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### Statement of Total Return

for the year ended 31 October 2016

	Notes	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		444		(42)
Revenue	3	156		44	
Expenses	4	(10)		(3)	
Interest payable and similar charges		-		-	
Net revenue before taxation		146		41	
Taxation	5	(1)		-	
Net revenue after taxation			145		41
<b>Total return before distributions</b>			<b>589</b>		<b>(1)</b>
Distributions	6		(145)		(41)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>444</b>		<b>(42)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 October 2016

	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>3,280</b>		<b>599</b>
Amounts receivable on creation of shares	6,057		2,856	
Less: Amounts payable on cancellation of shares	(1,034)		(191)	
		5,023		2,665
Change in net assets attributable to shareholders from investment activities		444		(42)
Retained distributions on accumulation shares		184		58
<b>Closing net assets attributable to shareholders</b>		<b>8,931</b>		<b>3,280</b>

Notes to the Financial Statements are on pages 104 to 108.



## Managed Growth Fund 2

### Balance Sheet

as at 31 October 2016

		31/10/16	Restated
	Notes	£000	31/10/15
			£000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>8,881</u>	<u>3,214</u>
<b>Current assets</b>			
Debtors*	7	152	91
Cash and bank balances		<u>18</u>	<u>32</u>
<b>Total assets</b>		<u><b>9,051</b></u>	<u><b>3,337</b></u>
<b>Liabilities</b>			
Provision for liabilities	8	<u>(1)</u>	<u>-</u>
<b>Creditors</b>			
Distribution payable*		(6)	(1)
Other creditors	9	<u>(113)</u>	<u>(56)</u>
<b>Total liabilities</b>		<u><b>(120)</b></u>	<u><b>(57)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>8,931</b></u>	<u><b>3,280</b></u>

\*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 104.

Notes to the Financial Statements are on pages 104 to 108.

## Managed Growth Fund 2

### Notes to the Financial Statements

for the year ended 31 October 2016

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12.

As noted on page 11, during the year the fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £98 (31/10/15: £85) have been reclassified from 'Amounts receivable on creation of shares' of £94 (31/10/15: £80) and 'Amounts payable on cancellation of shares' of £4 (31/10/15: £5).

In the Balance sheet 'Deferred tax payable' totalling £1,095 (31/10/15: £372) has been reclassified from 'Other creditors' to 'Provision for Liabilities' and 'Income tax payable' totalling £6 (31/10/15: £1) has been reclassified from 'Other creditors' to 'Distribution payable'.

#### 2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Non-derivative securities	445	(42)
Transaction charges	(1)	-
Net capital gains/(losses)*	444	(42)

\*Includes realised losses of £7,000 and unrealised gains of £451,000 (31/10/15: realised losses of £9,000 and unrealised losses of £33,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

#### 3. Revenue

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	32	5
Unfranked investment income	16	5
Interest distributions	107	31
Offshore distribution taxable	-	3
Offshore distribution non-taxable	1	-
Total revenue	156	44

#### 4. Expenses

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	8	3
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	-
<b>Other expenses:</b>		
Audit fee	10	10
Expense capping adjustment†	(9)	(10)
Total expenses	10	3

Expenses include irrecoverable VAT where applicable.

†The ACD reimburses the Managed Growth Fund 2 in respect of expenses incurred by the L share class so as to cap the OCF of the share class at 0.45%.

for the year ended 31 October 2016

5. Taxation

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
(a) Analysis of charge in year:		
Deferred taxation	1	-
(b) Factors affecting total tax charge for the year:		
The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:		
Net revenue before taxation	146	41
Corporation tax of 20% (2015: 20%)	29	8
<b>Effects of:</b>		
Franked UK income*	(6)	(1)
Tax deductible interest distributions	(22)	(7)
Total tax charge for year (note 5a)	1	-

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

Provision at the start of the year	-	-
Deferred tax charge in profit and loss account for the year (note 5a)	1	-
Provision at the end of the year	1	-
Provision consists of:		
Revenue taxable in different periods	1	-

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Interim	74	23
Final	110	35
Income tax withheld	7	2
	191	60
Add: Revenue deducted on cancellation of shares	9	1
Deduct: Revenue received on creation of shares	(55)	(20)
Net distributions for the year	145	41

Details of the distribution per share is set out in the Distribution Tables on page 109.

7. Debtors

	31/10/16 £000	Restated 31/10/15 £000
Sales awaiting settlement	-	45
Amounts receivable for issue of shares	124	19
Accrued revenue	11	3
Expense capping adjustment	9	23
Income tax recoverable	8	1
Total debtors	152	91

for the year ended 31 October 2016

**8. Provision for liabilities**

	31/10/16	31/10/15
	£000	£000
Deferred taxation	1	-

**9. Other creditors**

	31/10/16	31/10/15
	£000	£000
Purchases awaiting settlement	90	45
Amounts payable for cancellation of shares	11	-
Accrued expenses	12	11
Total other creditors	113	56

**10. Related party transactions**

Scottish Widows Unit Trust Managers Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund. Lloyds Banking Group, as the parent company of the ACD is the ultimate controlling party of the Fund. As such any member company of Lloyds Banking Group is also a related party.

Scottish Widows Unit Trust Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Scottish Widows Unit Trust Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £1,122 (31/10/15: £391) due at the year end.

Amounts paid by Scottish Widows Unit Trust Managers Limited in respect of the Expense capping adjustments are disclosed in note 4 with £8,622 (31/10/15: £22,651) due at the year end.

The Fund has a related party holding of 4,017,653 shares (31/10/15: 1,643,976 shares) and value of £5,119,432 (31/10/15: £1,838,102) held at the year end within the Lloyds Banking Group.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group investments. The total revenue received amounts to £87,568 (31/10/15: £28,610).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the Fund at the year end £nil (31/10/15: £nil).

*Material Shareholders*

Cofunds Nominees Limited held 98.32% of the Fund at 31 October 2016.

