SWIP / INVESTMENT FUNDS UK ICVC

Interim Short Report for the period ended 30 June 2013

SCOTTISH WIDOWS INVESTMENT PARTNERSHIP

PERFORM

SWIP INVESTMENT FUNDS UK ICVC

The Company

Scottish Widows Investment Partnership Investment Funds UK ICVC

Head Office:
33 Old Broad Street
London
EC2N 1HZ

Correspondence Address:
BNY Mellon House
Ingrave Road
Brentwood`
Essex
CM15 8TG

Incorporated in Great Britain under registered number IC000238. Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD) and Authorised Fund Manager

SWIP Fund Management Limited

Head Office:
33 Old Broad Street
London
EC2N 1HZ

Correspondence Address:
BNY Mellon House
Ingrave Road
Brentwood
Essex
CM15 8TG

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Management Association.

Investment Adviser

Scottish Widows Investment Partnership Limited

Head Office:
33 Old Broad Street
London
EC2N 1HZ

Correspondence Address:
Edinburgh One
60 Morrison Street
Edinburgh
EH3 8BE

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Management Association.

Depositary

State Street Trustees Limited

Registered Office:
20 Churchill Place
Canary Wharf
London
E14 5HJ

Correspondence Address:
525 Ferry Road
Edinburgh
EH5 2AW

Authorised and regulated by the Financial Conduct Authority.

Registrar

The Bank of New York Mellon (International) Limited

Registered Office:
One Canada Square
London
E14 5AL

Correspondence Address:
BNY Mellon House
Ingrave Road
Brentwood
Essex
CM15 8TG

Independent Auditors

PricewaterhouseCoopers LLP
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

SWIP INVESTMENT FUNDS UK ICVC

Long reports are available on request. If you would like a copy, please telephone us on **0800 33 66 00** or download the financial statements from the website **www.swip.com** which is a website maintained by SWIP Limited.

Prospectus Changes

During the period and up to the date of this report, no changes were made to the Company and therefore no changes were reflected in the Prospectus and/or Instrument of Incorporation of Scottish Widows Investment Partnership Investment Funds UK ICVC. The Prospectus was, however, updated effective 1 July 2013 and the following changes were reflected:

- References to UK Real Estate Fund have been removed following the completion of the termination on 28 February 2013.

A copy of the Prospectus is available on request.

Important Information

From 1 April 2013 the Company and the ACD are authorised and regulated by the UK Financial Conduct Authority (the “FCA”). As the end of the accounting period was after this date all references to the predecessor of the FCA, the UK Financial Services Authority (the “FSA”), have been replaced within these financial statements.

Amendments to the UK Regulations governing Open-Ended Investment Companies and the FCA’s Collective Investment Schemes sourcebook which require limitation of liability between sub-funds of the Company came into effect on 21 December 2011. The new segregated liability regime is mandatory and it is our intention to apply to the FCA within the transitional period for approval to amend the Company’s Prospectus and Instrument of Incorporation which will provide for this change.

The ACD of the Company has reviewed the disclosure wording across its range of Prospectuses to ensure this is consistent and accurately reflects the implication of dilution and its dilution policy for all its Funds. Accordingly the dilution wording in the Prospectus of the Company will be updated and repositioned to improve clarity and to comply with the enhanced disclosures as recommended by the Investment Management Association, the Industry Body of Asset Managers. Further information on the ACD’s dilution adjustment policy will also be available on www.swip.com.

The European Securities and Markets Authority (ESMA) published guidelines on Exchange Traded Funds (ETFs) and other UCITS issues on 17 December 2012 (ref: ESMA/2012/832) which came into effect on 18 February 2013. These guidelines introduce increased disclosure requirements for investors in UCITS schemes in relation to exposure obtained through financial derivative instruments and efficient portfolio management techniques and, in the case of funds which are deemed for the purposes of the ESMA guidelines to be Index Tracking UCITS, further disclosure regarding the index being tracked by the fund and the fund’s strategy along with measurement of tracking the particular index.

The Guidelines provided that any annual accounting period which ends after the date of implementation of the guidelines must comply with the new disclosure requirements and in the case of Index Tracking UCITS additional disclosures are required in both the interim and annual financial statements.

In relation to Index Tracking UCITS, Investment Managers measure how well the fund matches or tracks their index by calculating Tracking Errors. The Tracking Error measures how consistent the fund follows its benchmark and is defined as being the volatility of differences in return between the fund and its benchmark. The Tracking Error number can be calculated in two ways. The realised, also commonly referred to as “historical” or “ex post”, measures the deviation from the benchmark. The manager also calculates the anticipated tracking error for the fund, also commonly referred to as “ex ante” tracking error.

Accordingly, the first new disclosures appear in relation to the Foundation Growth Fund, which is deemed to be an Index Tracking UCITS for the purposes of the Guidelines, and required information on the Fund, i.e. the realised tracking error is included in the Authorised Fund Manager’s report section in the long report. The Prospectus for the Company will also be amended at the next update to incorporate requirements from the ESMA guidelines (including the anticipated tracking error).

Fund Profile

Investment Objective & Policy

The Fund aims to achieve a positive capital return, over the long term, regardless of market conditions.

The physical assets (i.e. assets other than derivatives) in which the Fund invests (directly or indirectly) will predominantly consist of fixed interest securities (including government and supranational bonds, corporate bonds, non-investment grade bonds and emerging markets debt), index linked securities, money market instruments, cash, near cash, and deposits. All or a substantial proportion of the physical assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments.

In addition, permitted debt-related derivative contracts (including futures, options, swaps (including single name and index-based credit default swaps), forward currency contracts, contracts for difference and other derivatives) and techniques may be used to vary the total exposure to bond markets and express views on currencies, interest rates, sectors, individual securities and/or individual issuers in order to enhance capital return, limit downside volatility and/or preserve capital.

The Fund may take long and short positions in debt related markets, securities, groups of securities and indices through derivative contracts but total net derivatives exposure may not exceed the limits of the FCA rules.

The Fund may also invest, at the investment adviser's discretion, in other transferable securities, other debt securities, other derivatives and forward contracts, and units in collective investment schemes (and use may also be made of stocklending, borrowing, hedging and other techniques permitted by the FCA rules).

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 20 May 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Fund Profile (continued)

Risk Profile (continued)

Absolute Return Risk: Due to its investment strategy the Fund may not move in line with market trends or fully benefit from a positive market environment.

Derivatives Risk: Derivative transactions will or may be used to a significant extent. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way. Value at risk (VaR) based techniques estimate the probability of portfolio losses based on statistical analysis of historical price trends and volatilities. Absolute VaR analysis for the Fund is produced on a daily basis.

The Fund's current VaR limit is 6%. The VaR measures of the Fund for the period ended 30 June 2013 were as follows:

Minimum VaR	1.43%
Maximum VaR	2.45%
Average VaR	1.80%

Market risk information is a relative estimate of risk rather than a precise and accurate number. The model is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and level of market liquidity in conditions of market stress may bear no relation to historical patterns.

Investment Manager's Review

The period under review has been a challenging one for investors in bond markets. Government bond prices moved lower – and yields moved higher – in the core economies of the UK, the US and Germany. That said, it was a bumpy ride, with heightened levels of volatility reflecting the ebb and flow of investors' appetite for risk. Despite these challenges, the Fund produced a positive return of 2.31%.

Throughout the first months of the review period, government bonds continued to benefit from investors' concerns about the global economy. In February, events in the eurozone underlined the appeal of safe haven assets. An inconclusive Italian election triggered renewed worries that Rome might struggle to address its fiscal and economic problems. During March, the primary source of uncertainty was the prospect of financial meltdown in Cyprus. Appetite for UK Gilts was also boosted by a weak manufacturing purchasing managers' index, prompting speculation that the Bank of England would initiate a further bout of quantitative easing (QE).

In April, 10-year yields in the UK, US and Germany remained anchored at ultra-low levels, but the anchor worked loose in May. Yields rose markedly throughout May and June, driven higher by stronger-than-usual economic data. Comments by US Federal Reserve chairman Ben Bernanke that the central bank may start to "taper" its programme of asset purchases also hit the market. Yields on 10-year Treasuries shot up to around 2.6% towards the end of the review period. A year earlier they had reached lows of nearly 1.4%.

Corporate bonds generally outperformed during the six-month review period. However, performances of individual bonds were mixed: whether bonds outperformed or underperformed tended to be determined by company-specific rather than sector-specific factors. But in general, the strength of corporate bonds has been influenced by the fact that investors continued to chase higher yields than are available via their government-issued counterparts.

Within the Fund, we derived positive returns from all the Fund's strategies, including the "core" portfolio of short-dated assets, as well as from government bonds, corporate bonds and forex markets. In particular, exposure to certain names in the corporate bond market proved beneficial.

We took the decision to reduce the Fund's exposure to risk substantially during the middle of the review period and the portfolio was accordingly well placed to weather the market's volatility during May and June. We were also able to use this volatility as an opportunity to cherry-pick various attractive opportunities. This included an increase in exposure to corporate bonds, as parts of the market began to represent good value following the sell-off.

Looking ahead, the global economic picture remains fragile, and investor nervousness will continue to give some support to government bonds, given the continued scarcity of safe assets elsewhere in the investment universe. We expect the market to remain challenging and volatility to persist, but we will continue to seek opportunities to successfully generate more opportunities for investors in the second half of the year.

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.

SWIP ABSOLUTE RETURN BOND FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.14	1.14
A Income	1.14	1.14
B Accumulation	0.79	0.79
B Income	0.79	0.79
B Gross Accumulation	0.79	0.79
B Gross Income	0.79	0.79
C Accumulation	0.89	0.89
C Income	0.89	0.89
D Accumulation	0.64	0.64
D Income	0.64	0.64
P Income	0.79	0.79
X Accumulation	0.14	0.14

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	53.00	45.38
Euro Denominated Bonds	22.71	26.57
Collective Investment Schemes	9.68	9.36
US Dollar Denominated Bonds	5.66	4.34
Brazilian Real Denominated Bonds	1.83	-
Australian Dollar Denominated Bonds	1.45	2.36
Polish Zloty Denominated Bonds	-	1.98
Derivatives	(0.20)	(0.24)
Net other assets	5.87	10.25
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	13.41	7.47
AA+	1.55	-
AA-	3.70	2.86
A+	7.50	9.62
A	5.11	9.88
A-	11.97	9.27
BBB+	7.89	10.15
BBB	10.83	8.56
BBB-	6.46	11.93
BB+	3.29	2.37
BB	4.46	1.39
BB-	1.90	1.63
B+	0.53	0.21
B	1.80	-
B-	0.42	0.99
CCC+	0.94	-
CCC	0.14	-
NR	2.75	4.30
Total bonds	84.65	80.63
Other	15.35	19.37
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	123.55	120.99	2.12
A Income	106.78	105.47	1.24
B Accumulation	126.02	123.24	2.26
B Income	107.39	106.04	1.27
B Gross Accumulation	122.47	119.47	2.51
B Gross Income	104.18	103.14	1.01
C Accumulation	107.46	105.15	2.20
C Income	105.21	103.92	1.24
D Accumulation	107.73	105.27	2.34
D Income	104.99	103.91	1.04
P Income	104.50	103.21	1.25
X Accumulation	130.62	127.41	2.52

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return[#]	2.31	7.63	0.54	1.63	5.75	(1.97)
Gross Return[~]	2.92	9.43	2.67	3.28	7.26	0.02
Benchmark Return[+]	0.25	0.83	0.88	0.70	1.24	5.66

[#] Absolute Return Bond Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.
[~] Absolute Return Bond Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.
[+] 3-month LIBOR in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Datastream.
Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	1.0678
A Income	0.9270
B Accumulation	1.2563
B Income	1.0748
B Gross Accumulation	1.5218
B Gross Income	1.3179
C Accumulation	1.0000
C Income	0.9805
D Accumulation	1.1448
D Income	1.1217
P Income	1.0206
X Accumulation	1.6315

Top five holdings

	30/06/13	%	31/12/12	%
1.	UK Treasury 2.5% Index-Linked 16/08/2013	4.21	SWIP Currency Alpha Fund X Net Acc	3.91
2.	SWIP Sterling Investment Cash Fund X Gross Acc	3.69	SWIP European High Yield Bond Fund X Net Acc	3.64
3.	SWIP European High Yield Bond Fund X Net Acc	3.44	Spain Government Bond 2.3% 30/04/2013	3.05
4.	France Government Bond 2.5% Index-Linked 25/07/2013	3.12	BNP Paribas Capital Trust 5.868% Perpetual	2.01
5.	SWIP Currency Alpha Fund X Net Acc	2.55	UK Treasury 4.25% 07/03/2036	2.00

Number of holdings: 209

Number of holdings: 161

Fund Profile

Investment Objective & Policy

The Fund aims to achieve a positive capital return, over the long term, regardless of market conditions, through investment and disinvestment (directly and indirectly) in a diversified portfolio predominantly consisting of equities, fixed interest securities, alternative asset classes, money market instruments, cash, near cash, deposits, index linked securities and related derivative contracts.

