

# SWIP Corporate Bond Plus Fund

## Fund Manager Strategy

The Fund aims to maximise returns utilising our in-house research on both top down (macro economic) factors and bottom up (stock specific) factors to identify attractively valued opportunities. The Fund is run against a corporate bond sterling benchmark, but can take off benchmark positions up to a third of the Fund. These can include holdings in gilts, international government and corporate bonds, high yield bonds or preference shares.

## Fund Objective

To provide a total return by investing in a portfolio of predominantly bonds.



Neil Murray, Fund Manager has managed the SWIP Corporate Bond Plus Fund since March 2005.

Neil has been with the group since September 1998.

## Performance

	Q2 2009 - Q2 2010	Q2 2008 - Q2 2009	Q2 2007 - Q2 2008	Q2 2006 - Q2 2007	Q2 2005 - Q2 2006
Fund Return (%)	19.66	-7.17	-2.83	0.18	0.05
Median Return (%)	16.41	-2.99	-2.75	-0.92	0.00
Quartile	2	3	3	1	2

Source: Lipper, mid-mid basis, net of fees

## Fund Versus Sector Average (Percentage Change)



Source: Lipper, mid-mid basis, net of fees (rebased to 100)

Past performance is not a guide to future performance

## Dealing Information

**Minimum Investment:** £1,000

**Valuation Point:** 12 noon

**Settlement Terms:** T+4

**Accounting Period End Dates:**  
31 December (Final) 30 June (Interim)

**Sedol Codes:**

A - B019GW9

**ISIN:**

A - GB00B019GW94

**Bloomberg:**

A - SWABRAA LN

## Contact us

For further information or to purchase shares please contact us on:

Tel: 0800 336600

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

**Fund Commentary**

The travails of eurozone government bonds dominated the headlines. Investors continued to discriminate against the debt of weaker members, with Italy, Portugal, Spain, Belgium and France all suffering to a greater or lesser extent. In this environment of risk aversion, corporate bonds underperformed. The market for new issues, which had dried up during May, sprung back to life in June.

There were no significant changes to strategy in June. The Fund retains an overweight position in the financial sector and a slight short duration position based on our anticipation of rising yields. During June we purchased bonds issued by BP, which have begun to look good value. We also participated in new sterling issues by British American Tobacco and America Mobile.

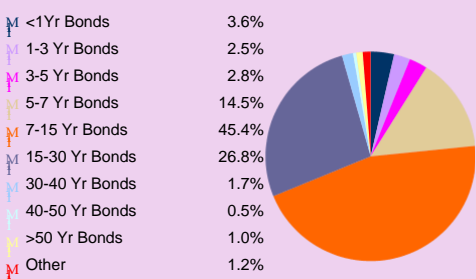
The Fund was behind its benchmark in June. While the Fund benefited from holding government bonds this was more than offset by being overweight in the banks and insurance sectors and underweight in the securitized sector. Stock selection was marginally negative. The top contributing stocks were Northern Rock and Bradford & Bingley with the laggards being Barclays and SLM Student.

**Key Exposures**

Company	% of portfolio
Treasury 4.75% 2030	2.4
HSBC 7% 2038	1.3
Dentsply International 7.75% 2019	1.3
Banca Intesa 5.5% 2016	1.2
Abbey National 7.5% 2010	1.2
HSBC Holdings 6.50% 2024	1.2
Allied Irish Banks 11.5% 2022	1.2
Merrill Lynch 7.75% 2018	1.2
E.ON 6.75% 2039	1.2
British Telecom 6.625% 2017	1.1

Source: SWIP

**Maturity Breakdown Split**



Source: SWIP

**Fund Information**

**Launch Date:**

5 July 2004

**Benchmark:**

iBoxx £ non-gilt ex sov/sub-sov Index

**IMA Sector:**

IMA £ Corporate Bond

**Fund Size:** £1742.8 million

**Initial Charge:** Class A 3.75%

**Annual Charge:** Class A 1.00%

**Base Currency:** Sterling

**Distribution/Underlying Yield:**

5.2% p.a (gross)

**No of Holdings:** 246

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. The value of the Fund can go up and down and investors may not receive back the money they invested. **This publication only contains brief information on the Fund. The Fund Prospectus and the Simplified Prospectus provide more detailed information as well as the risks of investing. Both these documents are available on our website [www.swip.com](http://www.swip.com) or by telephoning 0800 33 66 00.**

Issued by Scottish Widows Investment Partnership Limited (SWIP), Company No. 794936. Registered Office in the United Kingdom at 33 Old Broad Street, London, EC2N 1HZ. Tel: 0131 655 8500. SWIP is the investment advisor for the SWIP and Scottish Widows fund range. SWIP is authorised and regulated by the Financial Services Authority and is entered on their register under number 193707 ([www.fsa.gov.uk](http://www.fsa.gov.uk)).