



SWIP / KEY FEATURES

(INCORPORATING THE SIMPLIFIED PROSPECTUS)

OF THE SCOTTISH WIDOWS INVESTMENT PARTNERSHIP

PROPERTY TRUST

July 2012

The Financial Services Authority is the independent financial services regulator. It requires us, Scottish Widows Investment Partnership (SWIP), to give you this important information to help you to decide whether our product is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

KEY FEATURES, INCORPORATING A SIMPLIFIED PROSPECTUS OF THE SCOTTISH WIDOWS INVESTMENT PARTNERSHIP PROPERTY TRUST

These Key Features give you important information about our Property Trust.

These Key Features also incorporate Simplified Prospectus requirements.

The Simplified Prospectus has been created as a result of European legislation to help people make an informed choice between funds offered by different companies. It does this by allowing comparison of the total expense ratio (TER), the past performance of individual funds and the portfolio turnover rate (PTR).

The Simplified Prospectus does not replace the full Prospectuses which contain full terms and conditions. This is available on request free of charge.

The information in these Key Features is correct as at July 2012. All figures quoted are as at 31 May 2012. For details of other funds we have available please speak to your financial adviser.

CONTENTS

Aims, Investment and Risks	2
Your Questions Answered	3
Fund Details	6
Other Information	8

AIMS, INVESTMENTS AND RISKS

Its aims

The SWIP Property Trust aims to provide investors with a total return consistent with a balanced commercial property portfolio.

Your investment

- ▶ You must invest a lump sum premium of at least £5,000. The minimum additional investment is £1,000.
- ▶ You should consider the Trust as a medium to long-term investment, and you should aim to keep your investment for at least five years.

The SWIP Property Trust is an authorised unit trust scheme established under COLL (the new Collective Investment Scheme Source Book) and is authorised and regulated by the Financial Services Authority (FSA).

The Trust is priced on a single pricing model, and you have a choice of two classes of unit.

These are:

- ▶ income units – these pay you the income they earn, rather than reinvesting it.
- ▶ accumulation units – these reinvest any income earned by the Trust within the Trust.

Risks

What are the risks of investing in this fund?

There are some general risks of investing in funds like the SWIP Property Trust, and also some specific risks you should be aware of.

These include:

- ▶ The Trust invests in physical property and may experience difficulties or delays in selling these assets. As a result, very occasionally there may be constraints on cashing in units.
- ▶ Commercial property is a less liquid asset than other asset classes such as bond or equities and values could be affected if properties need to be sold in a short timescale. It is a specialist sector which could be volatile in adverse market conditions.
- ▶ Property valuation is a matter of judgement by an independent valuer. Valuation is therefore generally a matter of a valuer's opinion rather than fact. The value of capital and income will fluctuate as property values and rental income rise and fall.

If the value of the Trust falls significantly, it may not be possible to maintain the same diversification of risk, as there may be fewer properties held.

- ▶ The value of investments and the income you receive may fall and you may get back less than you put in.
- ▶ Inflation will reduce the value of any investment gains. If your investment grows by less than the rate of inflation it will have less buying power in the future.
- ▶ Governments can change the tax rules relating to individuals and funds.
- ▶ Derivatives transactions will be used for the purposes of efficient portfolio management, hedging and to meet the investment objectives of the Fund. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.
- ▶ The Trust may invest in overseas property. Changes in exchange rates between currencies may result in the value of the investments and / or the income from them fluctuating.

If you use your right to cancel your investment in the first 30 days, and the value of your investment has fallen when we receive your notice of cancellation, you may not get back the full amount of your original investment.

QUESTIONS AND ANSWERS

What is a Unit Trust?

A unit trust is a collective investment scheme where your money is pooled with that of other investors to buy investments.

The Trust is divided into segments known as units. Investors take a stake in the Trust by buying these units. The price of a unit is based on the value of the underlying investments of the Trust.

Who is the Manager?

The Manager of the SWIP Property Trust is SWIP Fund Management Limited.

How do I invest in the Trust?

You can buy units in the Trust by:

- ▶ contacting our dealers on **0800 33 66 00**;
- ▶ returning a completed application form to either your adviser or to SWIP Fund Management Limited, BNY Mellon House, Ingrave Road, Brentwood, Essex, CM15 8TG.

The minimum initial investment into the Trust is £5,000 and the minimum additional investment is £1,000.

You can buy units on any business day between 8:30am and 5:30pm (UK time). Units are purchased at the price calculated at the next valuation point (12 noon UK time) after we receive your instructions.

