# SW Gilt Fund

## Factsheet as at 28 February 2010

### Investment Objective

To provide an income whilst having regard to capital value, through investment primarily in UK Government Securities.

### Fund 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, SWIP aim to add excess returns through selective tactical and strategic positions in the areas of duration management, yield curve analysis, allocations to corporate bonds and non sterling denominated 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 | FTA British Government All Stocks |
| IMA Sector | IMA UK Gilt |
| Fund Manager | Graeme Caughey |
| Fund Launch Date | December 1978 |
| Fund Size | £296.4 million |
| Number of Holdings | 20 |
| Distribution/Underlying Yield | 2.1% p.a (gross) |

### Fund Manager Biography

Graeme Caughey, took over the Fund in May 2008 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 | 8:00 AM |
| Settlement Terms | T+4 |
| Accounting Period End Dates | 28 Feb (Final),31 May, 31 Aug & 30 Nov (Interim) |
| Ex-Dividend Dates | End of Feb, May, Aug & Nov |
| Payment Dates | End of Jan, Apr, Jul & Oct |
| Last Distribution Rate | 1.2967p |

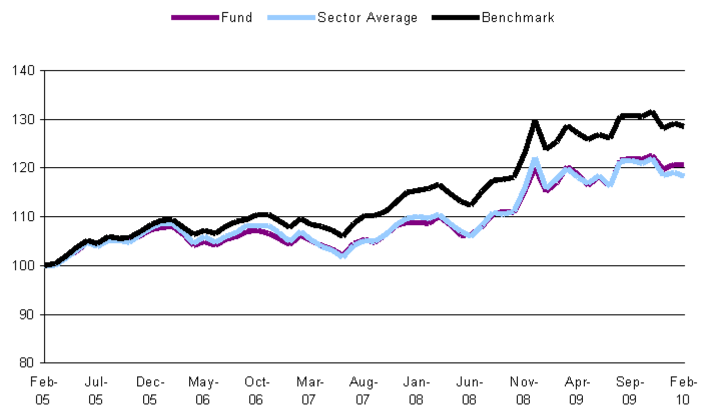
### Performance Returns - Calendar Years (%)

| | 2010* | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Fund | 0.89 | -0.42 | 10.40 | 3.08 | -1.62 |
| Sector Average | -0.19 | -2.53 | 11.76 | 2.85 | -0.97 |
| Benchmark | 0.33 | -1.17 | 12.81 | 5.27 | 0.69 |
| Quartile | 1 | 1 | 4 | 3 | 4 |

### Fund Charges - Share Class A

| | |
|---|---|
| Initial Charge | 5.00% |
| Annual Charge | 1.00% |
| Total Expense Ratio | 1.11% |

### Cumulative Performance Returns (%)




### Fund Codes and Prices - Share Class A

| | |
|---|---|
| Sedol | 3220043 |
| ISIN | GB0032200437 |
| Bloomberg | SWGLTAA LN |
| Lipper | LP60077931 |
| NAV Price as at | 28 February 2010 190.1p |
| NAV - 12 Month High | 9 October 2009 196.7p |
| NAV - 12 Month Low | 12 June 2009 182.7p |

### Statistical Analysis Review Over 3 Years

| | |
|---|---|
| Sharpe Ratio | 0.34 |
| Standard Deviation | 6.63% (p.a.) |
| Alpha | 0.73% (p.a.) |
| Beta | 1.01 |
| Information Ratio | 0.95 |
| Tracking Error | 0.82% (p.a.) |

Source: SWIP

### Cumulative Performance Returns (%)

| | 1 Mth | 3 Mths | 1 Yr | 3 Yrs p.a | 5 Yrs p.a |
|---|---|---|---|---|---|
| Fund | 0.00 | -1.59 | 3.12 | 4.39 | 3.84 |
| Sector Average | -0.76 | -3.08 | 0.77 | 3.75 | 3.62 |
| Benchmark | -0.38 | -2.31 | 2.46 | 5.49 | 5.15 |
| Quartile | 1 | 1 | 1 | 2 | 3 |

Source: Lipper mid-mid basis, net of fees. FTA British Government All Stocks, 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.

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

## Market Review

UK gilt prices fell steadily for most of February, but regained some ground towards month end. A variety of factors weighed on the market, including anxieties over the state of public finances, a halt to quantitative easing, and opinion polls that suggested a hung parliament was a possibility after the general election.

## Fund Performance

The Fund was ahead of benchmark in February with the overall short duration position having a positive impact on performance. Positions along the curve, most notably at 5 years and 20 years, also added to performance. Allocation to UK index-linked government bonds boosted performance with our credit positions detracting from performance.

## Fund Positioning

As markets continued to sell off with gilt yields climbing as high as 4.25% at one stage, we took some profits on the short duration position. The Fund remains short duration, as yields are likely to move higher later in the year. The Fund has maintained its position in short-dated index-linked bonds, while reducing the overweight in short-dated corporate bonds.

## Maturity Breakdown

| | Fund % | Benchmark % | Deviation % |
|---|---|---|---|
| <1Yr Bonds | 4.7 | 3.9 | 0.8 |
| 1-3 Yr Bonds | 5.4 | 14.3 | -8.9 |
| 3-5 Yr Bonds | 35.6 | 15.7 | 19.9 |
| 5-7 Yr Bonds | 0.0 | 9.0 | -9.0 |
| 7-15 Yr Bonds | 28.1 | 22.2 | 5.8 |
| 15-30 Yr Bonds | 8.0 | 23.6 | -15.6 |
| 30-40 Yr Bonds | 10.8 | 7.0 | 3.8 |
| 40-50 Yr Bonds | 4.6 | 4.0 | 0.6 |
| >50 Yr Bonds | 0.0 | 0.2 | -0.2 |
| Other | 2.8 | 0.1 | 2.7 |

Source: SWIP, FTA British Government All Stocks

## Top 10 Holdings

| Company | Weighting % |
|---|---|
| Treasury 2.75% 2015 | 19.8 |
| Treasury 3.75% 2019 | 19.3 |
| Treasury index-linked 2.5% 2013 | 11.1 |
| Treasury 4.75% 2020 | 6.1 |
| Treasury 4.25% 2011 | 5.4 |
| Gilt 4.25% 2046 | 4.7 |
| Treasury 2.25% 2014 | 4.1 |
| Gilt 4.25% 2049 | 4.0 |
| Treasury 4.75% 2010 | 4.0 |
| Treasury 4% 2060 | 3.6 |

Source: SWIP

## Contact Us

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