

MANAGED INVESTMENT FUNDS ICVC

ANNUAL SHORT REPORT FOR THE
YEAR ENDED 30 APRIL 2016

SCOTTISH WIDOWS

The logo for Scottish Widows, featuring the company name in a bold, sans-serif font. A stylized, wavy line graphic is positioned behind the text, starting under 'S' and ending under 'S', with a small upward curve at the end.

SCOTTISH WIDOWS MANAGED INVESTMENT FUNDS ICVC

The Company and Head Office

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

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

Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) & 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 Association.

Investment Adviser

Aberdeen Asset Investments Limited

Head Office:

Bow Bells House
1 Bread Street
London EC4M 9HH

Correspondence Address:

40 Princes Street
Edinburgh EH2 2BY

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

Depository

State Street Trustees Limited

Registered Office:

20 Churchill Place
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London E14 5HJ

Correspondence Address:

525 Ferry Road
Edinburgh EH5 2AW

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP
Level 4, Atria One
144 Morrison Street
Edinburgh EH3 8EX

SCOTTISH WIDOWS MANAGED INVESTMENT 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

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Long Reports are available on request. If you would like a copy, please telephone Client Services on **0345 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.

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

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:

- With effect from 19 December 2013 Protected Capital Solutions Fund 3 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 29 April 2014. The ACD has now issued the termination statements to impacted Shareholders and on 28 August 2015 references to this Fund were removed from the Prospectus and Instrument of Incorporation.
- With effect from 17 April 2014 Protected Capital Solutions Fund 4 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 29 April 2014. The ACD has now issued the termination statements to impacted Shareholders and on 28 August 2015 references to this Fund were removed from the Prospectus and Instrument of Incorporation.
- With effect from 31 July 2014 Protected Capital Solutions Fund 5 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 10 March 2015. The ACD has now issued the termination statements to impacted Shareholders and on 17 September 2015 references to this Fund were removed from the Prospectus and Instrument of Incorporation.
- With effect from 24 July 2015, the risk wording in the Prospectus was updated as explained further below in the Important Information section.
- With effect from 24 July 2015, the Prospectus and Instrument of the Company were updated by:
 - adding a definition of a US resident investor (the "US Person"); and
 - adding a restriction on such a US Person holding shares in the Company.

SCOTTISH WIDOWS MANAGED INVESTMENT FUNDS ICVC

PROSPECTUS CHANGES (CONTINUED)

- With effect from 24 July 2015, the Prospectus was updated to explain that the ACD may choose to make use of the “Delivery Versus Payment” exemption within the FCA’s client money and asset (CASS) rules. This means that when Shares are purchased or redeemed there could be a period of time (up to close of business the day after the ACD has received the proceeds from any such transaction) where the payment or redemption monies for these Shares is not protected under the CASS rules. If in the unlikely event that the ACD became insolvent during this period, there is a risk that the impacted investor may not receive back the payment or redemption monies.
- With effect from 30 October 2015, the Prospectus of the Company was updated to clarify that the ACD can accept requests to redeem shares by telephone as detailed in the Prospectus and that there is no longer a requirement for a Shareholder to confirm such telephone instructions in writing to the ACD. The Prospectus of the Company was updated to explain that when instructions are submitted from shareholders to sell shares that the ACD reserves the right to request additional information or proof of identity, in order to validate elements of the sale transaction and to comply with any relevant money laundering regulations. This may delay the dispatch of any redemption proceeds to the shareholder. Until this additional information is provided the ACD reserves the right to refuse to redeem shares or to delay processing and/or withhold any payments due to investors in respect of their investment and to discontinue any deals it is conducting on behalf of those investors. The ACD will attempt to contact the shareholder(s) to keep them informed of any additional information requirements by either telephone, email, text message or in writing.
- With effect from 30 October 2015, the Tax section of the Prospectus of the Company was updated to include certain regulatory changes and amendments to tax rules.
- With effect from 11 December 2015 Protected Capital Solutions Fund 6 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 25 April 2016.
- With effect from 18 March 2016, the Depositary section of the Prospectus of the Company was updated to include certain regulatory changes and amendments required under UCITS V. The amendments made related to the responsibility of the Depositary in respect of:
 - the Depositary’s functions;
 - the Depositary’s liability;
 - the Depositary’s ability to delegate;
 - any conflict of interest that may exist; and
 - a list has been included of the 3rd parties appointed by the Depositary.

The Depositary’s fee has also been amended as a result of the additional responsibility.

- With effect from 31 March 2016 Protected Capital Solutions Fund 7 commenced the process of being terminated and was therefore no longer available for further investment and had a termination completion date of 25 April 2016.

A copy of the Prospectus is available on request.

IMPORTANT INFORMATION

- Fund risk wording review:

We have reviewed the risk wordings in the Prospectuses for all Funds alongside wording in the Key Investor Information Documents (KIIDs). As a result of our review we have added further risk wording to the Prospectuses and we recommend you read the risk section of the Prospectus for the Fund(s) you are invested in within the Company. The Prospectuses can be found on the following web page:

<http://reference.scottishwidows.co.uk/literature/doc/oaic-mi-pr>

Please note there have been no changes to the risk profiles of the Funds or to the investment strategies or objectives of the Funds in the Company.

- Notification had been provided in the report ended 31 October 2015 that the benchmark of the International Equity Tracker Fund (the ‘Fund’) has been incorrectly quoted as the FTSE World ex UK Index. Please note the benchmark of the International Equity Tracker Fund is actually the FTSE All-World ex UK Index. The FCA has approved the change to the name of the benchmark and this has been amended in literature for the Fund. We have also revised the Prospectus of the Fund to make it clear that the Fund can invest in another sub-fund of the Scottish Widows Managed Investment Funds ICVC. In addition it is our intention to change the investment and borrowing powers of the Fund in order to allow the Fund to invest up to 15% of the value of its scheme property in other regulated collective investment schemes. The Fund is currently restricted to investing 10% of the value of its scheme property in other regulated collective investment schemes. We believe the increase to 15% is in the best interests of shareholders by providing the fund manager with additional flexibility in the management of the Fund. We have agreed with the Depositary of the Scottish Widows Managed Investment Funds ICVC to provide shareholders with 60 days’ notice of this proposed change. This change will be effective from 4 November 2016.

