Scottish Widows. Managed Investment Funds ICVC.

Annual Short Report
for the year ended
30 April 2013

SCOTTISH WIDOWS

Scottish Widows Managed Funds ICVC.

The Company

Scottish Widows Managed Investment Funds ICVC
15 Dalkeith Road
Edinburgh
EH16 5WL

Incorporated in Scotland under registered number IC000171. Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD), Authorised Fund Manager & Registrar

Scottish Widows Unit Trust Managers Limited

Registered Office:

Charlton Place
Andover
SP10 1RE

Head Office:

15 Dalkeith Road
Edinburgh
EH16 5WL

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Management Association.

Investment Adviser

Scottish Widows Investment Partnership Limited

Registered Office:

33 Old Broad Street
London
EC2N 1HZ

Business Address:

Edinburgh One
60 Morrison Street
Edinburgh
EH3 8BE

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Management Association.

Depositary

State Street Trustees Limited

Registered Office:

20 Churchill Place
London
E14 5HJ

Correspondence address:

525 Ferry Road
Edinburgh
EH5 2AW

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

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

Scottish Widows Managed Funds ICVC.

Introduction

Twice a year we are required to send you a Short Report of the Investment Company with Variable Capital (ICVC) in which you're invested. The report covers how the funds in the ICVC have performed and how they are invested. It also includes a review from the funds' managers. Short Reports are important as not only do they keep you up-to-date with fund activity and fund managers' opinion, but they also contain important information about any changes to how the funds operate. However please note that Short Reports don't contain any details about the value of your personal investment. Information that is personal to you is sent to you annually in your OEIC or ISA statement. The statement gives you the value of your investment. You can also get an up-to-date value of your investment by registering at **www.scottishwidows.co.uk/statements**

Contents

Copies of the annual and half-yearly Long Form Report and Financial Statements are available on request. If you would like a copy, please telephone Client Services on 0845 300 2244 or download the Financial Statements from the website **www.scottishwidows.co.uk** which is a website maintained by Scottish Widows plc on behalf of Scottish Widows Unit Trust Managers Limited.

Daily fund prices can also be found at the above website.

Scottish Widows Managed Funds ICVC.

Prospectus changes

During the year and up to the date of this report, the following changes were made to the Company and therefore the following changes were reflected in the Prospectus of Scottish Widows Managed Investment Funds ICVC;

- The wording in the Prospectus was updated on 30 June 2012 to explain that Shares in the Funds are currently only available to be acquired or switched by persons that are resident in the UK (unless the ACD agrees otherwise). The ACD is unable to accept business from persons who are US residents or subsequently become US residents;
- The Prospectus was updated on 30 June 2012 to modify the wording describing the custodian arrangements and to show the current rates of custody charges applicable to each Fund;
- The wording in the Prospectus was updated on 30 June 2012 to explain the method used for the calculation of the global exposure of derivative and forward transactions that may be used by the Funds;
- On 6 April 2013 the Prospectus was updated to explain that the distribution basis for the Cautious Portfolio Fund was moving from a dividend distribution to an interest distribution basis with effect from 1 May 2013;
- With effect from 6 April 2013 the dilution adjustment basis for the Funds was changed so that the ACD may now make a dilution adjustment under the following circumstances:
  - on a Fund where there is a net inflow or net outflow on any Dealing Day; or
  - in any other case where the ACD believes that the imposition of a dilution adjustment is required to safeguard the interests of continuing Shareholders.
- With effect from 29 January 2013 Protected Capital Solutions Fund 1 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 29 January 2013, following which the ACD will issue the termination statements within 4 months of this date;
- With effect from 23 April 2013 Protected Capital Solutions Fund 2 commenced the process of being terminated and was therefore no longer available for further investment and has a planned termination completion date of 30 April 2013, following which the ACD will issue the termination statements within 4 months of this date.

A copy of the Prospectus is available on request.

If you have chosen to view this report online, but now wish to receive a paper version of this report, please contact our Client Services team on **0845 300 2244** to arrange this.

Scottish Widows Managed Funds ICVC.

Important information

- Amendments to the UK Regulations governing Open-Ended Investment Companies and the FCA's Collective Investment Schemes sourcebook which require limitation of liability between sub-funds of the Company came into effect on 21 December 2011. The new segregated liability regime is mandatory and it is our intention to apply to the FCA within the transitional period for approval to amend the Company's Prospectus and Instrument of Incorporation which will provide for this change. The transitional implementation period is open until 20 December 2013.
- It is our intention to change the investment and borrowing powers of the Strategic Growth Portfolio, Stockmarket Growth Portfolio, Momentum Income Portfolio, Balanced Growth Portfolio, Managed Income Portfolio and Dynamic Income Portfolio sub-funds in order to allow each of these sub-funds to invest up to 35% of the value of their scheme property in another regulated collective investment scheme. Under the FCA rules, the sub-funds are permitted to invest up to 35% in other collective investment schemes but the sub-funds have to date been restricted to 20%. We are of the view that it would be in the best interests of shareholders to increase the flexibility of the funds to invest in other collective investment schemes and to raise the permitted level of investment to that permitted by the FCA rules. We have agreed with the Depositary of the Managed Investment Funds ICVC to provide shareholders with 30 days' notice of this proposed change. Therefore, and subject to FCA approval, this change will be effective from 30th September 2013 and does not change the risk profile of these sub-funds.

Balanced Growth Portfolio.

for the year ended 30 April 2013

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing principally in a balance of equity funds and fixed interest security funds (including a small proportion in index-lined securities), within the Lloyds Banking Group. Exposure will be mainly to UK investments but with a significant proportion overseas.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 4 because it has experienced medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The Balanced Growth Portfolio invests in a mixture of equities and bonds. The period under review presented a number of challenges for investors in all asset classes. However, most asset classes gained ground over the last year, helping the Fund produce a gain of 12.13%.

Some of the best gains were produced by investments in equity markets. In the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a large proportion of their profits overseas and investors took encouragement from economic developments abroad.

In particular, the actions of central banks have been key. Throughout the last year, monetary authorities have been engaging in policies such as "quantitative easing" to try and boost their economies. Most recently, the Bank of Japan unveiled a programme of stimulus measures worth ¥7 trillion (£923 billion). This will involve buying a range of assets, including bonds and equities. The intention is to force down borrowing costs, while boosting inflation and economic growth. Similar, albeit less drastic, measures have been undertaken by the Bank of England, the European Central Bank and the US Federal Reserve. These have boosted confidence among investors that something is being done to promote global economic recovery.

The Fund also invests in bonds issued by both governments and companies. Government bond prices have rocketed in recent years because of their perceived status as a safe investment. As a result, yields are at record lows and we do not consider that they represent good value at current levels. The Fund has a relatively small position in this asset class.

Corporate bonds offer slightly better value, although yields have also been driven lower and prices higher by the sheer weight of money chasing an asset where not enough new debt is being issued to meet demand. High yield bonds have performed particularly well. This is one of our favoured areas within bond markets, as corporate balance sheets are generally in good health, making the extra yield provided by the asset class look attractive.

Balanced Growth Portfolio (continued).

Investment Manager's Review (continued)

In terms of Fund performance, holdings in international stock markets have produced particularly strong returns in recent months. However, stock selection was less positive within some of the underlying global equity funds. On the plus side, the Fund's corporate and international bond holdings have performed comparatively well, enhancing returns to investors.

In terms of activity, we increased the Fund's exposure to US and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to these markets since the start of the year. The increase in Japanese and US equities was funded by the sale of European equities, which we think could be susceptible to further political risks and Asia Pacific equities. We also further reduced holdings in government bonds.

Looking ahead, we believe that the Fund's current positioning leaves it well placed to participate in any future stock market gains, while providing a degree of protection to investors through holdings in bond markets. Overall, we are cautiously optimistic about the global economy's continuing recovery. This view is reflected in the composition of the portfolio through the comparatively large equity weighting and the corresponding lack of exposure to government bonds.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.60	n/a
T Accumulation	1.50	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	97.56	99.31
Oil & Gas	0.59	-
Utilities	0.32	-
Technology	0.26	-
Derivatives	0.08	0.08
Net other assets	1.19	0.61
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	160.81	143.49	12.07
T Accumulation	152.03	135.53	12.17

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Balanced Growth Portfolio A Accumulation	12.13	0.00	7.33	26.13	(16.01)	(1.71)

Sources: Lipper for Balanced Growth Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.8436
T Accumulation	1.8731

Top five holdings

	30/04/13 %		30/04/12 %
1. Halifax UK FTSE All-Share Index-Tracking Fund I Inc	17.27	Scottish Widows UK Equity Income Fund A Acc	12.99
2. Scottish Widows UK All Share Tracker Fund I Acc	16.60	Scottish Widows UK Growth Fund A Acc	12.30
3. Scottish Widows Corporate Bond Fund A Acc	12.96	Scottish Widows Corporate Bond Fund A Acc	10.09
4. Halifax International Growth Fund I Inc	6.74	Scottish Widows Global Growth Fund A Acc	10.03
5. Scottish Widows Global Growth Fund A Acc	6.67	Scottish Widows Gilt Fund A Acc	9.44

Number of holdings: 46

Number of holdings: 28

Balanced Portfolio Fund.

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing mainly in multi-manager funds (funds which select specialist investment managers to manage different elements of the overall Fund). This Fund will invest in a balance of equity and fixed interest security funds, in UK and overseas markets. The fixed interest securities will mainly be investment grade securities. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group.

Investment grade securities have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than securities with a lower credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK and Ireland. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 4 because it has experienced medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

In bond markets, the period began with a risk adverse month, where safe haven government bonds strongly outperformed credit markets. This was attributable to indecisive Greek elections and issues in the Spanish banking sector. The second quarter was more optimistic with sentiment largely driven by EU summit proposals that could lead in the near term toward a banking union, direct recapitalisation of banks (avoiding increasing sovereign debt-to-GDP ratios) and potential for the European Stability Mechanism (ESM) to purchase sovereign debt in the secondary market. Government bonds were also boosted by the promise of further quantitative easing in the US and the UK, as well as the planned bond-purchase programme in Europe. Continued weakness in global economic activity was a tailwind for sovereign debt in the safest economies although some already high valuations and the strong risk seeking behaviour during the third quarter weighed on gains.

The fourth quarter was generally positive for fixed income risk despite slightly negative index returns. The primary driver was Japan, whose surprise election in December, ushered in the return of Shinzo Abe as prime minister advocating aggressively loose central bank policy. While the Japan yield curve was largely unchanged over the quarter the Japanese Yen sold off by more than 10% versus the US Dollar and Euro. Peripheral European sovereign debt posted particularly strong returns and outperformed German bunds and UK gilts, as markets became even more confident that a Eurozone break up would not occur in the near term. In the US uncertainty stemmed from the presidential election and fiscal cliff negotiations combined with the Federal Reserve's announcement that it would augment quantitative easing three (QE3) with an additional $45 billion of treasury purchases.