We will send you a contract note detailing the number of units purchased and the price. Following receipt of settlement and full registration details, the units will be recorded on the unit holder register. You will not receive a certificate and your entry on the register is conclusive evidence of title to your units.

How can I sell my holdings?

You can sell your units by contacting our dealers on **0800 33 66 00** or in writing. The selling price of the units will be the price calculated at the next valuation point (12 noon UK time) after we receive your instructions. Minimum holding limits as detailed in the Prospectus may apply.

We will send a contract note to you once the price has been calculated, and we will send you the proceeds within four business days after the day we receive your written instructions. In the case of telephone instructions settlement will be made on the receipt of a completed form of renunciation which is issued with the contract note. You will not incur a charge to you when redeeming the units.

Switching

It is possible for a unitholder to switch all or some of their units held in the Trust for units in a different class, subject to certain restrictions. Full details can be found in the Prospectus. A switch of units in one Class for units in another Class in relation to the same Trust will not normally be treated as a realisation for UK tax purposes.

What is the value of my investment based on?

Your investment buys units in the SWIP Property Trust. The value of each unit is equal to the underlying net asset value of the Trust's investments divided by the number of units in issue.

The Trust's assets are valued at 12 noon (UK time) on each business day. We also have the right to carry out additional valuations, in accordance with the FSA rules. Full details can be found in the Prospectus.

The SWIP Property Trust is priced on single pricing model. Under a single pricing model only one price is calculated each day and, subject to any preliminary charge, investors buy and sell units at the same 'single' price.

The single price of the units on any given day is based, generally, on the mid-market valuation of the underlying assets held by the Fund and is calculated in accordance with the provisions of the trust deed (as amended) and the Prospectus.

What is Efficient Portfolio Management?

Efficient Portfolio Management (EPM) is a term used to describe derivative use within the Trust. Under EPM, the reason for using the derivative is usually one of the following: reducing risk; reducing cost; or generating additional capital or income for the fund with an acceptably low level of risk. EPM strategies are not usually speculative in nature.

The Prospectus outlines in more detail the extent derivatives may be used.

Where can I find the latest prices?

You can find unit prices:

- ▶ on the SWIP website www.swip.com.
- ▶ by calling **0800 33 66 00**.

You will be sent half-yearly statements as at 31 December and 30 June each year giving details of your investment and any transactions during the period. You will also receive a report on the activity of the Trust every 6 months. The annual report will be published within 4 months after the end of the annual accounting period (31 December). Half yearly reports will be published within two months after the end of the half yearly accounting period (30 June).

Will I receive an income?

You can choose either income units or accumulation units.

If you invest in accumulation units, you will not receive an income payment from your investment. Any income generated by the Trust will be reflected in an increase in the value of the units.

If you choose income units, payment of the income earned by the Trust will be paid to you. Payment of income will normally be made by direct credit to your bank or building society account, but may be made by cheque.

What about tax?

The tax regime applicable is that of the United Kingdom. This regime applies to the taxation of both income and capital gains within the Trust.

The Trust may be liable to Stamp Duty Reserve Tax (SDRT), chargeable at a rate of 0.5%, on the surrender of units, and on certain transfers of units, it is usually paid for out of the scheme property of the Trust.

Tax rules can change, and your own taxation treatment can be affected by changes to your individual circumstances.

The following information applies to individuals. If you are uncertain of your tax position, you should get professional advice. This information reflects our interpretation of the law and HM Revenue & Customs practice at the time of publication. The amount of taxation of benefits we describe assumes that there is no change in tax or laws that affect SWIP or its investments.

- ▶ For funds that make interest distributions, we deduct income tax at 20% before we pay the income, or keep the income, of the fund. (If you are not a taxpayer, you may be able to reclaim some or all of this tax.)
- ▶ For funds that don't make interest distributions, dividend distributions are made net of a 10% tax credit. This credit can't be reclaimed.
- ▶ If you're a basic rate taxpayer, regardless of the funds you invest in this OEIC, you have no further tax to pay.
- ▶ If you're a higher-rate taxpayer, you have a further tax liability. The extra tax is currently no more than 25% of the income paid out of or kept in the fund.
- ▶ If you're an additional rate taxpayer, you have a further tax liability. The extra tax is currently no more than 36.1% of the income paid out of or kept in the fund.

We send investors a tax voucher showing the amount of the distribution and the tax. You must declare any dividend distributions to HM Revenue & Customs.

When you cash in some or all of your shares, you may have to pay Capital Gains Tax on any gain you make. This depends on whether the gain, together with any other gains you have made in the tax year, comes to more than the personal annual exemption limit. We have no responsibility for deducting Capital Gains Tax before we pay out any investments you cash in.