**11. Share classes**

The Fund has one share class in issue.

The ACD's periodic charge on the share class is as follows:

Share Class L - Accumulation:	0.15
Share Class L - Accumulation (Gross class):	0.15

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on pages 100 and 101.

The distributions per share class are given in the Distribution Tables on page 109.

**Reconciliation of the shares movement in the year:**

	01/11/15			31/10/16
	Opening	Creations	Cancellations	Shares Closing shares
	shares in issue			converted in issue
Share Class L - Accumulation	847,492	1,064,884	(250,783)	- 1,661,593
Share Class L - Accumulation (Gross class)	2,196,453	4,313,817	(670,167)	- 5,840,103

**12. Capital commitments and contingent liabilities**

On 31 October 2016, the Fund had no capital commitments (31/10/15: £nil) and no contingent liabilities (31/10/15: £nil).

for the year ended 31 October 2016

### 13. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 96. The risks inherent in the Fund's investment portfolio are as follows:

#### (a) *Currency risk*

The Fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Aberdeen Asset Management Group and the Lloyds Banking Group whose prices are quoted in Sterling. As a result, the Fund does not have any direct exposure to foreign currency movements. However, some of the Fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the Funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at the 31 October 2016 the Fund's net foreign currency exposure was less than 10% of the Fund NAV and so no table of currency risk has been disclosed.

The Fund's net foreign currency exposure for the Fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

#### (b) *Interest rate risk profile of financial assets and liabilities*

The Fund receives revenue from holdings in collective investment schemes. The cashflow from the Fund's underlying investments may fluctuate depending upon the particular decisions made by each Fund. Given that the Fund's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Fund's net cash holding of £17,737 (31/10/15: holding £31,348) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

The interest rate exposure for the Fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The Fund did not have any long term financial liabilities.

#### (c) *Liquidity risk*

All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, the Investment Adviser manages the Fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement.

All of the Fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

#### (d) *Market price risk and fair value of financial assets and liabilities*

The Fund invests principally in regulated collective investment schemes managed within the Lloyds Banking Group. The value of these collective investment schemes Funds are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules prohibiting a holding greater than 20% of assets in any one fund.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

As at 31 October 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £88,814 (31/10/15: £32,144).

#### (e) *Credit risk*

The Fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

for the year ended 31 October 2016

**14. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/15 to 31/10/16	01/11/14 to 31/10/15	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	£000	£000	£000	£000
Collective Investment Schemes	5,232	3,253	125	616
<b>Commissions</b>				
Collective Investment Schemes	-	0	0	0
<b>Total net trades in the year after transaction costs</b>	<b>5,232</b>	<b>3,253</b>	<b>125</b>	<b>616</b>

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/11/15 to 31/10/16	01/11/14 to 31/10/15	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	-	0	0	0

Total transaction cost expressed as a percentage of average net asset value

	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	%	%
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was nil (31/10/15: 0.01%).

**15. Fair value**

Valuation technique	31/10/16		31/10/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	71	-
Level 2	8,881	-	3,143	-
Level 3	-	-	-	-
<b>Total fair value</b>	<b>8,881</b>	<b>-</b>	<b>3,214</b>	<b>-</b>

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

The Fund early adopted the FRS102 update made in March 2016.

## Managed Growth Fund 2

### Distribution Tables

for the year ended 31 October 2016

#### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1 November 2015

Final Shares purchased prior to 1 May 2016

Group 2 Interim Shares purchased on or between 1 November 2015 and 30 April 2016

Final Shares purchased on or between 1 May 2016 and 31 October 2016

#### Share Class L - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/12/2016	Distributions paid to 31/12/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	1.4894	0.2979	1.1915	-	1.1915	1.0763
Final	1.5101	0.3020	1.2081	-	1.2081	0.9772
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.6433	0.1287	0.5146	0.6769	1.1915	1.0763
Final	0.4671	0.0934	0.3737	0.8344	1.2081	0.9772

#### Share Class L - Accumulation (Gross class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/12/2016	Distributions paid to 31/12/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	1.5019	-	1.5019	-	1.5019	1.3499
Final	1.5354	-	1.5354	-	1.5354	1.2202
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.3015	-	0.3015	1.2004	1.5019	1.3499
Final	0.5399	-	0.5399	0.9955	1.5354	1.2202

## Managed Growth Fund 4

### Investment Markets Overview

for the year ended 31 October 2016

#### Investment Objective and Policy

The Fund aims to achieve a combination of income and capital growth by mainly investing in a portfolio of collective investment schemes to achieve broad exposure to diversified investments, including equities and fixed interest securities. Property exposure will also be achieved via exposure to collective investment schemes. The Fund will typically take a diversified approach to lower and higher risk assets.

Where appropriate the Fund may also invest directly or indirectly in transferable securities (including closed end funds), depositary receipts, money market instruments, cash, near cash, deposits, derivatives and other regulated collective investment schemes. Use may also be made of unregulated collective investment schemes, stocklending, borrowing and hedging.

The portfolio will normally be fully invested however the ACD may at its discretion invest all or part of the assets of the Fund in cash, deposits, and/or money market instruments in the interests of efficient fund management.

It is not currently intended that derivatives will be used for any purpose other than hedging where it is appropriate to do so and the efficient portfolio management of the Fund. Although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, be used in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

#### Synthetic Risk and Reward Indicator

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](http://www.scottishwidows.co.uk/investmentapproaches)

<p>As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 14 November 2016.</p>	<p>Typically lower rewards, lower risks ←      → Typically higher rewards, higher risks</p>						
	1	2	3	4	5	6	7

#### Risk Management - Leverage

Leverage is any method by which the ACD increases the exposure of a Fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the Fund is set out in the Prospectus.

Where the investment policy of a Fund permits the use of derivatives and/or forward transactions for investment purposes, the Fund may be leveraged to the extent that this may potentially increase the volatility and risk of the Fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of Leverage, which may also lead to greater fluctuations in the price of a Fund.