Global fixed income markets remained dominated by policy and politics during the first quarter of 2013, impacted by speculation and outcomes in such notable events as the US sequester and debt ceiling, the inconclusive Italian election, the botched Cypriot bank resolution, and European Central Bank (ECB) and Federal Reserve comments/minutes. The negative index return was driven by sell offs in the Euro (on ECB President Mario Draghi statements, Cyprus), Sterling (on Bank of England indicating it might tolerate higher inflation) and Japanese Yen. April was a more positive month with yields on US, German and UK government bonds falling whilst peripheral European yields also declined sharply amid political resolution in Italy and continued belief in the Draghi backstop.

In equity markets, the period started with a significant correction, precipitated by political and economic turmoil in the eurozone. France elected the socialist Hollande as president whilst a fragile pro-euro coalition finally took power in Greece. Emerging Markets succumbed to fears over slowing growth whilst the US resumed its role as a relative safe haven. A late June European summit, decided that funds in the ESM could be directly used for bank recapitalisations for any country that has made good progress in implementing prescribed reforms and fiscal tightening. The third quarter was more constructive as central banks across the world offered additional monetary support. The positive momentum continued into the fourth quarter when sentiment was lifted by the conclusion of the US presidential election, indications

Balanced Portfolio Fund (continued).

Investment Manager's Review (continued)

of less dire economic trends, and modest albeit unsteady progress towards resolution of sovereign default risks in the euro markets. Less apparent story lines included a strong rally for Japanese stocks that was largely obscured by the concomitant depreciation of the yen.

In emerging markets China completed its leadership transition with the election of a new standing committee. Eurozone shares gained on indications that the worst of scenarios for the eurozone, had been averted. In the early part of 2013 global equity markets defied headline events and macroeconomic uncertainty. The US and the Japanese markets marched ahead, while Europe and Emerging Markets lagged. Although automatic budget cuts were not averted the underlying developments in the US economy bolstered investors' confidence. In Europe, indecisive Italian elections generated uncertainty in March whilst Cyprus became the latest country to be rescued by the EU, IMF and the ECB. Meanwhile, Japan took bold steps in attempting to break the deflationary spiral that has haunted the economy for decades. Markets continued to rally through April with European markets boosted by the formation of a coalition government in Italy. This and a modest start to corporate earnings season offset mediocre economic data with major indices touching, or surpassing, all time highs.

Russell's manager research, selection and monitoring process aims to maintain the best manager mix within the funds; this is an on going process with approx 15% of managers being changed in some way each year. The Balanced Portfolio Fund is constructed from 13 underlying SWIP and Russell funds. Over the period there have been manager changes within five of these - Russell US Small Cap Equity Fund, Russell Japan Equity Fund, Russell Pacific Basin Equity Fund, Russell Global Bond Fund and Russell II Global Bond Fund Euro Hedged.

The Balanced Portfolio holds 50% equities and 50% bonds. The Fund returned 12.89% over the period.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	2.00	n/a
X Accumulation	0.60	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	99.80	98.67
Derivatives	(0.02)	1.42
Net other assets/(liabilities)	0.22	(0.09)
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	152.43	134.98	12.93
X Accumulation	172.01	150.63	14.19

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Balanced Portfolio Fund A Accumulation	12.89	1.66	6.07	26.29	(15.05)	(1.93)
Mixed Investment 20-60% Shares Sector Average Return*	12.05	(0.79)	5.91	21.91	(15.05)	(3.79)

Source: Lipper for Balanced Portfolio Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Mixed Investment 20-60% Shares Sector – Funds investing in a range of assets with the maximum equity exposure restricted to 60% of the Fund and with at least 30% invested in fixed interest and cash. There is no specific requirement to hold a minimum % of non-UK equity within the equity limits. Assets must be at least 60% in US Dollar/Sterling/Euro of which 30% must be in Sterling and equities are deemed to include convertibles.

* The IMA changed the name of the Cautious Managed Sector to the Mixed Investment 20-60% Shares Sector, effective from 1 January 2012.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.7068
X Accumulation	3.6834

Top five holdings

	30/04/13 %		30/04/12 %
1. Russell US Equity Fund I Acc	17.21	Russell US Equity Fund I Acc	16.88
2. Russell Global Bond Euro Hedged Fund I Acc	10.46	Russell Global Bond Fund I Acc	10.37
3. Russell Global Bond Fund I Acc	10.45	Russell US Bond Fund I Acc	10.36
4. Russell Euro Fixed Income Fund I Acc	10.29	Russell Global Bond Euro Hedged Fund I Acc	10.34
5. Russell US Bond Fund I Acc	10.23	Russell Euro Fixed Income Fund I Acc	10.30
Number of holdings: 26		Number of holdings: 22	

Cash Fund.

for the year ended 30 April 2013

Fund Profile

Fund objectives and investment policy

To give an income with a level of capital security. The Fund will invest in certificates of deposit, short dated gilts, treasury bills and money market instruments such as bank and building society deposits, local authority bonds and local authority deposits.

Investors should aim to hold their investment in this Fund for the medium to long term (at least five to ten years).

Any income received by the Fund in respect of accumulation shares is retained in the Fund and has the effect of increasing the share price. Any income received by the Fund in respect of income shares will be paid out to you.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- To help generate extra capital or income for the Fund with an acceptably low level of risk.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

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Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 1 because it has experienced very low levels of volatility over the past 5 years.
The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

Money markets were primarily driven by central banks and their raft of unconventional policy response over the last 12 months. Interest rates remained at historic lows in the UK, Europe and the US. The Bank of England's monetary policy committee (MPC) has also tried to breathe life into the UK's faltering economy through its quantitative easing (QE) operations. The last instalment – in July 2012 – took its asset-purchase programme to £375 billion. The US Federal Reserve, meanwhile, pledged to pump $85 billion into the US economy until the unemployment rate drops to 6.5% (from its current 7.5%). Elsewhere, the Bank of Japan said it would double its monetary base by buying government bonds and other assets in order to tackle deflation.

But it was perhaps European Central Bank President Mario Draghi who had the biggest impact on markets. His pledge in the summer to do "whatever it takes" to save the euro brought much-need calm to the region. He certainly has his work cut out. In March this year, Cyprus became the latest nation to require a bailout after its banking sector nearly collapsed. Italy also created waves after it took two-months of political stalemate before a new president was elected following an inconclusive general election.

Across the Atlantic, Barack Obama secured a second term in the White House after winning the US election in November. His first priority, though, was to steer the country away from the impending "fiscal cliff". This was the name of the huge tax hikes and spending cuts that were set to kick in on 1 January if a new budget couldn't be agreed. After much political mudslinging, a deal was done, one that will see taxes raised on the "wealthiest" Americans. Recently, however, the sequestration came into effect. The full impact of the cuts – potentially totalling $1.1 trillion over ten years – has yet to be felt, although some commentators have said it could strip around 0.6 percentage points out of the economy.

Cash Fund (continued).

Investment Manager's Review (continued)

Closer to home, the UK became the latest G7 economy to be stripped of its prized triple-A credit rating in February, much to the chagrin of Chancellor George Osborne. Moody's, the ratings agency, cited the ongoing weakness in the UK economy for its decision. But while the downgrade attracted much sensationalist media coverage, the UK's borrowing costs were little changed following the news.

Recent economic data has been slightly more encouraging. After much nail-biting - not least by George Osborne over at Number 11 – it was revealed this month that the UK had avoided the dreaded "triple-dip" recession. Gross domestic Product came in at 0.3% for the first three months of 2013, after contracting by the same amount in Q4. Growth was driven by the UK's huge service sector – accounting for some three-quarters of economic activity - while the oil & gas sector also lent a hand.

But although the performance was better than expected, the accompanying celebrations are likely to be muted. The UK economy is still smaller than it was before the 2008 financial crisis, and no bigger than it was 18 months ago. The construction sector also remains weak.

Meanwhile, Mark Carney, the incoming Bank of England chief, reaffirmed his desire to introduce "forward guidance" when he takes over in July. This would see the Bank commit to keeping interest rates low until economic conditions improve. It is hoped this will encourage households and businesses to borrow in order to expand their activities.

Turning to recent activity, the Fund was positioned to ensure it could meet its primary objectives – liquidity and capital preservation. This was achieved by acquiring good-quality liquid assets in the one- to three-month range. This strategy will be ongoing.

The outlook for the global economy is certainly better than it was 12 months ago – but challenges remain. The US economy is in relatively good shape. Its all-important housing market has finally turned a corner, while jobs and consumer confidence are up. Banks have deleveraged and are lending. The Federal Reserve's QE programme is ongoing. Importantly, the monetary policy transmission mechanism is working far better than it is in Europe.

Then there is China. The country's outlook remains uncertain, with the handover of power proving more cumbersome than predicted. China is also going through the difficult process of rebalancing. This juggling act is tricky – and creates uncertainty. The eurozone also remains a source of concern, with the chance that policy missteps could see the crisis flare up once more weighing on investors' minds.

However, we think that as the US recovery becomes more ingrained and the picture in China clears, we should see confidence take hold in the latter stages of 2013.

Cash Fund (continued).

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	0.62	n/a
A Income	0.62	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Short Term Deposits	85.69	94.33
Net other assets	14.31	5.67
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	177.99	178.05	(0.03)
A Income	99.91	99.97	(0.06)

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Cash Fund A Accumulation	0.00	0.23	0.11	0.06	2.13	4.08
Short Term Money Market Sector Average Return*	0.49	0.44	N/A	N/A	N/A	N/A
Money Market Sector Average Return*	N/A	N/A	0.08	1.08	0.47	3.77

Source: Lipper for Cash Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Short Term Money Market Sector - Funds which invest their assets in money market instruments and comply with the definition of a 'Short Term Money Market' Fund set out in the COLL Sourcebook.

