

# SWIP Gilt Plus Fund



## Fund Manager Strategy

The Fund is benchmarked against a portfolio of bonds representative of the UK government bond, or gilt market. As well as the base total return achieved from investing in a portfolio of gilts, we aim to add excess returns through selective tactical and strategic positions in the areas of duration management, yield curve analysis, allocations to corporate bonds (including higher yielding bonds) and non sterling denominated debt (including emerging market debt). This is achieved by harnessing SWIP's bond expertise within a structured process which captures both top down and bottom up research.

## Investment Objective

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



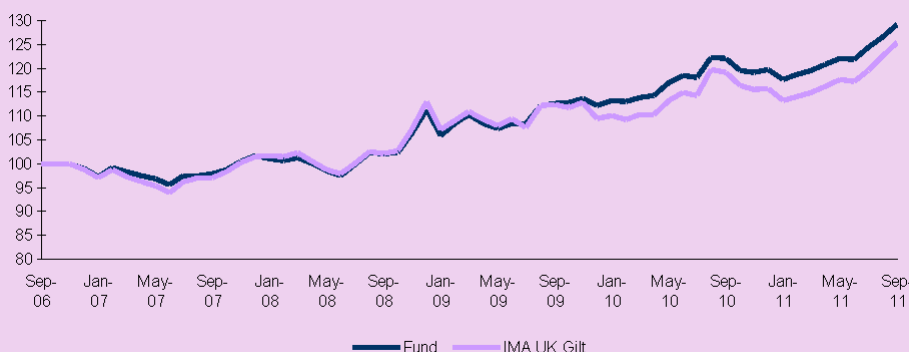
Graeme Caughey has managed the Fund since its launch in July 2004 and has been with SWIP since July 2001. Graeme has 17 years experience, 10 of which have been gained at SWIP.

## Performance

	Q3 2010 - Q3 2011	Q3 2009 - Q3 2010	Q3 2008 - Q3 2009	Q3 2007 - Q3 2008	Q3 2006 - Q3 2007
Fund Return (%)	5.97	8.28	10.45	5.22	-2.15
Median Return (%)	5.62	6.53	10.93	5.74	-1.69
Quartile	1	3	4	3	3

Source: Lipper, mid-mid basis, net of fees. Median return and quartile ranking are taken from the UK Gilt sector.

## 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 - B019H71  
**ISIN:** A - GB00B019H711  
**Bloomberg:** A - SCOMGPA 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 continued uncertainty in the economies of peripheral Europe, coupled with a series of worsening global economic data, has encouraged investors to opt for “safe haven” investments. Accordingly, UK Government Bond prices have risen.

The manager increased the extent of the Fund's overweight position in longer-dated bonds. The position in Japanese index-linked bonds was increased, and the holding in Australian government bonds was sold.

Our overall duration position added to performance as yields fell to record lows during the month. Our short duration position at 2-years also benefited the Fund as yields fell at a lesser rate at the shorter end of the curve. Our off benchmark positions in both credit and Inflation-Linked Bonds also cost the Fund.

**Fund Information**

**Launch Date:**

5 July 2004

**Benchmark:**

FTA British Government All Stocks

**IMA Sector:**

IMA Unclassified

**Fund Size:** £426.8 million

**Initial Charge:** Class A 3.75%

**Annual Charge:** Class A 1.00%

**Base Currency:** Sterling

**No of Holdings:** 32

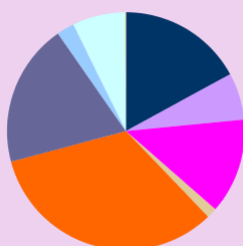
**Key Exposures**

Company	% of portfolio
Treasury 5% 2025	19.5
Treasury 2.5% index-linked 2016	10.6
Treasury 3.25% 2011	8.0
Treasury 4.5% 2034	7.6
Treasury 4.25% 2040	7.2
Treasury 5% 2012	6.9
Treasury 4% 2060	5.7
Treasury 4.25% 2036	4.7
Treasury index-linked 2.5% 2013	4.5
Treasury 4.75% 2020	3.5

Source: SWIP

**Maturity Breakdown**

<1Yr Bonds	17.1%
1-3 Yr Bonds	6.4%
3-5 Yr Bonds	13.0%
5-7 Yr Bonds	1.4%
7-15 Yr Bonds	33.1%
15-30 Yr Bonds	19.5%
30-40 Yr Bonds	2.4%
40-50 Yr Bonds	7.2%
Other	-0.1%



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](http://www.swip.com) or by telephoning 0800 33 66 00.**

Issued by Scottish Widows Investment Partnership Limited (SWIP) which is registered in England and Wales, Company No. 794936. Registered Office is at 33 Old Broad Street, London, EC2N 1HZ, UK. Tel: +44 (0)131 655 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)). Calls may be recorded and monitored to help improve customer service and for training purposes.