When you die, the value of your investment forms part of your estate for inheritance tax purposes. The money will remain invested until we receive instructions from your legal representatives. Your OEIC investments must be declared to HM Revenue & Customs.

What are the charges and expenses?

Transaction charges

Initial charge

This is a percentage of your initial investment. Income, when reinvested, is not subject to an initial charge.

Annual operating expenses

These represent the amount paid out of the Trust each year.

Annual management charge

- ▶ A charge for the day-to-day management of the fund.

Additional expenses

These include costs such as:

- ▶ fees for legal, accountancy or other advice;
- ▶ registration costs;
- ▶ brokers' commissions;
- ▶ interest on borrowings.

Can the manager vary the initial and annual management charges?

We are permitted to increase the initial and annual management charges up to the maximum set out in the Prospectus. If we do this, we will give you notice of any changes to our charges in line with the FSA rules. The Prospectus for the Scottish Widows Investment Partnership Property Trust is available free on request from the Manager.

Client money

In exceptional circumstances, where it is not possible for shares to be allocated to you following receipt of your investment instruction, or where it is not possible to send money to you for any redemptions, money will be transferred to a client money bank account pending completion of the transaction. This money will be held in accordance with the FSA's client money rules. By segregating the money in the client bank accounts from our own capital, this has the effect of protecting investors should we become insolvent during this pending period. No interest will be paid on money held in these client money bank accounts.

In the event that there has been no contact from you for 6 years, despite our reasonable attempts to contact you, any money held for you in a client money account will cease to be treated as client money. Should you subsequently contact us and make a valid claim, we will reimburse the money to you. No interest will be due on this money.

How will the charges and expenses affect the return on my investment?

The total charges deducted for each fund will reduce what you get back from your investment. You could get back less than you invested if the investment performance is less than the charges.

Dilution adjustment

The inherent costs of buying and selling property assets are substantial. The costs of buying a property include stamp duty up to 5% and legal and valuation fees. The costs of selling a property include legal and marketing costs. Therefore, the actual costs of purchasing or selling investments may be higher or lower than the mid-market

price of the fund and may adversely affect existing investors. This is called "dilution". The Fund Manager may offset the effects of dilution by making an adjustment to the share price, called a dilution adjustment, to take account of the dealing costs so that existing and continuing investors are not adversely affected by the effects of dilution.

The Fund manager will use its discretion to apply dilution adjustment to either increase or decrease the share price when it is of the view that it is appropriate to do so in the interests of continuing investors.

Can I cancel my investment?

If you received financial advice, you will normally receive a cancellation notice when the deal is placed. This gives you the right to cancel your original investment at any time during the first 30 days after you receive it. If you decide to change your mind, we will refund your money. You may receive back less than your original investment if the value of units has fallen when we receive your cancellation notice.

If you are entitled to cancellation rights, you may exercise this right by completing the cancellation form sent to you and returning it by post to SWIP Fund Management Limited, BNY Mellon House, Ingrave Road, Brentwood, Essex CM15 8TG. If you don't cancel your investment it will continue.

Where can I get further information about the trust?

You should contact Scottish Widows Investment Partnership Limited, Edinburgh One, Morrison Street, Edinburgh, EH3 8BE for additional information about the Trust.

To request a copy of the Prospectus or half yearly reports you can contact us on **0800 33 66 00** or look on our website www.swip.com.

If you received advice from a financial adviser, they will also be able to provide you with additional information.

How much will any advice cost?

If you have an independent financial adviser they will give you details about the cost of their advice. Unless they advise you under a fee-based system, the amount will depend on the size of your investment and will be paid by Scottish Widows Investment Partnership out of the charges detailed previously. Initial commission is normally paid following settlement of the contract. Information concerning commission is also available from us on request and will be included in the information sent to you after you have made your investment.

Commission sharing arrangements

SWIP has entered into commission sharing arrangements with certain third party brokers, where a broker remunerated out of the assets of the scheme has agreed to split its remuneration with a third party which results in the third party meeting expenses through this commission sharing arrangement that should normally be met out of the assets of the Trust.

SWIP PROPERTY TRUST

Aims

The Trust will generally invest directly in UK commercial property. The Trust may also invest directly or indirectly in any UK property, US and continental European commercial property. The Manager may, at its discretion, also invest directly or indirectly in other asset classes (unrestricted by geographical location).