BALANCED GROWTH PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Portfolio will invest primarily in a balance of equity funds and fixed interest security funds (including a small proportion in index-linked securities). Exposure will be mainly to UK investments but with a significant proportion overseas.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

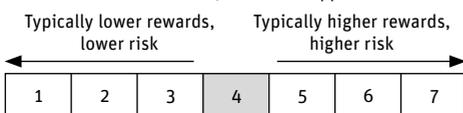
- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The Balanced Growth Portfolio invests mainly in a mixture of equities and bonds. In general, equity markets produced negative returns over the review period, with bonds delivering modestly positive returns. The Fund returned -2.98% over the year.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

In global equity markets, concerns about the health of the Chinese economy had a negative influence, especially in Asia. The US equity market performed better than other major markets. Early in the period, investors were preoccupied with the question of when the US Federal Reserve would raise interest rates. However by the time the rate rise arrived, in December 2015, it was widely expected. Thereafter, investors were reassured by indications that further increases would be gradual and dependent on global conditions as well as the health of the US economy. European and Japanese equities benefited from increased monetary stimulus by their respective central banks, but failed to rebound as strongly as the US and UK late in the period.

Corporate bonds strengthened towards the end of the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds. Government bonds performed well, helped by uncertainty about the state of the global economy.

We maintained the Fund's relatively low level of exposure to Asia Pacific equities. This was based on concerns about the effect the slowdown in Chinese growth would have on the region. This was positive for performance, as stock markets in the region were among the worst performers. The small allocations to the European and Japanese equity markets had a negative effect, however, as those markets were weak. Stock selection also had a negative impact on the overall performance of the Fund. This stemmed mainly from the underperformance of the portfolio's corporate bonds and global equities.

We have become a bit more pessimistic about the outlook for global stock markets, mainly because indicators of global economic growth are failing to show signs of improvement. As a result, companies are likely to find it more and more difficult to increase profits. There is also the risk that commodity prices could reverse recent gains, which would have a negative effect on the share prices of oil and mining companies. Corporate bonds appear to have better prospects in the short term. Government bonds are unlikely to provide exciting returns, as prices have performed strongly in recent years. However, uncertainty about the global economic recovery is likely to ensure that demand for government bonds remains high.

Aberdeen Asset Investments Limited

May 2016

BALANCED GROWTH PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD date	Payment date				
30/04/16	30/06/16				
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	1.59	1.59			
T Accumulation	1.50	1.50			
The ongoing charges figure (OCF) 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	30/04/16	30/04/15			
	%	%			
Financials	99.14	98.85			
Oil & Gas	-	0.01			
Derivatives	(0.02)	(0.03)			
Net other assets	0.88	1.17			
Total net assets	100.00	100.00			
Net asset value					
	NAV per share	NAV per share	NAV percentage change		
	30/04/16	30/04/15			
	(p)	(p)	%		
A Accumulation	172.28	177.55	(2.97)		
T Accumulation	163.22	168.10	(2.90)		
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Balanced Growth Portfolio A					
Accumulation (2.98)	7.51	2.67	12.13	0.00	
Source: Lipper for Balanced Growth Portfolio. Basis: 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
			30/04/16
			(p)
A Accumulation			2.7290
T Accumulation			2.6991
Major holdings			
	30/04/16		30/04/15
	%		%
1. Scottish Widows Corporate Bond Fund W Gross Acc	20.99	Scottish Widows Corporate Bond Fund W Gross Acc	21.78
2. HBOS UK FTSE All-Share Index Tracking Fund I Inc	13.46	HBOS UK FTSE All-Share Index Tracking Fund I Inc	15.45
3. Scottish Widows Global Growth Fund X Acc	10.21	Scottish Widows UK All Share Tracker Fund X Acc	13.07
4. Scottish Widows UK All Share Tracker Fund X Acc	9.76	Aberdeen Sterling Investment Cash Fund X Gross Acc*	8.58
5. Aberdeen Sterling Investment Cash Fund X Gross Acc	8.92	HBOS International Growth Fund I Inc	8.48
6. Aberdeen Global High Yield Bond Fund Z Acc	8.84	Scottish Widows Global Growth Fund X Acc	8.47
7. HBOS International Growth Fund I Inc	8.51	Aberdeen Global High Yield Bond Fund X Acc	5.85
8. Aberdeen Corporate Bond Fund A Inc	5.06	Aberdeen Corporate Bond Fund A Inc	5.10
Number of holdings: 37		Number of holdings: 28	
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.			
Please note: negative figures are shown in brackets.			

BALANCED PORTFOLIO FUND

for the year ended 30 April 2016

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 a subsidiary of Aberdeen Asset Management and by 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, normally referred to as Efficient Portfolio Management (EPM):

- 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

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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

Global equity markets declined over the period, with Greece's sovereign-debt crisis casting a growing shadow over market sentiment earlier on during the period. Markets witnessed a significant downturn, as China's devaluation of its currency, amid slow growth, gave rise to a severe sell-off in global markets. As the effects of China's slowdown began to fade in the fourth quarter, the US Federal Reserve raised interest rates for the first time in more than a decade, exhibiting confidence in the American economy's steady recovery. In 2016, slowing growth in China coupled with an ongoing commodities rout, gave rise to significant market volatility and considerable risk-off sentiment dragging equities lower. However, more accommodative central bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree.