The table below sets out the total amount of leverage employed by the Fund as at 31 October 2016, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the Fund had been used.

	<b>31/10/16</b>
	<b>%</b>
Gross leverage	99.95
Commitment leverage	100.37



for the year ended 31 October 2016

## Investment Review

Performance	01/11/15 to 31/10/16 %	01/11/14 to 31/10/15 %	26/03/14 to 31/10/14 %
Managed Growth Fund 4 L Accumulation	10.17	3.31	N/A

Source: Lipper for Managed Growth Fund 4. Basis: Revenue (net of tax) reinvested and net of expenses.

On 26 March 2014 Managed Growth Fund 4 was launched with Share Class L Accumulation.

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.

Approximately half of the Fund is invested in equities, with the UK market representing the largest single position. The rest of the Fund is invested in global equities, fixed-income securities, predominantly corporate bonds, and in commercial property.

The UK equity market performed well over the year, producing a return of around 12%. Most of these gains were delivered in the last four months of the reporting period. Towards the end of 2015 and at the start of 2016, share prices were held back by concerns about the Chinese economy and the collapse in energy and commodity prices. This had a particularly significant influence on the UK market because of the large number of oil and mining companies that are listed in the UK.

However, despite an intense bout of volatility following the vote to leave the European Union in June, the market has rebounded strongly. In part, this was a result of the Bank of England's economic stimulus measures, which were intended to instil confidence in the economy following the 'Brexit' vote.

The market's recent gains were also a consequence of the fall in the value of the pound, which declined by around 20% against the US dollar. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post-Brexit collapse in the pound increased the value of these profits in sterling terms.

The fall in the value of the pound also boosted the returns from global stock markets for sterling-based investors. Although the UK market was one of the best performers in local currency terms, the effects of currency movements meant that global equity markets, especially those in some emerging markets, provided even better returns.

Looking at bonds, demand for the asset class was boosted by the uncertainty in the run-up to the EU referendum. This pushed yields even lower and into negative territory in several cases. The low yields available from government bonds encouraged investors to look towards the corporate bond market in a hunt for a reasonable level of income.

Commercial property continued to benefit from this hunt for yield up until the UK referendum on EU membership. There was an initial panic in the month or two after the vote, but the market appears to have stabilised a little in recent months. While concerns about Brexit continue to worry investors, a need for income-generating investments and demand from foreign investors have helped to prop up the market.

The Fund produced a return of 10.17% during the 12 months under review. The performance of the Fund was boosted by the relatively small allocation to commercial property and the relatively large holding in global equities, as equities outperformed property.

In terms of stock selection, the property holdings underperformed, falling in value despite a small rise in the value of the wider market. The corporate bond holdings also underperformed, providing a positive return, but failing to capture all of the gains provided by the market.

By the end of the review period, the Fund held a relatively small allocation to commercial property and a relatively large position in equities. We are concerned about the effect the vote to leave the European Union will have on the UK commercial property market.

Overall, we feel that the portfolio is well placed to take advantage of any future stock market gains, while potentially providing a reasonable level of income via its holdings in corporate bonds and commercial property.

Aberdeen Investment Solutions Limited

November 2016

## Managed Growth Fund 4

### Portfolio Statement

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as at 31 October 2016

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.69%*)</b>		<b>14,634</b>	<b>99.85</b>
<b>Collective Investment Schemes</b>			
Aberdeen Foundation Growth Fund B Acc <sup>◇</sup>	2,832,906	4,469	30.49
Aberdeen Global High Yield Bond Fund Q Inc <sup>◇</sup>	821,167	740	5.05
Aberdeen UK Property Feeder Unit Trust J Inc <sup>◇</sup>	1,275,037	1,436	9.80
Scottish Widows Corporate Bond Fund W Gross Acct	3,045,079	3,688	25.17
Scottish Widows International Equity Tracker Fund X Acct	412,515	1,174	8.01
Scottish Widows UK All Share Tracker Fund X Acct	791,219	1,947	13.28
Scottish Widows UK Fixed Interest Tracker Fund W Gross Acct	963,674	1,180	8.05
<b>Portfolio of investments</b>		<b>14,634</b>	<b>99.85</b>
<b>Net other assets</b>		<b>22</b>	<b>0.15</b>
<b>Total net assets</b>		<b>14,656</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

\*Comparative figures shown in brackets relate to 31 October 2015.

†This investment is a related party (see note 10).

<sup>◇</sup>Asset managed by the Fund's Investment Adviser.

## Managed Growth Fund 4

### Material Portfolio Changes

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for the year ended 31 October 2016

	Cost £000		Proceeds £000
<b>Total purchases</b>		<b>Total sales</b>	
Aberdeen Foundation Growth Fund B Acc <sup>◇</sup>	2,353	Aberdeen Foundation Growth Fund B Acc <sup>◇</sup>	130
Scottish Widows Corporate Bond Fund W Gross Acct	1,980	Scottish Widows Corporate Bond Fund W Gross Acct	95
Scottish Widows UK All Share Tracker Fund X Acct	888	iShares GBP Corporate Bond UCITS	52
Aberdeen UK Property Feeder Unit Trust J Inc <sup>◇</sup>	780	Scottish Widows UK All Share Tracker Fund X Acct	50
Scottish Widows UK Fixed Interest Tracker Fund W Gross Acct	695	Scottish Widows UK Fixed Interest Tracker Fund W Gross Acct	50
Scottish Widows International Equity Tracker Fund X Acct	505	Scottish Widows International Equity Tracker Fund X Acct	41
Aberdeen Global High Yield Bond Fund Q Inc <sup>◇</sup>	460	Aberdeen Global High Yield Bond Fund Q Inc <sup>◇</sup>	30
Aberdeen Property Trust D Inc <sup>◇</sup>	135	iShares MSCI World UCITS	5

†This investment is a related party (see note 10).

◇Asset managed by the Fund's Investment Adviser.