The physical assets (i.e. assets other than derivatives) in which the Fund invests (directly or indirectly) will predominantly consist of fixed interest securities (including government and supranational bonds, corporate bonds, non-investment grade bonds and emerging markets debt), equities, index linked securities, money market instruments, cash, near cash, and deposits. The Fund will also gain indirect exposure to alternative asset classes (such as property, private equity, hedge funds, and permitted commodities) through investment in shares of funds, companies and other vehicles which invest in such assets. All or a substantial proportion of the physical assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments.

In addition, permitted derivative contracts (including futures, options, swaps, forward currency contracts, contracts for difference and other derivatives) and techniques may be used to vary the total exposure to markets and express views on the direction of currencies, interest rates, sectors and/or individual securities in order to enhance capital return, limit downside volatility and/or preserve capital.

The Fund may take long and short positions in markets, securities and groups of securities through derivative contracts but total net derivatives exposure may not exceed the limits of the FCA rules.

The Fund may also invest, at the investment adviser's discretion, in other transferable securities, other derivatives and forward contracts, and units in collective investment schemes (and use may also be made of stocklending, borrowing, hedging and other techniques permitted by the FCA rules).

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 5 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Fund Profile (continued)

Risk Profile (continued)

Absolute Return Risk: Due to its investment strategy the Fund may not move in line with market trends or fully benefit from a positive market environment.

Operational Market Risk: Some of the countries in which the Fund invests means there is a higher element of operational risk due to less well regulated markets and less developed political, economic and legal systems and the Fund may have problems or delays in getting its investments back.

Derivatives Risk: Derivative transactions will or may be used to a significant extent. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way. Value at risk (VaR) based techniques estimate the probability of portfolio losses based on statistical analysis of historical price trends and volatilities. Absolute VaR analysis for the Fund is produced on a daily basis.

The Fund's current VaR limit is 8%. The VaR measures of the Fund for the period ended 30 June 2013 were as follows:

Minimum VaR	0.65%
Maximum VaR	2.21%
Average VaR	1.28%

Market risk information is a relative estimate of risk rather than a precise and accurate number. The model is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and level of market liquidity in conditions of market stress may bear no relation to historical patterns.

Investment Manager's Review

World equity markets enjoyed a run of good monthly performances up until the final weeks of the review period. Sentiment was driven by the extraordinary policy measures enacted by the world's central bankers. Huge amounts of liquidity have been injected into the financial system in the form of quantitative easing (QE) in the US and Japan, while interest rates have been kept at historically low levels. The turmoil in peripheral European economies and financial markets has also notably abated. January 2013, as a result, represented the UK market's strongest start to the year since 1989.

In the US, encouraging employment figures for April (the US economy added 165,000 jobs, beating estimates of 140,000) helped the S&P 500 to push past the 1,600 mark for the first time ever in May.

Uncertainty has increased in recent weeks, however. This was demonstrated by a sharp rise in the VIX index, which is often described as Wall Street's fear gauge. The US Federal Reserve's statement that it planned to taper its QE programme saw investors take fright. Equities tumbled in response: the FTSE 100, for one, has shed over 10% since its mid-May peak. In the event, this proved to be a transitory decline as most developed equity market indices have recouped most if not all of these losses in the subsequent month.

In general, though, the tightening of monetary policy does point to a stronger US economy. It also indicates that the financial system, after years of dysfunction, is returning to pre-crisis normality. This should, in the long run, be beneficial to the global economy as a whole. With China slowing and the eurozone facing many challenges, this should provide reassurance to investors.

In the first six months of 2013, government bond prices moved lower in the core economies of the UK, the US and Germany. That said, it was a bumpy ride, with heightened levels of intra-period volatility reflecting the ebb and flow of investors' appetite for risk. Corporate bonds outperformed their government bond counterparts during the six-month review period. Performances of individual bonds were mixed: whether bonds outperformed or underperformed tended to be determined by company-specific rather than sector-specific factors. But in general, the strength of corporate bonds has been influenced by the fact that investors continued to chase higher yields than are available via government bonds.

Against this volatile backdrop, the Fund produced a small negative return of -1.71%. Key positions within the Fund included a US Treasury 2-year position against US 20-year Treasuries, in expectation that the yield curve will steepen. The Fund also had two relative value bond strategies (long Italy and Germany against France).

In the immediate future, investors are right to ask what the impact of the recent rise in borrowing costs will be. Some of the emerging nations plagued by economic imbalances will no doubt suffer, but the rise in bond yields in the US has been insufficiently large (coming off such a low base) to derail what we expect will be a steady improvement in economic activity.

At present, 10-year US Treasury yields are fairly priced, given where we think we are in the economic cycle. We would also not be surprised to see prices stabilise around current levels, or rally modestly given how oversold the market has become. However, our government bond short-term timing indicator has failed to give a buy signal, while the medium-term message remains "sell" (although less convincingly so compared to a couple of months ago). More fundamentally, our leading indicator of global economic activity remains at a level that suggests persevering with an overweight equity stance, with our medium-term equity-timing indicator recently generating a new "buy" signal.

Investment markets and conditions ca1n 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.

SWIP ABSOLUTE RETURN MACRO FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.78	1.78
X Accumulation	0.28	0.28

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	67.99	81.81
Equity Investments	10.37	4.29
Collective Investment Schemes	7.52	9.70
Derivatives	1.86	0.05
Net other assets	12.26	4.15
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	53.73	63.84
AA-	14.26	13.85
A+	-	4.12
Total bonds	67.99	81.81
Other	32.01	18.19
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	78.99	80.50	(1.88)
X Accumulation	85.99	87.04	(1.21)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	(1.71)	(0.57)	(13.44)	(6.09)	5.43	(7.84)
Gross Return~	(0.98)	0.21	(11.63)	(0.67)	8.34	(4.92)
Benchmark Return+	0.25	0.83	0.88	0.70	1.24	5.66

Absolute Return Macro Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Absolute Return Macro Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ 3-month LIBOR in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Datastream.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	-
X Accumulation	0.1987

Top five holdings

	30/06/13 %		31/12/12 %
1. UK Treasury 0% 02/09/2013	29.12	UK Treasury 0% 04/02/2013	20.68
2. UK Treasury 0% 15/07/2013	24.16	UK Treasury 0% 21/01/2013	9.65
3. National Australia Bank (FRN) 1.20563% 12/11/2013	5.70	UK Treasury 0% 25/03/2013	9.64
4. Rabobank Nederland (FRN) 1.007% 06/06/2014	4.28	UK Treasury 0% 04/03/2013	7.59
5. Svenska Handelsbanken (FRN) 1.50438% 20/01/2014	4.28	UK Treasury 4.5% 07/03/2013	6.91

Number of holdings: 235

Number of holdings: 185

SWIP CORPORATE BOND PLUS FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly bonds.

The Fund will predominantly invest in investment-grade sterling-denominated corporate bonds. The Fund may also invest in government bonds, non-sterling investment-grade bonds, sub-investment-grade bonds, convertible bonds and preference shares denominated in any currency.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management) and collective investment schemes, and may hold securities of any duration.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 5 March 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The first six months of 2013 have brought mixed fortunes for the corporate bond market. Over this period, returns from the Fund fell by 1.14%, which was broadly in line with its benchmark.

Up until April prices of corporate bonds had moved steadily higher. Demand was buoyed both by investors' quest for higher yields than were available via government bonds and by a scarcity of new issuance relative to demand. And, while the spread in yield over government bonds narrowed only marginally, total returns were nevertheless positive, thanks to a sharp downward movement in government bond yields.

But from May onwards, returns have deteriorated sharply. Government bond yields moved significantly higher. This was caused, in the main, by US Federal Reserve indications that it would taper its accommodative monetary policy. Currently, its bond-buying programme amounts to $85 billion a month. After Fed chairman Ben Bernanke said that he expected to "taper" the purchases in the event that economic data improved, the market reacted dramatically, interpreting the comments as a prelude to aggressive monetary tightening.

Hitherto, most investors had believed that quantitative easing was destined to remain in place for a long time, encouraging investment in the "carry trade" – borrowing cheaply and investing at higher yields. Once this assumption was questioned, many investors unwound these trades, causing corporate bond prices to fall and yields to move higher. Over the review period as a whole, returns from the asset class have been negative.

After a strong performance in the latter half of 2012, we entered into a number of trades to reduce portfolio risk. These included the partial sale of HSBC lower Tier 2 debt. We took profits on a sterling holding in APT Pipelines, and sold bonds issued by GlaxoSmithKline to raise liquidity. The Fund sold BAE Systems after an aborted merger with EADS, as we considered it fully valued.

We have participated in a number of hybrid new issues. These included the sterling tranche of an issue from energy group Electricite de France, a sterling issue from Pennon, owners of South West Water, and a euro-denominated issue from Hutchison Whampoa. This latter purchase was funded by selling a Scottish & Southern Energy sterling hybrid.

Later in the review period we trimmed euro-denominated holdings in Xstrata Finance and Achmea, and reduced our overweight in the banking sector, purchasing non-financials such as BG Energy, Telefonica Emisiones and Tesco.

As things stand, the Fund currently has an overweight position in high yield bonds, which continue to represent good value given the relatively low default rate. We also have a comparatively large position in hybrid bonds, which are becoming an increasingly large and important part of the market. Looking ahead, we are looking to take advantage of attractive valuations following the recent sell-off and selectively adding risk in the coming months.

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.

