Fund Factsheet
ISA/CIP Portfolio 2 Cautious/Medium (Post 06/04/05)

As at 30 June 2011

Fund objective

The Investment objective of the fund is to achieve long term growth by investing in a managed portfolio of equities investing mainly in the UK and fixed interest investments such as corporate bonds and gilts.

Investment approach

This fund will actively manage a balanced mixture of assets between equities and fixed interest investments. The core of the equity assets within the fund will tend to be invested in large companies whilst maintaining a reasonable presence in medium and small sized companies with above average potential for growth. However, the fund is not restricted to choice of company either by size or industry. The fixed interest assets will be invested primarily in a wide range of sterling and euro denominated investment grade interest bearing securities.

Fund managers commentary

Bonds issued by governments in core economies such as the UK performed strongly as investors responded to signs of slowing economic growth by flocking to safe-haven assets. With investors firmly in 'risk off' mode for, the UK equity market fell. Risk aversion also resulted in another month of relatively weak performance for corporate bonds. We increased the fund's overweight in property and UK equities and reduced holdings in cash. The fund remains underweight in UK government bonds. (As at 30 June 2011. Source: Scottish Widows Investment Partnership Ltd)

Fund performance

Discrete performance

%	30 Jun 06 29 Jun 07	29 Jun 07 30 Jun 08	30 Jun 08 30 Jun 09	30 Jun 09 30 Jun 10	30 Jun 10 30 Jun 11
OEIC	6.47	-7.39	-8.90	15.61	12.53

Basis: % growth, bid to bid in sterling. Returns are shown net of annual management charges only, with net income reinvested.

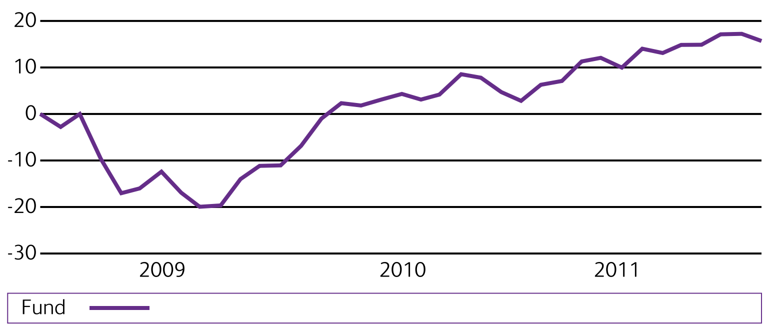
Source all returns: Lipper, a REUTERS company

Cumulative performance

%	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5Yrs
OEIC	-1.31	0.71	1.47	12.53	18.52	16.86
Benchmark	-0.74	1.89	2.97	15.82	21.66	23.41

Source all returns: Lipper, a REUTERS company

Cumulative investment performance – over 3 years



Basis: % growth, total return (net), bid to bid sterling.
Returns are shown net of annual management charges. This figure does not reflect initial charges.
Source all returns: Lipper, a REUTERS company Chart start date: 30/06/2008

Fund facts

Fund management house	Scottish Widows Investment Partnership Ltd
Fund manager	Jeff King
OEIC fund size (£m)	3593.23
Number of holdings	373
Launch date	
OEIC	06/04/2005
Annual management charge	
OEIC	0.65% - 1.5%
Benchmark	Composite
Availability	OEIC and Life

Contact details: For further information please contact **Adviser Services on 0870 607 6771** or visit **www.bankofscotland.co.uk/privateclients**

Important notes: Past performance is not a guide to future performance. The investment's value and the income from it will fall as well as rise and may be affected by market and currency movements. You may get back less than originally invested. Cash on deposit is more secure, generally more accessible and provides greater certainty of growth.