Bond markets rose over the period. Thinner market liquidity and rising expectations of an interest rate hike later on in the year on the back of improving economic data contributed to gains for US 10-year Treasuries. European yields also rose, as the support provided to valuations by the European Central Bank's asset-purchase programme began to wane and President Mario Draghi commenting that bond investors should "get used to" volatility as a by-product of a long period of low yields. Strong performance continued, as slowing growth in China coupled with an ongoing commodities rout, significant market volatility and a considerable risk-off sentiment, as detailed above, tilted demand towards safe haven assets. However, more accommodative central bank policies alongside oil price stabilisation thawed sentiment for risk assets to some degree.

The Balanced Portfolio Fund is constructed from 13 underlying Scottish Widows and Russell funds. Over the period there have been manager changes within 6 of these – Russell Global Bond Fund, Russell Japan Equity Fund, Russell US Equity Fund, Russell European Fixed Income Fund, Russell US Small Cap Equity Fund and Russell Sterling Bond Fund.

The Balanced Portfolio Fund holds 50% equities and 50% bonds. The Fund returned -1.42% over the year.

In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for emerging markets. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market of self fulfilling negative sentiment – provided the U.S. does not fall into recession.

Russell Investments Limited
May 2016

BALANCED PORTFOLIO FUND (CONTINUED)

for the year ended 30 April 2016

Distribution	
XD date	Payment date
30/04/16	30/06/16
Ongoing charges figure	
	30/04/16 30/04/15 % %
A Accumulation	2.02 2.04
X Accumulation	0.62 0.64
The ongoing charges figure (OCF) 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.	
Performance record	
	01/05/15 01/05/14 01/05/13 01/05/12 01/05/11 to to to to to 30/04/16 30/04/15 30/04/14 30/04/13 30/04/12 % % % % %
Balanced Portfolio Fund A Accumulation	(1.42) 11.19 3.81 12.89 1.66
Mixed Investment 20-60% Shares Sector Average Return	(2.14) 8.29 3.27 12.05 (0.79)
Source: Lipper for Balanced Portfolio Fund and Sector Average Return. Basis: 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.	
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 30/04/16 (p)
A Accumulation	1.0371
X Accumulation	3.4170

Details of investments			
Investments	30/04/16 %	30/04/15 %	
Financials	99.35	99.39	
Derivatives	(0.04)	0.01	
Net other assets	0.69	0.60	
Total net assets	100.00	100.00	
Net asset value			
	NAV per share 30/04/16 (p)	NAV per share 30/04/15 (p)	NAV percentage change %
A Accumulation	173.37	175.91	(1.44)
X Accumulation	202.32	203.01	(0.34)
Major holdings			
	30/04/16 %		30/04/15 %
1. Russell US Equity Fund I Acc	18.77	Russell US Equity Fund I Acc	18.46
2. Russell Global Bond Euro Hedged Fund I Acc	10.58	Russell US Bond Fund I Inc	10.52
3. Russell Euro Fixed Income Fund I Inc	10.55	Russell Global Bond Euro Hedged Fund I Acc	10.50
4. Russell US Bond Fund I Inc	10.49	Russell Euro Fixed Income Fund I Inc	10.43
5. Russell Global Bond Fund A Acc	9.42	Russell Global Bond Fund A Acc	9.59
6. Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	8.98	Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	9.07
7. Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	8.96	Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	9.04
8. Russell Sterling Bond Fund I Acc	7.47	Russell Sterling Bond Fund I Acc	8.30
9. Russell Continental European Equity Fund I Acc	5.62	Russell Continental European Equity Fund I Acc	5.69
Number of holdings:	27	Number of holdings:	17
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.			
Please note: negative figures are shown in brackets.			

CASH FUND

for the year ended 30 April 2016

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, normally referred to as Efficient Portfolio Management (EPM):

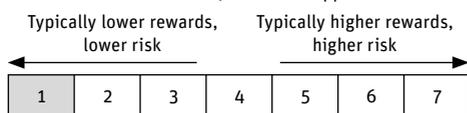
- To help reduce risk;
- To help reduce cost; and
- To help generate extra capital or income for the Fund with an acceptably low level of risk.

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.

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



The Fund is ranked at 1* because it has experienced very low levels of volatility over the past 5 years.

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The past twelve months have been volatile for global financial markets amid a weak global economic backdrop, falling commodity prices and the divergent policies of central banks.

The UK economy has continued to grow, although the expansion has been somewhat unbalanced. The service sector has accounted for nearly all of the growth, while manufacturing has struggled in comparison. Other challenges have come in the shape of the Chinese economic slowdown, worries about rising US interest rates and the impending EU referendum. UK interest rates have remained on hold at 0.5% throughout the last 12 months.

In the first months of the review period, solid US economic data, particularly in the labour market, prompted the Federal Reserve (Fed) to signal that it would consider raising interest rates. Investors expected the first hike to occur in June followed by September; however, 'international developments' (reflecting fallout from Greece and China) deterred the committee from moving. The Fed eventually raised its policy rate by 0.25 percentage points at its December meeting. Market reaction was initially fairly muted as the Fed was able to emphasise a gradual path of rate hikes.

Within the portfolio, we kept the Fund towards the longer end of its maturity restrictions by investing in three to six-month assets in anticipation of the rise in US interest rates. Recently, we have taken advantage of issues of up to six month maturities, taking advantage of certain issuers' preference for longer-dated funding. We did this while maintaining adequate liquidity among shorter-dated holdings through the use of overnight deposits.

Looking ahead, the near-term economic outlook has been supported by the financial-market rally that took place in March and April. US high-yield bonds have recovered and key commodity prices – including oil – have risen from long-term lows. However, global stocks remain below their end-2015 levels and well below last May's peak, financial conditions are significantly tighter than in mid-15, and inflation expectations are lower. However policy makers have scope to improve the outlook, with recent monetary easing in the Eurozone likely to help.

Our forecasts for UK GDP (gross domestic product) growth are for 2.0%. Weaker investment driven, partly by the heightened uncertainty caused by the upcoming referendum on the UK's membership of the European Union, is keeping a lid on growth.