SWIP CORPORATE BOND PLUS FUND

Distribution

XD date	Payment date
01/04/13	31/05/13
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.12	1.12
A Income	1.12	1.12
C Accumulation	0.62	0.62
C Income	0.62	0.62
C Gross Accumulation	0.62	0.62
N Accumulation	0.87	0.87
N Income	0.87	0.87
P Income	0.62	0.62
P Gross Income	0.62	0.62
Q Income	0.62	0.62
Q Gross Income	0.62	0.62
X Accumulation	0.12	0.12

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	89.32	90.41
Collective Investment Schemes	5.89	5.61
Euro Denominated Bonds	3.75	2.76
Derivatives	(0.14)	(0.14)
Net other assets	1.18	1.36
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	6.32	5.96
AA+	2.99	3.03
AA	1.45	1.47
AA-	1.68	1.70
A+	5.14	5.24
A	5.31	4.51
A-	23.74	29.13
BBB+	13.46	10.93
BBB	16.02	15.48
BBB-	9.88	9.87
BB+	4.71	4.06
BB	0.44	0.53
BB-	-	0.40
CCC+	0.41	-
NR	1.52	0.86
Total bonds	93.07	93.17
Other	6.93	6.83
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	127.65	128.98	(1.03)
A Income	102.00	104.74	(2.62)
C Accumulation	144.37	145.59	(0.84)
C Income	105.33	108.15	(2.61)
C Gross Accumulation	160.73	161.36	(0.39)
N Accumulation	109.39	110.41	(0.92)
N Income	105.32	108.14	(2.61)
P Income	99.36	102.02	(2.61)
P Gross Income	102.39	105.13	(2.61)
Q Income	99.36	102.02	(2.61)
Q Gross Income	102.39	105.13	(2.61)
X Accumulation	155.99	157.05	(0.67)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	(1.14)	15.73	3.66	7.92	15.67	(12.94)
Gross Return~	(0.59)	18.36	6.07	9.03	19.11	(10.69)
Benchmark Return+	(1.11)	15.06	6.65	9.39	14.87	(9.43)

Corporate Bond Plus Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Corporate Bond Plus Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ iBoxx Non-Gilt ex Sovereigns index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	First interim 31/03/13 (p)	Second interim 30/06/13 (p)
A Accumulation	1.0200	1.0674
A Income	0.8282	0.8591
C Accumulation	1.2913	1.3574
C Income	0.9564	0.9883
C Gross Accumulation	1.8364	1.8847
N Accumulation	0.9300	0.9730
N Income	0.9180	0.9460
P Income	0.9048	0.9431
P Gross Income	1.1653	1.2146
Q Income	0.9048	0.9431
Q Gross Income	1.1653	1.2146
X Accumulation	1.5445	1.6306

Top five holdings

		30/06/13 %		31/12/12 %
1.	SWIP European High Yield Bond Fund X Net Acc	4.00	SWIP European High Yield Bond Fund X Net Acc	3.79
2.	SWIP Strategic Bond Fund X Net Acc	1.89	Citigroup 6.8% 25/06/2038	2.01
3.	Citigroup 6.8% 25/06/2038	1.76	HSBC 7% 07/04/2038	1.92
4.	Merrill Lynch 7.75% 30/04/2018	1.57	SWIP Strategic Bond Fund X Net Acc	1.82
5.	GE Capital UK Funding 5.875% 18/01/2033	1.56	GE Capital UK Funding 5.875% 18/01/2033	1.61

Number of holdings: 192

Number of holdings: 190

SWIP DEFENSIVE GILT FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly bonds.

The Fund will predominantly invest in UK government bonds with a maturity of up to 5 years. The Fund may also invest in bonds of any maturity issued by the UK government and other sovereign, government, public and supra-national issuers, and investment grade corporate bonds of any maturity.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management) and collective investment schemes, and may hold securities of any duration.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 2 as at 29 July 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The bulk of the SWIP Defensive Gilt Fund's assets are invested in short-dated government bonds. Over the six months under review, the Fund's benchmark, the FTSE Under 5-year Gilts index, produced a small negative return of -0.27%. Over the same period, the Fund underperformed that target slightly, falling 0.60%.

In the early weeks of the year, a rise in the yields on government bonds and a surge in stock market indices fuelled excited speculation that 2013 might see a "great rotation" - a major shift out of lower-yielding assets such as Gilts and into equities. By the end of March, however, that rotation talk had been largely put to one side. Not only did funds flow data show no sign of any headlong rush out of Gilts but the FTSE Actuaries All Stocks index actually eked out a positive total return of 0.7% for the quarter.

However, from mid-April onwards, Gilt returns weakened. Stronger-than-expected economic data had an effect, as did an inflation report that appeared to rule out more quantitative easing. At the end of May, a report showed UK manufacturing to have expanded more quickly than consensus economists' forecasts. Then, in late May and in June, there was further upward pressure on yields as the market took fright over indications by the US Federal Reserve that it would scale down its own quantitative easing programme.

For most of the review period, the Defensive Gilt Fund was overweight relative to benchmark in index-linked Gilts, but as the asset class has recently been underperforming conventional Gilts, we have reduced the position. We have also held selective off-benchmark positions in overseas markets such as Italy.

In mid-June, as market turbulence plagued markets, we moved the Fund to a short duration in response to the US Federal Reserve's comments on monetary policy. This made the portfolio less sensitive to the rise in yields and therefore proved positive for performance.

Overall, we continue to regard UK Gilts as very expensive. We remain conscious, however, that the manipulation of government bond yields by central banks and their massive asset-purchase programmes has blunted the traditional link between the real economy and government bond prices. Until these links are restored, medium or long-term valuation indicators will be of limited use.

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.

SWIP DEFENSIVE GILT FUND

Distribution

XD date	Payment date
01/04/13	31/05/13
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.11	1.11
A Income	1.11	1.11
C Accumulation	0.61	0.61
C Income	0.61	0.61
N Accumulation	0.86	0.86
N Income	0.86	0.86
P Income	0.61	0.61
P Gross Income	0.61	0.61
X Accumulation	0.11	0.11

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	91.42	94.02
Euro Denominated Bonds	2.18	-
Collective Investment Schemes	0.42	0.38
Japanese Yen Denominated Bonds	-	2.74
Forward Currency Contracts	(0.05)	0.14
Net other assets	6.03	2.72
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	86.00	88.18
AA+	0.38	0.35
AA-	0.13	3.17
A+	0.62	0.84
A	0.66	0.65
A-	1.14	1.05
BBB+	2.53	0.33
BBB	1.26	1.61
BBB-	0.25	-
NR	0.63	0.58
Total bonds	93.60	96.76
Other	6.40	3.24
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	127.95	128.82	(0.68)
A Income	115.52	116.30	(0.67)
C Accumulation	99.63	100.08	(0.45)
C Income	99.40	99.97	(0.57)
N Accumulation	99.38	99.94	(0.56)
N Income	99.35	99.93	(0.58)
P Income	115.43	116.08	(0.56)
P Gross Income	116.87	117.53	(0.56)
X Accumulation	144.56	144.93	(0.26)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	(0.60)	1.12	2.91	3.74	4.62	7.96
Gross Return~	(0.22)	2.18	3.71	5.11	6.09	9.83
Benchmark Return+	(0.27)	0.98	4.70	3.57	2.72	9.92

Defensive Gilt Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Defensive Gilt Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ FTSE Under 5-year Gilts index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	First interim 31/03/13 (p)	Second interim 30/06/13 (p)
A Accumulation	-	-
A Income	-	-
C Accumulation	0.0664	0.0388
C Income	0.0652	0.0506
N Accumulation	0.0151	-
N Income	0.0065	-
P Income	0.0776	0.0484
P Gross Income	0.0790	0.0418
X Accumulation	0.2373	0.2105

Top five holdings

		30/06/13 %		31/12/12 %
1.	UK Treasury 1.75% 22/01/2017	19.86	UK Treasury 1.75% 22/01/2017	25.82
2.	UK Treasury 2.25% 07/03/2014	19.56	UK Treasury 1% 07/09/2017	23.57
3.	UK Treasury 5% 07/09/2014	11.13	UK Treasury 4.5% 07/03/2013	14.13
4.	UK Treasury 1% 07/09/2017	9.73	UK Treasury 2.5% Index-Linked 26/07/2016	7.74
5.	UK Treasury 8% 27/09/2013	6.69	UK Treasury 2.5% Index-Linked 16/08/2013	6.58
	Number of holdings: 35		Number of holdings: 33	

SWIP FINANCIAL FUND

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide competitive long-term growth through direct and indirect investment principally in securities issued by UK and overseas financial institutions such as banking, insurance, financial services and property companies, and investment trusts.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 6 as at 15 July 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

Financial stocks have enjoyed strong returns over the last six months, having slightly outperformed the wider global equity market. The gross return of Fund's benchmark, the FTSE World Financials index, was 16.09%. The Fund, meanwhile, had a net return of 15.06% over the period.

Uncertainty over future plans for US monetary policy was prevalent in the latter half of the six months. Ben Bernanke, the chairman of the Federal Reserve, said that the central bank would consider the idea of "tapering" its $85 billion-a-month asset-buying programme, should the country experience a sustained economic improvement. The scheme would be gradually scaled back towards the end of this year, and stopped altogether in 2014. Mr Bernanke's comments were prompted by an array of encouraging economic data from the US.

Despite numerous political and economic headwinds, European markets delivered solid returns over the last six months. Primarily driving sentiment has been the extraordinary support provided by the world's central banks. This was typified by Mario Draghi, European Central Bank president, and his pledge last summer to do "whatever it takes" to save the euro. Mr Draghi's declaration reassured investors that the single currency was incontrovertible. Peripheral government bond yields fell while risk-assets, particularly equities, were strongly up.

Among developed equity markets, Japan was the stand-out performer over the six months. Returns were boosted by prime minister Shinzo Abe's plans to boost growth, combat deflation and attend to the burgeoning yen. Finally, UK equities were also up over the period.

At asset level, the holding in American Express had a positive effect on performance. The credit card company has benefited from increasing transaction volumes on the back of improving US consumer sentiment. KeyCorp, a US regional bank, also did well over the six months, as its share price continues to benefit from the cost-cutting measures the company has undertaken. It has a strong balance sheet and a good management team, while the share price is currently trading at a discount to book value. KeyCorp is well placed to profit from a recovery in the US housing market.

In contrast, the position in Intact Financial, a Canadian insurer, had a negative effect on performance over the reporting period. In May, the company announced that its first-quarter profits were more-or-less-unchanged from the same period the year before, thereby missing analysts' estimates. A rise in winter-related insurance claims was partly to blame.

Looking beyond any reactionary behaviour, there are clear signs that the US economy is undergoing a normal recovery, albeit on a more modest scale than in previous cycles, given the cumulative level of debt. Elsewhere, Japan is pulling off a demonstrable shift in consumption patterns; a circumstance highlighted by the previous two decades of deflationary wilderness. Against this background, "Abenomics" has a reasonable chance of positively influencing the market.

Among financials, fund positioning reflects our preference for US companies which are benefitting from the normalisation of the country's credit cycle. In contrast, we believe emerging market financials are vulnerable to the effects of portfolio capital reversal.

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.

SWIP FINANCIAL FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Income	1.64	1.67

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
United States	39.61	38.10
United Kingdom	9.56	7.58
Japan	8.46	6.94
France	4.87	2.73
Germany	4.69	8.16
Singapore	4.32	5.49
Switzerland	4.11	3.73
Canada	3.48	6.20
Guernsey, C.I	3.46	4.19
Mexico	3.30	6.03
Netherlands	2.60	2.66
Hong Kong	2.18	2.03
Norway	1.95	-
India	1.26	-
Indonesia	1.24	2.70
Sweden	1.21	-
Belgium	1.08	-
Brazil	1.04	1.52
Australia	0.97	1.01
Net other assets	0.61	0.93
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Income	2,275.27	1,990.67	14.30

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	15.06	13.88	(22.30)	13.46	28.89	(43.35)
Gross Return~	15.92	16.26	(20.13)	14.29	29.08	(41.58)
Benchmark Return+	16.09	23.73	(17.13)	9.17	20.36	(35.33)

Financial Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Financial Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: SWIP.