## Managed Growth Fund 4

### Comparative Table

as at 31 October 2016

	31/10/16 (p)	31/10/15 (p)	31/10/14 (p)
<b>Share Class L - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	106.14	102.80	100.10
Return before operating charges*	11.28	3.82	3.16
Operating charges	(0.49)	(0.48)	(0.46)
Return after operating charges*	10.79	3.34	2.70
Distributions	(2.78)	(2.13)	(1.70)
Retained distributions on accumulation shares	2.78	2.13	1.70
Closing net asset value per share	116.93	106.14	102.80
*after direct transaction costs of:	0.00	0.01	0.23
<b>Performance</b>			
Return after charges^	10.17%	3.25%	2.70%
<b>Other information</b>			
Closing net asset value (£'000)	14,656	6,181	1,264
Closing number of shares	12,534,027	5,822,985	1,230,070
Operating charges#	0.45%	0.45%	0.45%
Direct transaction costs	0.00%	0.01%	0.23%
<b>Prices</b>			
Highest share price	119.10	111.70	104.40
Lowest share price	99.76	101.80	99.58

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. This is different to the performance return stated in the Investment Market Review which is sourced from Lipper and based on daily published prices.

Share class L Accumulation was launched 26 March 2014.

## Managed Growth Fund 4

### Statement of Total Return

for the year ended 31 October 2016

	Notes	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		941		(108)
Revenue	3	305		90	
Expenses	4	(23)		(6)	
Interest payable and similar charges		-		-	
Net revenue before taxation		282		84	
Taxation	5	(28)		(10)	
Net revenue after taxation			254		74
<b>Total return before distributions</b>			<b>1,195</b>		<b>(34)</b>
Distributions	6		(254)		(74)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>941</b>		<b>(108)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 October 2016

	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>6,181</b>		<b>1,264</b>
Amounts receivable on creation of shares	9,430		5,233	
Less: Amounts payable on cancellation of shares	(2,206)		(312)	
		7,224		4,921
Change in net assets attributable to shareholders from investment activities		941		(108)
Retained distributions on accumulation shares		310		104
<b>Closing net assets attributable to shareholders</b>		<b>14,656</b>		<b>6,181</b>

*Notes to the Financial Statements are on pages 117 to 121.*

## Managed Growth Fund 4

### Balance Sheet

as at 31 October 2016

	Notes	31/10/16 £000	Restated 31/10/15 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>14,634</u>	<u>6,100</u>
<b>Current assets</b>			
Debtors	7	130	176
Cash and bank balances		<u>61</u>	<u>56</u>
<b>Total assets</b>		<u><b>14,825</b></u>	<u><b>6,332</b></u>
<b>Liabilities</b>			
Provision for liabilities*	8	<u>(2)</u>	<u>(1)</u>
<b>Creditors</b>			
Other creditors*	9	<u>(167)</u>	<u>(150)</u>
<b>Total liabilities</b>		<u><b>(169)</b></u>	<u><b>(151)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>14,656</b></u>	<u><b>6,181</b></u>

\*Prior year figures have been restated as a result of the 2014 IMA SORP, please see note 1 of the financial statements on page 117.

Notes to the Financial Statements are on pages 117 to 121.

## Managed Growth Fund 4

### Notes to the Financial Statements

for the year ended 31 October 2016

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12.

As noted on page 11, during the year the fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £nil (31/10/15: £117) have been reclassified from 'Amounts receivable on creation of shares' of £nil (31/10/15: £113) and 'Amounts payable on cancellation of shares' of £nil (31/10/15: £4).

In the Balance sheet 'Deferred tax payable' totalling £1,508 (31/10/15: £594) has been reclassified from 'Other creditors' to 'Provision for Liabilities'.

#### 2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	£000	£000
Non-derivative securities*	941	(108)

\*Includes realised gains of £31,000 and unrealised gains of £910,000 (31/10/15: realised gains of £22,000 and unrealised losses of £130,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

#### 3. Revenue

	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	£000	£000
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	140	32
Unfranked investment income	23	8
Interest distributions	141	43
Offshore distribution taxable	1	4
Offshore distribution non-taxable	-	3
Total revenue	305	90

#### 4. Expenses

	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	£000	£000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	15	6
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	-
<b>Other expenses:</b>		
Audit fee	11	10
Expense capping adjustment†	(4)	(10)
Total expenses	7	-
	23	6

Expenses include irrecoverable VAT where applicable.

†The ACD reimburses the Managed Growth Fund 4 in respect of expenses incurred by the L share class so as to cap the OCF of the share class at 0.45%.

for the year ended 31 October 2016

**5. Taxation**

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
<b>(a) Analysis of charge in year:</b>		
Corporation tax	27	9
Total current tax	27	9
Deferred taxation	1	1
Total deferred tax (note 5c)	1	1
Total taxation (note 5b)	28	10

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:

Net revenue before taxation	282	84
Corporation tax of 20% (2015: 20%)	56	17
<b>Effects of:</b>		
Franked UK income*	(28)	(6)
Overseas non-taxable revenue*	-	(1)
Total tax charge for year (note 5a)	28	10

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

Provision at the start of the year	1	-
Deferred tax charge in profit and loss account for the year (note 5a)	1	1
Provision at the end of the year	2	1
Provision consists of:		
Revenue taxable in different periods	2	1

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Interim	124	36
Final	186	68
	310	104
Add: Revenue deducted on cancellation of shares	18	2
Deduct: Revenue received on creation of shares	(74)	(32)
Net distributions for the year	254	74

Details of the distribution per share is set out in the Distribution Tables on page 122.