We expect inflation should rise steadily through 2016. However, the scale of the pick-up will be muted by energy prices that remain low by historic standards, recent price cuts announced by domestic gas suppliers and weak core inflationary pressures. We expect CPI inflation to average just 0.5% in 2016, before rising to 1.5% in 2017. Against this backdrop, we expect the first UK interest rate hike to come in the second quarter of 2017.

Aberdeen Asset Investments Limited
May 2016

CASH FUND (CONTINUED)

for the year ended 30 April 2016

Distribution			
XD dates	Payment dates		
31/10/15	31/12/15		
30/04/16	30/06/16		
Ongoing charges figure			
	30/04/16	30/04/15	
	%	%	
A Accumulation	0.62	0.62	
A Income	0.62	0.62	
X Accumulation	0.12	0.12	
The ongoing charges figure (OCF) 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	30/04/16	30/04/15	
	%	%	
Cash Equivalents	95.37	101.96	
Net other assets/(liabilities)	4.63	(1.96)	
Total net assets	100.00	100.00	
Net asset value			
	NAV per share	NAV per share	NAV percentage change
	30/04/16	30/04/15	
	(p)	(p)	%
A Accumulation	177.45	177.53	(0.05)
A Income	99.61	99.66	(0.05)
X Accumulation	178.93	178.28	0.36

Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Cash Fund A					
Accumulation	0.00	(0.11)	(0.17)	0.00	0.23
Short Term Money Market Sector Average					
Return	0.19	0.19	0.23	0.49	0.44
Source: Lipper for Cash Fund and Sector Average Return. Basis: 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.					
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					
		Interim	Final		
		31/10/15	30/04/16		
		(p)	(p)		
A Accumulation		-	-		
A Income		-	-		
X Accumulation		0.3005	0.3388		

CASH FUND (CONTINUED)

for the year ended 30 April 2016

Portfolio holdings		30/04/16	30/04/15
		%	%
1. Sumitomo Mitsui Trust Bank 0.46% 03/05/2016	6.03	Sumitomo Mitsui Trust Bank 0.45% 01/05/2015	10.53
2. Bank of Tokyo-Mitsubishi 0.57% 18/05/2016	4.65	Credit Agricole 0.53% 09/06/2015	4.52
3. Svenska Handelsbanken 0.56% 13/05/2016	4.65	ING Bank 0.54% 11/05/2015	4.52
4. Syandard Chartered Bank 0.64% 03/06/2016	4.65	Landesbank Hessen Thuringen 0.53% 03/06/2015	4.52
5. Bank of America 0.63% 16/06/2016	4.64	National Bank of Abu Dhabi 0.54% 20/07/2015	4.52
6. BNP Paribas 0.57% 07/10/2016	4.64	Natixis 0.66% 01/07/2015	4.52
7. Citibank 0.57% 09/05/2016	4.64	Standard Chartered Bank 0.55% 08/05/2015	4.52
8. Credit Agricole 0.49% 11/05/2016	4.64	Sumitomo Mitsui Banking 0.55% 30/06/2015	4.52
9. Credit Industriel et Commercial 0.64% 05/07/2016	4.64	Svenska Handelsbanken 0.5% 03/06/2015	4.52
10. Credit Suisse 0.62% 17/05/2016	4.64	Bank of Nova Scotia 0.52% 06/07/2015	4.51
11. DZ Bank 0.59% 30/08/2016	4.64	Bank of Tokyo Mitsubishi 0.53% 18/05/2015	4.51
12. ING Bank 0.58% 13/06/2016	4.64	Citibank 0.56% 03/08/2015	4.51

Portfolio holdings (continued)			
		30/04/16	30/04/15
		%	%
13. KBC Bank 0.61% 18/07/2016	4.64	Credit Industriel 0.54% 01/07/2015	4.51
14. Lloyds Bank 0.54% 18/07/2016	4.64	DZ Bank 0.51% 18/05/2015	4.51
15. National Bank of Abu Dhabi 0.6% 20/07/2016	4.64	HSBC France 0.5% 07/07/2015	4.51
16. Qatar National Bank 0.01% 14/06/2016	4.64	Nationwide Building Society 0.59% 08/07/2015	4.51
17. Sumitomo Mitsui Banking 0.62% 31/05/2016	4.64	BNP Paribas 0.57% 28/07/2015	4.51
18. ABN AMRO Bank 0% 04/08/2016	4.63	Macquarie Bank 0.01% 14/05/2015	4.51
19. Nationwide Building Society 0.64% 05/08/2016	3.48	Mizuho Bank 0.49% 15/06/2016	4.51
20. Macquarie Bank 0.01% 16/05/2016	2.32	Nordea Bank 0.5% 12/06/2015	3.39
21. Mizuho Bank 0.60% 31/05/2016	2.32	Credit Suisse 0.53% 01/05/2015	2.26
22. Sumitomo Trust & Banking 0.705% 07/07/2016	2.32	Credit Suisse 0.54% 01/06/2015	2.26
23.		Sumitomo Trust Banking 0.48% 05/05/2015	2.26
Number of holdings: 22		Number of holdings: 23	

Please note: negative figures are shown in brackets.

CAUTIOUS PORTFOLIO FUND

for the year ended 30 April 2016

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 a subsidiary of Aberdeen Asset Management and by 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, normally referred to as Efficient Portfolio Management (EPM):

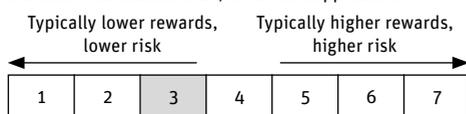
- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates and Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

Bond markets were higher over the period. Thinner market liquidity and rising expectations of an interest rate hike later on in the year on the back of improving economic data contributed to gains for US 10-year Treasuries earlier on. European yields also rose, as the support provided to valuations by the European Central Bank's asset-purchase programme began to wane and President Mario Draghi commenting that bond investors should "get used to" volatility as a by-product of a long period of low yields. Strong performance continued, as slowing growth in China coupled with an ongoing commodities rout, significant market volatility and a considerable risk-off sentiment, tilting demand towards safe haven assets. Meanwhile, the US Federal Reserve finally raised its benchmark interest rate; crystallizing the diverging central bank policy environment of the more hawkish U.S. and UK and the loose monetary policies in Europe and Japan. In the latter part of the period, more accommodative central bank policies alongside oil price stabilisation thawed sentiment for risk assets to some degree.

