

# SWIP Multi-Manager International Equity Fund

All data as at 30/09/2011 unless otherwise stated

Q3 2011 Factsheet (A Class Shares)

For professional advisors only

**Fund Objective:** The Multi-Manager International Equity Fund provides investors with exposure to specialist global equity managers. These managers invest outside the UK on a cross-border basis, seeking to take advantage of the best global investment opportunities available. The access these managers have to the broad opportunity set of global investments gives them an advantage over managers who adopt the traditional regional approach, focusing mainly on local factors.

## Managers in the Fund

Manager	Weight
BlackRock	16.9%
Walter Scott	15.1%
Neptune	14.0%
MFS	14.0%
Harris Associates	13.6%
First State	9.6%
Cazenove	5.4%
JP Morgan	5.0%
Hexam	4.1%
Composite Cash	2.3%

## Fund Performance

	Calendar Years					
	Since Inception	2011**	2010	2009	2008	2007
Fund Return %	5.5	-13.9	17.6	24.4	-20.9	6.2
*FTSE World ex UK%	5.3	-12.7	16.7	18.9	-17.1	9.7
Median %	5.4	-13.8	15.1	N/A	N/A	N/A

Source: Lipper mid-mid basis, net of fees. \*SWIP. Prior to 2010 this fund was in the unclassified sector and therefore Median data is not comparable.

\*\* Year to date figure

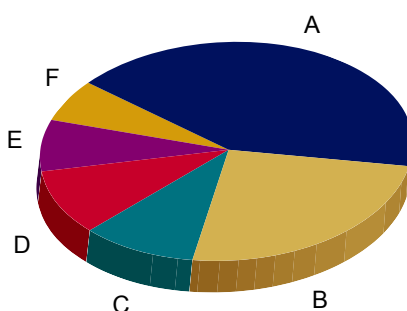
Inception for performance calculation this is deemed as 01/11/04

## Region Allocation

A. North America	42.1%
B. Europe ex UK	24.9%
C. Emerging Markets	9.8%
D. Asia Pacific ex Japan	9.7%
E. United Kingdom	7.5%
F. Japan	6.1%

Figs may not total exactly due to rounding

Source: State Street



## Top Ten Holdings

Company	Country	%
Intel	United States	1.6
Nestle	Switzerland	1.4
Novartis	Switzerland	1.1
Samsung Electronic	Korea	1.0
Canon	Japan	0.9
Oracle	United States	0.9
Apple	United States	0.9
Wells Fargo & Co	United States	0.9
MasterCard	United States	0.8
Microsoft	United States	0.8

Source: State Street

## Market Overview

The third quarter was marked by large stock price falls throughout the world. Much of the negative stock performance and risk aversion in the third quarter was due to renewed European sovereign contagion issues surrounding the potential default for Greece and concerns regarding a global slowdown. At the start of the third quarter there were concerns over whether or not the US debt ceiling would be raised ahead of the all important August deadline, coupled with fears that eurozone debt contagion would spread to the larger economies of Italy and Spain. Global stock markets experienced significant bouts of volatility in August, with some experiencing record-breaking falls as worries over a slowdown in growth and fears over the eurozone sovereign debt crisis intensified. Top of the list was Germany which saw its biggest one day decline in nine years and, in the United States, the combined indices of the S&P500 index, Dow Jones and NASDAQ had their worst August since 2001. The much anticipated Operation Twist carried out by the Federal Reserve in order to lower US long-term interest rates, failed to ignite equity markets as investors digested the accompanying statement warning of "significant downside risks to the economic outlook". Another negative for the month came from Europe where uncertainty over the sovereign debt crisis would not die down. Surprisingly, given their superior growth prospects and better governmental balance sheets, emerging markets underperformed their developed market counterparts for the month. Japan though fell only modestly as it continued to direct its energies towards rebuilding its economy post-earthquake. Near the end of the quarter, European politics dominated markets, but there was some encouraging economic activity data in the US, including upward revisions to second quarter 2011 gross domestic product, strong durable goods orders, a bounce in the regional manufacturing surveys and resilient consumer spending, which indicated that activity was not free falling.

## Fund Commentary

Over the quarter, the Fund returned -13.93% versus -14.89% for the FTSE World ex UK index, outperforming the index in a dismal quarter for global equities and finishing in the third quartile. Of the nine mandates, six outperformed the Fund's index. In terms of their own indices within the mandate, six managers outperformed, two performed in-line and one underperformed.

Three of the four global portfolios outperformed over the quarter. Walter Scott suffered the least, down 8.7%. The portfolio benefited from having no European banks and a low weighting to Europe generally. A number of specific consumer and health care names provided some positive returns in a volatile period. MFS outperformed the index based on an overweight to consumer staples and an underweight to energy and financials. The portfolio was helped by some individual names: Colgate-Palmolive, Reckitt Benckiser, and Visa. The Neptune global mandate also outperformed the index, helped by stock selection on a sector basis, especially in the consumer goods area. On the negative side, the portfolio was not helped by overweights to China and Russia, both of which had poor performance over the quarter. The Harris Associates portfolio performed in-line with the index. The top three contributors to the Fund over the quarter were MasterCard, BNP Paribas and Range Resources. On the negative side, the overweight to Europe hurt. The bottom three detractors were Adecco, Daimler and UBS.

Europe ex-UK was the worst performing region over the quarter, down 23.7%. Of the two European mandates, Cazenove outperformed the index. Owing Campari accounted for a large percentage of the Fund's outperformance, as growth in the company has gone exponential. The portfolio also benefited from being overweight pharmaceuticals and by holding no luxury goods stocks. The JPMorgan European portfolio performed in-line with the index, suffering along with the region's poor performance. Carlsberg was the big loser for the portfolio over the quarter due to problems with the Russian operations. Other poor performing stocks fell on the "risk off" theme: Solvay, Henkel, Modern Times Group and ING.

The Blackrock US index portfolio outperformed the S&P. This was due to the timing of the Fund's close of day and not to any specific issues.

The First State Asian ex Japan portfolio outperformed both its own index and global markets due to its defensive nature. Over the quarter, the portfolio benefited from an underweight to direct Chinese equities. High quality names such as Singapore Telecom and Wesfarmers in Australia held up well.

Emerging markets continue to see a high degree of volatility and were unfairly punished during the quarter on the "risk off" trade. Hexam had a difficult quarter, underperforming the index. Exposure to commodities names Kazakhmys and Xstrata were hit by the negative sentiment on copper. Other detractors were Russian steel stocks Mechel and Evraz. On the positive side, the portfolio's Turkish holdings outperformed the broader index.

## General Information

### Base currency

Sterling

### Bloomberg ticker

MMIEQAA LN

### Fund benchmark

FTSE World ex-UK Index

### Fund manager

Natalie Burnand

### Fund size

£1,356 million

### Income yield<sup>†</sup>

0.1%

### Launch date

18 October 2004

(Performance is measured from 01/11/04. In order to enable accurate peer relative and total return benchmark relative performance comparisons, performance is calculated from the first full month following inception.)

### No of holdings

816

### Website address

[www.swip.com](http://www.swip.com)

<sup>†</sup>The Income Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include the preliminary charge and investors may be subject to tax on their distributions. If the Fund's expenses were charged to capital, distributions would be increased and the Fund's capital performance constrained by an equivalent extent.

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

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