+ FTSE World Financials index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Income	15.6568

Top five holdings

	30/06/13 %		31/12/12 %
1. Citigroup	5.99	Wells Fargo	5.51
2. American Express	5.33	Citigroup	4.88
3. Wells Fargo	4.98	Allianz	4.12
4. Rayonier	4.22	American Express	4.06
5. American International	3.74	Intact Financial	4.04

Number of holdings: 41

Number of holdings: 35

SWIP FOUNDATION GROWTH FUND

Fund Profile

Investment Objective & Policy

The Fund aims to achieve long term capital growth and to produce a return that, before charges and expenses, matches the total return of the FTSE All-Share index.

The Fund will invest predominantly in equities.

The Fund may also invest in cash, near cash, deposits, other collective investment schemes and other transferable securities.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 6 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

It was a positive – although event-filled - six months for UK equities. Driving sentiment initially was the ongoing extraordinary support from the world's central bankers. Liquidity and historically low interest rates have encouraged traders into riskier assets, with equities among the main beneficiaries. Turning to performance, the Fund returned 8.08% for the period (net of fees); its benchmark, the FTSE All-Share index, returned 8.50%.

Markets, however, were thrown into turmoil in May after Ben Bernanke, the Federal Reserve (the Fed) chairman, hinted that his rate-setting institution could soon "taper" its quantitative easing (QE) programme. Investors have become accustomed to the Fed's largesse and the thought of that support being withdrawn saw traders take fright. Equity markets plunged, while government bonds yields climbed alarmingly. Since then, though, Mr Bernanke has sought to reassure investors. He stated that the curtailment of QE would be entirely data-dependent. He also said that a slowing of asset purchases does not constitute a tightening of monetary policy. Markets took some succour from Mr Bernanke's words.

In terms of activity, the Fund continued to track the FTSE All-Share index. We therefore periodically rebalanced its holdings in accordance with the changes made by index provider FTSE at its quarterly reviews.

At sector level, the basic materials sector (which is predominantly made up of mining companies) was the worst performer, as concerns about faltering Chinese demand refused to go away. In contrast, some of the typically defensive sectors – particularly pharmaceuticals and telecoms – have done well in recent months. In addition, the strong performance of life insurance companies was behind an overall positive return for financials over the second quarter. Finally, travel and leisure and general retailers also did well.

Looking ahead, the UK economy has started to heal, but it remains weak by historical standards. New Bank of England (BoE) Governor Mark Carney has been given a remit to inject some life into the economy. At his first press conference on 4 July, Mr Carney was quick to clarify his position. He said that the recent spike in the Bank Rate was "not warranted by recent developments in the domestic economy." He also reiterated the BoE's dovish bias. This demonstrated Mr Carney's eagerness to introduce so-called "forward guidance" – his pet policy tool. This will see the Bank commit to keep interest rates low until certain economic metrics are met.

Challenges, however, remain. While the UK outlook has improved, the great rebalancing, from services to exports, remains some way off. We believe the nation's economy will only be on solid footing once this occurs. Elsewhere, China is slowing as its government cracks down on lending practices and continues to steer its economy towards domestic consumption. The eurozone crisis could flair up at any point, as illustrated by the mishandled Cyprus bailout and the ongoing political scandal in Spain. The Middle East also remains a tinderbox.

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.

SWIP FOUNDATION GROWTH FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.12	1.13
B Accumulation	0.09	0.10
B Income	0.09	0.10
C Accumulation	0.62	0.63
C Income	0.62	0.63
D Accumulation	0.37	0.38
D Income	0.37	0.38
K Accumulation	1.50	1.50
L Accumulation	0.22	0.23

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
United Kingdom	88.23	91.53
Ireland	4.70	2.24
Jersey, C.I.	4.42	4.05
Guernsey, C.I.	0.72	0.72
Bermuda	0.30	0.32
Spain	0.22	0.17
Luxembourg	0.08	0.07
Isle Of Man	0.06	0.06
Gibraltar	0.05	0.05
Cayman Islands	0.04	0.04
Finland	0.01	0.01
Singapore	0.01	-
Virgin Islands, British	0.01	0.01
Netherlands	-	0.03
Derivatives	(0.06)	-
Net other assets	1.21	0.70
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	36.66	33.92	8.08
B Accumulation	123.40	113.60	8.63
B Income	116.76	109.68	6.46
C Accumulation	122.54	113.12	8.33
C Income	118.78	111.53	6.50
D Accumulation	122.92	113.28	8.51
D Income	118.78	111.54	6.49
K Accumulation	157.94	146.41	7.88
L Accumulation	111.07	102.32	8.55

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	29/03/10 to 31/12/10 %
Net Return[#]	8.08	11.61	(5.29)	7.49
Gross Return[~]	8.39	12.22	(3.44)	6.97
Benchmark Return[+]	8.50	12.30	(3.46)	7.15
Realised Tracking Error[†]	0.11	n/a	n/a	n/a

[#] Foundation Growth Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.
[~] Foundation Growth Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: SWIP.
[+] FTSE All-Share index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.
[†] The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period to 30 June 2013.
Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	0.5342
B Accumulation	2.4212
B Income	2.3378
C Accumulation	2.0688
C Income	2.0442
D Accumulation	2.2314
D Income	2.1912
K Accumulation	2.0097
L Accumulation	2.1075

Top five holdings

		30/06/13 %		31/12/12 %
1.	HSBC	6.38	HSBC	6.56
2.	Vodafone	4.57	BP	4.48
3.	BP	4.32	Royal Dutch Shell 'A' Shares	4.37
4.	GlaxoSmithKline	4.04	Vodafone	4.22
5.	SWIP Sterling Liquidity Fund Advisory	4.01	GlaxoSmithKline	3.63

Number of holdings: 567

Number of holdings: 574

SWIP GILT PLUS FUND

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly bonds.

The Fund will predominantly invest in UK government bonds. The Fund may also invest in bonds of other sovereign, government, public and supra-national issuers, and investment grade corporate bonds.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund. If long term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

During the six-month review period the Fund's benchmark, the FTSE UK Gilts All Stocks index, declined by 3.08%. Over the same period, the fund lost 3.86%.

Since the onset of the financial crisis, financial repression by the world's major central banks and worries about the financial crisis in the eurozone propelled valuations of safe-haven assets to elevated levels compared to their long-term histories. That remained the case for much of the first half of 2013, with Gilt yields anchored at near-record low levels.

But since the beginning of April, a combination of circumstances has had an adverse effect on Gilt performance. These have included stronger-than-expected economic data and an inflation report that appeared to rule out more quantitative easing (QE). At the end of May, a report showed UK manufacturing to have expanded more quickly than consensus economists' forecasts. There was further upward pressure on yields as the market took fright over indications by the US Federal Reserve that it would scale down its own QE programme.

Within the portfolio, our belief that sterling would weaken relative to other currencies encouraged us to adopt tactical positions in overseas bond markets on an opportunistic basis. Accordingly, we have been variously overweight in Australian and Italian government bonds against UK Gilts. Throughout the review period we have been overweight in index-linked Gilts relative to benchmark.

The Fund also holds a number of five and 10-year index-linked Gilts. Despite a significant outperformance by index-linked Gilts over the year to date, we still believe they offer better value than their nominal counterparts.

In mid-June, we responded the Federal Reserve's comments about "tapering" its asset-purchase programme, by moving the Fund to a short duration position. This has made the portfolio less sensitive to the environment of rising yields and helped protect investors' capital.

Meanwhile, the Fund benefited from its small position in corporate bonds in the first part of the review period, although this reversed during May and June.

Looking forward, we continue to regard UK Gilts as being very expensive on most historic measures. However, we acknowledge that the manipulation of government bond yields by central banks has blunted the traditional link between the real economy and government bond prices. Until these links are restored, medium or long-term valuation indicators will remain of limited use.

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.

SWIP GILT PLUS FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.13	1.11
A Income	1.13	1.11
C Accumulation	0.63	0.61
C Income	0.63	0.61
N Accumulation	0.88	0.86
N Income	0.88	0.86
P Income	0.63	0.61
P Gross Income	0.63	0.61
Q Income	0.63	0.61
Q Gross Income	0.63	0.61

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	87.20	89.44
Australian Dollar Denominated Bonds	3.98	2.68
Collective Investment Schemes	3.61	3.36
Euro Denominated Bonds	2.59	1.52
US Dollar Denominated Bonds	2.29	-
Japanese Yen Denominated Bonds	-	3.02
Forward Currency Contracts	-	0.18
Net other assets/(liabilities)	0.33	(0.20)
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	86.11	88.36
AA+	2.29	-
AA-	3.54	6.12
A+	0.46	0.62
A	0.39	0.32
A-	0.51	0.45
BBB+	2.35	0.46
BBB-	0.24	0.19
NR	0.17	0.14
Total bonds	96.06	96.66
Other	3.94	3.34
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	149.44	155.43	(3.85)
A Income	116.20	121.45	(4.32)
C Accumulation	150.74	156.47	(3.66)
C Income	95.57	99.89	(4.32)
N Accumulation	96.79	100.59	(3.78)
N Income	95.58	99.89	(4.31)
P Income	122.84	128.42	(4.35)
P Gross Income	122.64	128.20	(4.34)
Q Income	122.84	128.42	(4.35)
Q Gross Income	122.64	128.21	(4.34)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	(3.86)	1.77	13.44	6.65	0.88	10.60
Gross Return~	(3.40)	2.97	15.00	8.10	2.33	12.38
Benchmark Return+	(3.08)	2.70	15.57	7.20	(1.16)	12.81

Gilt Plus Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Gilt Plus Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ FTSE UK Gilts All Stocks index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	0.7484
A Income	0.5844
C Accumulation	1.0588
C Income	0.6365
N Accumulation	0.5445
N Income	0.5410
P Income	0.8688
P Gross Income	1.0830
Q Income	0.8688
Q Gross Income	1.0830

Top five holdings

		30/06/13 %		31/12/12 %
1.	UK Treasury 2.25% 07/03/2014	18.05	UK Treasury 1.75% 07/09/2022	28.66
2.	UK Treasury 2.5% Index-Linked 26/07/2016	15.62	UK Treasury 4.5% 07/09/2034	9.00
3.	UK Treasury 4.25% 07/06/2032	10.45	UK Treasury 3.75% 22/07/2052	8.93
4.	UK Treasury 3.75% 22/07/2052	8.59	UK Treasury 4.5% 07/03/2013	8.36
5.	UK Treasury 4.5% 07/09/2034	8.26	UK Treasury 4.25% 07/09/2039	8.09

Number of holdings: 37

Number of holdings: 36

SWIP GLOBAL BOND PLUS FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly bonds.

The Fund will predominantly invest in bonds issued by governments, public bodies and financial institutions from around the world. The Fund may also invest in investment-grade corporate bonds.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 5 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

Concerns about the eurozone have never been far from the surface, and dominated the first part of the review period. An inconclusive Italian election result returned political uncertainty to the single currency area, and a botched Cypriot banking bailout further heightened sovereign debt worries. The US budget crisis rumbled on, automatic spending cuts agreed under the sequestration deal took effect on 1 March. In combination, the uncertainty encouraged a flight to quality. Accordingly, "core" government bond yields fell and prices rose.