Global equity markets declined over the period. Markets witnessed a significant downturn, as China's devaluation of its currency, amid slow growth, gave rise to severe sell-off in global markets. However, more accommodative central bank policies alongside oil price stabilisation towards the later part of the period, thawed sentiment for global equities to some degree.

The Cautious Portfolio Fund is constructed from 13 underlying Scottish Widows and Russell funds. Over the period there have been manager changes within 6 of these – Russell Global Bond Fund, Russell Japan Equity Fund, Russell US Equity Fund, Russell European Fixed Income Fund, Russell US Small Cap Equity Fund and Russell Sterling Bond Fund.

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 -0.06% over the year.

In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for emerging markets. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market of self fulfilling negative sentiment – provided the U.S. does not fall into recession.

Russell Investments Limited
May 2016

CAUTIOUS PORTFOLIO FUND (CONTINUED)

for the year ended 30 April 2016

Distribution				
XD dates	Payment dates			
31/07/15	30/09/15			
31/10/15	31/12/15			
31/01/16	31/03/16			
30/04/16	30/06/16			
Ongoing charges figure				
	30/04/16	30/04/15		
	%	%		
A Accumulation	1.52	1.56		
A Income	1.52	1.55		
Accumulation	0.62	0.65		
The ongoing charges figure (OCF) 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	30/04/16	30/04/15		
	%	%		
Financials	99.60	99.54		
Derivatives	(0.02)	0.00		
Net other assets	0.42	0.46		
Total net assets	100.00	100.00		
Net asset value				
	NAV per share	NAV per share	NAV	
	30/04/16	30/04/15	percentage	
	(p)	(p)	change	
			%	
A Accumulation	172.75	172.89	(0.08)	
A Income	133.13	134.67	(1.14)	
X Accumulation	190.85	189.64	0.64	
Distribution				
	First interim	Second interim	Third interim	Final
	31/07/15	31/10/15	31/01/16	30/04/16
	(p)	(p)	(p)	(p)
A Accumulation	0.4125	0.5382	0.4088	0.4724
A Income	0.3213	0.4181	0.3167	0.3653
X Accumulation	0.7912	0.9214	0.7837	0.8630

Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Cautious Portfolio Fund A					
Accumulation (0.06)	8.40	0.57	9.45	4.85	
Global Bond Sector Average					
Return	4.43	3.54	(3.46)	10.08	2.91
Source: Lipper for Cautious Portfolio Fund and Sector Average Return. Basis: 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.					
Major holdings					
	30/04/16		30/04/15		
	%		%		
1. Russell US Bond Fund I Inc	17.92	Russell Global Bond Euro Hedged Fund I Acc	17.83		
2. Russell Global Bond Euro Hedged Fund I Acc	17.92	Russell US Bond Fund I Inc	17.79		
3. Russell Euro Fixed Income Fund I Inc	17.86	Russell Euro Fixed Income Fund I Inc	17.77		
4. Russell Global Bond Fund A Acc	16.96	Russell Global Bond Fund A Acc	16.93		
5. Russell Sterling Bond Fund I Inc	12.76	Russell Sterling Bond Fund I Inc	13.71		
6. Russell US Equity Fund I Inc	5.73	Russell US Equity Fund I Inc	5.59		
Number of holdings: 26		Number of holdings: 17			
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.					
Please note: negative figures are shown in brackets.					

DYNAMIC INCOME PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give an income with some potential for long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated 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.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

- 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

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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The portfolio is invested in a blend of bonds and equities. In general, bond markets performed better than equity markets over the review period, with bonds delivering modestly positive returns while equities declined. The Fund returned -2.43% over the year.

Government bonds performed well over the review period, helped by uncertainty about the state of the global economy. Central banks continued to buy government bonds in an attempt to boost their economies through programmes of quantitative easing. Corporate bonds were initially weaker, but strengthened later in the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

In global equity markets, concerns about the health of the Chinese economy had a negative influence, especially in Asia. The US equity market performed better than other major markets. Early in the period, investors were preoccupied with the question of when the US Federal Reserve would raise interest rates. However by the time the rate rise arrived, in December 2015, it was widely expected. Thereafter, investors were reassured by indications that further increases would be gradual and dependent on global conditions as well as the health of the US economy. European and Japanese equities benefited from increased monetary stimulus by their respective central banks, but failed to rebound as strongly as the US and UK late in the period.

The Fund's comparatively low weighting in government bonds had a negative effect on performance, given their strong performance over the period. Security selection also had a negative effect, mainly stemming from the underperformance of the Fund's high-yield bond holdings. The high allocation to corporate bonds was positive, however, as the asset class outperformed equities. We maintained the Fund's relatively low level of exposure to Asia Pacific equities. This was based on concerns about the effect the slowdown in Chinese growth would have on the region. This was positive for performance, as stock markets in the region were among the worst performers. The small allocations to the European and Japanese equity markets had a negative effect, however, as those markets were weak.

We have become slightly pessimistic about the outlook for global stock markets, mainly because indicators of global economic growth are failing to show signs of improvement. As a result, companies are likely to find it more and more difficult to increase profits. There is also the risk that commodity prices could reverse recent gains, which would have a negative effect on the share prices of oil and mining companies. Corporate bonds appear to have better prospects in the short term. Government bonds are unlikely to provide exciting returns, as prices have performed strongly in recent years. However, uncertainty about the global economic recovery is likely to ensure that demand for government bonds remains high.

