

## SMA Invesco Global Bond Fund

### About the Fund - 31 December, 2008

#### Fund Objective

The Scottish Mutual Invesco Perpetual Global Bond Fund aims to achieve a good overall investment return in the medium to long term with relative security of capital. The fund intends to invest primarily in international bonds of differing interest yields and maturities. It may include debentures and loan stock and other instruments that the fund managers consider appropriate (which from 13th February 2004 may include shares, units in collective investment schemes, warrants, deposits, derivatives and other permitted investments and transactions).

#### Important Note

Please remember that the value of investments and the income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and you may not get back the full amount invested. Past performance is not necessarily a guide to the future and cannot provide a guarantee of the future returns of a fund. Scottish Mutual makes no guarantee as to the performance of the fund. More than 35% of the value of the Invesco Perpetual Global Bond Fund may consist of Government and public securities, as detailed in the Prospectus. The solvency of organisations with whom the fund invests cannot be guaranteed, and any difficulty may adversely affect the fund's performance. Current tax levels and reliefs are liable to change and their value will depend on the individual's circumstances. Investment returns may be affected by changes in the basis of taxation. Invesco Perpetual has expressed its own views and opinions in this leaflet and these may change.

<b>Fund Type</b>	Life
<b>Fund Management Company</b>	Invesco Perpetual
<b>Fund Universe</b>	ABI Life
<b>Launch Date</b>	28/01/2002
<b>Fund Size</b>	£ 0.58 m
<b>ABI Sector</b>	†Fixed Int - Global
<b>Fund Code (SEDOL)</b>	3128299
<b>Fund Code (ISIN)</b>	GB0031282998
<b>Fund Code (Mex)</b>	SMIGBL

**Past performance figures may use information which is not up to date. Current unit prices can be found at [www.scottishprovident.com](http://www.scottishprovident.com)**

Scottish Mutual Assurance Limited is registered in Scotland No. SC133846. Registered Office: 301 St Vincent Street, Glasgow G2 5HN.  
 Scottish Mutual Investment Managers Limited is registered in Scotland No. SC88674. Registered Office: 50 Bothwell Street, Glasgow G2 6HR.  
 Scottish Mutual PEP and ISA Managers Limited is registered in England No. 971504. Registered Office: 1 Wythall Green Way, Wythall, Birmingham B47 6WG. All companies are authorised and regulated by the Financial Services Authority.

Performance Annual Returns	31/12/07 to 31/12/08	31/12/06 to 31/12/07	31/12/05 to 31/12/06	31/12/04 to 31/12/05	31/12/03 to 31/12/04
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Fund (%)	16.2 %	2.9 %	-4.8 %	5.4 %	1.6 %
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Source: Financial Express. Past performance is not a guide to the future and the value of investments may fall as well as rise. Percentage growth, bid to bid, income re-invested.

#### Performance Accumulative

	3 m	6 m	1 yr	3 yr	5 yr
Fund (%)	13.4 %	15.9 %	16.2 %	13.8 %	21.9 %
Sector Average (%)†	12.5 %	13.9 %	15.5 %	16.7 %	23.3 %

Calculated to 31 December, 2008

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Percentage growth, bid to bid, income re-invested.

#### Performance Analysis

	AGR *	Volatility	Sharp
Fund	4.4	6.9	0.1
Sector Average†	6.1	7.0	0.4

Calculated to 31 December, 2008

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\* AGR - Average annualised growth rate over the past three years where available, bid to bid, income re-invested. Volatility and Sharp calculations are based on data from the past three years where available.

#### Top Ten Holdings

	%	Sector Allocation	%
UNITED STATES TREAS 0.625% APR	4.4	AAA	38.6
JPMORGAN CHS & C 3.625% GTD NTS 12/12/11	4.2	Money Market	17.3
US TREAS BILLS 0% TB 19/03/09	3.5	A	15.0
GEN ELECTRIC CAP SVS 5.625% MTN 01/05/18	3.0	BBB	12.0
US TREAS NTS 4.125% NTS 15/05/15	2.6	AA	6.3
GERMANY(FEDERAL REPUBLIC) 3.5% 04/01/16	2.4	B	5.2
US TREAS NTS 2.75% NTS 28/02/13	2.4	BB	4.8
US TREAS NTS 4.25% 15/11/13	2.1	C	0.6
FED HOME LOAN MORT CP 4.375% 15/1/14	1.7	CCC	0.3
HSBC US\$ PERP FRN	1.7		

As at 31 Dec, 2008

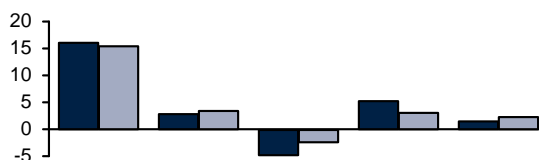
Note: Holdings and sector data is the latest available and serves only to be indicative.

Performance Annual Returns	31/12/07 to 31/12/08	31/12/06 to 31/12/07	31/12/05 to 31/12/06	31/12/04 to 31/12/05	31/12/03 to 31/12/04
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■ Fund (%)	16.2 %	2.9 %	-4.8 %	5.4 %	1.6 %
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■ ABI Sector Average (%)†	15.5 %	3.5 %	-2.4 %	3.2 %	2.4 %
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Quartile Rank Within Sector	3	3	2	1	3
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Past performance is not a guide to the future and the value of investments may fall as well as rise. Percentage growth, bid to bid, income re-invested. Please note quartile ranking relates to the calculated value of the sector median which consists of all primary funds in the relevant sector. This median is not the same as the ABI Sector Average shown.

Scottish Mutual makes no guarantee as to the performance of the fund. Due to the launch date of the fund, only limited performance figures may be available.

**Sharpe Ratio:** A measure of the annual excess return (how much the fund is better or worse than the risk-free rate of return ie the yield on Government Gilts) divided by the annualised standard deviation of returns from the benchmark (a measure of how much the fund return varies from the benchmark over time). Sharpe ratio should be positive and the higher the better. It should be noted that negative Sharpe ratios are misleading and should not be used to compare the risk return characteristics of a fund.

**Volatility:** Volatility is represented by the Lognormal Annual Standard Deviation of the fund, (a measure of how much the fund return varies from the benchmark over time).