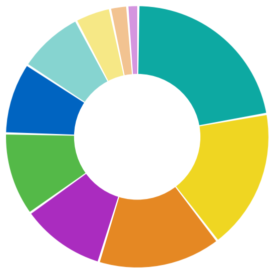
This document is provided for the purpose of information only. This factsheet is intended for individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used. This material should not be relied upon as sufficient information to support an investment decision

LOOK AT THINGS DIFFERENTLY
BANK OF SCOTLAND

Cautious Managed

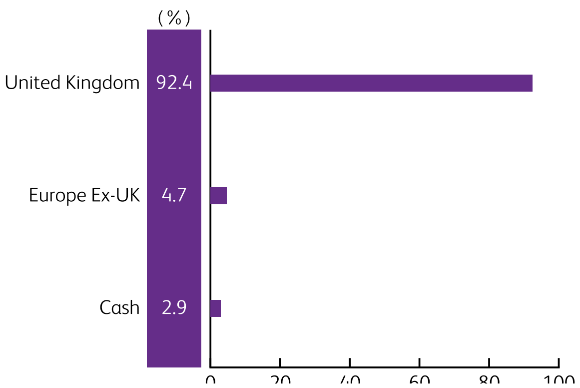
As at 30 June 2011

Fund sector breakdown



Oil & Gas	22.4%
Financials	17.6%
Basic Materials	15.3%
Consumer Services	10.4%
Consumer Goods	10.3%
Health Care	8.8%
Industrials	8.0%
Telecommunications	4.2%
Utilities	1.9%
Technology	1.1%

Geographic distribution



Top holdings

	%
BP PLC	3.6
Rio Tinto	2.6
BG Group	2.5
GlaxoSmithKline PLC	2.4
UNITED KINGDOM (GO 2.5% IND-LNK 26/07/16 GBP	2.2
SWIP GLF ADVISORY (OBP)	2.2
VODAFONE GROUP	2.2
HSBC HOLDINGS (GB)	2.2
AstraZeneca	1.9
Xstrata PLC	1.7
	23.5

Glossary

ABI Sector – The Association of British Insurers classification scheme for life and pension funds that share similar characteristics, e.g. Balanced Managed

Annual management charge – A charge taken from the fund sometimes referred to as yearly management charge. The charge is expressed as a percentage per annum but is normally taken daily from the fund

Asset allocation – The process of dividing investments among different kinds of asset classes such as stocks, bonds, property and cash

Benchmark – A measure against which the performance of a fund is compared. The benchmark could be an index for example the FTSE 100, or a sector average

Bid price – The price at which you can sell units of a fund

Bonds (Fixed Interest Securities) – A bond can be issued by either a company (corporate bond) or a government (gilt) and is a way of raising capital. Most bonds promise to pay a fixed rate of interest for a given period of time, at the end of which the holders are repaid the capital sum

Cumulative Performance – Represents total return over a given period

Discrete Performance – Represents individual yearly performance

Dividends – A portion of a company's profit paid to the shareholders

Equities – Commonly used term for shares in a company

IMA Sector – The Investment Management Association classification scheme for OEIC/ISA funds that share similar characteristics, e.g. Cautious Managed

Net Asset Value (NAV) – The value of an entity's assets less the value of its liabilities

OEIC (Open Ended Investment Company) – An OEIC is a pooled investment fund of variable size set up as a company. It owns investment assets, for example stocks and shares, gilts, bonds and other financial instruments. The size of an OEIC varies reflecting the market value of its

underlying investments

Offer Price – The price at which you can buy units of a fund

Sector Average – The average performance of all the funds within a particular sector, for example the IMA Balanced Managed sector

Underweight/Overweight – Funds have a target allocation to a particular sector or asset type, for example a managed fund may have a target allocation to equities of 50%. If the fund holds 52% in equities it is said to be overweight equities. Similarly if the fund holds 48% in equities it is said to be underweight equities

Yield (Historical) – reflects distribution declared over the past twelve months as a percentage of the mid market unit price, as at the date shown.

Yield (Distribution) – reflects the amount that may be expected to be distributed over the next twelve months as a percentage of the mid-market price of the fund as at the date shown. It is based on the snapshot of the portfolio on that day.

E1889 (Compliance no. 16649)

LOOK AT THINGS DIFFERENTLY
BANK OF SCOTLAND