Aberdeen Asset Investments Limited
May 2016

DYNAMIC INCOME PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution

XD dates	Payment dates
31/07/15	30/09/15
31/10/15	31/12/15
31/01/16	31/03/16
30/04/16	30/06/16

Ongoing charges figure

	30/04/16	30/04/15
	%	%
A Accumulation	1.36	1.37
A Income	1.36	1.37
B Accumulation	1.36	1.37
B Income	1.36	1.37

The ongoing charges figure (OCF) 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	30/04/16	30/04/15
	%	%
Financials	99.80	99.81
Derivatives	(0.04)	(0.03)
Net other assets	0.24	0.22
Total net assets	100.00	100.00

Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/04/16	30/04/15	
	(p)	(p)	%
A Accumulation	204.58	209.70	(2.44)
A Income	100.38	104.66	(4.09)
B Accumulation	205.24	210.39	(2.45)
B Income	100.38	104.67	(4.10)

Distribution

	First interim	Second interim	Third interim	Final
	31/07/15	31/10/15	31/01/16	30/04/16
	(p)	(p)	(p)	(p)
A Accumulation	0.3810	1.2191	0.6497	1.2025
A Income	0.1902	0.6073	0.3217	0.5936
B Accumulation	0.3822	1.2231	0.6518	1.2064
B Income	0.1902	0.6073	0.3216	0.5937

Performance record

01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
to	to	to	to	to
30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
%	%	%	%	%

Dynamic Income Portfolio A

Accumulation (2.43)	6.45	2.23	11.90	2.14
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Source: Lipper for Dynamic Income Portfolio. Basis: 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.

Major holdings

	30/04/16		30/04/15
	%		%
1. Scottish Widows UK Equity Income Fund X Acc	24.20	Scottish Widows UK Equity Income Fund X Acc	26.22
2. Scottish Widows Corporate Bond Fund W Gross Acc	20.15	Scottish Widows Corporate Bond Fund W Gross Acc	21.33
3. Aberdeen Global High Yield Bond Fund Z Acc	14.38	Aberdeen Global High Yield Bond Fund X Acc	10.74
4. Aberdeen Corporate Bond Fund A Inc	10.29	Aberdeen Corporate Bond Fund A Inc	10.13
5. Aberdeen Sterling Investment Cash Fund X Gross Acc	10.16	Aberdeen Sterling Investment Cash Fund X Gross Acc	10.07

Number of holdings: 32 Number of holdings: 25

Please note: negative figures are shown in brackets.

INTERNATIONAL EQUITY TRACKER FUND

for the year ended 30 April 2016

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 FTSE All-World ex UK Index. 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, normally referred to as Efficient Portfolio Management (EPM):

- 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

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

*As disclosed in the key investor information document dated 15 March 2016.

INVESTMENT ADVISER'S REVIEW

After enduring some volatility, international equity indices finished the reporting period close to where they started in sterling terms. From a regional perspective, US markets made small gains in local currency terms, while Japan and emerging markets lagged behind.

In the US, solid economic data prompted the US Federal Reserve (Fed) to signal that it would begin policy normalisation. The Fed eventually raised its policy rate by 0.25 percentage points at its December meeting. Market reaction was initially fairly muted, as the committee emphasised a gradual path of rate hikes. In April, investors were relieved that, despite a continued improvement in the US employment market, rates were not raised further. At the sector level, utilities and consumer staples performed well, while energy and materials lagged behind.

Turning to Europe, the European Central Bank (ECB) recently announced a list of new measures. These include: a 0.1 percentage point cut to the deposit rate, bringing it to -0.4% (effectively charging commercial banks to lodge their deposits with the ECB); dropping the headline interest rate to 0%; promising a new series of longer-term refinancing operations; and expanding its monthly asset purchase programme by €20 billion to €80 billion. In terms of sector performance, financials and telecoms were among the worst performers.

Meanwhile, the Bank of Japan unexpectedly cut its policy rate to -0.1% in early 2016. In April, investors were surprised by the central bank's decision to leave interest rates unchanged. The yen surged in response to the central bank's inaction, with implications for Japan's export-sensitive equity markets.

Emerging markets have endured a volatile start to 2016. The People's Bank of China (PBoC) cut the required reserve ratio (RRR) by 50 basis points in February. Finally, in Latin America, Brazil and Venezuela continue to face serious political and economic challenges.

Growth in the advanced economies remains much less dynamic than before the global financial crisis. Emerging markets' growth rates have also slowed, led by China. This moderating baseline heightens the risk that economic, financial or political shocks could push the global economy towards recession – and may help explain the sensitivity to downside risks displayed by financial markets during the first six weeks of this year. Financial conditions overall have improved since the early weeks of 2016, but a number of indicators are still at heightened levels.

Abdeen Asset Investments Limited
May 2016

INTERNATIONAL EQUITY TRACKER FUND (CONTINUED)

for the year ended 30 April 2016

Distribution

XD dates	Payment dates
31/10/15	31/12/15
30/04/16	30/06/16

Ongoing charges figure

	30/04/16	30/04/15
	%	%
I Accumulation	0.61	0.61
X Accumulation	0.11	0.11

The ongoing charges figure (OCF) 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

	30/04/16	30/04/15
	%	%
Short Term Deposits	91.53	92.73
Financials	9.70	6.38
Derivatives	(0.03)	2.57
Net other liabilities	(1.20)	(1.68)
Total net assets	100.00	100.00

Net asset value

	NAV per share	NAV per share	NAV percentage change
	30/04/16	30/04/15	
	(p)	(p)	%
I Accumulation	216.73	217.53	(0.37)
X Accumulation	229.70	229.61	0.04

Distribution

	Interim	Final
	31/10/15	30/04/16
	(p)	(p)
I Accumulation	-	-
X Accumulation	0.3855	0.4399

Performance record

01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
to	to	to	to	to
30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
%	%	%	%	%

International Equity Tracker Fund I

Accumulation (0.37)	18.53	3.09	22.42	(6.50)
Global Growth Sector Average Return	(1.65)	15.94	6.15	18.23
				(5.59)

Source: Lipper for International Equity Tracker Fund and Sector Average Return. Basis: 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.