But as 2013 wore on, the spotlight switched to the United States. The US Federal Reserve has been operating an extremely accommodative monetary policy, which currently involves the purchase of $85 billion of Treasuries and mortgage-backed securities each month. This has served to bolster the performance of the asset class. However, in May – and again in June – Fed chairman Ben Bernanke delivered clear indications that this policy may soon come to an end.

The market reacted dramatically to the talk of “tapering” the monetary accommodation, and 10-year US Treasury yields rose substantially. “Core” European bond markets such as Germany followed the US lead. As a result of these conflicting forces, the Fund's benchmark finished the period with a small positive return of 0.96%. The Fund underperformed slightly, falling 0.71% over the six months to end of June.

Throughout the review period, the Fund has been positioned with a short duration in government bonds from core economies such as the US and Germany. This had a mixed effect on performance. As yields remained anchored to record lows in the first months of the year, this position had a negative impact. But as the market sold off and yields spiked in May and June, the portfolio's comparative lack of sensitivity to interest rate rises helped protect returns.

In terms of currencies, the Fund has typically been overweight in high beta currencies (which tend to benefit from improved economic data) such as the Australian dollar and Swedish krona. This has proved negative for performance in recent months. We have held a comparatively low weighting in the euro based on the many challenges still faced by countries in the region.

Looking ahead, further volatility is likely and so we are likely to retain the Fund's short duration position for the time being to help protect investors' capital. However, this volatility is leading to opportunities, which we will continue to exploit in the second half of the year.

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.

SWIP GLOBAL BOND PLUS FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.15	1.15
A Income	1.15	1.15
P Income	0.65	0.65
X Accumulation	0.15	0.15

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
US Dollar Denominated Bonds	36.13	34.63
Japanese Yen Denominated Bonds	26.59	28.55
Euro Denominated Bonds	26.45	25.16
Sterling Denominated Bonds	6.78	7.17
Canadian Dollar Denominated Bonds	1.58	1.75
Australian Dollar Denominated Bonds	0.91	0.96
Danish Krone Denominated Bonds	0.63	0.62
Swedish Krona Denominated Bonds	0.34	0.44
Forward Currency Contracts	(0.17)	(0.28)
Net other assets	0.76	1.00
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	24.69	18.99
AA+	36.13	40.94
AA-	28.64	30.31
BBB+	3.91	-
BBB	2.81	6.12
BBB-	3.23	2.92
Total bonds	99.41	99.28
Other	0.59	0.72
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	154.38	155.37	(0.64)
A Income	130.67	131.76	(0.83)
P Income	131.54	132.63	(0.82)
X Accumulation	166.71	167.13	(0.25)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	(0.71)	(4.01)	8.36	8.65	(9.35)	52.61
Gross Return~	0.76	(3.40)	10.31	9.70	(8.59)	55.63
Benchmark Return+	0.96	(3.15)	8.02	9.77	(9.27)	55.03

Global Bond Plus Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Global Bond Plus Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ JPM Global Bond index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	0.2980
A Income	0.2557
P Income	0.4771
X Accumulation	0.9887

Top five holdings

	30/06/13 %		31/12/12 %
1. US Treasury Note 4.25% 15/08/2013	10.75	US Treasury Note 2.125% 29/02/2016	7.79
2. US Treasury Note 2.125% 29/02/2016	8.30	Japan Government Five Year Bond 0.6% 20/09/2014	6.48
3. Japan Government Ten Year Bond 1.7% 20/03/2017	6.08	Japan Government Ten Year Bond 1.7% 20/03/2017	6.34
4. US Treasury Note 2.125% 31/05/2015	5.71	US Treasury Note 1.375% 15/03/2013	5.83
5. France Government Bond 3.75% 25/04/2017	5.21	US Treasury Note 2.125% 31/05/2015	5.34

Number of holdings: 48

Number of holdings: 45

SWIP HIGH YIELD BOND FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly sub-investment grade bonds.

The Fund will predominantly invest in sub-investment-grade bonds. These bonds will typically be issued by companies based in Europe and America but may also be issued by companies and governments based elsewhere (including in developing countries). The Fund may also invest in investment grade corporate bonds, government bonds, equities, other transferable securities, money market instruments, deposits, cash and near cash, warrants, convertibles and units in collective investment schemes and derivatives (for efficient portfolio management).

The relative proportions of the Fund which, at any time, are invested in bonds issued by (a) companies based in Europe and (b) companies based in America may vary significantly throughout the life of the Fund, at the discretion of the ACD and/or the investment adviser. Those proportions may range from 0% to 100% at any time for either of those categories. Any investment in companies and governments based in developing countries will represent a minority proportion of the Fund.

Non-sterling currency exposure will be hedged into sterling insofar as is reasonably practicable.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The period under review was mixed and volatile for high yield corporate bonds. During the first months of the year, the market continued to benefit from investors' hunt for yield. Meanwhile, the resolution of the US "fiscal cliff" issue caused a relief rally in January. As the year progressed, the new issue market opened up, resulting in some excellent investment opportunities.

During the last two months of the review period, however, the market received a severe jolt. The catalyst was Ben Bernanke's talk of "tapering" – reducing the amount of assets the Federal Reserve (the Fed) is purchasing under its quantitative easing (QE) programme. The housing, consumer and employment data is now consistently improving in the US and the Fed is cognisant of the fact that as the economy looks to be maintaining a satisfactory "exit velocity," then it needs to withdraw stimulus. Additionally, recent Fed minutes talk of the risk of asset class bubbles developing, as liquidity from QE could take valuations to extremes. Full on stimulus is drawing to a close, the balance of risks has shifted and markets must now look to be self sustaining with diminishing official help.

The current speculation (which remains data dependent) is that tapering would start in September when the pace of monthly asset purchases could slow from $85bn and reduce to zero by the summer of 2014. Meanwhile, interest rates are expected to remain accommodative with no hike expected until early 2015 – again, data dependent.

Against this market backdrop, the Fund returned 0.82%, which was slightly behind the benchmark return of 1.36%. The Fund is weighted with a slight bias towards the riskier end of the market, with an underweight position in BB-rated bonds and overweight CCC-rated bonds in the US. This has helped relative performance, even during the recent sell-off. In the US, riskier assets, which are less interest rate sensitive, held up better than either BB or B rated bonds. But globally, the opposite was true, with riskier assets faring worse than high-quality assets on investor concerns surrounding the prospects for future international growth.

Supply in the new issue market was healthy but we have been selective in our purchases. As volatility increased in June we became even more discerning. In Europe, we recently invested in deals brought by The AA and InterXion. In the US, we bought new issues from Valeant Pharmaceuticals, and Epicor Software. Other recent purchases included William Hill and CommScope.

Looking at the prospects of the market for the rest of the year, all eyes will likely remain on the Fed. Ben Bernanke's recent comments were intended to give notice of tapering of QE and while some element of higher yields was probably acceptable to the Fed, they certainly do not want significantly higher yields posing a threat to the recovery. The US may be emerging sooner from the crisis and beginning to achieve sustainable economic growth but data from China points to a slowing of their economy. Europe too is struggling to generate any meaningful growth. Given this backdrop yields look more likely to stay low and accommodative.

High yield now offers a prospective yield of around 6.5%, which compares favourably versus the recent May low of 5%. We have used the back-up in yields to add to positions at what we consider attractive levels. Yields have increased because the economic backdrop is improving in the US and this means defaults are likely to stay low, supporting the asset class. Valuations remain attractive and we are attentive to the emergence of further opportunities . We are watching the employment numbers and the improving economic data in the US, but remain concerned about the pace of growth in Europe.

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.

SWIP HIGH YIELD BOND FUND

Distribution

XD date	Payment date
01/04/13	31/05/13
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.61	1.61
A Income	1.61	1.61
B Accumulation	0.86	0.86
B Income	0.86	0.86
C Accumulation	1.11	1.11
C Income	1.11	1.11
P Income	0.81	0.81
P Gross Income	0.81	0.81
Q Income	0.81	0.81
Q Gross Income	0.81	0.81
X Accumulation	0.11	0.11

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
US Dollar Denominated Bonds	78.95	73.12
Euro Denominated Bonds	10.70	11.42
Sterling Denominated Bonds	7.36	6.12
Collective Investment Schemes	1.76	1.62
Swiss Franc Denominated Bonds	0.18	0.08
Derivatives	(0.78)	0.80
Net other assets	1.83	6.84
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
A-	0.12	0.11
BBB+	0.37	0.12
BBB	0.92	0.99
BBB-	1.90	3.04
BB+	3.62	6.88
BB	7.87	8.64
BB-	13.09	11.69
B+	14.56	14.56
B	12.52	13.55
B-	16.75	13.53
CCC+	17.20	10.30
CCC	4.05	4.76
CCC-	1.17	0.79
CC	0.18	-
C	0.16	0.23
NR	2.71	1.55
Total bonds	97.19	90.74
Other	2.81	9.26
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	137.40	136.31	0.80
A Income	97.66	99.25	(1.60)
B Accumulation	140.84	139.98	0.61
B Income	93.07	94.60	(1.62)
C Accumulation	112.53	111.45	0.97
C Income	106.58	108.31	(1.60)
P Income	93.74	95.27	(1.61)
P Gross Income	90.20	91.67	(1.60)
Q Income	93.74	95.27	(1.61)
Q Gross Income	90.20	91.67	(1.60)
X Accumulation	134.50	132.68	1.37

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return[#]	0.82	16.15	(1.52)	12.15	41.25	(30.76)
Gross Return[~]	2.40	19.37	2.96	14.69	47.10	(27.41)
Benchmark Return[+]	1.36	18.41	1.44	n/a	n/a	n/a
Benchmark Return[†]	n/a	n/a	n/a	15.09	62.45	(28.23)

[#] High Yield Bond Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.
[~] High Yield Bond Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.
[+] Barclays Global High Yield Corporate index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Barclays.
[†] The benchmark was amended from the 50% ML European Curr Original Issue HY index 5% capped, hedged to GBP, 50% CS Developed Countries $US HY from 1 January 2011. The new benchmark is a more accurate representation of the average return expected to be achieved by funds with a similar investment mandate to the Fund.
Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	First interim 31/03/13 (p)	Second interim 30/06/13 (p)
A Accumulation	1.7833	1.5213
A Income	1.2973	1.0945
B Accumulation	2.0469	1.7651
B Income	1.3631	1.1893
C Accumulation	1.5730	1.3480
C Income	1.5300	1.2865
P Income	1.3936	1.2089
P Gross Income	1.6760	1.4537
Q Income	1.3936	1.2089
Q Gross Income	1.6760	1.4537
X Accumulation	2.1229	1.9070

Top five holdings

		30/06/13 %		31/12/12 %
1.	SWIP European High Yield Bond Fund X Net Acc	1.68	SWIP European High Yield Bond Fund X Net Acc	1.62
2.	Clear Channel Communications 11.25% 01/03/2021	1.25	Sprint Nextel 6% 15/11/2022	1.19
3.	American Airlines 10.5% 15/10/2012*	1.21	CIT 5.5% 15/02/2019	1.16
4.	Sprint Nextel 6% 15/11/2022	1.16	MGM Resorts International 11.375% 01/03/2018	0.97
5.	HD Supply 11.5% 15/07/2020	1.13	First Data 8.25% 15/01/2021	0.94

Number of holdings: 463 — Number of holdings: 495

* The redemption of this bond is currently under negotiation with full principal plus interest expected to be received.

