

Fund Factsheet

UK Equity Income

As at 30 June 2010

Fund performance

Discrete performance

%	30 Jun 05	30 Jun 06	29 Jun 07	30 Jun 08	30 Jun 09	30 Jun 10
Life	16.46	13.83	-12.81	-16.52	19.42	18.81
Pension	18.72	16.40	-14.85	-15.08	18.81	18.81
OEIC	18.00	15.72	-15.46	-15.19	18.31	18.31

Basis: % growth, bid to bid in sterling. Returns are shown net of annual management charges only, with net income reinvested for the OEIC and life funds and gross income reinvested for pension funds.

OEIC fund returns are calculated using share class C. Pension fund returns are calculated using the single priced 2000 pension fund. Life returns are calculated using the single priced life fund.

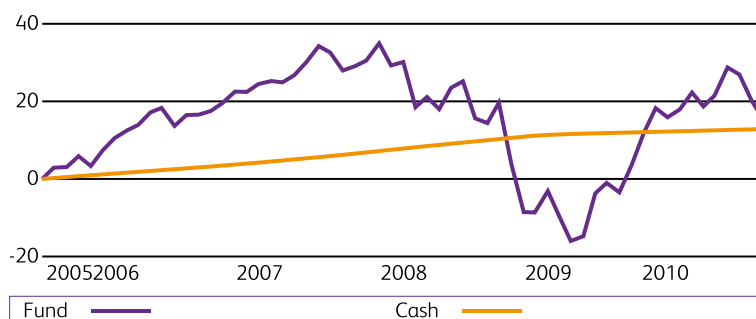
Source all returns: Lipper, a REUTERS company

Cumulative performance

%	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5Yrs
Life	-4.08	-10.48	-5.73	19.42	-13.08	15.24
Pension	-3.90	-10.74	-5.39	18.81	-14.09	18.72
OEIC	-3.98	-10.99	-5.71	18.31	-15.18	15.83
Benchmark	-4.62	-11.80	-6.15	21.14	-16.23	18.66

Source all returns: Lipper, a REUTERS company

Cumulative investment performance – over 5 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. Cash is represented by the Moneyfacts Average 90 day 10K Index

Source all returns: Lipper, a REUTERS company

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.

Fund managers commentary

The fund manager reduced exposure to the banking sector, selling our holding in Royal Bank of Scotland and reducing our position in Barclays. We also reduced our holding in BP in early June but took advantage of continued share price falls to move back towards a market weighting mid-month.

The fund manager continued to add to reliable growth stocks, through increased holdings in Imperial Tobacco and National Grid.

Fund objective

The investment objective of this fund is to provide an above average income, together with prospects of capital appreciation over the longer term, derived mainly from a portfolio of securities in UK companies. The Halifax High Income Life and Pension funds invest directly into the Halifax UK Equity Income OEIC.

Investment approach

The fund will select companies with good prospects of providing a rising income and capital growth over the longer term. Convertible stocks (corporate bonds which may include an option to be converted into equities at an agreed future date) and bonds which provide a higher yield than equities may also be considered for the portfolio.

Fund facts

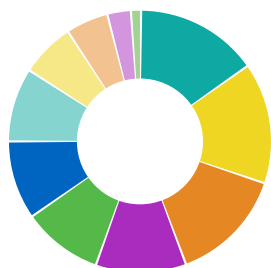
Fund management house	Scottish Widows Investment Partnership Ltd
Fund manager	Richard Dunbar
OEIC fund size (£m)	2822.31
Life fund size (£m)	721.69
Pension fund size (£m)	198.42
Number of holdings	86
Launch date	03/12/1984
Annual management charge (dependent upon product)	0.65% - 1.5%
ABI Sector	UK Equity Income
IMA Sector	UK Equity Income and Growth
Benchmark	FTSE All Share TR
Price / NAV (£)	0.48
Historic Yield	4.16
Distribution dates	30/6, 30/9, 31/12, 31/3
Availability	OEIC, Life and Pension

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

UK Equity Income

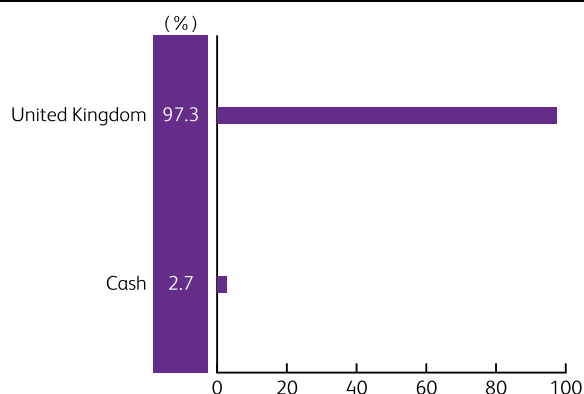
As at 30 June 2010

Fund sector breakdown



Financials	15.3%
Consumer Services	15.1%
Oil & Gas	14.3%
Health Care	11.2%
Consumer Goods	9.9%
Basic Materials	9.7%
Utilities	9.1%
Telecommunications	6.6%
Industrials	5.1%
Cash/Others	2.7%
Technology	1.0%

Geographic distribution



Top holdings

	%
ROYAL DUTCH SHELL B	6.2
GlaxoSmithKline	5.8
HSBC HOLDINGS (GB)	5.8
Vodafone Group	5.7
AstraZeneca	5.6
RIO TINTO PLC	4.5
Bp	3.9
British American Tobacco	3.6
BG Group	3.5
COMPASS GROUP	3.5
	48.1

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.