**7. Debtors**

	31/10/16 £000	31/10/15 £000
Sales awaiting settlement	1	63
Amounts receivable for issue of shares	100	84
Accrued revenue	15	4
Expense capping adjustment	3	22
Income tax recoverable	11	3
Total debtors	130	176



## Managed Growth Fund 4

### Notes to the Financial Statements

(continued)

for the year ended 31 October 2016

#### 8. Provision for liabilities

	31/10/16 £000	31/10/15 £000
Deferred taxation	2	1

#### 9. Other creditors

	31/10/16 £000	Restated 31/10/15 £000
Purchases awaiting settlement	100	130
Amounts payable for cancellation of shares	27	-
Accrued expenses	12	11
Corporation tax payable	28	9
Total other creditors	167	150

#### 10. Related party transactions

Scottish Widows Unit Trust Managers Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund. Lloyds Banking Group, as the parent company of the ACD is the ultimate controlling party of the Fund. As such any member company of Lloyds Banking Group is also a related party.

Scottish Widows Unit Trust Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Scottish Widows Unit Trust Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £1,848 (31/10/15: £736) due at the year end.

Amounts paid by Scottish Widows Unit Trust Managers Limited in respect of the Expense capping adjustments are disclosed in note 4, with £2,969 (31/10/15: £22,155) due at the year end.

The Fund has a related party holding of 5,212,488 shares (31/10/15: 2,460,678 shares) and value of £7,988,749 (31/10/15: £3,383,787) held at the year end within the Lloyds Banking Group.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group investments. The total revenue received amounts to £166,266 (31/10/15: £68,127).

##### *Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the Fund at the year end £nil (31/10/15: £nil).

##### *Material Shareholders*

Cofunds Nominees Limited held 99.28% of the Fund at 31 October 2016.

#### 11. Share classes

The Fund has one share class in issue.

The ACD's periodic charge on the share class is as follows:

Share Class L - Accumulation:	%
	0.15

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on page 114.

The distributions per share class are given in the Distribution Tables on page 122.

##### **Reconciliation of the shares movement in the year:**

	01/11/15 Opening shares in issue	Creations	Cancellations	31/10/16 Shares converted	Closing shares in issue
Share Class L - Accumulation	5,822,985	8,710,470	(1,999,428)	-	12,534,027

#### 12. Capital commitments and contingent liabilities

On 31 October 2016, the Fund had no capital commitments (31/10/15: £nil) and no contingent liabilities (31/10/15: £nil).

for the year ended 31 October 2016

### 13. Risk management policies, derivatives and other financial instruments

A statement of the Fund's objective and the policy for achieving it has been included on page 110. The risks inherent in the Fund's investment portfolio are as follows:

#### (a) *Currency risk*

The Fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Aberdeen Asset Management Group and the Lloyds Banking Group whose prices are quoted in Sterling. As a result, the Fund does not have any direct exposure to foreign currency movements. However, some of the Fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the Funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at the 31 October 2016 the Fund's net foreign currency exposure was less than 10% of the Fund NAV and so no table of currency risk has been disclosed.

The Fund's net foreign currency exposure for the Fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The Fund did not have any long term financial liabilities.

#### (b) *Interest rate risk profile of financial assets and liabilities*

The Fund receives revenue from holdings in collective investment schemes. The cashflow from the Fund's underlying investments may fluctuate depending upon the particular decisions made by each Fund. Given that the Fund's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Fund's net cash holding of £61,375 (31/10/15: holding £56,038) is held in a floating rate deposit account whose interest rates are based on LIBOR or its international equivalent.

The interest rate exposure for the Fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

#### (c) *Liquidity risk*

All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, the Investment Adviser manages the Fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement.

All of the Fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

#### (d) *Market price risk and fair value of financial assets and liabilities*

The Fund invests principally in regulated collective investment schemes managed within the Lloyds Banking Group. The value of these collective investment schemes Funds are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL Sourcebook, which includes rules prohibiting a holding greater than 20% of assets in any one fund.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

As at 31 October 2016, if the price of investments held by the Funds increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this Fund would equate to £146,344 (31/10/15: £61,005).

#### (e) *Credit risk*

The Fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

for the year ended 31 October 2016

**14. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/15 to 31/10/16	01/11/14 to 31/10/15	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	£000	£000	£000	£000
Collective Investment Schemes	7,796	6,011	453	1,116
<b>Commissions</b>				
Collective Investment Schemes	-	0	0	0
<b>Taxes</b>				
Collective Investment Schemes	-	0	-	-
Total costs	-	0	0	0
<b>Total net trades in the year after transaction costs</b>	<b>7,796</b>	<b>6,011</b>	<b>453</b>	<b>1,116</b>

Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/11/15 to 31/10/16	01/11/14 to 31/10/15	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	-	0.00	0.00	0.00

Total transaction cost expressed as a percentage of average net asset value

	01/11/15 to 31/10/16	01/11/14 to 31/10/15
	%	%
Commissions	0.00	0.00
Taxes	-	0.00
Total costs	-	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was nil (31/10/15: 0.00%).

**15. Fair value**

Valuation technique	31/10/16		31/10/15	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	49	-
Level 2	14,634	-	6,051	-
Level 3	-	-	-	-
Total fair value	<b>14,634</b>	<b>-</b>	<b>6,100</b>	<b>-</b>

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

The Fund early adopted the FRS102 update made in March 2016.

## Managed Growth Fund 4

### Distribution Tables

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for the year ended 31 October 2016

#### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1 November 2015

Final Shares purchased prior to 1 May 2016

Group 2 Interim Shares purchased on or between 1 November 2015 and 30 April 2016

Final Shares purchased on or between 1 May 2016 and 31 October 2016

#### Share Class L - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2016	Distributions paid to 31/12/2015
Group 1	(p)	(p)	(p)	(p)
Interim	1.2943	-	1.2943	0.9569
Final	1.4811	-	1.4811	1.1702
Group 2	(p)	(p)	(p)	(p)
Interim	0.3654	0.9289	1.2943	0.9569
Final	0.6978	0.7833	1.4811	1.1702

#### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 48.47% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 51.53% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 58.70% of the dividend, together with the tax credit, is received as franked investment income.