Major holdings

	30/04/16		30/04/15
	%		%
1. Short Term Deposits	91.53	Short Term Deposits	92.73
2. iShares MSCI Emerging Markets ETF	5.24	iShares MSCI Emerging Markets ETF	6.23
3. Aberdeen Global Liquidity Sterling Fund Advisory	4.46	S&P 500 Index Futures June 2015	1.23
4. S&P 500 Index Futures June 2016	1.95	MSCI Emerging Markets Index Futures June 2015	0.69
5. S&P 500 E Mini Index Futures June 2016	0.73	TOPIX Index Futures June 2015	0.39

Number of holdings: 97 Number of holdings: 69

Please note: negative figures are shown in brackets.

MANAGED INCOME PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give an income, or growth (when income is kept in the Portfolio) by mainly investing in funds which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Portfolio will invest primarily 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 a significant proportion overseas.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

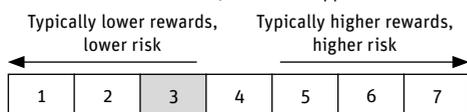
- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The portfolio is invested in bonds issued by governments and companies and also has some positions in equities. The bulk of the equity exposure is in the UK market. In general, bond markets performed better than equity markets over the review period, with bonds delivering modestly positive returns while equities declined. The Fund returned -0.70% over the year.

Government bonds performed well over the review period, helped by uncertainty about the state of the global economy. Central banks continued to buy government bonds in an attempt to boost their economies through programmes of quantitative easing. Corporate bonds were initially weaker, but strengthened towards the end of the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

The Fund's comparatively low weighting in government bonds had a negative effect on performance, given their strong performance over the period. Security selection also had a negative effect, especially among the Fund's high yield bond holdings.

The Fund's underweight position in the UK equity market was positive for performance, given the stronger returns from bonds. The small allocations to the European and Japanese equity markets had a negative effect, however, as those markets were weak.

We are pessimistic on the outlook for stock markets, mainly because indicators of global economic growth are failing to show signs of improvement. As a result, companies are likely to find it more and more difficult to increase profits. There is also the risk that commodity prices could reverse recent gains, which would have a negative effect on the share prices of oil and mining companies. Corporate bonds appear to have better prospects in the short term. Government bonds are unlikely to provide exciting returns, as prices have performed strongly in recent years. However, uncertainty about the global economic recovery is likely to ensure that demand for government bonds remains high.

Aberdeen Asset Investments Limited
May 2016

MANAGED INCOME PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD dates	Payment dates				
31/07/15	30/09/15				
31/10/15	31/12/15				
31/01/16	31/03/16				
30/04/16	30/06/16				
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	1.37	1.38			
A Income	1.37	1.38			
The ongoing charges figure (OCF) 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	30/04/16	30/04/15			
	%	%			
Financials	99.42	99.21			
Derivatives	(0.03)	0.01			
Net other assets	0.61	0.78			
Total net assets	100.00	100.00			
Net asset value					
	NAV per share	NAV per share	NAV percentage		
	30/04/16	30/04/15	change		
	(p)	(p)	%		
A Accumulation	155.10	156.23	(0.72)		
A Income	117.30	119.90	(2.17)		
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Managed Income Portfolio A	Accumulation (0.70)	5.04	(0.34)	9.46	5.01
Source: Lipper for Managed Income Portfolio. Basis: 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				
	First interim	Second interim	Third interim	Final
	31/07/15	31/10/15	31/01/16	30/04/16
	(p)	(p)	(p)	(p)
A Accumulation	0.4586	0.5450	0.6134	0.6324
A Income	0.3519	0.4172	0.4677	0.4804
Major holdings				
	30/04/16		30/04/15	
	%		%	
1. Scottish Widows Corporate Bond Fund W Gross Acc	20.14	Scottish Widows Corporate Bond Fund W Gross Acc	21.32	
2. Aberdeen Sterling Investment Cash Fund X Gross Acc	16.11	Aberdeen Sterling Investment Cash Fund X Gross Acc	16.31	
3. Aberdeen Corporate Bond Fund A Inc	15.09	Aberdeen Corporate Bond Fund A Inc	15.25	
4. Aberdeen Global High Yield Bond Fund Z Acc	10.81	Scottish Widows UK Equity Income Fund A Inc	10.94	
5. Scottish Widows UK Equity Income Fund A Inc	9.22	Aberdeen Global High Yield Bond Fund X Acc	10.79	
6. Aberdeen European Corporate Bond I Inc	5.61	Scottish Widows Gilt Fund W Gross	7.90	
7. Scottish Widows International Bond Fund W Gross Acc	5.37	Aberdeen Corporate Bond Fund X Acc	5.03	
8. Aberdeen Corporate Bond Fund Z Acc	5.02			
Number of holdings: 31		Number of holdings: 22		
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's net asset value.				
Please note: negative figures are shown in brackets.				

MOMENTUM INCOME PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give an income with some potential for long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Portfolio will invest primarily 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.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

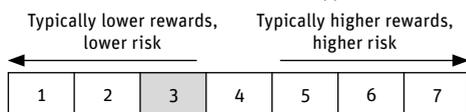
- To help reduce risk;
- To help reduce cost; and
- To help manage the effect of fluctuations in exchange rates with Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The portfolio is invested in bonds issued by governments and companies and also has positions in equities. The bulk of the equity exposure is in the UK market. In general, bond markets performed better than equity markets over the review period, with bonds delivering modestly positive returns while equities declined. The Fund returned -1.83% over the year.

Government bonds performed well over the review period, helped by uncertainty about the state of the global economy. Central banks continued to buy government bonds in an attempt to boost their economies through programmes of quantitative easing. Corporate bonds were initially weaker, but strengthened towards the end of the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

The Fund's comparatively low weighting in government bonds had a negative effect on performance, given their strong performance over the period. Security selection within the Fund's high yield bond holdings had a negative effect. The Fund's underweight position in the UK equity market was positive for performance, given the stronger returns from bonds. The small allocations to the European and Japanese equity markets had a negative effect, however, as those markets were weak.