* The IMA created two money market sectors, effective from 1 January 2012. As a result the Cash Fund's sector has changed from the Money Market Sector to the Short Term Money Market Sector.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13	%	30/04/12	%
1.	Bank of Tokyo Mitsubishi 0.5% 13/05/2013	4.64	ABN AMRO Bank 0.75% 11/06/2012	4.29
2.	HSBC 0.46% 12/07/2013	4.64	Bank Deutsche Zentrale 0.76% 28/05/2012	4.29
3.	JP Morgan Chase 0.48% 05/09/2013	4.64	Bank of Nova Scotia 0.8% 02/08/2012	4.29
4.	Barclays Bank 0.5% 15/08/2013	4.63	Bank of Tokyo Mitsubishi 0.72% 12/07/2012	4.29
5.	BNP Paribas 0.46% 28/05/2013	4.63	Barclays Bank 0.7% 27/06/2012	4.29
6.	Credit Industriel 0.58% 12/09/2013	4.63	BNP Paribas 1.29% 14/05/2012	4.29
7.	Deutsche Bank 0.48% 29/07/2013	4.63	Credit Agricole 0.73% 10/05/2012	4.29
8.	DZ Bank 0.46% 03/06/2013	4.63	Credit Suisse First Boston 0.65% 16/07/2012	4.29
9.	Helaba Lesdesbank Hessen-Thuringen 0.47% 09/07/2013	4.63	Denmark Norske Bank 0.7% 10/07/2012	4.29
10.	ING Bank 0.5% 06/06/2013	4.63	Deutsche Bank 0.79% 19/07/2012	4.29
11.	Mizuho Corporate Bank 0.495% 07/05/2013	4.63	ING Bank 1.06% 06/06/2012	4.29
12.	National Bank of Abu Dhabi 0.46% 15/07/2013	4.63	Lloyds Banking 1.06% 08/05/2012	4.29
13.	Nationwide Building Society 0.65% 03/05/2013	4.63	National Austalia Bank 1% 08/05/2012	4.29
14.	Nordea Bank Finland 0.49% 04/06/2013	4.63	National Bank of Abu Dhabi 0.75% 08/05/2012	4.29
15.	Overseas-Chinese Banking 0.415% 12/06/2013	4.63	Nationwide Building Society 1.02% 03/05/2012	4.29
16.	Societe Generale 0.45% 13/05/2013	4.63	Nordea Bank Finland 0.89% 03/09/2012	4.29
17.	Standard Chartered Bank 0.0000001% 22/05/2013	4.63	Oversea-Chinese Banking 0.745% 16/05/2012	4.29
18.	Sumitomo Mitsui Banking 0.0000001% 04/06/2013	4.63	Rabobank 0.98% 12/09/2012	4.28
19.	Denmark Norske Bank 0.51% 03/06/2013	2.32	Skandinaviska Enskilda Banken 0.75% 05/07/2012	4.28
20.			Societe General 0.66% 14/05/2012	4.28
21.			Standard Chartered Bank 1% 27/06/2012	4.28
22.			Svenska Handelsbanken 1.2% 13/07/2012	4.28

Number of holdings: 19 Number of holdings: 22

Cautious Portfolio Fund.

for the year ended 30 April 2013

Fund Profile

Fund objectives and investment policy

To give income, with the potential for some long-term capital growth, by investing mainly in multi-manager funds (funds which select specialist investment managers to manage different elements of the overall fund). This Fund will invest at least 80% in fixed interest security funds and a low proportion in equity funds, in UK and overseas markets. The fixed interest securities will mainly be investment grade securities. The multi-manager Funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group.

Investment grade securities have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than securities with a lower credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund in respect of accumulation shares is retained in the Fund and has the effect of increasing the share price. Any income received by the Fund in respect of income shares will be paid out to you.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates and Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 4 because it has experienced medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

In bond markets, the period began with a risk adverse month, where safe haven government bonds strongly outperformed credit markets. This was attributable to indecisive Greek elections and issues in the Spanish banking sector. The second quarter was more optimistic with sentiment largely driven by EU summit proposals that could lead in the near term toward a banking union, direct recapitalisation of banks (avoiding increasing sovereign debt-to-GDP ratios) and potential for the European Stability Mechanism (ESM) to purchase sovereign debt in the secondary market. Government bonds were also boosted by the promise of further quantitative easing in the US and the UK, as well as the planned bond-purchase programme in Europe. Continued weakness in global economic activity was a tailwind for sovereign debt in the safest economies although some already high valuations and the strong risk seeking behaviour during the third quarter weighed on gains.

The fourth quarter was generally positive for fixed income risk despite slightly negative index returns. The primary driver was Japan, whose surprise election in December, ushered in the return of Shinzo Abe as prime minister advocating aggressively loose central bank policy. While the Japan yield curve was largely unchanged over the quarter the Japanese Yen sold off by more than 10% versus the US Dollar and Euro. Peripheral European sovereign debt posted particularly strong returns and outperformed German bunds and UK gilts, as markets became even more confident that a Eurozone break up would not occur in the near term. In the US uncertainty stemmed from the presidential election and fiscal cliff negotiations combined with the Federal Reserve's announcement that it would augment quantitative easing three (QE3) with an additional $45 billion of treasury purchases.

Cautious Portfolio Fund (continued).

Investment Manager's Review (continued)

Global fixed income markets remained dominated by policy and politics during the first quarter of 2013, impacted by speculation and outcomes in such notable events as the US sequester and debt ceiling, the inconclusive Italian election, the botched Cypriot bank resolution, and European Central Bank (ECB) and Federal Reserve comments/minutes. The negative index return was driven by sell offs in the Euro (on ECB President Mario Draghi statements, Cyprus), Sterling (on Bank of England indicating it might tolerate higher inflation) and Japanese Yen. April was a more positive month with yields on US, German and UK government bonds falling whilst peripheral European yields also declined sharply amid political resolution in Italy and continued belief in the Draghi backstop.

In equity markets, the period started with a significant correction, precipitated by political and economic turmoil in the eurozone. France elected the socialist Hollande as president whilst a fragile pro-euro coalition finally took power in Greece. Emerging Markets succumbed to fears over slowing growth whilst the US resumed its role as a relative safe haven. A late June European summit, decided that funds in the ESM could be directly used for bank recapitalisations for any country that has made good progress in implementing prescribed reforms and fiscal tightening. The third quarter was more constructive as central banks across the world offered additional monetary support. The positive momentum continued into the fourth quarter when sentiment was lifted by the conclusion of the US presidential election, indications of less dire economic trends, and modest albeit unsteady progress towards resolution of sovereign default risks in the euro markets. Less apparent story lines included a strong rally for Japanese stocks that was largely obscured by the concomitant depreciation of the yen.

In emerging markets China completed its leadership transition with the election of a new standing committee. Eurozone shares gained on indications that the worst of scenarios for the eurozone, had been averted. In the early part of 2013 global equity markets defied headline events and macroeconomic uncertainty. The US and the Japanese markets marched ahead, while Europe and Emerging Markets lagged. Although automatic budget cuts were not averted the underlying developments in the US economy bolstered investors' confidence. In Europe, indecisive Italian elections generated uncertainty in March whilst Cyprus became the latest country to be rescued by the EU, IMF and the ECB. Meanwhile, Japan took bold steps in attempting to break the deflationary spiral that has haunted the economy for decades. Markets continued to rally through April with European markets boosted by the formation of a coalition government in Italy. This and a modest start to corporate earnings season offset mediocre economic data with major indices touching, or surpassing, all time highs.

Russell's manager research, selection and monitoring process aims to maintain the best manager mix within the funds; this is an on going process with approx 15% of managers being changed in some way each year. The Cautious Portfolio Fund is constructed from 13 underlying SWIP and Russell funds. Over the period there have been manager changes within five of these - Russell US Small Cap Equity Fund, Russell Japan Equity Fund, Russell Pacific Basin Equity Fund, Russell Global Bond Fund and Russell II Global Bond Fund Euro Hedged.

The Cautious Portfolio Fund is the most conservative portfolio in the Scottish Widows Multi Manager Fund range, with 15% in equities and 85% in Bonds. The Fund returned 9.45% over the period.

Cautious Portfolio Fund (continued).

Distribution

XD dates	Payment dates
31/01/13	31/03/13
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.50	n/a
A Income	1.50	n/a
X Accumulation	0.60	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	99.51	97.75
Derivatives	(0.05)	2.42
Net other assets/(liabilities)	0.54	(0.17)
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	158.64	144.93	9.46
A Income	126.45	117.84	7.31
X Accumulation	171.52	155.57	10.25

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Cautious Portfolio Fund A Accumulation	9.45	4.85	3.99	20.27	(7.69)	0.25
Global Bond Sector Average Return	10.08	2.91	2.44	13.65	10.08	7.10

Source: Lipper for Cautious Portfolio Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Global Bonds Sector - Funds which invest at least 80% of their assets in fixed interest securities. All funds which contain more than 80% fixed interest investment are to be classified under this heading regardless of the fact that they may have more than 80% in a particular geographic sector, unless the geographic area is the UK, when the fund should be classified under the relevant UK (Sterling) heading.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Third interim 31/01/13 (p)	Final 30/04/13 (p)
A Accumulation	0.4590	0.5029
A Income	0.3678	0.4011
X Accumulation	0.7937	0.8399

Top five holdings

30/04/13	%	30/04/12	%
1. Russell Global Bond Euro Hedged Fund I Inc	17.73	Russell Euro Fixed Income Fund I Inc	17.90
2. Russell Global Bond Fund I Inc	17.70	Russell US Bond Fund I Inc	17.45
3. Russell Euro Fixed Income Fund I Inc	17.54	Russell Global Bond Euro Hedged Fund I Inc	17.24
4. Russell US Bond Fund I Inc	17.54	Russell Global Bond Fund I Inc	16.96
5. Russell Sterling Bond Fund I Inc	13.65	Russell Sterling Bond Fund I Inc	13.49

Number of holdings: 39

Number of holdings: 29

Dynamic Income Portfolio.

Fund Profile

Fund objectives and investment policy

To give income with some potential for long-term capital growth. To do so by investing principally in Funds within the Lloyds Banking Group. The portfolio will invest mainly in fixed interest security funds (including a limited proportion in index-linked securities) with a significant proportion in equity funds. Exposure will be mainly to UK investments but with a significant proportion overseas.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund in respect of accumulation shares is retained in the Fund and has the effect of increasing the share price. Any income received by the Fund in respect of income shares will be paid out to you.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates and Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 4 because it has experienced medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The portfolio is invested in a blend of bonds and equities. Over the year to the end of April, the Fund produced a return of 11.90%.

The last twelve months have brought about a marked increase in investor confidence. This has been of benefit to assets that traditionally provide a higher return for investors prepared to shoulder some extra risk. Equities and corporate bonds have been two of the major beneficiaries of this improvement in sentiment.

One of the Fund's largest positions is in corporate bonds. Yields within the asset class have been driven lower and prices higher by the sheer weight of money chasing an asset where not enough new debt is being issued to meet demand. High yield bonds are issued by companies that are not as financially stable as investment grade corporate bond issuers, but offer a higher payout. They have performed particularly well over the last year. This is one of our favoured areas within bond markets, as corporate balance sheets are generally in good health, making the extra yield provided by the asset class look attractive

By contrast, returns from government bonds have been more pedestrian, but still positive. Government bond prices have rocketed in recent years because of their perceived status as a safe investment, with the result that yields are now close to record lows. Even though the UK has been stripped of its triple-A credit rating by ratings agency Moody's, Gilts continue to be regarded as a safe-haven asset. This perception continues to hold down yields. Even when fellow ratings agency Fitch also removed UK's triple-A rating in April, the impact on the bond market was negligible. However, we do not consider that government bonds represent good value at current levels. The Fund has a relatively small position in this asset class.

A significant portion of the portfolio is invested in equities, which helped deliver good returns over the year. In the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a

Dynamic Income Portfolio (continued).

Investment Manager's Review (continued)

large proportion of their profits overseas and investors took encouragement from economic developments abroad. These positive developments, particularly in the US, helped international stock markets to deliver impressive gains.

