

# SWIP Sterling Index-Linked Bond Fund

Factsheet as at 31 July 2010

## Investment Objective

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


## Fund Strategy

The Fund is benchmarked against a portfolio of bonds representative of the UK index linked bond market. As well as the base total return achieved from investing in a portfolio of inflation linked bonds, 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.

Fund Statistics	
Benchmark	Barclays Capital £ Inflation Linked Bond Index
IMA Sector	IMA Unclassified
Fund Manager	Graeme Caughey
Fund Launch Date	July 2004
Fund Size	£26.4 million
Number of Holdings	22
Distribution/Underlying Yield	0.5% p.a (gross)

### Fund Manager Biography

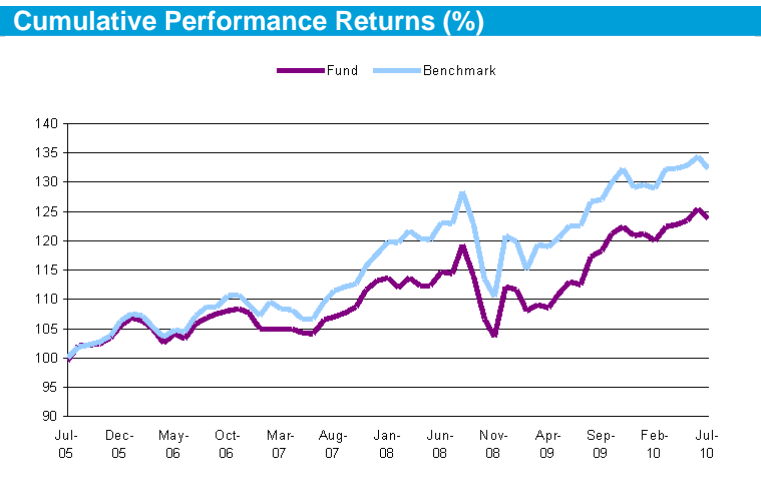
Graeme Caughey, has managed the Fund since its launch in July 2004 and has been with the group since July 2001. Graeme has 15 years experience, 8 of which have been gained at SWIP. He is a fellow of the faculty of actuaries and is an examiner in their investment subjects.



Dealing Information - Share Class A	
Minimum Investment	£1,000
Valuation Point	12 noon
Settlement Terms	T+4
Accounting Period End Dates	31 December (Final) 30 June (Interim)
Ex-Dividend Dates	30 Jun & 31 Dec
Payment Dates	28 Feb & 31 Aug
Last Distribution Rate	0.5228p

Performance Returns - Calendar Years (%)					
	2010*	2009	2008	2007	2006
Fund	2.49	7.74	0.16	5.33	2.19
Sector Average	N/A	N/A	N/A	N/A	N/A
Benchmark	2.61	6.67	2.61	8.11	2.61
Quartile	N/A	N/A	N/A	N/A	N/A

Fund Charges - Share Class A	
Initial Charge	3.75%
Annual Charge	1.00%
Total Expense Ratio	1.12%



Fund Codes and Prices - Share Class A	
Sedol	B019HS2
ISIN	GB00B019HS24
Bloomberg	SCS1LAA LN
Lipper	LP60094209
NAV Price as at	31 July 2010 135.6p
NAV - 12 Month High	2 July 2010 138.5p
NAV - 12 Month Low	5 August 2009 122.6p

Statistical Analysis Review Over 3 Years	
Sharpe Ratio	0.36
Standard Deviation	9.53% (p.a.)
Alpha	0.40% (p.a.)
Beta	0.97
Information Ratio	0.17
Tracking Error	1.21% (p.a.)

Source: SWIP

Cumulative Performance Returns (%)					
	1 Mth	3 Mths	1 Yr	3 Yrs p.a	5 Yrs p.a
Fund	-1.31	0.89	10.06	5.52	4.63
Sector Average	N/A	N/A	N/A	N/A	N/A
Benchmark	-1.44	0.00	8.02	6.50	5.76
Quartile	N/A	N/A	N/A	N/A	N/A

Source: Lipper mid-mid basis, net of fees. Barclays Capital £ Inflation Linked Bond, gross of fees. \*Year to date figure. Please note Lipper returns are priced at 12 noon and benchmark is priced at close of business day.

Please note sector average is not applicable as this Fund is in the unclassified sector and is not comparative to the other Funds within this sector.

**Past Performance is not a guide to future performance**

## Market Review

The 'flight to quality' trend that has bolstered gilt prices lost some of its impetus in July as the EU banks' "stress tests" resulted in a largely positive outcome. 10 year yields ended the month largely unchanged. As expected, the Bank of England once more kept interest rates on hold at 0.5%.

## Fund Performance

The Fund was ahead of the benchmark in July with our allocation to Japanese Yen denominated index-linked bonds adding to performance. Our long duration position had a negative impact on performance as yields rose over the month however security selection was positive with our overweight position in the 0.5% 2050 UK index-linked government bond adding to performance.

## Fund Positioning

The manager moved the Fund from short duration to neutral in July. The portfolio remains overweight in 2013 inflation-linked bonds, and also had holdings in Japanese and Australian inflation-linked bonds. Japanese bonds performed well relative to the UK, and the Australian position was closed to profit in July.

### Maturity Breakdown

	Fund %	Benchmark %	Deviation %
<1Yr Bonds	0.6	0.0	0.6
1-3 Yr Bonds	7.2	5.9	1.3
3-5 Yr Bonds	16.0	8.6	7.5
5-7 Yr Bonds	7.4	10.2	-2.8
7-15 Yr Bonds	26.1	27.9	-1.8
15-30 Yr Bonds	19.4	33.1	-13.6
30-40 Yr Bonds	17.4	10.5	6.9
40-50 Yr Bonds	6.0	3.9	2.1
Other	-0.1	-0.1	0.0

Source: SWIP, Barclays Capital £ Inflation Linked Bond

### Top 10 Holdings

Company	Weighting %
Treasury index-linked 1.875% 2022	15.2
Treasury index-linked 2.5% 2013	14.8
Treasury 0.5% 2050	14.2
Treasury index-linked 2.5% 2016	7.4
Treasury index-linked 2.5% 2011	7.2
Japan (Govt of) 1.2% 2017	6.9
Treasury index-linked 1.125% 2037	6.1
Treasury index-linked 1.25% 2055	6.0
Road Management 3.642% 2028	3.6
Treasury 0.625% 2042	3.1

Source: SWIP

### Contact Us

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