

SWIP European Corporate Bond 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 euro benchmark, but can take off benchmark positions up to a third of the Fund. These can include holdings in government bonds, international government and corporate bonds, high yield bonds or preference shares.

Investment Objective

To provide a total return by investing predominantly in euro denominated fixed interest securities.



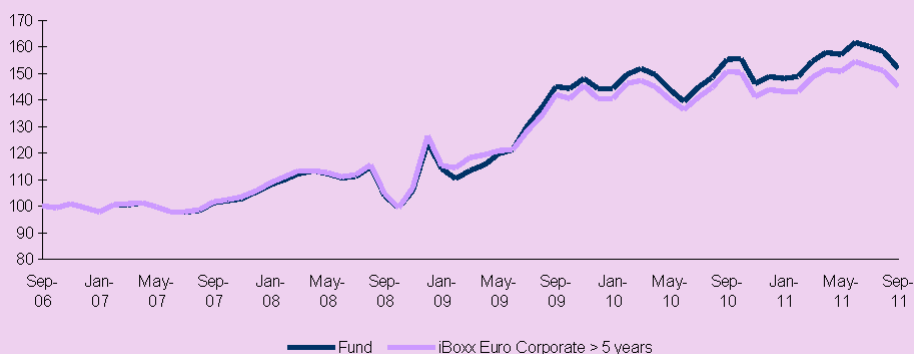
Daniel McKernan took over the Fund in April 2011. Daniel joined SWIP in February 2011 and has over 20 years investment management experience as a fixed income credit fund manager.

Performance

	Q3 2010 - Q3 2011	Q3 2009 - Q3 2010	Q3 2008 - Q3 2009	Q3 2007 - Q3 2008	Q3 2006 - Q3 2007
Fund Return (%)	-2.06	7.10	39.58	2.48	1.31
Index Return (%)	-3.71	6.17	35.93	2.90	1.44

Source: SWIP, iBoxx Euro Corp >5 yrs, gross of fees

Fund Versus Index (Percentage Change)



Source: SWIP, iBoxx Euro Corp >5 yrs, gross of fees (rebased to 100)

Past performance is not a guide to future performance

Dealing Information

Minimum Investment: £1,000

Valuation Point: 8:00 AM

Settlement Terms: T+4

Accounting Period End Dates: 31 January (Final), 30 April, 31 July & 31 October (Interim)

Sedol Codes: A - B0005S2

ISIN: A - GB00B005S25

Bloomberg: SCECBAI LN

Contact us

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

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Visit: www.swip.com

Fund Commentary

Concerns about the lack of a solution to Europe's sovereign debt crisis continued to plague Corporate Bond markets. Investors' aversion to anything risk-related meant that Corporate Bonds once again underperformed their government equivalents.

With European markets seized up and liquidity almost non-existent, there were few trades to speak of within the portfolio during September. In recent months we have been reducing risk in the portfolio and we will be looking to re-invest in the market when the economy improves and opportunities arise.

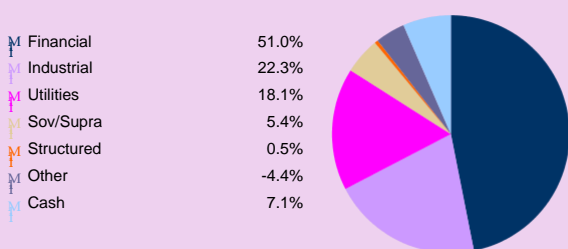
The Fund was behind benchmark in September with security selection driving underperformance. Lower Tier 2 Royal Bank of Scotland, Lloyds and Barclays positions cost the Fund as spreads widened. Our overweight position in Lower Tier 2 insurance had a negative impact, with our positions in senior banks and sub sovereigns adding to performance.

Key Exposures

Company	% of portfolio
Germany (Fed Rep) 6.25% 2024	3.1
Citigroup 7.375% 2019	2.4
E.ON International 5.75% 2020	2.3
Lloyds TSB 2016	1.9
Deutsche Telekom 6% 2017	1.7
RWE 6.5% 2021	1.5
JP Morgan Chase 3.875% 2020	1.5
Merrill Lynch & Co 4.875% 2014	1.5
Veolia Environment 5.125% 2022	1.4
United Utilities 4.25% 2020	1.4

Source: SWIP

Major Sector Allocation



Source: SWIP

Fund Information

Launch Date:

30 April 2004

Benchmark:

iBoxx Euro Corporate >5 years

IMA Sector:

IMA Global Bonds

Fund Size: £164.4 million

Initial Charge: Class A 3.75%

Annual Charge: Class A 1.00%

Base Currency: Sterling

No of Holdings: 157

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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