SWIP STERLING BOND PLUS FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The Fund's aim is to provide a total return by investing in a portfolio of predominantly fixed interest securities.

The Fund will invest predominantly in UK government bonds and the following sterling denominated securities: investment-grade corporate bonds and bonds of sovereign; government; public; local authority and supra-national issuers. The Fund may also invest in the following types of securities which may be denominated in any currency: non UK sovereign; government; public; local authority and supra-national issuers; non sterling investment-grade bonds, sub-investment grade bonds, convertible bonds and preference shares.

The Fund may invest in securities of any duration.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The period under review was a mix of opportunities and setbacks for bond markets. Up until April, prices of corporate bonds had moved steadily higher. Demand was buoyed both by investors' quest for higher yields than were available via government bonds and by a scarcity of new issuance relative to demand. And, while the spread in yield over government bonds narrowed only marginally, total returns were nevertheless positive, thanks to a sharp downward movement in government bond yields.

But from May onwards, returns have deteriorated sharply. Government bond yields moved significantly higher. This was caused, in the main, by US Federal Reserve indications that it would taper its accommodative monetary policy. Currently, its bond-buying programme amounts to $85 billion a month. After Fed chairman Ben Bernanke said that he expected to "taper" the purchases in the event that economic data improved, the market reacted dramatically, interpreting the comments as a prelude to aggressive monetary tightening.

Over the review period as a whole, returns from both corporate and government bonds have been negative. Against this background, the Fund posted a decline of 2.85%, which was slightly behind the benchmark return of -2.57%.

Throughout most of the period the Fund has been positioned with a comparatively high weighting in corporate bonds and select overseas government bonds and a lack of exposure to Gilts. With yields on UK government bonds bumping around close to record lows, valuations remain overstretched. This position generally benefited performance, as corporate bonds outperformed over the period. On the downside, the overweight position in index-linked bonds was negative, as the asset class underperformed nominal Gilts. Meanwhile, the Fund's short duration position had a negative impact during the first part of the period, but helped provide protection as yields rose sharply during May and June.

Looking ahead, we maintain a modestly bearish view on "core" government bond markets, including the UK, where recent stronger-than-expected data has reinforced the notion that further quantitative easing is off the table. Falling measures of inflation, contained inflation expectations as well as crowded long positions have caused some weakness in inflation-linked bonds. However, we expect them to outperform their nominal counterparts as valuations are more attractive now and near-term supply factors are favourable.

Despite a period of weakness due to higher government bond volatility and fears of reduced quantitative easing, we continue to expect corporate bonds to outperform government bonds based on strong corporate fundamentals and the ongoing hunt for yield.

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.

SWIP STERLING BOND PLUS FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.13	1.13
A Income	1.13	1.13
X Accumulation	0.13	0.13

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	87.67	85.47
Collective Investment Schemes	7.24	7.62
Euro Denominated Bonds	3.24	1.73
Japanese Yen Denominated Bonds	-	2.28
US Dollar Denominated Bonds	-	0.08
Forward Currency Contracts	(0.07)	0.08
Net other assets	1.92	2.74
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	64.81	61.14
AA+	0.56	0.60
AA	0.43	0.48
AA-	0.38	2.69
A+	2.28	2.67
A	0.90	1.26
A-	6.04	7.59
BBB+	6.34	5.03
BBB	5.49	5.11
BBB-	1.98	2.18
BB+	0.77	0.57
BB	0.54	0.24
BB-	0.28	-
CCC+	0.11	-
Total bonds	90.91	89.56
Other	9.09	10.44
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	129.36	133.08	(2.80)
A Income	105.04	108.92	(3.56)
X Accumulation	139.23	142.69	(2.42)

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return[#]	(2.85)	5.79	8.71	6.23	5.20	2.37
Gross Return[~]	(2.39)	7.33	10.17	8.13	6.96	4.57
Benchmark Return[+]	(2.57)	6.03	13.23	7.94	3.96	3.65

[#] Sterling Bond Plus Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.
[~] Sterling Bond Plus Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.
[+] iBoxx Sterling All Maturities index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.
Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	1.0108
A Income	0.8261
X Accumulation	1.6471

Top five holdings

	30/06/13 %		31/12/12 %
1. UK Treasury 2.25% 07/03/2014	8.32	UK Treasury 4.5% 07/03/2013	12.72
2. UK Treasury 4% 07/09/2016	6.85	UK Treasury 3.75% 22/07/2052	8.75
3. UK Treasury 4.5% 07/09/2034	6.60	UK Treasury 4% 07/09/2016	7.14
4. UK Treasury 4.25% 07/12/2027	5.93	UK Treasury 4.5% 07/09/2034	5.71
5. UK Treasury 4.25% 07/12/2040	5.87	UK Treasury 4.25% 07/12/2040	5.01

Number of holdings: 182

Number of holdings: 172

Fund Profile

Investment Objective & Policy

The Fund aims to provide a total return by investing in a portfolio of predominantly bonds whilst simultaneously hedging against interest rate risks.

The Fund will predominantly invest in investment-grade corporate bonds. The Fund may also invest in government bonds, non-sterling investment-grade bonds, sub-investment-grade bonds, covered bonds and preference shares denominated in any currency. The Fund will use derivative instruments for investment purposes and will also use interest rate swaps to manage the Fund's exposure to fluctuations in interest rates.

The Fund may also invest (directly or indirectly) in other transferable securities, money market instruments, deposits, cash and near cash, asset backed and mortgage backed securities, floating rate notes and structured credit and collective investment schemes. The Fund may hold securities of any duration.

In addition, use may also be made of stocklending, borrowing and hedging and other techniques permitted by the FCA Rules.

The investment adviser may hedge any non-sterling assets back to sterling at its discretion.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 3 as at 22 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivative transactions will or may be used to a significant extent. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The period under review was a mix of opportunities and setbacks for bond markets. Up until April, prices of corporate bonds had moved steadily higher. Demand was buoyed both by investors' quest for higher yields than were available via government bonds and by a scarcity of new issuance relative to demand. And, while the spread in yield over government bonds narrowed only marginally, total returns were nevertheless positive, thanks to a sharp downward movement in government bond yields.

But from May onwards, returns have deteriorated sharply. Government bond yields moved significantly higher. This was caused, in the main, by US Federal Reserve indications that it would taper its accommodative monetary policy. Currently, its bond-buying programme amounts to $85 billion a month. After Fed chairman Ben Bernanke said that he expected to "taper" the purchases in the event that economic data improved, the market reacted dramatically, interpreting the comments as a prelude to aggressive monetary tightening.

Over the review period as a whole, returns from both corporate and government bonds have been negative. Against this background, it is very pleasing to report the Fund generated a positive return of 1.37%.

The Fund's exposure to movements in the corporate bond market was reduced in the first months of the year. This was mostly done through selling bonds rather than through additional hedging. Although in our opinion corporate bonds continue to offer good medium term value, it appeared prudent to lock in some profits as the quarter progressed. This proved the right decision given the market set-back that ensued in May. During this period of volatility, we took further risk reduction measures by adding some hedging protection.

Turning to sectors and individual stocks, the performance of banks and insurers was positive in the first part of the reporting period. However, some of these positions in financial institutions then had a negative impact as the market sold off. Certain holdings in European corporate bonds such as Telecom Italia and ENEL also had a negative impact.

Overall, one of the main themes within the Fund during the first part of the year was the adoption of a more cautious approach, which was based on increasingly stretched valuations. This has served the Fund well during the recent volatility. However, the recent sell-off has created some good opportunities for us to add some risk back into the Fund. If market conditions permit and sufficient opportunities present themselves, we hope to make purchases that will generate more positive returns in the second half of the year.

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.

SWIP STERLING CREDIT ADVANTAGE FUND

Distribution

XD date	Payment date
01/04/13	31/05/13
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.12	1.12
A Income	1.12	1.12
C Accumulation	0.62	0.62
C Income	0.62	0.62
C Gross Accumulation	0.62	0.62
C Gross Income	0.62	0.62
N Accumulation	0.87	0.87
N Income	0.87	0.87
P Income	0.62	0.62
P Gross Income	0.62	0.62
Q Income	0.62	0.62
Q Gross Income	0.62	0.62

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	65.87	68.65
Euro Denominated Bonds	15.79	16.64
US Dollar Denominated Bonds	9.56	5.13
Collective Investment Schemes	6.35	6.11
Derivatives	(3.68)	(5.95)
Net other assets	6.11	9.42
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	6.33	8.58
AA+	1.37	1.23
AA	0.93	0.90
AA-	1.96	3.23
A+	7.67	7.49
A	6.96	7.38
A-	15.41	17.13
BBB+	10.99	9.48
BBB	19.16	17.26
BBB-	10.31	9.47
BB+	4.14	4.35
BB	1.94	1.24
BB-	0.80	0.48
B+	0.23	0.19
B	0.57	-
CCC+	0.37	-
NR	2.08	2.01
Total bonds	91.22	90.42
Other	8.78	9.58
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	117.74	116.13	1.39
A Income	106.66	105.74	0.87
C Accumulation	120.31	118.40	1.61
C Income	110.00	109.06	0.86
C Gross Accumulation	110.51	108.59	1.77
C Gross Income	100.26	99.43	0.83
N Accumulation	106.95	105.40	1.47
N Income	105.41	104.51	0.86
P Income	106.64	105.73	0.86
P Gross Income	106.74	105.82	0.87
Q Income	106.64	105.73	0.86
Q Gross Income	106.74	105.82	0.87

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %
Net Return#	1.37	9.59	(5.42)	0.18	11.52
Gross Return~	2.08	12.53	(3.06)	3.78	12.37
Benchmark Return+	0.25	0.50	0.50	0.50	0.64

Sterling Credit Advantage Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ Sterling Credit Advantage Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.

+ Bank of England Base Rate in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Datastream.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	First interim 31/03/13 (p)	Second interim 30/06/13 (p)
A Accumulation	0.3146	0.2889
A Income	0.2874	0.2626
C Accumulation	0.4300	0.4023
C Income	0.4009	0.3830
C Gross Accumulation	0.4994	0.4789
C Gross Income	0.4574	0.4346
N Accumulation	0.3295	0.3125
N Income	0.3245	0.3060
P Income	0.3889	0.3712
P Gross Income	0.4865	0.4646
Q Income	0.3889	0.3712
Q Gross Income	0.4865	0.4646

Top five holdings

	30/06/13 %		31/12/12 %
1. SWIP Strategic Bond Fund X Net Acc	4.21	SWIP Strategic Bond Fund X Net Acc	4.06
2. Southern Gas Networks (FRN) 0.79438% 21/10/2015	1.85	GE Capital UK Funding (FRN) 0.6675% 20/03/2017	2.32
3. Lloyds TSB Bank 10.75% 16/12/2021	1.59	Southern Gas Networks (FRN) 0.81938% 21/10/2015	1.72
4. Merrill Lynch 7.75% 30/04/2018	1.40	Lloyds TSB Bank 10.75% 16/12/2021	1.56
5. BNP Paribas (FRN) 1.10563% 16/05/2016	1.36	Merrill Lynch 7.75% 30/04/2018	1.36

Number of holdings: 234 Number of holdings: 224

SWIP STERLING INDEX-LINKED BOND FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide a total return by investing in a portfolio of predominantly bonds.