Indirect exposure to property may be obtained through any or all of the following property related assets: transferable securities (including closed-ended funds and /or warrants), collective investment schemes (including unregulated schemes) and derivatives (including futures, options, swaps, forward contracts and other derivatives) and other vehicles which invest in such assets.

The Trust may also invest in the following assets: money market instruments, cash, near cash, deposits, other derivatives, other collective investment schemes (including unregulated schemes), and government securities (including but not limited to UK government bonds, other sterling denominated government bonds, overseas bonds, and supranational bonds).

Performance

The figures in the chart are given on a bid-bid pricing basis and do not take into account the initial charge an investor would have paid. Past performance is not a guide to future performance.

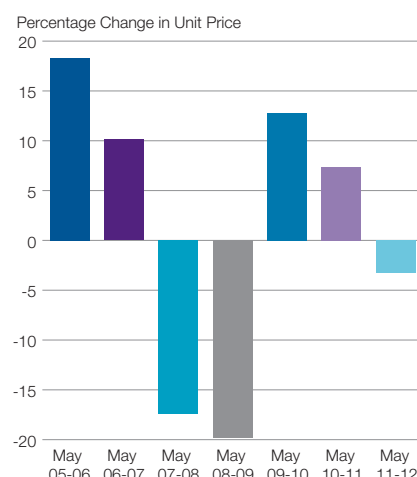
The Trust is less than 10 years old. Accordingly, performance information for this trust has been given since launch.

Cumulative annualised historic performance of the SWIP Property Trust from launch 17 November 2004 to 31 May 2012

	Fund Return*
1 Year	-3.30%
3 Years	5.40%
5 Years	-4.94%
Since launch	1.90%

Source: Lipper Reuters, Bid-bid basis, gross of fees. Annualised returns

Historic performance of the SWIP Property Trust from 31 May 2005 to 31 May 2012



Annual Management Charge

Share Class	Initial Charge	Annual Management Charge	Minimum Initial Investment	Minimum Additional Investment
A	5.0%	1.35%	£5,000	£1,000
B	3.75%	0.75%	£10,000,000	£10,000
D	0%	0.67%	£100,000	£10,000
N	0%	0.85%	£1,000	£1,000

Fund details*

Please note that dealing costs for buying and selling investments are reflected in the unit price so you are not charged for them as part of your annual management charge.

Accounting Dates:

31 December (final), 31 March, 30 June and 30 September (interim)

Income Distribution Dates:

28 February (final), 31 May, 31 August and 30 November (interim)

Your investment*

Initial Charge	5.0%
TER	1.46%
Portfolio Turnover Rate	10.39%

Income and accumulation units are available. If you select accumulation units, income earned by the Trust is retained by, and reflected in the value of, the Trust. If you select income units, your units may provide an income. If you take an income it will be paid directly to you and won't be added to the value of your investment.

Units have the same buying and selling price, which is calculated on a daily basis.

How will charges and expenses affect my investment?

The following figures illustrate the effect of charges and expenses on an investment of £1,000 over period of 1, 3, 5 and 10 years. The amount you get back is not guaranteed and will depend on how your investment grows and on the tax treatment of your investment. The figures are for illustration purposes only.

We have assumed a growth rate of 5.25% a year. This is a standard growth rate used by Managers for comparison. However, charges may vary.

Net income distributed (class A units)*

At the end of the year	Investment to date	Effect of deductions to date	Income to date	What you might get back
1	£1,000	£66	£24	£960
3	£1,000	£104	£74	£981
5	£1,000	£146	£125	£1,000
10	£1,000	£274	£258	£1,050

Assumptions: initial charge 5.0% and annual charges and expenses of 1.46%. The last line of the table shows that over 10 years, the effect of the total charges and expenses could amount to £274. Putting it another way, this would have the same effect as bringing investment growth from 5.25% a year down to 3.1% a year.

Net income accumulated (class A units)*

At end of year	Investment to date	Effect of deductions to date	What you might get back
1	£1,000	£67	£985
3	£1,000	£105	£1,060
5	£1,000	£151	£1,140
10	£1,000	£298	£1,360

Assumptions: initial charge 5.0% and annual charges and expenses of 1.46%. The last line of the table shows that over 10 years, the effect of the total charges and expenses could amount to £298. Putting it another way, this would have the same effect as bringing investment growth from 5.25% a year down to 3.2% a year.

*The figures shown apply to class A units only. Should you require information on the other unit classes, contact us on **0800 33 66 00**.

OTHER INFORMATION

How to complain

If you need to complain, firstly contact us at SWIP Fund Management Limited, BNY Mellon House, Ingrave Road, Brentwood, Essex, CM15 8TG
Tel: **0800 33 66 00**

We will provide you with a copy of our complaints handling pack and we will investigate your complaint and provide you with a substantive response.