Although the Fund's holdings in international stock markets have produced particularly strong returns in recent months, stock selection was less positive within some of the underlying global equity funds. On the plus side, the Fund's corporate and international bond holdings have performed comparatively well, enhancing returns to investors.

In terms of activity, we increased the Fund's exposure to US and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to these markets since the start of the year. The increase in Japanese and US equities was funded by the sale of European equities, which we think could be susceptible to further political and economic risks. We also further reduced holdings in government bonds.

Looking ahead, the level of economic activity is not showing any sign of a rapid decline. As a result, we remain cautiously optimistic about the ongoing global economic recovery. This view is reflected in the composition of the portfolio through the comparatively large equity weighting and the corresponding lack of exposure to government bonds. However, further volatility is likely and investing in a diversified portfolio that spreads risk across equities and bonds and throughout regions remains a sensible policy.

Distribution

XD dates	Payment dates
31/01/13	31/03/13
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.37	n/a
A Income	1.37	n/a
B Accumulation	1.37	n/a
B Income	1.37	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	98.61	99.15
Derivatives	0.11	0.11
Net other assets	1.28	0.74
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	192.68	172.24	11.87
A Income	99.40	90.25	10.14
B Accumulation	193.31	172.80	11.87
B Income	99.40	90.25	10.14

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Dynamic Income Portfolio A Accumulation	11.90	2.14	6.78	24.72	(14.05)	(1.07)

Source: Lipper for Dynamic Income Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Third interim 31/01/13 (p)	Final 30/04/13 (p)
A Accumulation	0.5794	0.8203
A Income	0.3011	0.4250
B Accumulation	0.5814	0.8230
B Income	0.3011	0.4249

Top five holdings

	30/04/13	%	30/04/12	%
1.	Scottish Widows UK Equity Income Fund X Acc	19.66	SWIP High Yield Bond Fund A Inc	10.89
2.	Scottish Widows Corporate Bond Fund A Inc	13.04	Scottish Widows UK Equity Income Fund A Inc	10.47
3.	SWIP High Yield Bond Fund A Inc	10.55	Scottish Widows Corporate Bond Fund A Inc	10.12
4.	SWIP Corporate Bond Plus Fund A Inc	10.10	Scottish Widows Global Growth Fund A Acc	10.06
5.	Scottish Widows UK Index-Linked Tracker Fund I Inc	6.12	SWIP Corporate Bond Plus Fund A Inc	9.95

Number of holdings: 41 | Number of holdings: 28

International Equity Tracker Fund. for the year ended 30 April 2013

Fund Profile

Fund objectives and investment policy

To give a total return by tracking the performance of a number of international equity indices. The proportion of each index is decided by referring to the 'Pooled with Property' benchmark, published by Combined Actuarial Performance Services. The Fund invests primarily in derivatives. The Fund uses a number of methods to track the underlying country and regional equity markets. Discretion may be used in deciding which investments in the index will be included in the Fund.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- To help generate extra capital or income for the Fund with an acceptably low level risk.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 6 because it has experienced high levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

Global equity markets registered solid gains over the reporting period. The net return for the Fund was 22.42%. This compares to the 23.41% gross return of its benchmark.

2012 got off to a buoyant start amid growing confidence that the actions of European policymakers would help rescue the eurozone from economic disaster. That early optimism dissipated on fresh concerns about the state of the Greek economy. These concerns grew to encompass Italy and Spain, affecting stock prices. But in July, European Central Bank officials made a pledge to support the euro, which bolstered confidence and fuelled an upturn in risk appetite.

The challenges faced by the global economy have continued into recent months. In the US, $85 billion of government spending cuts began to be rolled out at the beginning of March. In Cyprus, a deposit levy designed to fund the country's own contribution to its international bailout was rejected by parliament, leading to last-minute negotiations over a new deal to avoid a threatened withdrawal of emergency funds by the European Central Bank (ECB).

Nevertheless, positive economic developments in the world's largest economies, particularly the United States (excluding the country's employment figures for March, which failed to meet expectations), have helped investors to stay relatively sanguine.

In addition, the world's major central banks have continued to signal their commitment to exceptional monetary stimulus over an extended period. Nowhere is this more evident than in Japan, which is now pursuing a more aggressive brand of monetary policy. In April, investors took confidence from the Bank of Japan's decision to double the amount of government bonds it buys each month to more than ¥7 trillion. The monetary authority also plans to increase its purchases of other assets such as real estate investment trusts and exchange-traded funds.

While our medium-term view of equity markets is constructive, the near-term picture is more complicated. Challenges in the eurozone with regard to fiscal positions and growth remain, while devaluation of the yen will affect export competitiveness.

International Equity Tracker Fund (continued).

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
I Accumulation	0.61	n/a
X Accumulation	0.11	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Short Term Deposits	78.47	79.04
Financials	7.31	8.82
Derivatives	2.67	(2.52)
Net other assets	11.55	14.66
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
I Accumulation	178.03	145.36	22.48
X Accumulation	186.36	151.54	22.98

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
International Equity Tracker Fund I Accumulation	22.42	(6.50)	7.39	32.60	(21.72)	0.43
Global Growth Sector Average Return	18.23	(5.59)	8.11	32.45	(21.36)	(1.46)
International Equity Customised Benchmark	23.41	(6.49)	9.94	35.52	(19.51)	4.03

Source: Lipper for International Equity Tracker Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Global Sector - Funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region.

The International Equity Customised Benchmark is calculated internally using combined Actuarial Performance Services (CAPS) weightings and index returns sourced from Datastream.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
I Accumulation	-
X Accumulation	0.3370

Top five holdings

	30/04/13 %		30/04/12 %
1. Short Term Deposits	78.47	Short Term Deposits	79.04
2. iShares MSCI Emerging Markets Index Fund	3.68	SWIP Emerging Markets Fund A Acc	6.05
3. SWIP Emerging Markets Fund A Acc	3.63	iShares MSCI Emerging Markets Index Fund	2.77
4. TOPIX Index Futures June 2013	1.61	S&P 500 Index Futures June 2012	0.80
5. S&P 500 Index Futures June 2013	1.09	ASX SPI 200 Index Futures June 2012	0.18

Number of holdings: 69

Number of holdings: 49

Managed Income Portfolio.

Fund Profile

Fund objectives and investment policy

To give an income, or growth (when income is kept in the Portfolio). To do so by investing principally in funds within the Lloyds Banking Group. The Portfolio will invest predominantly in fixed interest security funds (including a small proportion in index-linked securities), with a small proportion in one or more equity funds. Exposure will be mainly to UK investments but with significant proportion overseas.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund in respect of accumulation shares is retained in the Fund and has the effect of increasing the share price. Any income received by the Fund in respect of income shares will be paid out to you.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 3 because it has experienced low to medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The bulk of the portfolio is invested in bonds issued by governments and companies. Over the twelve months to the end of April, the Fund generated a return of 9.46%.

One of the Fund's largest positions is in corporate bonds. Yields within the asset class have been driven lower and prices higher by the sheer weight of money chasing an asset where not enough new debt is being issued to meet demand. High yield bonds are issued by companies that are not as financially stable as investment grade corporate bonds, but offer a higher payout. They have performed particularly well over the last year. This is one of our favoured areas within bond markets, as corporate balance sheets are generally in good health, making the extra yield provided by the asset class look attractive

By contrast, returns from government bonds have been more pedestrian, but still positive. Government bond prices have rocketed in recent years because of their perceived status as a safe investment, with the result that yields are now close to record lows. Even though the UK has been stripped of its triple-A credit rating by ratings agency Moody's, Gilts continue to be regarded as a safe-haven asset. This perception continues to hold down yields. Even when fellow ratings agency Fitch also removed UK's triple-A rating in April, the impact on the bond market was negligible. However, we do not consider that they represent good value at current levels. The Fund has a relatively small position in this asset class.

Although the Fund only has a relatively small position in equities, this helped enhance returns. In the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a large proportion of their profits overseas and investors took encouragement from economic developments abroad.

Managed Income Portfolio (continued).

Investment Manager's Review (continued)

While the Fund's holdings in equities have produced strong returns in recent months, stock selection was less positive within some of the underlying UK equity funds. On the plus side, the Fund's corporate and international bond holdings have performed comparatively well, enhancing returns to investors.

In terms of activity, we increased the Fund's exposure to UK and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to Japan since the start of the year. These purchases were funded mainly by the sale of European equities and government bonds.

Looking ahead, the level of economic activity is not showing any sign of a rapid decline. As a result, we remain cautiously optimistic about the ongoing global economic recovery. This view is reflected in the composition of the portfolio. However, further volatility is likely and investing in a diversified portfolio that spreads risk across bond markets and throughout regions remains a sensible policy.

Distribution

XD dates	Payment dates
31/01/13	31/03/13
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.39	n/a
A Income	1.39	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	98.50	98.52
Derivative	0.10	0.53
Net other assets	1.40	0.95
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	149.19	136.29	9.47
A Income	118.53	110.28	7.48

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Managed Income Portfolio A Accumulation	9.46	5.01	4.68	19.81	(6.84)	0.00

Source: Lipper for Managed Income Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Third interim 31/01/13 (p)	Final 30/04/13 (p)
A Accumulation	0.5840	0.7109
A Income	0.4680	0.5674

Top five holdings

	30/04/13 %		30/04/12 %
1. Scottish Widows Corporate Bond Fund A Inc	18.23	SWIP Corporate Bond Plus Fund A Inc	15.00
2. SWIP Corporate Bond Plus Fund A Inc	15.01	Scottish Widows Corporate Bond Fund A Inc	14.90
3. SWIP High Yield Bond Fund A Inc	10.97	SWIP Defensive Gilt Fund A Inc	14.43
4. SWIP European Corporate Bond Fund A Inc	9.91	Scottish Widows Gilt Fund A Inc	14.09
5. SWIP Defensive Gilt Fund A Inc	9.71	SWIP High Yield Bond Fund A Inc	10.72

Number of holdings: 33 Number of holdings: 18

Please note: negative figures are shown in brackets.

Fund Profile

Fund objectives and investment policy

To give an income with some potential for long-term capital growth. To do so by investing principally in funds within the Lloyds Banking Group. The Portfolio will invest mainly in fixed interest security funds (including a proportion in index-linked securities), with a proportion in one or more equity funds. Exposure will be mainly to UK investments but also overseas.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund in respect of accumulation shares is retained in the Fund and has the effect of increasing the share price. Any income received by the Fund in respect of income shares will be paid out to you.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 4 because it has experienced medium levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The bulk of the portfolio is invested in bonds, although the Fund does have some exposure to equity markets. Over the twelve months to the end of 30 April 2013, the Fund delivered a return of 10.76%.

Much of this return came from investments in corporate bonds. One of the main themes over the last six months has been investors' continuing hunt for yield. With returns from cash and government bonds still bumping around close to zero, other asset classes are proving increasingly attractive. Corporate bonds have been among the main beneficiaries, strongly outperforming their government-issued counterparts over the last twelve months. Yields have been driven lower and prices higher by the sheer weight of money chasing an asset class where not enough new debt is being issued to meet demand. High yield bonds have performed particularly well. This is one of our favoured areas, as rates of default on debt repayments remain low and corporate balance sheets are generally in good health.

