

Scottish Widows links to two new funds in the Life and Pension range

Scottish Widows has added to its range of Life and Pension funds by linking to two new external funds, the SW Schroder Income Maximiser Fund and the SW Newton Growth Fund. The funds are available to investors from 3 December 2007.

The two new fund links increase the total life and pension funds available across the Scottish Widows product offering to 126.

The SW Newton Growth Fund

The SW Newton Growth Fund is aimed at clients with an adventurous risk approach who are looking to invest primarily in UK equities. The underlying Newton Growth fund boasts top quartile performance over 1 year and 2nd quartile over 3 and 5 years*. The Fund aims to achieve long-term growth by investing principally in a select portfolio of UK company shares, and may have a small exposure to international equity and bond markets. The freedom to exploit opportunities in the small and mid cap arena means the fund may be able to benefit from valuation anomalies wherever they may arise.

The SW Schroder Income Maximiser Fund

The Schroder Income Maximiser fund is also designed for clients with an adventurous risk approach, and offers the opportunity to invest in the shares of mature, well-established organisations. It uses 'options' to exchange part of the potential capital growth to enhance the income received by the fund. This allows the fund to aim for a 7%** annual yield – significantly higher than other UK equity income funds. This fund has the biggest yield in the Scottish Widows life and pensions fund range.

Alasdair Fraser, Head of Investment Services at Scottish Widows, comments:

“These are funds from key strategic investment partners that will further enhance the choice offered through our life and pension fund range. They are two exciting options which

demonstrate Scottish Widows' willingness to not only select popular funds of today but also to have an eye on the future."

The Newton Growth fund is managed by Richard Wilmot who is A-rated by Standard & Poor's. The Newton UK equity team is responsible for the management of £10bn in funds***. The Schroder Income Maximiser Fund is managed by Richard Lloyd. The underlying Income Fund is AA-rated by OBSR and A-rated by Standard & Poor's****.

For further information IFAs should contact their usual Scottish Widows sales consultant or call 0845 600 8910.

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NOTES TO EDITORS

* Source: Lipper, % growth to 31/10/07, with UK net income reinvested, no initial charge.

** The target yield and yield of 7.4% are net of a 10% tax credit and is not guaranteed. The target yield quoted is an estimate. Annual Management Charges are taken from capital.

***Source: Newton, as at 30 September 2007.

****Source: OBSR 30/6/07, S&P 31/7/07.

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Scottish Widows news releases appear on our website at
www.scottishwidows.co.uk/mediacentre

Scottish Widows was founded in 1815 as Scotland's first mutual life office. Becoming part of the Lloyds TSB Group in 2000, Scottish Widows has become one of the most recognised brands in the life, pensions and investment industry in the UK. The product range includes ordinary long term insurance, such as life assurance, pensions, annuities and permanent health insurance, and savings and investment products. Using a multi-sales network of Financial Advisers, Direct Sales, Direct Marketing, the Internet and via the branch network of Lloyds TSB, Scottish Widows currently employs about 4,000 people.