Final - 41.30% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Managed Growth Fund 6

### Investment Markets Overview

for the year ended 31 October 2016

#### Investment Objective and Policy

The Fund aims to achieve a combination of income and capital growth by mainly investing in a portfolio of collective investment schemes to achieve broad exposure to diversified investments, including equities and fixed interest securities. Property exposure will also be achieved via exposure to collective investment schemes. The Fund will typically have high exposure to assets providing potential for growth, such as equities.

Where appropriate the Fund may also invest directly or indirectly in transferable securities (including closed end funds), depositary receipts, money market instruments, cash, near cash, deposits, derivatives and other regulated collective investment schemes. Use may also be made of unregulated collective investment schemes, stocklending, borrowing and hedging.

The portfolio will normally be fully invested however the ACD may at its discretion invest all or part of the assets of the Fund in cash, deposits, and/or money market instruments in the interests of efficient fund management.

It is not currently intended that derivatives will be used for any purpose other than hedging where it is appropriate to do so and the efficient portfolio management of the Fund. Although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, be used in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

#### Synthetic Risk and Reward Indicator

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](http://www.scottishwidows.co.uk/investmentapproaches)

<p>As the Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 14 November 2016.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>	<p>Typically higher rewards, higher risks</p> <p>→</p>					
	1	2	3	4	5	6	7

#### Risk Management - Leverage

Leverage is any method by which the ACD increases the exposure of a Fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the Fund is set out in the Prospectus.

Where the investment policy of a Fund permits the use of derivatives and/or forward transactions for investment purposes, the Fund may be leveraged to the extent that this may potentially increase the volatility and risk of the Fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of Leverage, which may also lead to greater fluctuations in the price of a Fund.

The table below sets out the total amount of leverage employed by the Fund as at 31 October 2016, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the Fund had been used.

	<b>31/10/16</b>
	<b>%</b>
Gross leverage	99.64
Commitment leverage	99.78

for the year ended 31 October 2016

**Investment Review**

Performance	01/11/15 to 31/10/16 %	01/11/14 to 31/10/15 %	26/03/14 to 31/10/14 %
Managed Growth Fund 6 L Accumulation	12.61	3.43	N/A

Source: Lipper for Managed Growth Fund 6. Basis: Revenue (net of tax) reinvested and net of expenses.

On 26 March 2014 Managed Growth Fund 6 was launched with Share Class L Accumulation.

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.

The Fund mainly invests in UK equities, but it also has holdings in global equities, corporate bonds and commercial property.

The UK equity market performed well over the year, producing a return of around 12%. Most of these gains were delivered in the last four months of the reporting period. Towards the end of 2015 and at the start of 2016, share prices were held back by concerns about the Chinese economy and the collapse in energy and commodity prices. This had a particularly significant influence on the UK market because of the large number of oil and mining companies that are listed in the UK.

However, despite an intense bout of volatility following the vote to leave the European Union in June, the market has rebounded strongly. In part, this was a result of the Bank of England's economic stimulus measures, which were intended to instil confidence in the economy following the 'Brexit' vote.

The market's recent gains were also a consequence of the fall in the value of the pound, which declined by around 20% against the US dollar. Many of Britain's largest companies make the majority of their profits in overseas currencies. The post-Brexit collapse in the pound increased the value of these profits in sterling terms.

The fall in the value of the pound also boosted the returns from global stock markets for sterling-based investors. Although the UK market was one of the best performers in local currency terms, the effects of currency movements meant that global equity markets, especially those in some emerging markets, provided even better returns.

Looking at bonds, demand for the asset class was boosted by the uncertainty in the run-up to the EU referendum. This pushed yields even lower and into negative territory in several cases. The low yields available from government bonds encouraged investors to look towards the corporate bond market in a hunt for a reasonable level of income.

Commercial property continued to benefit from this hunt for yield up until the UK referendum on EU membership. There was an initial panic in the month or two after the vote, but the market appears to have stabilised a little in recent months. While concerns about Brexit continue to worry investors, a need for income-generating investments and demand from foreign investors have helped to prop up the market.

During the review period, the Fund produced a return of 12.61%. Performance was boosted by the relatively small allocation to commercial property and the large allocation to equities, which produced the best performance of the main asset classes.

In terms of stock selection, the property holdings underperformed, falling in value despite a small rise in the value of the wider market. The corporate bond holdings also underperformed, providing a positive return, but failing to capture all of the gains provided by the corporate bond market.

By the end of the review period, the Fund held relatively small allocations to UK equities and commercial property and a relatively large position in high yield corporate bonds. We think the portfolio is now well positioned to participate in any future stock market gains, while potentially offering some income via the holdings in corporate bonds and property.

Aberdeen Investment Solutions Limited

November 2016

# Managed Growth Fund 6

## Portfolio Statement

as at 31 October 2016

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.34%*)</b>		<b>12,615</b>	<b>99.45</b>
<b>Collective Investment Schemes</b>			
Aberdeen Foundation Growth Fund B Acc◊	2,374,913	3,747	29.54
Aberdeen Global High Yield Bond Fund Q Inc◊	858,515	774	6.10
Aberdeen UK Property Feeder Unit Trust J Inc◊	873,681	984	7.76
Scottish Widows Corporate Bond Fund W Gross Acct†	1,086,529	1,316	10.37
Scottish Widows International Equity Fund X Acct†	835,299	2,378	18.75
Scottish Widows UK All Share Tracker Fund X Acct†	1,388,139	3,416	26.93
<b>Portfolio of investments</b>		<b>12,615</b>	<b>99.45</b>
<b>Net other assets</b>		<b>70</b>	<b>0.55</b>
<b>Total net assets</b>		<b>12,685</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

\*Comparative figures shown in brackets relate to 31 October 2015.

†This investment is a related party (see note 10).

◊Asset managed by the Fund's Investment Adviser.