Returns from government bonds have been more pedestrian, but still positive. Government bond prices have rocketed in recent years because of their perceived status as a safe investment, with the result that yields are now close to record lows. Even though the UK has been stripped of its triple-A credit rating by ratings agency Moody's, Gilts continue to be regarded as a safe-haven asset. This perception continues to hold down yields. Even when fellow ratings agency Fitch also removed UK's triple-A rating in April, the impact on the bond market was negligible. However, we do not consider that the asset class represents good value at current levels. The Fund has a relatively small position in government bonds.

Although the Fund only has a comparatively small holding in equities, this helped enhance returns. In the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a large proportion of their profits overseas and investors took encouragement from economic developments abroad.

Momentum Income Portfolio (continued).

Investment Manager's Review (continued)

While the Fund's holdings in equities have produced strong returns in recent months, stock selection was less positive within some of the underlying UK equity funds. On the plus side, the Fund's corporate and international bond holdings have performed comparatively well, enhancing returns to investors.

In terms of activity, we increased the Fund's exposure to UK and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to Japan since the start of the year. These purchases were funded mainly by the sale of European equities and government bonds.

Looking ahead, the level of economic activity is not showing any sign of a rapid decline. As a result, we remain cautiously optimistic about the ongoing global economic recovery. This view is reflected in the composition of the portfolio through the comparatively large equity weighting and the corresponding lack of exposure to government bonds. However, further volatility is likely and investing in a diversified portfolio that spreads risk across equities and bonds and throughout regions remains a sensible policy.

Distribution

XD dates	Payment dates
31/01/13	31/03/13
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.39	n/a
A Income	1.39	n/a
U Accumulation	1.50	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	98.80	98.54
Derivatives	0.10	0.26
Net other assets	1.10	1.20
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	153.41	138.52	10.75
A Income	122.96	113.14	8.68
U Accumulation	132.84	120.07	10.64

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Momentum Income Portfolio A Accumulation	10.76	4.37	5.99	21.79	(10.76)	(0.86)

Source: Lipper for Momentum Income Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Third interim 31/01/13 (p)	Final 30/04/13 (p)
A Accumulation	0.5179	0.8062
A Income	0.4188	0.6496
U Accumulation	0.4128	0.6620

Top five holdings

	30/04/13	%	30/04/12	%
1.	Scottish Widows Corporate Bond Fund A Inc	17.96	Scottish Widows Corporate Bond Fund A Inc	15.05
2.	Scottish Widows UK Equity Income Fund A Inc	15.21	Scottish Widows UK Equity Income Fund A Inc	15.05
3.	SWIP Corporate Bond Plus Fund A Inc	14.96	Scottish Widows UK Index-Linked Tracker Fund I Inc	15.02
4.	SWIP High Yield Bond Fund A Inc	10.66	SWIP Corporate Bond Plus Fund A Inc	14.95
5.	Scottish Widows UK Index-Linked Tracker Fund I Inc	10.38	SWIP High Yield Bond Fund A Inc	10.59
	Number of holdings: 32		Number of holdings: 17	

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing mainly in multi-manager funds (funds which select specialist investment managers to manage different elements of the overall fund). This Fund will invest in UK and overseas markets, with at least 80% in equity funds and a low proportion in fixed interest security funds. The fixed interest securities will mainly be investment grade securities. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group.

Investment grade securities have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than securities with a lower credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 6 because it has experienced high levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

In equity markets, the period started with a significant correction, precipitated by political and economic turmoil in the eurozone. France elected the socialist Hollande as president whilst a fragile pro-euro coalition finally took power in Greece. Emerging Markets succumbed to fears over slowing growth whilst the US resumed its role as a relative safe haven. A late June European summit, decided that funds in the European Stability Mechanism (ESM) could be directly used for bank recapitalisations for any country that has made good progress in implementing prescribed reforms and fiscal tightening. The third quarter was more constructive as central banks across the world offered additional monetary support. The positive momentum continued into the fourth quarter when sentiment was lifted by the conclusion of the US presidential election, indications of less dire economic trends, and modest albeit unsteady progress towards resolution of sovereign default risks in the euro markets. Less apparent story lines included a strong rally for Japanese stocks that was largely obscured by the concomitant depreciation of the yen. In emerging markets China completed its leadership transition with the election of a new standing committee. Eurozone shares gained on indications that the worst of scenarios for the eurozone, had been averted.

In the early part of 2013 global equity markets defied headline events and macroeconomic uncertainty. The US and the Japanese markets marched ahead, while Europe and Emerging Markets lagged. Although automatic budget cuts were not averted the underlying developments in the US economy bolstered investors' confidence. In Europe, indecisive Italian elections generated uncertainty in March whilst Cyprus became the latest country to be rescued by the EU, International Monetary Fund (IMF) and the European Central Bank (ECB). Meanwhile, Japan took bold steps in attempting to break the deflationary spiral that has haunted the economy for decades. Markets continued to rally through April with European markets boosted by the formation of a coalition government in Italy. This and a modest start to corporate earnings season offset mediocre economic data with major indices touching, or surpassing, all time highs.

In bond markets, the period began with a risk adverse month, where safe haven government bonds strongly outperformed credit markets. This was attributable to indecisive Greek elections and issues in the Spanish banking sector. The second quarter was more optimistic with sentiment largely driven by EU summit proposals that could lead in the near term toward a banking union, direct recapitalisation of banks (avoiding increasing sovereign debt-to-GDP ratios) and potential for the ESM to purchase sovereign debt in the secondary market. Government bonds were also boosted by the promise of further quantitative easing in the US and the UK, as well as the planned bond-purchase programme in Europe. Continued weakness in global economic activity was a tailwind (drove

Investment Manager's Review (continued)

sovereign debt) for sovereign debt in the safest economies although some already high valuations and the strong risk seeking behaviour during the third quarter weighed on gains.

The fourth quarter was generally positive for fixed income risk despite slightly negative index returns. The primary driver was Japan, whose surprise election in December, ushered in the return of Shinzo Abe as prime minister advocating aggressively loose central bank policy. While the Japan yield curve was largely unchanged over the quarter the Japanese Yen sold off by more than 10% versus the US Dollar and Euro. Peripheral European sovereign debt posted particularly strong returns and outperformed German bunds and UK gilts, as markets became even more confident that a Eurozone break up would not occur in the near term. In the US uncertainty stemmed from the presidential election and fiscal cliff negotiations combined with the Federal Reserve's announcement that it would augment quantitative easing three (QE3) with an additional $45 billion of treasury purchases.

Global fixed income markets remained dominated by policy and politics during the first quarter of 2013, impacted by speculation and outcomes in such notable events as the US sequester and debt ceiling, the inconclusive Italian election, the botched Cypriot bank resolution, and ECB and Federal Reserve's comments/minutes. The negative index return was driven by sell offs in the EUR (on ECB President Mario Draghi statements, Cyprus), GBP (on Bank of England indicating it might tolerate higher inflation) and Japanese Yen. April was a more positive month with yields on US, German and UK government bonds falling whilst peripheral European yields also declined sharply amid political resolution in Italy and continued belief in the Draghi backstop.

Russell's manager research, selection and monitoring process aims to maintain the best manager mix within the funds; this is an on going process with approx 15% of managers being changed in some way each year. The Opportunities Portfolio Fund is constructed from 15 underlying SWIP and Russell funds. Over the period there have been manager changes within six of these - Russell II US Quant Fund, Russell US Small Cap Equity Fund, Russell Japan Equity Fund, Russell Pacific Basin Equity Fund, Russell Global Bond Fund and Russell II Global Bond Fund Euro Hedged.

The Opportunities Portfolio Fund is the most aggressive portfolio in the Scottish Widows Multi Manager Fund range, with 90% in equities and 10% in bonds. The Fund returned 16.91% over the period.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	2.00	n/a
X Accumulation	0.60	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	99.71	99.45
Derivatives	0.01	0.27
Net other assets	0.28	0.28
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	144.51	123.63	16.89
X Accumulation	163.13	138.01	18.20

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Opportunities Portfolio Fund A Accumulation	16.91	(1.59)	8.09	32.97	(22.80)	(4.55)
Global Growth Sector Average Return	18.23	(5.59)	8.11	32.45	(21.36)	(1.46)

Source: Lipper for Opportunities Portfolio Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Global Sector - Funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.0599
X Accumulation	2.8127

Top five holdings

30/04/13	%	30/04/12	%
1. Russell US Equity Fund I Acc	16.48	SWIP Multi-Manager UK Equity Focus Fund A Acc	16.38
2. SWIP Multi-Manager UK Equity Growth Fund A Acc	16.18	SWIP Multi-Manager UK Equity Growth Fund A Acc	16.26
3. SWIP Multi-Manager UK Equity Focus Fund A Acc	16.17	Russell US Equity Fund I Acc	16.17
4. Russell Continental European Equity Fund I Acc	10.59	Russell Continental European Equity Fund I Acc	10.66
5. Russell US Quant Fund I Acc	8.35	Russell US Quant Fund I Acc	8.33
Number of holdings: 25		Number of holdings: 23	

Progressive Portfolio Fund.

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing mainly in multi-manager funds (funds which select specialist investment managers to manage different elements of the overall fund). This Fund will invest in UK and overseas markets, with at maximum of 85% in equity funds and a moderate proportion in fixed interest security funds. The fixed interest securities will mainly be investment grade securities. The multi-manager funds are currently provided by Scottish Widows Investment Partnership and the Russell Investment Group.

Investment grade securities have achieved or exceeded a minimum credit rating awarded by a credit rating agency. Therefore they are considered lower risk than securities with a lower credit rating. Credit ratings indicate the likelihood that an issuer will be able to make their payments.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 5 because it has experienced medium to high levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

In equity markets, the period started with a significant correction, precipitated by political and economic turmoil in the eurozone. France elected the socialist Hollande as president whilst a fragile pro-euro coalition finally took power in Greece. Emerging Markets succumbed to fears over slowing growth whilst the US resumed its role as a relative safe haven. A late June European summit, decided that funds in the European Stability Mechanism (ESM) could be directly used for bank recapitalisations for any country that has made good progress in implementing prescribed reforms and fiscal tightening. The third quarter was more constructive as central banks across the world offered additional monetary support. The positive momentum continued into the fourth quarter when sentiment was lifted by the conclusion of the US presidential election, indications of less dire economic trends, and modest albeit unsteady progress towards resolution of sovereign default risks in the euro markets. Less apparent story lines included a strong rally for Japanese stocks that was largely obscured by the concomitant depreciation of the yen. In emerging markets China completed its leadership transition with the election of a new standing committee. Eurozone shares gained on indications that the worst of scenarios for the eurozone, had been averted.

