchmark's average excess total return.

12 **Beta** - The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

13 **R-squared** - A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.

14 **Sharpe** - A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

15 **Volatility** - The annualized standard deviation of the logged daily returns, adjusting for distributions from capital.