## Managed Growth Fund 6

### Material Portfolio Changes

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for the year ended 31 October 2016

	Cost £000		Proceeds £000
<b>Total purchases</b>		<b>Total sales</b>	
Aberdeen Foundation Growth Fund B Acc <sup>†</sup>	1,509	Scottish Widows UK All Share Tracker Fund X Acct	154
Scottish Widows UK All Share Tracker Fund X Acct	1,452	Aberdeen Foundation Growth Fund B Acc <sup>†</sup>	59
Scottish Widows International Equity Fund X Acct	742	iShares MSCI World UCITS	25
Scottish Widows Corporate Bond Fund W Gross Acct	568	Scottish Widows International Equity Fund X Acct	10
Aberdeen UK Property Feeder Unit Trust J Inc <sup>†</sup>	462		
Aberdeen Global High Yield Bond Fund Q Inc <sup>†</sup>	405		
Aberdeen Property Trust D Inc <sup>†</sup>	85		

<sup>†</sup>This investment is a related party (see note 10).

<sup>†</sup>Asset managed by the Fund's Investment Adviser.



## Managed Growth Fund 6

### Comparative Table

as at 31 October 2016

	31/10/16 (p)	31/10/15 (p)	31/10/14 (p)
<b>Share Class L - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	105.45	102.02	100.10
Return before operating charges*	13.86	3.91	2.37
Operating charges	(0.49)	(0.48)	(0.45)
Return after operating charges*	13.37	3.43	1.92
Distributions	(2.70)	(2.02)	(1.87)
Retained distributions on accumulation shares	2.70	2.02	1.87
Closing net asset value per share	118.82	105.45	102.02
*after direct transaction costs of:	0.00	0.01	0.21
<b>Performance</b>			
Return after charges^	12.68%	3.36%	1.92%
<b>Other information</b>			
Closing net asset value (£'000)	12,685	6,428	1,613
Closing number of shares	10,675,251	6,095,874	1,580,946
Operating charges#	0.45%	0.45%	0.45%
Direct transaction costs	0.00%	0.01%	0.20%
<b>Prices</b>			
Highest share price	120.30	112.10	104.60
Lowest share price	95.90	99.55	97.03

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. This is different to the performance return stated in the Investment Market Review which is sourced from Lipper and based on daily published prices. The ACD reimburses the Managed Growth Fund 6 in respect of expenses incurred by the L share class so as to cap the OCF of the share class at 0.45%.

Share class L Accumulation was launched 26 March 2014.

## Managed Growth Fund 6

### Statement of Total Return

for the year ended 31 October 2016

	Notes	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		1,101		(108)
Revenue	3	270		96	
Expenses	4	(23)		(8)	
Interest payable and similar charges		-		-	
Net revenue before taxation		247		88	
Taxation	5	(13)		(5)	
Net revenue after taxation			234		83
<b>Total return before distributions</b>			<b>1,335</b>		<b>(25)</b>
Distributions	6		(234)		(83)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,101</b>		<b>(108)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 October 2016

	01/11/15 to 31/10/16		01/11/14 to 31/10/15	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>6,428</b>		<b>1,613</b>
Amounts receivable on creation of shares	7,032		5,400	
Less: Amounts payable on cancellation of shares	(2,142)		(583)	
		4,890		4,817
Change in net assets attributable to shareholders from investment activities		1,101		(108)
Retained distributions on accumulation shares		266		106
<b>Closing net assets attributable to shareholders</b>		<b>12,685</b>		<b>6,428</b>

*Notes to the Financial Statements are on pages 130 to 134.*

## Managed Growth Fund 6

### Balance Sheet

as at 31 October 2016

	Notes	31/10/16 £000	31/10/15 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>12,615</u>	<u>6,321</u>
<b>Current assets</b>			
Debtors	7	96	219
Cash and bank balances		<u>17</u>	<u>30</u>
<b>Total assets</b>		<u><b>12,728</b></u>	<u><b>6,570</b></u>
<b>Liabilities</b>			
Provision for liabilities	8	<u>(1)</u>	<u>-</u>
<b>Creditors</b>			
Other creditors	9	<u>(42)</u>	<u>(142)</u>
<b>Total liabilities</b>		<u><b>(43)</b></u>	<u><b>(142)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>12,685</b></u>	<u><b>6,428</b></u>

*Notes to the Financial Statements are on pages 130 to 134.*

## Managed Growth Fund 6

### Notes to the Financial Statements

for the year ended 31 October 2016

#### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12.

As noted on page 11, during the year the fund has adopted FRS 102 and the 2014 SORP. As a result there are some presentational changes to classification of items in the financial statements. The following presentational changes are considered to be minimal and have no impact on the total return or net asset value in either the current or prior accounting year. In the 'Statement of change in net assets attributable to shareholders' 'Dilution adjustments' are now disclosed as a separate line item.

'Dilution adjustments' totalling £nil (31/10/15: £87) have been reclassified from 'Amounts receivable on creation of shares' of £nil (31/10/15: £88) and 'Amounts payable on cancellation of shares' of £nil (31/10/15: £(1)).

#### 2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Non-derivative securities*	1,101	(108)

\*Includes realised losses of £8,000 and unrealised gains of £1,109,000 (31/10/15: realised gains of £22,000 and unrealised losses of £130,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

#### 3. Revenue

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	180	58
Unfranked investment income	17	7
Interest distributions	73	24
Offshore distribution taxable	-	3
Offshore distribution non-taxable	-	4
Total revenue	270	96

#### 4. Expenses

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	14	6
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	1
<b>Other expenses:</b>		
Audit fee	11	10
Expense capping adjustment†	(3)	(9)
Total expenses	8	1
	23	8

Expenses include irrecoverable VAT where applicable.