In the early part of 2013 global equity markets defied headline events and macroeconomic uncertainty. The US and the Japanese markets marched ahead, while Europe and Emerging Markets lagged. Although automatic budget cuts were not averted the underlying developments in the US economy bolstered investors' confidence. In Europe, indecisive Italian elections generated uncertainty in March whilst Cyprus became the latest country to be rescued by the EU, International Monetary Fund (IMF) and the European Central Bank (ECB). Meanwhile, Japan took bold steps in attempting to break the deflationary spiral that has haunted the economy for decades. Markets continued to rally through April with European markets boosted by the formation of a coalition government in Italy. This and a modest start to corporate earnings season offset mediocre economic data with major indices touching, or surpassing, all time highs.

In bond markets, the period began with a risk adverse month, where safe haven government bonds strongly outperformed credit markets. This was attributable to indecisive Greek elections and issues in the Spanish banking sector. The second quarter was more optimistic with sentiment largely driven by EU summit proposals that could lead in the near term toward a banking union, direct recapitalisation of banks (avoiding increasing sovereign debt-to-GDP ratios) and potential for the ESM to purchase sovereign debt in the secondary market. Government bonds were also boosted by the promise of further quantitative easing in the US and the UK, as well as the planned bond-purchase programme in Europe. Continued weakness in global economic activity was a tailwind (drove sovereign debt) for sovereign debt in the safest economies although some already high valuations and the strong risk seeking behaviour during the third quarter weighed on gains.

Investment Manager's Review (continued)

The fourth quarter was generally positive for fixed income risk despite slightly negative index returns. The primary driver was Japan, whose surprise election in December, ushered in the return of Shinzo Abe as prime minister advocating aggressively loose central bank policy. While the Japan yield curve was largely unchanged over the quarter the Japanese Yen sold off by more than 10% versus the US Dollar and Euro. Peripheral European sovereign debt posted particularly strong returns and outperformed German bunds and UK gilts, as markets became even more confident that a Eurozone break up would not occur in the near term. In the US uncertainty stemmed from the presidential election and fiscal cliff negotiations combined with the Federal Reserve's announcement that it would augment quantitative easing three (QE3) with an additional $45 billion of treasury purchases.

Global fixed income markets remained dominated by policy and politics during the first quarter of 2013, impacted by speculation and outcomes in such notable events as the US sequester and debt ceiling, the inconclusive Italian election, the botched Cypriot bank resolution, and ECB and Federal Reserve's comments/minutes. The negative index return was driven by sell offs in the EUR (on ECB President Mario Draghi statements, Cyprus), Sterling (on Bank of England indicating it might tolerate higher inflation) and Japanese Yen. April was a more positive month with yields on US, German and UK government bonds falling whilst peripheral European yields also declined sharply amid political resolution in Italy and continued belief in the Draghi backstop.

Russell's manager research, selection and monitoring process aims to maintain the best manager mix within the funds; this is an on going process with approx 15% of managers being changed in some way each year. The Progressive Portfolio Fund is constructed from 14 underlying SWIP and Russell funds. Over the period there have been manager changes within six of these – Russell II US Quant Fund, Russell US Small Cap Equity Fund, Russell Japan Equity Fund, Russell Pacific Basin Equity Fund, Russell Global Bond Fund and Russell II Global Bond Fund Euro Hedged.

The Progressive Portfolio Fund holds 75% equities and 25% bonds. The Fund returned 15.69% over the period.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	2.00	n/a
X Accumulation	0.60	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	99.58	99.26
Derivatives	-	0.70
Net other assets	0.42	0.04
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	149.74	129.43	15.69
X Accumulation	168.91	144.38	16.99

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Progressive Portfolio Fund A Accumulation	15.69	(0.54)	7.52	30.57	(19.70)	(3.75)
Mixed Investment 40-85% Shares Sector Average Return*	14.56	(2.46)	7.92	26.89	(19.33)	(3.70)

Source: Lipper for Progressive Portfolio Fund and Sector Average Return. Basis: Mid to Mid, net revenue reinvested and net of expenses. Mixed Investment 40%-85% Shares Sector - Funds would offer investment in a range of assets, with the maximum equity exposure restricted to 85% of the Fund. There is no specific requirement to hold a minimum % of non-UK equity within the equity limits. Assets must be at least 50% in US Dollar/Sterling/Euro of which 25% must be in Sterling and equities are deemed to include convertibles.

* The IMA changed the name of the Balanced Managed Sector to the Mixed Investment 40-85% Shares Sector, effective from 1 January 2012.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.3223
X Accumulation	3.1817

Top five holdings

	30/04/13 %		30/04/12 %
1. Russell US Equity Fund I Acc	18.81	Russell US Equity Fund I Acc	18.55
2. SWIP Multi-Manager UK Equity Growth Fund A Acc	13.54	SWIP Multi-Manager UK Equity Focus Fund A Acc	13.66
3. SWIP Multi-Manager UK Equity Focus Fund A Acc	13.34	SWIP Multi-Manager UK Equity Growth Fund A Acc	13.59
4. Russell Continental European Equity Fund I Acc	9.15	Russell Continental European Equity Fund I Acc	9.03
5. Russell US Quant Fund I Acc	6.94	Russell US Quant Fund I Acc	6.96
Number of holdings: 24		Number of holdings: 23	

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing principally in funds within the Lloyds Banking Group. The portfolio will invest predominantly in equity funds, with a limited proportion in fixed interest security funds. Exposure will be to both UK and overseas markets.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk; and
- To help reduce cost.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

← Typically lower rewards, lower risk Typically higher rewards, higher risk →

1	2	3	4	5	6	7

This Fund is ranked at 6 because it has experienced high levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The Fund invests mainly in equities. The period under review presented a number of challenges, particularly for the global economy. Nonetheless, stock markets around the world have generated some strong returns. Over the twelve months to the end of 30 April 2013, the Fund returned 15.89%.

The Fund's holdings are split between the UK and international markets. Looking first at the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a large proportion of their profits overseas and investors took encouragement from economic developments abroad.

In particular, the actions of central banks have been key. Throughout the last year, monetary authorities have been engaging in policies such as "quantitative easing" to try and boost their economies. Most recently, the Bank of Japan unveiled a programme of stimulus measures worth ¥7 trillion (£923 billion). This will involve buying a range of assets, including bonds and equities. The intention is to force down borrowing costs, while boosting inflation and economic growth. Similar, albeit less drastic, measures have been undertaken by the Bank of England, the European Central Bank and the US Federal Reserve. These have boosted confidence among investors that something is being done to promote global economic recovery.

The Fund also has a small position in corporate bonds. Yields throughout the asset class have been driven lower and prices higher by the sheer weight of money chasing an asset where not enough new debt is being issued to meet demand. High yield bonds have performed particularly well. This is one of our favoured areas, as corporate balance sheets are generally in good health, making the extra yield provided by the asset class look very attractive

In terms of Fund performance, the Fund's holdings in international markets have produced particularly strong returns in recent months. However, stock selection was less positive within some of the underlying global equity funds.

In terms of activity, we increased the Fund's exposure to US and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to these markets since the start of

Stockmarket Growth Portfolio (continued).

Investment Manager's Review (continued)

the year. The increase in Japanese and US equities was funded by the sale of European equities, which we think could be susceptible to further political and economic risks. We also reduced holdings in investment grade corporate bonds, which now look fully valued having performed so well over the last year.

Looking ahead, we believe that the Fund's current positioning leaves it well positioned to participate in any future stock market gains and that the balance between regions is appropriate given current valuations and growth prospects.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.59	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	98.80	99.04
Derivatives	0.14	(0.14)
Net other assets	1.06	1.10
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	180.10	155.37	15.92

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Stockmarket Growth Portfolio A Accumulation	15.89	(4.49)	8.83	33.72	(24.66)	(3.51)

Source: Lipper for Stockmarket Growth Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.7737

Top five holdings

	30/04/13 %		30/04/12 %
1. Scottish Widows UK Growth Fund X Inc	18.46	Scottish Widows Global Select Growth Fund A Acc	17.69
2. Halifax UK FTSE All-Share Index-Tracking Fund I Inc	18.07	Scottish Widows Global Growth Fund A Acc	17.67
3. Scottish Widows UK All Share Tracker Fund I Acc	17.08	Scottish Widows UK Growth Fund A Acc	15.27
4. Scottish Widows Global Growth Fund A Acc	15.62	Scottish Widows UK Equity Income Fund A Inc	14.75
5. Halifax International Growth Fund I Inc	15.53	Scottish Widows UK Select Growth Fund A Acc	14.57

Number of holdings: 30

Number of holdings: 13

Fund Profile

Fund objectives and investment policy

To give long-term capital growth by investing principally in funds within the Lloyds Banking Group. The portfolio will invest mainly in equity funds, but also in fixed interest security Funds. Exposure will be to both UK and overseas markets.

Investors should aim to hold their investment in this Fund for the medium to long-term (at least five to ten years).

Any income received by the Fund is retained in the Fund and has the effect of increasing the share price.

The Fund is allowed to use derivatives (contracts which have a value linked to the price of another asset) for the following reasons:

- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

We calculate the value of this Fund at 8am daily on working days in the UK. Our dealing times are from 9am to 5pm each working day. Instructions received before 5pm will receive the next day's price.

Synthetic risk and reward profile

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at **www.scottishwidows.co.uk/investmentapproaches**.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This Fund is ranked at 5 because it has experienced medium to high levels of volatility over the past 5 years.

The synthetic risk and reward indicator shown above is accurate as at 30 April 2013 and there have been no changes to this ranking to date.

Investment Manager's Review

The Fund invests mainly in equities, although it also has some small positions in bond markets. The period under review presented a number of challenges, yet stock markets around the globe have actually performed rather well. Over the twelve months to the end of 30 April 2013, the Fund produced a return of 14.23%.

The Fund's equity holdings are split between the UK and international markets. Looking first at the UK, share prices have enjoyed an impressive run throughout the review period. From June 2012 through to end of April this year, the FTSE 100 Index rose for eleven consecutive months. January 2013 represented the UK market's strongest start to the year since 1989. The run higher has not necessarily been the result of developments in the UK though. Some of the largest UK companies earn a large proportion of their profits overseas and investors took encouragement from economic developments abroad.

In particular, the actions of central banks have been key. Throughout the last year, monetary authorities have been engaging in policies such as "quantitative easing" to try and boost their economies. Most recently, the Bank of Japan unveiled a programme of stimulus measures worth ¥7 trillion (£923 billion). This will involve buying a range of assets, including bonds and equities. The intention is to force down borrowing costs, while boosting inflation and economic growth. Similar, albeit less drastic, measures have been undertaken by the Bank of England, the European Central Bank and the US Federal Reserve. These have boosted confidence among investors that something is being done to promote global economic recovery.

To aid diversification, the Fund also invests in bonds issued by both governments and companies. Government bond prices rocketed in recent years because of the perceived status as a safe investment. As a result, yields are at record lows and we do not consider that they represent good value at current levels. The Fund has a relatively small position in this asset class.