The Fund will predominantly invest in sterling index-linked bonds that are issued by the UK government, other sovereign, government and public issuers, supra-national institutions and UK and international companies. The Fund may also invest in non-sterling index-linked sovereign issues.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 4 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Currency Risk: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investment may rise or fall in line with exchange rates. This may also cause the value of any income generated to go up or down.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

The start of the year brought precious little for investors in most parts of the government bond market to cheer. But in January, index-linked Gilts were the exception, enjoying their strongest one-day return since 1987. The gains came in response to the unexpected decision by government statisticians to leave the methodology for calculating the retail price index (RPI), to which payments on inflation-linked bonds are tied, unchanged. Prior to the announcement, the consensus had been that any new methodology would result in a lower reading for RPI – and thus lower payments to holders of index-linked bonds.

Ratings agency Moody's stripped the UK of its Aaa credit rating in February. But while the downgrade attracted much sensationalist media coverage, the UK's borrowing costs were little changed following the news. The Bank of England's Quarterly Inflation Report forecast that consumer price inflation will continue to run at over 2% for at least the next two years, this marked a 0.5% deterioration in the outlook for inflation since November.

However, from mid-April onwards, Gilt returns weakened. Stronger-than-expected economic data had an effect, as did an inflation report that appeared to rule out more quantitative easing. At the end of May, a report showed UK manufacturing to have expanded more quickly than consensus economists' forecasts. Then, in late May and in June, there was further upward pressure on yields as the market took fright over indications by the US Federal Reserve that it would scale down its own quantitative easing programme. Although UK Gilts in general performed poorly, yields on conventional Gilts rose and prices fell sharply, yields on index-linked Gilts rose even more dramatically.

Against this backdrop, the Fund's benchmark returned 1.02%. The Fund outperformed, producing a return of 1.78% during the six-month review period.

Within the portfolio, we are negative on the prospects for index-linked Gilts relative to bonds issued by other G7 governments. We therefore have a strategic underweight in Gilts against other markets. At present, this is expressed via an underweight position in index-linked Gilts. In order to help protect investors' capital, we moved the Fund to a short duration position in mid-June in response to the US Federal Reserve's comments on monetary policy. Meanwhile, we also recently sold 30-year index-linked Gilts in favour of equivalent-dated conventional Gilts in the expectation that real yields (ie nominal yield minus inflation) will fall.

Looking ahead, The Gilt market is expected to remain volatile over the coming months. The New Governor of the Bank of England, Mark Carney, is expected to be more proactive, with expectations of forward guidance of rates foremost in investors' minds. On the other hand, uncertainty over the US Federal reserve's reaction function is likely to weigh on global bond markets, causing a risk premium to be factored in. For index-linked Gilts, concerns about inflationary pressures remain, which should continue to support the asset class.

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.

SWIP STERLING INDEX-LINKED BOND FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.19	1.17
A Income	1.19	1.17
C Accumulation	0.69	0.67
C Income	0.69	0.67
N Accumulation	0.94	0.92
N Income	0.94	0.92
P Income	0.69	0.67
P Gross Income	0.69	0.67
X Accumulation	0.19	0.17

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	98.04	96.38
Collective Investment Schemes	1.52	1.17
New Zealand Dollar Denominated Bonds	0.25	0.25
Euro Denominated Bonds	-	1.54
Forwards	(0.01)	(0.01)
Net other assets	0.20	0.67
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	92.59	92.79
AA+	0.25	0.25
AA-	2.12	1.97
A	0.44	0.42
A-	1.28	1.22
BBB	0.96	0.91
NR	0.65	0.61
Total bonds	98.29	98.17
Other	1.71	1.83
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	170.81	167.89	1.74
A Income	139.74	137.47	1.65
C Accumulation	145.11	142.27	2.00
C Income	100.53	98.91	1.64
N Accumulation	101.04	99.21	1.84
N Income	100.55	98.91	1.66
P Income	153.00	150.49	1.67
P Gross Income	134.14	131.97	1.64
X Accumulation	184.67	180.84	2.12

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return[#]	1.78	(1.52)	19.62	7.86	7.74	0.16
Gross Return[~]	1.10	1.02	19.81	9.02	8.29	1.68
Benchmark Return[+]	1.02	0.62	20.24	9.07	6.67	2.61

[#] Sterling Index-Linked Bond Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.
[~] Sterling Index-Linked Bond Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: SWIP.
[+] Barclays Capital £ Inflation Linked Bond index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.
Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	0.1531
A Income	0.1258
C Accumulation	0.4221
C Income	0.2908
N Accumulation	0.1940
N Income	0.1930
P Income	0.4503
P Gross Income	0.4927
X Accumulation	0.9141

Top five holdings

		30/06/13 %		31/12/12 %
1.	UK Treasury 0.75% Index-Linked 22/11/2047	11.29	UK Treasury 2.5% Index-Linked 17/07/2024	13.70
2.	UK Treasury 4.125% Index-Linked 22/07/2030	9.02	UK Treasury 0.75% Index-Linked 22/11/2047	11.90
3.	UK Treasury 2.5% Index-Linked 17/07/2024	8.44	UK Treasury 4.125% Index-Linked 22/07/2030	9.45
4.	UK Treasury 2.5% Index-Linked 26/07/2016	7.51	UK Treasury 2.5% Index-Linked 26/07/2016	8.84
5.	UK Treasury 1.25% Index-Linked 22/11/2032	7.29	UK Treasury 0.75% Index-Linked 22/03/2034	7.21

Number of holdings: 35

Number of holdings: 29

Fund Profile

Investment Objective & Policy

The Fund aims to achieve a positive capital return, over the long term, regardless of market conditions, through investment and disinvestment (directly and indirectly) in a portfolio predominantly consisting of UK equities, related derivative contracts, money market instruments, cash, near cash, and deposits.

The Fund may invest up to 100% of its net value in a portfolio of UK equities (typically between 25 and 35 although this may vary from time to time at the discretion of the investment adviser). All or a substantial proportion of the physical assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments.

In addition, permitted equity related derivative contracts (including futures, options, swaps, contracts for difference and other derivatives) and techniques may be used to vary the total exposure to the UK equity market and express views on the direction of sectors and/or individual securities in order to enhance capital return, and/or limit downside volatility.

The Fund may take long and short positions in the UK Equity market, securities and groups of securities through derivative contracts but total net derivatives exposure may not exceed the limits in the FCA rules.

The Fund may also invest, at the investment adviser's discretion, in other transferable securities, other derivatives and forward contracts, and units in collective investment schemes (and use may also be made of stocklending, borrowing, hedging and other techniques permitted by the FCA Rules).

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 6 as at 14 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Interest Rate Risk: Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund.

If long-term interest rates rise, the value of your investment is likely to fall.

Credit Risk: There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.

Fund Profile (continued)

Risk Profile (continued)

Derivative risk factor: Derivative transactions will or may be used to a significant extent. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way. Value at risk (VaR) based techniques estimate the probability of portfolio losses based on statistical analysis of historical price trends and volatilities. Absolute VaR analysis for the Fund is produced on a daily basis.

The Fund's current VaR limit is 12%. The VaR measures of the Fund for the period ended 30 June 2013 were as follows:

Minimum VaR	3.15%
Maximum VaR	3.84%
Average VaR	3.41%

Market risk information is a relative estimate of risk rather than a precise and accurate number. The model is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and level of market liquidity in conditions of market stress may bear no relation to historical patterns.

Concentration Risk: The Fund may invest in a smaller than average number of holdings relative to other funds. This may give rise to the Fund's return fluctuating more widely than other more diversified portfolios.

Investment Manager's Review

Reflecting our aim of delivering attractive risk-adjusted returns over the medium term, the UK Flexible Strategy Fund is benchmarked against LIBOR (London Interbank Offered Rate) as a proxy for a risk-free return. Our goal is to deliver an annual return 4% above three-month LIBOR over the market cycle. Over the last six months, the Fund made considerable progress towards this target, generating a net total return of 5.41%; the return from three-month LIBOR over the same period was 0.25%.

That return was generated through investing in a blend of long and short positions in selected UK equities alongside a significant allocation to cash and selected corporate bonds. After the strong gains in equity markets this year, a moderately defensive asset allocation (less than 50% net exposure to equities) remains appropriate. Within the equity portfolio, roughly two thirds of exposure is to UK larger companies, one quarter UK small caps and the balance is made up of the best ideas from our global sector specialists.

Given the current uncertainty in global equity markets, the Fund has benefitted from this defensive positioning. Towards the end of the reporting period, we took advantage of market weakness to close out profitably our short positions in Unilever and Babcock; exposure to defensive equities such as AstraZeneca was also scaled back. The proceeds were reinvested in new long positions in Barclays and SIG, a building materials distributor. The net effect of these trades was to reduce equity exposure (to just over 45%), but to slightly increase the risk of the portfolio relative to that of the market.

We have also added holdings in Whitbread and ITV to the portfolio. Both have made positive contributions to returns over the second quarter. Whitbread climbed after strong first-quarter results, underpinned by the good performances of its Costa Coffee and Premier Inn brands (especially in London). Increasing optimism about UK consumer spending also helped.

The re-rating of equity markets has paused in recent times, thanks, in large part, to investors' negative reaction to Ben Bernanke's comments regarding "tapering" the Federal Reserve's quantitative easing policy. With the impending results season unlikely to see a significant change from the lacklustre trading seen in the first quarter range trading could well persist over the summer.

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.

SWIP SWIP UK FLEXIBLE STRATEGY FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.64	1.66
B Accumulation	0.89	0.91
C Accumulation	1.14	1.16
X Accumulation	0.14	0.16

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Sterling Denominated Bonds	41.17	27.66
Financials	32.48	15.83
Consumer Services	11.49	8.23
Industrials	9.58	5.22
Oil & Gas	6.27	4.26
Health Care	5.39	4.02
Telecommunications	5.08	4.45
Fixed Income	3.41	7.23
Utilities	1.77	3.78
Technology	1.47	0.77
Derivatives	0.41	(0.12)
Consumer Goods	-	0.32
Net other (liabilities)/assets	(18.52)	18.35
Total net assets	100.00	100.00

Summary of portfolio by credit ratings

Rating block	30/06/13 %	31/12/12 %
AAA	41.17	27.66
A-	1.50	1.66
BBB+	1.91	1.12
BBB	-	1.90
BBB-	-	2.20
BB+	-	0.35
Total bonds	44.58	34.89
Other	55.42	65.11
Total net assets	100.00	100.00

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	120.80	113.95	6.01
B Accumulation	131.28	123.36	6.42
C Accumulation	116.89	110.02	6.24
X Accumulation	134.12	125.63	6.76

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	5.41	10.83	3.40	7.33	29.73	(29.66)
Gross Return~	6.64	11.28	4.66	7.74	34.20	(28.49)
Benchmark Return+	0.25	0.83	0.88	0.70	1.24	5.66

SWIP UK Flexible Strategy Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ SWIP UK Flexible Strategy Bond Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: SWIP.

+ 3-month LIBOR in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Datastream.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	0.6788
B Accumulation	1.2130
C Accumulation	0.9243
X Accumulation	1.6726

Top five holdings

	30/06/13 %		31/12/12 %
1. UK Treasury 0% 02/09/2013	20.58	UK Treasury 0% 04/03/2013	14.43
2. UK Treasury 0% 01/07/2013	12.36	UK Treasury 0% 18/03/2013	6.01
3. SWIP Sterling Liquidity Fund Advisory	8.70	RSA Insurance	4.41
4. UK Treasury 0% 27/08/2013	8.23	AstraZeneca	4.02
5. RSA Insurance	5.86	UK Treasury 0% 07/01/2013	3.61

Number of holdings: 53

Number of holdings: 63

SWIP UK ENHANCED EQUITY FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The Fund aims to provide long term capital growth predominantly through investment in equities, equity and index derivative contracts and equity related securities of UK companies which are constituents of the FTSE 100 index (or such other index as the ACD may at its discretion determine from time to time) money market instruments, cash and near cash and deposits.