†The ACD reimburses the Managed Growth Fund 6 in respect of expenses incurred by the L share class so as to cap the OCF of the share class at 0.45%.

for the year ended 31 October 2016

5. Taxation

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
<b>(a) Analysis of charge in year:</b>		
Corporation tax	12	5
Total current tax	12	5
Deferred taxation	1	-
Total deferred tax (note 5c)	1	-
Total taxation (note 5b)	13	5

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2015: 20%). The differences are explained below:

Net revenue before taxation	247	88
Corporation tax of 20% (2015: 20%)	49	18
<b>Effects of:</b>		
Franked UK income*	(36)	(12)
Overseas non-taxable revenue*	-	(1)
Total tax charge for year (note 5a)	13	5

*\*As an authorised OEIC these items are not subject to corporation tax.*

*OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.*

**(c) Deferred taxation:**

Provision at the start of the year	-	-
Deferred tax charge in profit and loss account for the year (note 5a)	1	-
Provision at the end of the year	1	-
Provision consists of:		
Revenue taxable in different periods	1	-
Provision at the end of the year	1	-

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/15 to 31/10/16 £000	01/11/14 to 31/10/15 £000
Interim	104	34
Final	162	72
	266	106
Add: Revenue deducted on cancellation of shares	15	4
Deduct: Revenue received on creation of shares	(47)	(27)
Net distributions for the year	234	83

*Details of the distribution per share is set out in the Distribution Tables on page 135.*

7. Debtors

	31/10/16 £000	31/10/15 £000
Sales awaiting settlement	-	107
Amounts receivable for issue of shares	70	83
Accrued revenue	13	4
Expense capping adjustment	2	21
Income tax recoverable	11	4
Total debtors	96	219

for the year ended 31 October 2016

**8. Provision for liabilities**

	31/10/16 £000	31/10/15 £000
Deferred taxation	1	-

**9. Other creditors**

	31/10/16 £000	31/10/15 £000
Purchases awaiting settlement	-	105
Amounts payable for cancellation of shares	16	20
Accrued expenses	13	12
Corporation tax payable	13	5
Total other creditors	42	142

**10. Related party transactions**

Scottish Widows Unit Trust Managers Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund. Lloyds Banking Group, as the parent company of the ACD is the ultimate controlling party of the Fund. As such any member company of Lloyds Banking Group is also a related party.

Scottish Widows Unit Trust Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Scottish Widows Unit Trust Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Scottish Widows Unit Trust Managers Limited in respect of ACD fees are disclosed in note 4, with £1,599 (31/10/15: £773) due at the year end.

Amounts paid by Scottish Widows Unit Trust Managers Limited in respect of the Expense capping adjustments are disclosed in note 4 with £1,843 (31/10/15: £21,236) due at the year end.

The Fund has a related party holding of 3,309,967 shares (31/10/15: 1,929,421 shares) and value of £7,110,092 (31/10/15: £3,577,052) held at the year end within the Lloyds Banking Group.

Revenue disclosed in note 3 includes amounts received from Lloyds Banking Group investments. The total revenue received amounts to £138,750 (31/10/15: £54,554).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the Fund at the year end £nil (31/10/15: £nil).

*Material Shareholders*

Cofunds Nominees Limited held 99.32% of the Fund at 31 October 2016.

**11. Share classes**

The Fund has one share class in issue.

The ACD's periodic charge on the share class is as follows:

Share Class L - Accumulation:	%
	0.15

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on page 127.

The distributions per share class are given in the Distribution Tables on page 135.

**Reconciliation of the shares movement in the year:**

	01/11/15 Opening shares in issue	Creations	Cancellations	31/10/16 Shares converted	Closing shares in issue
Share Class L - Accumulation	6,095,874	6,554,561	(1,975,184)	-	10,675,251

**12. Capital commitments and contingent liabilities**

On 31 October 2016, the Fund had no capital commitments (31/10/15: £nil) and no contingent liabilities (31/10/15: £nil).







## Managed Growth Fund 6

### Distribution Tables

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for the year ended 31 October 2016

#### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1 November 2015

Final Shares purchased prior to 1 May 2016

Group 2 Interim Shares purchased on or between 1 November 2015 and 30 April 2016

Final Shares purchased on or between 1 May 2016 and 31 October 2016

#### Share Class L - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2016	Distributions paid to 31/12/2015
Group 1	(p)	(p)	(p)	(p)
Interim	1.1866	-	1.1866	0.8466
Final	1.5172	-	1.5172	1.1775
Group 2	(p)	(p)	(p)	(p)
Interim	0.4606	0.7260	1.1866	0.8466
Final	0.7708	0.7464	1.5172	1.1775

#### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 73.13% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 26.87% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 79.17% of the dividend, together with the tax credit, is received as franked investment income.

Final - 20.83% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## General Information

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### About OEICs

The Investment Portfolio ICVC (the "Company") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital in which your funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes Sourcebook (COLL Sourcebook).

Scottish Widows is committed to being a responsible investor on behalf of our customers, with particular focus on Stewardship, Ethical investment and Environmental, Social and Governance (ESG) issues. Our commitment to responsible investment is explained in more detail through this link: [www.scottishwidows.co.uk/about\\_us/responsibleinvestment](http://www.scottishwidows.co.uk/about_us/responsibleinvestment)

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long-term.

Please contact us on 0345 300 2244 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as non-UCITS retail schemes which comply with Chapter 5 of the COLL Sourcebook.

The base currency of the Company is Sterling, but a class of shares in respect of any sub-fund may be designated in any currency other than Sterling.

### Shares

The Company currently offers five share classes; Class A, Class L, Class P, Class Q and Class X. Each share class has a different ACD fee.

### Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0845 845 0066.

Shares may be bought or sold between 9:00am and 5:00pm on Mondays to Fridays inclusive.

### Liability

Shareholders are not liable for the debts of the Company.

### Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the Company is managed and gives details of the types of assets in which each sub-fund may invest. There were no changes made to the Company or reflected in the Prospectus during the year to 31 October 2016. Full terms and conditions are available from the ACD.

### Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisors if they are in any doubt about their position.

### Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).

Scottish Widows Unit Trust Managers Limited. Registered in England and Wales No. 1629925.  
Registered Office in the United Kingdom at Charlton Place, Andover, Hampshire SP10 1RE. Tel: 0345 300 2244.  
Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 122129.

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