Corporate bonds offer slightly better value, although yields within the asset class have also been driven lower and prices higher by the sheer weight of money chasing an asset where not enough new debt is being issued to meet demand. High yield bonds have performed particularly well. This is one of our favoured areas within bond markets, as corporate balance sheets are generally in good health, making the extra yield provided by the asset class look attractive.

Strategic Growth Portfolio (continued).

Investment Manager's Review (continued)

In terms of Fund performance, the Fund's holdings in international stock markets have produced particularly strong returns in recent months. However, stock selection was less positive within some of the underlying global equity funds. On the plus side, the Fund's bond holdings have performed comparatively well, enhancing returns to investors.

In terms of activity, we increased the Fund's exposure to US and Japanese equities at the start of April. These markets went on to perform well in April, although the portfolio had suffered from its comparative lack of exposure to these markets since the start of the year. These purchases were funded by the sale of European equities, which we think could be susceptible to further political risks, and Far East equities. We also further reduced holdings in government bonds.

Looking ahead, we believe that the Fund's current positioning leaves it well positioned to participate in any future stock market gains, while providing some degree of diversification. Meanwhile, we are satisfied the portfolio's balance between regions is appropriate given current valuations and growth prospects.

Distribution

XD date	Payment date
30/04/13	30/06/13

Ongoing charges figure

	30/04/13 %	30/04/12 %
A Accumulation	1.58	n/a
B Accumulation	1.33	n/a

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Financials	99.03	99.62
Derivatives	0.09	(0.04)
Net other assets	0.88	0.42
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
A Accumulation	162.97	142.70	14.20
B Accumulation	166.06	145.12	14.43

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	01/05/09 to 30/04/10 %	01/05/08 to 30/04/09 %	01/05/07 to 30/04/08 %
Strategic Growth Portfolio A Accumulation	14.23	(2.26)	8.15	28.57	(19.85)	(2.75)

Source: Lipper for Strategic Growth Portfolio Fund. Basis: Mid to Mid, net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Distribution

	Final 30/04/13 (p)
A Accumulation	1.9822
B Accumulation	2.3214

Top five holdings

	30/04/13 %		30/04/12 %
1. Scottish Widows UK All Share Tracker Fund I Acc	19.83	Scottish Widows Global Growth Fund A Acc	15.15
2. Halifax UK FTSE All-Share Index-Tracking Fund I Inc	19.33	Scottish Widows UK Growth Fund A Acc	15.06
3. Halifax International Growth Fund I Inc	13.58	Scottish Widows Global Select Growth Fund A Acc	15.04
4. Scottish Widows Global Growth Fund A Acc	13.50	Scottish Widows UK Select Growth Fund A Acc	9.36
5. SWIP Sterling Liquidity Fund Advisory	6.33	Scottish Widows UK Equity Income Fund A Acc	7.85

Number of holdings: 36

Number of holdings: 27

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 2 aims to provide:
- a protected minimum amount, and
- an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  - the volatility of the market
  - the level of interest rates
  - the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- At the end of the term you might get back less than if you invested directly in the shares that make up the FTSE 100 Index. This is mainly because:
  - there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher.
  - you won't receive any income (dividends) that would be paid if you held shares directly.
  - the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by a single counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that also fails, then you are likely to get back significantly less than you invested.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to deliver the assets on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- Inflation will reduce the real value of your money in the future.
- Terms for the Fund were set some two to three weeks in advance of the start of the Cash Investment Period, based on the price of Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date a shareholder invests.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested, if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 2 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund ran from 6 July 2009 to 2 October 2009. During this time the Fund invested in cash or similar investments. The FTSE 100 Index stood at 5,190.24 on 16 October 2009, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. On the final valuation date (16 April 2013), the FTSE 100 Index stood at 6,304.58.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation*	-	111.37	(100.00)

* NAV per share at 30 April 2013 is nil as the Fund commenced the process of being terminated on 23 April 2013 and the termination was completed on 30 April 2013.

The Protection Date for the M share class is 17 April 2013.

The Capital Protected Price is 105.90p.

The FTSE 100 Index starting value is 5,190.24.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13* %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	16/10/09 to 30/04/10 %	06/07/09 to 16/10/09 %
Protected Capital Solutions Fund 2 M Accumulation	N/A	(0.45)	5.89	5.09	0.10
FTSE 100 Index	N/A	(1.95)	12.91	8.31	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	N/A	N/A	0.23

Source: Scottish Widows for Protected Capital Solutions Fund 2 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

* As the Fund commenced the termination process on 23 April 2013, no performance has been reported for the year to 30 April 2013.

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 3 aims to provide:

- a protected minimum amount, and
- an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

General risks that apply to your investment:

- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.
- Terms for the Fund are set several weeks in advance of the start of the Cash Investment Period, based on the price of the Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date you invest.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to meet the contract terms on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Inflation will reduce the real value of your money in the future.

Risks that apply specifically during the Cash Investment Period:

- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.

Risks that apply specifically during the Growth Potential Period

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  - the volatility of the market;
  - the level of interest rates;
  - the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by asingle counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term

- At the end of the term, you might get back less than if you invested directly in the shares that make up the FTSE100 Index. This is mainly because:
  - there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher;
  - you won't receive any income (dividends) that would be paid if you held shares directly;
  - the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 3 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund, ran from 25 September 2009 to 4 December 2009. During this time the Fund invested in cash or similar investments. The FTSE 100 Index stood at 5,196.81 on 18 December 2009, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. At the end of the reporting period, the FTSE 100 Index stood at 6,430.12.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Derivatives	100.00	100.00
Net other assets	-	-
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation	114.35	104.49	9.44

The Protection Date for the M share class is 19 December 2013.

The Capital Protected Price is 105.10p.

The FTSE 100 Index starting value is 5,196.81.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	18/12/09 to 30/04/10 %	25/09/09 to 18/12/09 %
Protected Capital Solutions Fund 3 M Accumulation	9.40	(2.07)	7.36	(0.89)	0.00
FTSE 100 Index	16.42	(1.95)	12.91	7.75	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	N/A	N/A	0.15

Source: Scottish Widows for Protected Capital Solutions Fund 3 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13 %		30/04/12 %
1. Lloyds TSB Bank plc 100% Call Option December 2013	101.42	Lloyds TSB Bank plc 120% Put Option December 2013	86.96
2. Lloyds TSB Bank plc 120% Put Option December 2013	20.46	Lloyds TSB Bank plc 100% Call Option December 2013	73.97
3. Lloyds TSB Bank plc 100% Call Option December 2013 (Cliquet)	9.05	Lloyds TSB Bank plc 100% Call Option December 2013 (Cliquet)	4.95
4. Lloyds TSB Bank plc 100% Put Option December 2013	(2.85)	Lloyds TSB Bank plc 120% Call Option December 2013	(23.34)
5. Lloyds TSB Bank plc 120% Call Option December 2013	(28.08)	Lloyds TSB Bank plc 100% Put Option December 2013	(42.54)

Number of holdings: 5 | Number of holdings: 5

Protected Capital Solutions Fund 4. for the year ended 30 April 2013

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 4 aims to provide:

– a protected minimum amount, and
– an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

General risks that apply to your investment:

- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.
- Terms for the Fund are set several weeks in advance of the start of the Cash Investment Period, based on the price of the Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date you invest.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to meet the contract terms on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Inflation will reduce the real value of your money in the future.

Risks that apply specifically during the Cash Investment Period:

- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.

Risks that apply specifically during the Growth Potential Period

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  - the volatility of the market;
  - the level of interest rates;
  - the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by asingle counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term

- At the end of the term, you might get back less than if you invested directly in the shares that make up the FTSE100 Index. This is mainly because:
  - there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher;
  - you won't receive any income (dividends) that would be paid if you held shares directly;
  - the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 4 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund, ran from 8 December 2009 to 2 April 2010. During this time the Fund invested in cash or similar investments. The FTSE 100 Index stood at 5,743.96 on 16 April 2010, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. At the end of the reporting period, the FTSE 100 Index stood at 6,430.12.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Derivatives	100.00	100.00
Net other assets	-	-
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation	115.39	105.04	9.85

The Protection Date for the M share class is 17 April 2014.

The Capital Protected Price is 105.90p.

The FTSE 100 Index starting value is 5,743.96.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	01/05/10 to 30/04/11 %	16/04/10 to 30/04/10 %	08/12/09 to 16/04/10 %
Protected Capital Solutions Fund 4 M Accumulation	9.82	2.44	6.71	(4.14)	0.10
FTSE 100 Index	16.42	(1.95)	12.91	(4.54)	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	N/A	N/A	0.16

Source: Scottish Widows for Protected Capital Solutions Fund 4 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13 %		30/04/12 %
1. Lloyds TSB Bank plc 120% Put Option April 2014	57.36	Lloyds TSB Bank plc 120% Put Option April 2014	125.88
2. Lloyds TSB Bank plc 100% Call Option April 2014	55.13	Lloyds TSB Bank plc 100% Call Option April 2014	44.74
3. Lloyds TSB Bank plc 100% Call Option April 2014 (Cliquet)	9.70	Lloyds TSB Bank plc 100% Call Option April 2014 (Cliquet)	5.96
4. Lloyds TSB Bank plc 120% Call Option April 2014	(9.26)	Lloyds TSB Bank plc 120% Call Option April 2014	(11.54)
5. Lloyds TSB Bank plc 100% Put Option April 2014	(12.93)	Lloyds TSB Bank plc 100% Put Option April 2014	(65.04)

Number of holdings: 5 — Number of holdings: 5

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 5 aims to provide:

– a protected minimum amount, and
– an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

General risks that apply to your investment:

- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.
- Terms for the Fund are set several weeks in advance of the start of the Cash Investment Period, based on the price of the Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date you invest.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to meet the contract terms on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Inflation will reduce the real value of your money in the future.

Risks that apply specifically during the Cash Investment Period:

- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.

Risks that apply specifically during the Growth Potential Period

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  – the volatility of the market;
  – the level of interest rates;
  – the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by asingle counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term

- At the end of the term, you might get back less than if you invested directly in the shares that make up the FTSE100 Index. This is mainly because:
  – there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher;
  – you won't receive any income (dividends) that would be paid if you held shares directly;
  – the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 5 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund, ran from 1 April 2010 to 9 July 2010. During this time the Fund invested in cash or similar investments. The FTSE 100 Index stood at 5,319.68 on 28 July 2010, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. At the end of the reporting period, the FTSE 100 Index stood at 6,430.12.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Derivatives	99.99	100.00
Net other assets	0.01	-
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation	111.52	101.71	9.65

The Protection Date for the M share class is 29 July 2014.

The Capital Protected Price is 104.80p.