If you are not satisfied with the response, you have the right to refer your complaint to:

The Financial Ombudsman Service

South Quay Plaza, 183 Marsh Wall,
London, E14 9SR
Tel: **0800 023 4567**

E-mail: **complaint.info@financial-ombudsman.org.uk**

Website:

www.financial-ombudsman.org.uk

Complaining to the Ombudsman will not affect your legal rights.

Conflicts of interest

SWIP has established and implemented a Conflicts Policy (which may be revised and updated from time to time) pursuant to FSA regulations, which sets out how we must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in our day to day business activities, for example, where one of our clients could make a gain at the direct expense of another client, or we might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of our clients.

Depending on the exact nature of the conflict of interest involved, we may take certain actions in accordance with the Conflicts Policy to mitigate the potential impact of the conflict.

Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate the potential material risk of damage to clients from specific conflicts, then we will disclose the general nature and/or source of those conflicts of interest to you prior to us undertaking the relevant business.

If you wish to have further information on the Conflicts Policy, or on any specific conflict of interest that you think might affect you, please contact us.

Terms and conditions

These Key Features give a summary of the Scottish Widows Investment Partnership Property Trust. They do not include all definitions, exclusions and terms and conditions. Further details of the benefits, charges and conditions are given in the Prospectus, which is available free of charge from Scottish Widows Investment Partnership Limited, Edinburgh One, Morrison Street, Edinburgh, EH3 8BE.

Law

For legal purposes, the law of England and Wales will apply to dealings in the units of the SWIP Property Trust.

This information represents SWIP Fund Management Limited's interpretation of the law and HM Revenue & Customs practice as at the date of publication.

The contract terms, and the taxation information provided, assume there is no change in tax or other laws affecting SWIP Fund Management Limited, the Trust, or its investors.

Money laundering regulations

Under these regulations, there is a requirement to prove the identity of people who wish to take out an investment contract. We will require to carry out any searches or you may be asked to supply documents as evidence of your identity and your address. Normally such checks do not result in a delay in dealing. However, we may need to request additional documentation to complete your transactions.

Language

We will communicate with you in English for the duration of your investment.

Compensation

If you make a valid claim against us and we are unable to meet our liabilities with you, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS) established under the Financial Services and Markets Act 2000. The maximum level of compensation you can receive for investment business is £50,000. Further details are available from us or from the FSCS helpline on **0800 678 1100** or on their website at **www.fscs.org.uk**

Parties

Manager

SWIP Fund Management Limited,
33 Old Broad Street, London, EC2N 1HZ

Trustee

National Westminster Bank PLC,
135 Bishopgate, London, EC2M 3UR

Investment Adviser

Scottish Widows Investment
Partnership Limited, Edinburgh One,
Morrison Street, Edinburgh, EH3 8BE

Auditor

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

Registrar

The Bank of New York Mellon
(International) Limited, BNY Mellon
House, Ingrave Road, Brentwood,
Essex, CM15 8TG

Standing Independent Valuer

CB Richard Ellis Limited, St Martin's
Court, 10 Paternoster Row, London,
EC4M 7HP

Solicitors

Dundas & Wilson, Saltire Court,
20 Castle Terrace, Edinburgh, EH1 2EN

FSA

Financial Services Authority (FSA),
25 North Colonnade, Canary Wharf,
London E14 5HS.

How to contact us

If you have any questions at any time
please contact us by:

Telephone: 0800 33 66 00

(Monday to Friday 8:30am and 5:30pm
UK time).

We may record and monitor calls to
help us improve our service.

Address: SWIP Fund Management
Limited, BNY Mellon House, Ingrave
Road, Brentwood, Essex, CM15 8TG.

Scottish Widows Investment Partnership Limited (SWIP) is registered in England and Wales, Company No. 794936. Registered Office is at 33 Old Broad Street, London EC2N 1HZ . Tel: 0131 655 8500. SWIP is authorised and regulated by the Financial Services Authority and is entered on their register under number 193707 (www.fsa.gov.uk).

SWIP Fund Management Limited (SWIP FM) is registered in England and Wales, Company No. 406604. Registered Office is at 33 Old Broad Street, London EC2N 1HZ . Tel: 0131 655 8500. SWIP FM is a unit trust, OEIC and ISA Manager, authorised and regulated by the Financial Services Authority and is entered on their register under number 122135 (www.fsa.gov.uk).

43710 07/12 FP 4611



PERFORM