The Fund will use derivative transactions with a view to generating additional capital returns. The investment adviser will aim to generate these additional capital returns by selling index options against the relevant index. This strategy is intended to enhance the return for the Fund over the longer term.

The Fund may also invest in other transferable securities, collective investment schemes, permitted derivative contracts and forward contracts and use may also be made of stocklending, borrowing and hedging and other techniques permitted by the FCA Rules.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 6 as at 22 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Derivatives Risk: Derivative transactions will or may be used to a significant extent. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

Investment Manager's Review

It was a positive – although event-filled - six months for UK equities. Driving sentiment initially was the ongoing extraordinary support from the world's central bankers. Liquidity and historically low interest rates have encouraged traders into riskier assets, with equities among the main beneficiaries. Markets, however, were thrown into turmoil in May after Ben Bernanke, the Federal Reserve (the Fed) chairman, hinted that his rate-setting institution could soon "taper" its quantitative easing (QE) programme. Investors have become accustomed to the Fed's largesse and the thought of that support being withdrawn saw traders take fright. Equity markets plunged, while government bond yields climbed alarmingly. Since then, though, Mr Bernanke has sought to reassure investors. He stated that the curtailment of QE would be entirely data-dependent. He also said that a slowing of asset purchases does not constitute a tightening of monetary policy. Markets took some succour from Mr Bernanke's words.

Turning to performance, the Fund returned 6.06% for the period (net of fees), underperforming its benchmark, the FTSE 100 index, which returned 7.62%. This was not due to any specific stocks per se, but rather our strategy of employing call-option overlays. This has the effect of potentially capping the Fund's participation in index rises, but can add value when markets fall. As we have seen, however, markets were up over the period, hence the Fund's relative underperformance.

Looking ahead, the UK economy has started to heal, but it remains weak by historical standards. New Bank of England (BoE) Governor Mark Carney has been given a remit to inject some life into the economy. At his first press conference on 4 July, Mr Carney was quick to clarify his position. He said that the recent spike in the Bank Rate was "not warranted by recent developments in the domestic economy." He also reiterated the BoE's dovish bias. This demonstrated Mr Carney's eagerness to introduce so-called "forward guidance" – his pet policy tool. This will see the Bank commit to keep interest rates low until certain economic metrics are met.

Challenges, however, remain. While the UK outlook has improved, the great rebalancing, from services to exports, remains some way off. We believe the nation's economy will only be on solid footing once this occurs. Elsewhere, China is slowing as its government cracks down on lending practices and continues to steer its economy towards domestic consumption. The eurozone crisis could also flair up at any point, as illustrated by the mishandled Cyprus bailout and the ongoing political scandal in Spain. The Middle East also remains a tinderbox.

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.

SWIP UK ENHANCED EQUITY FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.12	1.12
A Income	1.12	1.12
C Accumulation	0.62	0.62
C Income	0.62	0.62
P Income	0.62	0.62
Q Income	0.62	0.62

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Financials	23.43	20.75
Oil & Gas	16.84	17.94
Consumer Goods	15.28	14.97
Consumer Services	8.99	8.38
Health Care	8.35	7.78
Basic Materials	7.78	11.25
Industrials	7.41	6.74
Telecommunications	7.02	6.21
Utilities	4.18	4.22
Technology	0.90	0.94
Derivatives	(0.11)	(0.21)
Net other (liabilities)/assets	(0.07)	1.03
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	145.25	136.95	6.06
A Income	132.55	127.07	4.31
C Accumulation	120.61	113.45	6.31
C Income	116.64	111.76	4.37
P Income	132.60	127.05	4.37
Q Income	132.60	127.05	4.37

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %
Net Return#	6.06	11.29	(2.46)	11.78
Gross Return~	6.47	11.96	(0.49)	12.44
Benchmark Return+	7.62	9.97	(2.18)	12.62

UK Enhanced Equity Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ UK Enhanced Equity Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: SWIP.

+ FTSE 100 index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	2.3020
A Income	2.2172
C Accumulation	2.2025
C Income	2.1670
P Income	2.4721
Q Income	2.4721

Top five holdings

	30/06/13 %		31/12/12 %
1. HSBC	7.72	HSBC	7.79
2. Vodafone	5.54	BP	5.31
3. BP	5.22	Royal Dutch Shell 'A' Shares	5.21
4. GlaxoSmithKline	4.89	Vodafone	5.01
5. Royal Dutch Shell 'A' Shares	4.83	GlaxoSmithKline	4.31

Number of holdings: 105

Number of holdings: 107

SWIP UK INCOME FUND

for the period ended 30 June 2013

Fund Profile

Investment Objective & Policy

The aim of this Fund is to provide an income greater than that of the FTSE All-Share index together with capital growth over the longer term.

The Fund will invest primarily in a portfolio of UK securities, which may include, directly or indirectly, equities, convertibles, preference shares, fixed interest stocks and warrants. However, the Fund may invest in other types of investment at the discretion of the ACD.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

Risk Profile

The Risk and Reward Indicator ranges from 1 to 7 and demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The Fund's ranking was 6 as at 22 February 2013 (Key Investor Information document).

The Fund has this ranking because the value of the underlying investments are subject to price fluctuations. The lowest category 1 does not mean a risk-free investment.

Derivatives Risk: Derivatives may be used for efficient portfolio management only. At times, though, the use of these instruments could lead to considerable short term fluctuations in price. The impact to the Fund is greater where derivatives are used in an extensive or complex way.

All or part of the Fund's charges are taken from capital, not income. This will increase the level of income received by an investor however it may erode capital or constrain capital growth.

Investment Manager's Review

It was a positive six months for UK equities - although volatility made an unwelcome return over the closing stages. Driving sentiment initially was the ongoing extraordinary support from the world's central bankers. Liquidity and historically low interest rates have encouraged traders into riskier assets, with equities among the main beneficiaries. Markets, however, were thrown into turmoil in May after Ben Bernanke, the Federal Reserve (the Fed) chairman, hinted that his rate-setting institution could soon "taper" its quantitative easing (QE) programme.

Investors have become accustomed to the Fed's largesse and the thought of that support being withdrawn saw traders take fright. Equity markets plunged, while government bonds yields climbed alarmingly. Since then, though, Mr Bernanke has sought to reassure investors. He stated that the curtailment of QE would be entirely data-dependent. He also said that a slowing of asset purchases does not constitute a tightening of monetary policy. Markets took some succour from Mr Bernanke's words.

Turning to performance, the Fund returned 8.62% for the period (net of fees), beating its benchmark, the FTSE All-share, which returned 8.50%. On a stock-specific basis, holdings in Tullet Prebon, Vodafone, Reed Essilor, ITV and Travis Perkins all boosted the Fund's showing. The latter, the builders' merchant, had an excellent six months as the fortunes of the UK housing market improved after a long period in the doldrums. Travis Perkins' market value rose impressively, culminating in the firm entering the FTSE 100 index. By contrast, positions in Indus Gas and KSK Power Ventur hurt the Fund's performance. There was little company-specific news to drive the stocks lower, rather they fell in sympathy with a number of Indian securities as investors fretted about Emerging Markets and progress on much needed energy policy reform in India remained elusive. Holdings in RSA Insurance and Imperial Tobacco also disappointed.

Looking ahead, the UK economy has started to heal, but it remains weak by historical standards. New Bank of England (BoE) Governor Mark Carney has been given a remit to inject some life into the economy. At his first press conference on 4 July, Mr Carney was quick to clarify his position. He said that the recent spike in the Bank Rate was "not warranted by recent developments in the domestic economy." He also reiterated the BoE's dovish bias. This demonstrated Mr Carney's eagerness to introduce so-called "forward guidance" – his pet policy tool. This will see the Bank commit to keep interest rates low until certain economic metrics are met.

Challenges, however, remain. While the UK outlook has improved, the great rebalancing, from services to exports, remains some way off. We believe the nation's economy will only be on solid footing once this occurs. Elsewhere, China is slowing as its government cracks down on lending practices and continues to steer its economy towards domestic consumption. The eurozone crisis could also flair up at any point, as illustrated by the mishandled Cyprus bailout and the ongoing political scandal in Spain. The Middle East also remains a tinderbox.

Against this gradually improving but volatile backdrop, we continue to prefer companies that exhibit above-average earnings visibility. This can come from a variety of sources, such as a benign regulatory environment (BT) or a strong end market (civil aerospace – Meggitt, easyjet). We also like companies where management can support earnings by self help, as is the case at Hammerson. At the same time, it remains important to show discipline and bank your profits where they arise and where you feel that the potential for continued positive surprises is diminishing. To this end, we recently reduced our position in DS Smith, which has been a very strong performer for the Fund.

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.

SWIP UK INCOME FUND

Distribution

XD date	Payment date
01/07/13	31/08/13

Ongoing Charges Figure

	30/06/13 %	31/12/12 %
A Accumulation	1.63	1.62
A Income	1.63	1.62
B Accumulation	0.88	0.87
B Income	0.88	0.87

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/06/13 %	31/12/12 %
Financials	20.16	16.04
Oil & Gas	16.91	13.41
Consumer Goods	12.71	14.58
Consumer Services	11.64	8.63
Industrials	10.47	12.17
Health Care	10.35	11.38
Telecommunications	6.66	5.26
Utilities	5.97	9.49
Basic Materials	4.43	5.04
Technology	1.52	1.96
Sterling Denominated Bonds	-	1.52
Derivatives	(0.06)	-
Net other (liabilities)/assets	(0.76)	0.52
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/06/13 (p)	NAV per share 31/12/12 (p)	NAV percentage change %
A Accumulation	93.58	86.03	8.78
A Income	200.87	189.03	6.26
B Accumulation	98.16	89.90	9.19
B Income	84.04	78.79	6.66

Performance record

	01/01/13 to 30/06/13 %	01/01/12 to 31/12/12 %	01/01/11 to 31/12/11 %	01/01/10 to 31/12/10 %	01/01/09 to 31/12/09 %	01/01/08 to 31/12/08 %
Net Return#	8.62	9.47	(6.64)	10.17	21.87	(33.63)
Gross Return~	9.32	10.69	(4.32)	11.44	24.03	(32.67)
Benchmark Return+	8.50	12.30	(3.46)	14.51	30.12	(29.93)

UK Income Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

~ UK Income Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: SWIP.

+ FTSE All-Share index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

Past performance is not a guide to future performance. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Interim 30/06/13 (p)
A Accumulation	2.1662
A Income	4.7586
B Accumulation	2.2665
B Income	1.9879

Top five holdings

	30/06/13 %		31/12/12 %
1. Royal Dutch Shell ‘B’ Shares	7.75	GlaxoSmithKline	5.35
2. GlaxoSmithKline	6.63	Vodafone	5.26
3. Vodafone	6.25	AstraZeneca	4.72
4. British American Tobacco	4.39	Royal Dutch Shell ‘B’ Shares	4.07
5. BP	4.33	Imperial Tobacco	3.88

Number of holdings: 84

Number of holdings: 78

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