The FTSE 100 Index starting value is 5,319.68.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %	28/07/10 to 30/04/11 %	01/05/10 to 28/07/10 %	01/04/10 to 30/04/10 %
Protected Capital Solutions Fund 5 M Accumulation	9.74	1.60	(0.10)	0.10	0.00
FTSE 100 Index	16.42	(1.95)	16.87	N/A	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	N/A	0.16	0.15

Source: Scottish Widows for Protected Capital Solutions Fund 5 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13 %		30/04/12 %
1. Lloyds TSB Bank plc 100% Call Option July 2014	88.43	Lloyds TSB Bank 120% Put Option July 2014	108.76
2. Lloyds TSB Bank plc 120% Put Option July 2014	43.60	Lloyds TSB Bank 100% Call Option July 2014	74.31
3. Lloyds TSB Bank plc 100% Call Option July 2014 (Cliquet)	7.65	Lloyds TSB Bank 100% Call Option July 2014 (Cliquet)	6.02
4. Lloyds TSB Bank plc 100% Put Option July 2014	(11.51)	Lloyds TSB Bank 120% Call Option July 2014	(28.43)
5. Lloyds TSB Bank plc 120% Call Option July 2014	(28.18)	Lloyds TSB Bank 100% Put Option July 2014	(60.66)

Number of holdings: 5 | Number of holdings: 5

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 6 aims to provide:
- a protected minimum amount, and
- an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

General risks that apply to your investment:
- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.
- Terms for the Fund are set several weeks in advance of the start of the Cash Investment Period, based on the price of the Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date you invest.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to meet the contract terms on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Inflation will reduce the real value of your money in the future.

Risks that apply specifically during the Cash Investment Period:
- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.

Risks that apply specifically during the Growth Potential Period
- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  - the volatility of the market;
  - the level of interest rates;
  - the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by asingle counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term
- At the end of the term, you might get back less than if you invested directly in the shares that make up the FTSE100 Index. This is mainly because:
  - there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher;
  - you won't receive any income (dividends) that would be paid if you held shares directly;
  - the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 6 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund, ran from 16 February 2011 to 10 June 2011. During this time the Fund invested in cash and other similar investments. The FTSE 100 Index stood at 5,697.72 on 24 June 2011, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. At the end of the reporting period, the FTSE 100 Index stood at 6,430.12.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Derivatives	100.00	100.01
Net other assets/(liabilities)	-	(0.01)
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation	112.47	100.19	12.26

The Protection Date for the M share class is 11 December 2015.

The Capital Protected Price is 106.30p.

The FTSE 100 Index starting value is 5,697.72.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	24/06/11 to 30/04/12 %	01/05/11 to 24/06/11 %	16/02/11 to 30/04/11 %
Protected Capital Solutions Fund 6 M Accumulation	12.60	(0.19)	0.10	0.00
FTSE 100 Index	16.42	4.17	N/A	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	0.09	0.12

Source: Scottish Widows for Protected Capital Solutions Fund 6 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13 %		30/04/12 %
1. Lloyds TSB Bank plc 120% Put Option December 2015	79.62	Lloyds TSB Bank plc 120% Put Option December 2015	143.79
2. Lloyds TSB Bank plc 100% Call Option December 2015	73.38	Lloyds TSB Bank plc 100% Call Option December 2015	72.66
3. Lloyds TSB Bank plc 141% Call Option December 2015	(0.40)	Lloyds TSB Bank plc 141% Call Option December 2015	(2.13)
4. Lloyds TSB Bank plc 120% Call Option December 2015	(20.12)	Lloyds TSB Bank plc 120% Call Option December 2015	(24.92)
5. Lloyds TSB Bank plc 100% Put Option December 2015	(32.48)	Lloyds TSB Bank plc 100% Put Option December 2015	(89.39)

Number of holdings: 5 | Number of holdings: 5

Fund Profile

Fund Aims

On the Protection Date the Protected Capital Solutions Fund 7aims to provide:

– a protected minimum amount, and
– an additional amount linked to the performance of the FTSE 100 Index.

Any additional amount will be calculated by adding up the rises and falls in the Index over each consecutive period of six months (known as Index Valuation Periods) during the Growth Potential Period. The rises and falls are subject to Upper and Lower limits but you won't get back less than the protected minimum amount.

Policy Summary

The Fund will invest principally on deposit in cash or near cash, or through other funds such as collective investment schemes, until the Derivative Date. Thereafter the Fund will invest principally in derivatives which, on the Protection Date, are designed to provide the protected minimum amount and any additional amount.

Risks

General risks that apply to your investment:

- If you sell your shares before the Protection Date, you are likely to get back less than you've invested. In some circumstances substantially less.
- Tax rules can change. New tax practice and legislation, or changes to existing practice and legislation could affect what you get back at the end of the term.
- Terms for the Fund are set several weeks in advance of the start of the Cash Investment Period, based on the price of the Derivatives at that time, hence the terms may or may not compare favourably with those currently available in the market at the date you invest.
- If insufficient money is received into the Fund, or the provider of the Derivatives fails to meet the contract terms on the Derivative Date, the Authorised Corporate Director (ACD) may wind up the Fund and return your investment.
- If you cancel during the 14 days following receipt of your cancellation notice you are likely to get back less than you invested if the investments in the Fund have fallen in value. You will, however, receive a full refund of any initial charge that has been deducted.
- Inflation will reduce the real value of your money in the future.

Risks that apply specifically during the Cash Investment Period:

- When the Fund is invested in cash or similar investments, these assets may be held with a small number of approved banks or collective investment schemes. Should any one or more of these fail then you are likely to get back less than you invested, in some circumstances substantially less.

Risks that apply specifically during the Growth Potential Period

- If you sell your shares while the Fund is invested in Derivatives, the value of your investment will depend on the value of the FTSE 100 Index and on other factors. These other factors include:
  – the volatility of the market;
  – the level of interest rates;
  – the time to maturity of the Derivatives.

  Therefore the overall investment return will not equal actual FTSE 100 Index growth.
- During the Growth Potential Period the Fund will hold investments known as Derivatives. These Derivatives are backed by asingle counterparty. Should that counterparty fail, then you might get back less than you invested. To help protect you from this risk, collateral (cash or other investments we feel are suitable), is received from the counterparty and deposited with an independent custodian. Should the counterparty fail, we will use this collateral.
- There is a risk that the Derivative provider (the counterparty) fails and this coincides with the Fund having collateral which fails or which is deposited with an institution that fails, then you are likely to get back significantly less than you invested.

Risks that apply specifically at the end of the term

- At the end of the term, you might get back less than if you invested directly in the shares that make up the FTSE100 Index. This is mainly because:
  – there is a cost to providing you with capital protection. If no capital protection was included, the Upper and Lower Limits might be higher;
  – you won't receive any income (dividends) that would be paid if you held shares directly;
  – the Upper Limit on growth could mean that you receive less growth compared to investing directly in the stockmarket.
- In the event that the FTSE100 Index cannot be used, this might affect the value of your investment.

Synthetic risk and reward profile

A synthetic risk and reward indicator (SRRI) is not provided for any of our Protected Capital Solutions Funds (PCSF's) as they are now closed to new business.

Protected Capital Solutions Fund 7 (continued).

Investment Manager's Review (continued)

The Fund aims to provide investors with a Capital Protected Price on the Protection Date. This price, when multiplied by the number of shares held, will be at least equal to the value of those shares on the Derivative Date (plus the preliminary charge that applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return that is based on the performance of the FTSE 100 Index during the Growth Potential Period.

The Cash Investment Period, during which time investors could put new money into the Fund, ran from 04 July 2011 to 30 September 2011. During this time the Fund invested in cash and other similar investments. The FTSE 100 Index stood at 5,466.36 on 14 October 2011, which is the date the Fund started investing in derivatives.

At the start of the year, renewed worries about the eurozone briefly weighed on the UK market. Greece came under renewed pressure and borrowing costs for peripheral economies rose sharply, with Spain becoming the focus of investor fears. However, a promise by European Central Bank chief Mario Draghi to do "whatever it takes" to protect the euro provided reassurance that the Bank would act to support Spain if needed. In conjunction with the additional quantitative easing measures announced by the Bank of England, the US Federal Reserve and Bank of Japan, Mr Draghi's promise helped drive share prices worldwide sharply higher through the summer; from June through to end of April, the FTSE All-Share Index rose for eleven consecutive months. At the end of the reporting period, the FTSE 100 Index stood at 6,430.12.

On a sector level, some of the best returns over the year were enjoyed by banks, life insurers and travel companies. Mining stocks fell as worries about slowing growth in the Chinese economy sent metal prices lower.

Ongoing charges figure

	30/04/13 %	30/04/12 %
M Accumulation	-	n/a

There were no expenses charged to the Fund, therefore no OCF has been stated.

Subsequent to a change in the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority the total expense ratio has been replaced by the ongoing charges figure (OCF). As a result of this change comparative figures for the preceding financial year are not required and as such have not been reported.

The ongoing charges figure is the total expenses paid by each share class in the year against its average net asset value. It excludes the cost of buying or selling assets for the Fund (unless these assets are shares of another fund). The OCF can fluctuate as underlying costs change.

Details of investments

Investments	30/04/13 %	30/04/12 %
Derivatives	100.01	100.00
Net other (liabilities)/assets	(0.01)	-
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/13 (p)	NAV per share 30/04/12 (p)	NAV percentage change %
M Accumulation	113.83	100.52	13.24

The Protection Date for the M share class is 31 March 2016.

The Capital Protected Price is 105.80p.

The FTSE 100 Index starting value is 5,466.36.

Please note: negative figures are shown in brackets.

Performance record

	01/05/12 to 30/04/13 %	14/10/11 to 30/04/12 %	04/07/11 to 14/10/11 %
Protected Capital Solutions Fund 7 M Accumulation	13.13	0.50	0.00
FTSE 100 Index	16.42	8.28	N/A
SWIP Global Liquidity Fund GBP Advisory	N/A	N/A	0.18

Source: Scottish Widows for Protected Capital Solutions Fund 7 M Accumulation. Basis: Mid to Mid, net revenue reinvested and net of expenses. Sources: Datastream for SWIP Global Liquidity Fund GBP Advisory and FTSE 100 Index.

Bases: Net of expenses for SWIP Global Liquidity Fund GBP Advisory, and Gross of expenses for FTSE 100 Index.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Holdings

	30/04/13 %		30/04/12 %
1. Lloyds TSB Bank plc 100% Call Option April 2016	91.08	Lloyds TSB Bank plc 120% Put Option April 2016	135.22
2. Lloyds TSB Bank plc 120% Put Option April 2016	71.91	Lloyds TSB Bank plc 100% Call Option April 2016	91.33
3. Lloyds TSB Bank plc 141% Call Option April 2016	(1.20)	Lloyds TSB Bank plc 141% Call Option April 2016	(3.20)
4. Lloyds TSB Bank plc 120% Call Option April 2016	(30.52)	Lloyds TSB Bank plc 120% Call Option April 2016	(36.29)
5. Lloyds TSB Bank plc 100% Put Option April 2016	(31.26)	Lloyds TSB Bank plc 100% Put Option April 2016	(87.06)

Number of holdings: 5 Number of holdings: 5

SCOTTISH WIDOWS

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