

SWIP Defensive Gilt Fund



Fund Manager Strategy

Our Fund is run on a macroeconomic view overlaid with technical analysis. The Fund is run with between 40-60 assets. We invest over a one year horizon, backing our convictions with extensive internal and external analysis. We believe long-term fundamentals are important and that a bond's value will reflect the future path of interest rates.

Investment Objective

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



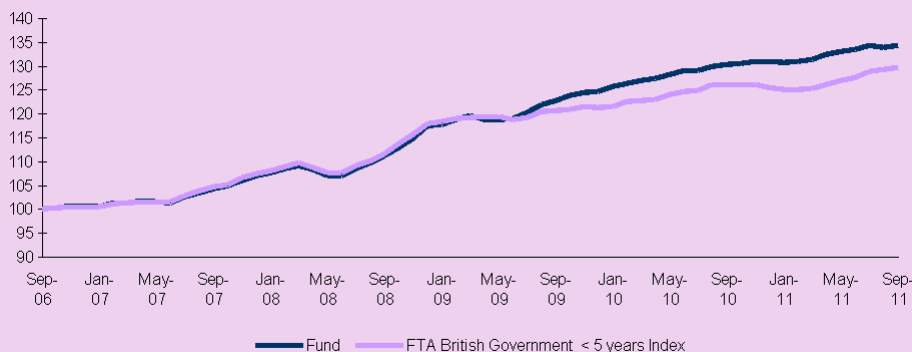
Graeme Caughey has managed the Fund since its launch in July 2004 and has been with SWIP since July 2001. Graeme has 17 years experience, 10 of which have been gained at SWIP.

Performance

	Q3 2010 - Q3 2011	Q3 2009 - Q3 2010	Q3 2008 - Q3 2009	Q3 2007 - Q3 2008	Q3 2006 - Q3 2007
Fund Return (%)	3.11	6.11	10.52	6.51	4.33
Index Return (%)	2.89	4.46	8.18	6.66	4.67

Source: SWIP, FTA British Gov <5Yrs, gross of fees

Fund Versus Index (Percentage Change)



Source: Swip, FTA British Gov <Yrs, gross 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 - B019H15

ISIN:

A - GB00B019H158

Bloomberg:

A - SCODGAA LN

Contact us

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

Tel: 0800 336600

Visit: www.swip.com

Fund Commentary

Uncertainty in peripheral Europe and a slew of poor US economic statistics prompted a flight to quality. This led investors towards countries such as the UK which benefited from "safe haven" status. Accordingly, Gilt prices benefited.

The Fund maintained its neutral duration position in September. The manager removed the Fund's overweight position in 30-year gilts. The position in Japanese Index-Linked Bonds was increased.

The Fund was behind its benchmark in September with negative contribution from asset allocation. The Fund lost mostly due to our exposure to Inflation-Linked and Corporate Bonds as these were behind nominal Bonds over the month. Our long duration at 10 and 30-years had a small positive impact on performance.

Fund Information

Launch Date:
05 July 2004

Benchmark:
FTA British Government < 5Yrs Index

IMA Sector:
IMA Unclassified

Fund Size: £285.5 million

Initial Charge: Class A 3.75%

Annual Charge: Class A 1.00%

Base Currency: Sterling

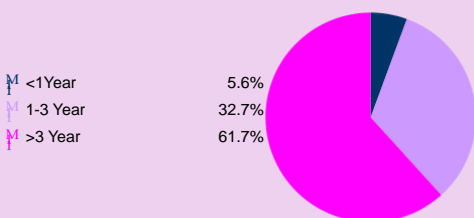
No of Holdings: 41

Key Exposures

Company	% of portfolio
Treasury index-linked 2.5% 2013	27.6
Treasury 2% 2016	26.8
Treasury 5% 2012	20.0
Treasury 2.5% index-linked 2016	5.0
Japanese Govt index-linked 0.5% 2015	2.4
BNP Paribas 6.625%	1.1
Treasury 5.25% 2012	1.0
Treasury 2.25% 2014	0.9
National Grid	0.8
Granite 5.515% 2044	0.6

Source: SWIP

Maturity Breakdown



Source: SWIP

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 or by telephoning 0800 33 66 00.**

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