

SWIP Sterling Index-Linked Bond Fund

Fund Manager 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.

Investment Objective

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



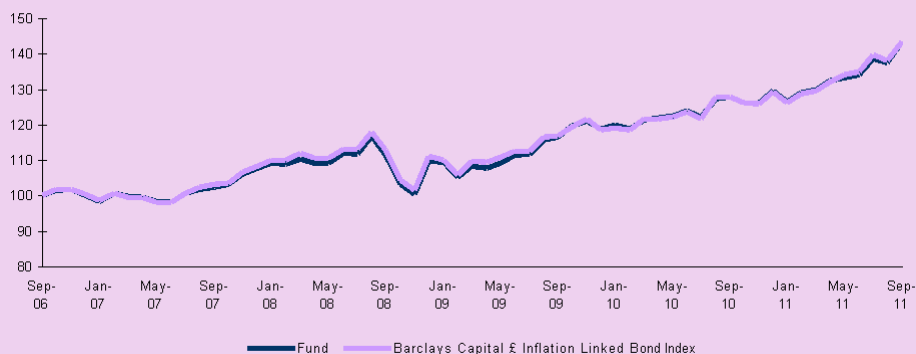
Graeme Caughey has managed the Fund since its launch in July 2004 and has been with SWIP since July 2001. Graeme has 17 years experience, 10 of which have been gained at SWIP.

Performance

	Q3 2010 - Q3 2011	Q3 2009 - Q3 2010	Q3 2008 - Q3 2009	Q3 2007 - Q3 2008	Q3 2006 - Q3 2007
Fund Return (%)	12.03	9.93	4.44	8.98	2.30
Index Return (%)	12.22	9.58	3.34	9.48	3.19

Source: SWIP, Barclays Capital, gross of fees

Fund Versus Index (Percentage Change)



Source: SWIP, Barclays Capital, 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 - B019HS2

ISIN:

A - GB00B019HS24

Bloomberg:

A - SCSILAA LN

Contact us

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

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Fund Commentary

Both nominal and real yields for UK government bonds were lower in September. Nominal yields benefited from a flight to safety prompted by the continuing difficulties in peripheral European economies and indications that the global economy is deteriorating.

The Fund was positioned with a neutral duration in September, and moved further overweight in the 25-year area of the curve at the expense of short-dated index-linked bonds. The holding in Australian index-linked bond was sold, but the holdings in Japanese inflation-linked bonds and corporate index-linked bonds were maintained.

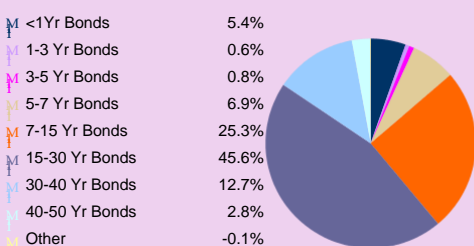
The Fund was ahead of benchmark (based at close of business day), benefiting from both our overall duration position and our positions along the yield curve. Our corporate index-linked holdings also added to performance as did our positions in Australian and Japanese index-linked bonds.

Key Exposures

Company	% of portfolio
Treasury index-linked gilt 2034	25.4
Treasury 2.5% 2024	9.2
Treasury index-linked 0.75% 2047	8.9
Treasury index-linked 4.125% 2030	8.0
Treasury 2.5% 2020	7.3
Japan (Govt of) il 1.2% 2017	6.2
Treasury index-linked 2% 2035	5.7
Treasury 2.5% index-linked 2016	5.6
Treasury 0.625% 2042	3.8
Treasury index-linked 1.125% 2037	3.7

Source: SWIP

Maturity Breakdown Split



Source: SWIP

Fund Information

Launch Date:

5 July 2004

Benchmark:

Barclays Capital £ Inflation Linked Bond Index

IMA Sector:

IMA Unclassified

Fund Size: £24.4 million

Initial Charge: Class A 3.75%

Annual Charge: Class A 1.00%

Base Currency: Sterling

No of Holdings: 22

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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