We have become a bit more pessimistic about the outlook for stock markets, mainly because indicators of global economic growth are failing to show signs of improvement. As a result, companies are likely to find it more and more difficult to increase profits. There is also the risk that commodity prices could reverse recent gains, which would have a negative effect on the share prices of oil and mining companies. Corporate bonds appear to have better prospects in the short term. Government bonds are unlikely to provide exciting returns, as prices have performed strongly in recent years. However, uncertainty about the global economic recovery is likely to ensure that demand for government bonds remains high.

Aberdeen Asset Investments Limited
May 2016

MOMENTUM INCOME PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD dates	Payment dates				
31/07/15	30/09/15				
31/10/15	31/12/15				
31/01/16	31/03/16				
30/04/16	30/06/16				
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	1.37	1.37			
A Income	1.37	1.37			
U Accumulation	1.50	1.50			
The ongoing charges figure (OCF) 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					
	30/04/16	30/04/15			
	%	%			
Financials	99.59	99.18			
Derivatives	(0.02)	0.01			
Net other assets	0.43	0.81			
Total net assets	100.00	100.00			
Net asset value					
	NAV per share	NAV per share	NAV percentage change		
	30/04/16	30/04/15	30/04/15		
	(p)	(p)	%		
A Accumulation	160.56	163.63	(1.88)		
A Income	122.13	126.46	(3.42)		
U Accumulation	138.55	141.35	(1.98)		
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Momentum Income Portfolio A Accumulation	(1.83)	6.03	0.59	10.76	4.37
Source: Lipper for Momentum Income Portfolio Fund. Basis: 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				
	First interim	Second interim	Third interim	Final
	31/07/15	31/10/15	31/01/16	30/04/16
	(p)	(p)	(p)	(p)
A Accumulation	0.4766	0.6910	0.5990	0.7597
A Income	0.3683	0.5324	0.4596	0.5807
U Accumulation	0.3714	0.5587	0.4784	0.6174
Major holdings				
	30/04/16	30/04/15		
	%	%		
1. Scottish Widows Corporate Bond Fund W Gross Acc	21.14	Scottish Widows Corporate Bond Fund W Gross Acc	22.21	
2. Scottish Widows UK Equity Income Fund A Inc	15.24	Scottish Widows UK Equity Income Fund A Inc	15.87	
3. Aberdeen Corporate Bond Fund A Inc	15.23	Aberdeen Corporate Bond Fund A Inc	15.15	
4. Aberdeen Sterling Investment Cash Fund X Gross Acc	12.87	Aberdeen Sterling Investment Cash Fund X Gross Acc	12.84	
5. Aberdeen Global High Yield Bond Fund Z Acc	11.20	Aberdeen Global High Yield Bond Fund X Acc	10.73	
6. Scottish Widows UK Index Linked Tracker W Acc	6.85	Scottish Widows UK Index Linked Tracker W Acc	7.09	
7. Aberdeen Corporate Bond Fund Z Acc	6.17	Aberdeen Corporate Bond Fund X Acc	6.09	
Number of holdings: 31 Number of holdings: 20				
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's Net Asset Value.				
Please note: negative figures are shown in brackets.				

OPPORTUNITIES PORTFOLIO FUND

for the year ended 30 April 2016

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 subsidiary of Aberdeen Asset Management and by 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, normally referred to as Efficient Portfolio Management (EPM):

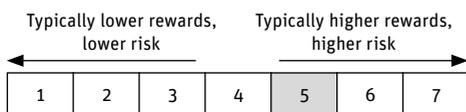
- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

Global equity markets declined over period, with Greece's sovereign-debt crisis casting a growing shadow over market sentiment earlier on during the period. Markets witnessed a significant downturn, as China's devaluation of its currency, amid slow growth gave rise to severe sell-off in global markets. As the effects of China's slowdown began to fade, the US Federal Reserve raised interest rates for the first time in more than a decade, exhibiting confidence in the American economy's steady recovery. Meanwhile, investors were disappointed by the European Central Bank's timid actions to quell sluggish growth, whilst the downward trend of oil prices weighed on Emerging Markets. In 2016, slowing growth in China coupled with an ongoing commodities rout (especially in oil), gave rise to significant market volatility and considerable risk-off sentiment. However, more accommodative central bank policies alongside oil price stabilisation towards the later part of the period, thawed sentiment for global equities to some degree. In April, stabilising commodity prices drove equities upwards, but inaction by major central banks and downbeat data, weighed down on global markets.

Bond markets rose over the period, as slowing growth in China coupled with an ongoing commodities rout, significant market volatility and a considerable risk-off sentiment, as detailed above, tilted demand towards safe haven assets. However, more accommodative central bank policies alongside oil price stabilisation thawed sentiment for risk assets to some degree.

The Opportunities Portfolio Fund is constructed from 14 underlying Scottish Widows and Russell funds. Over the period there have been manager changes within 6 of these – Russell Global Bond Fund, Russell Japan Equity Fund, Russell US Equity Fund, Russell European Fixed Income Fund, Russell US Small Cap Equity Fund and Russell Sterling Bond Fund.

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 -2.84% over the year.

In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for emerging markets. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market of self fulfilling negative sentiment – provided the U.S. does not fall into recession.

Russell Investments Limited
May 2016

OPPORTUNITIES PORTFOLIO FUND (CONTINUED)

for the year ended 30 April 2016

Distribution

XD date	Payment date
30/04/16	30/06/16

Ongoing charges figure

	30/04/16 %	30/04/15 %
A Accumulation	2.00	2.00
X Accumulation	0.60	0.60

The ongoing charges figure (OCF) 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

	30/04/16 %	30/04/15 %
Financials	99.76	99.81
Derivatives	(0.05)	0.01
Net other assets	0.29	0.18
Total net assets	100.00	100.00

Net asset value

	NAV per share 30/04/16 (p)	NAV per share 30/04/15 (p)	NAV percentage change %
A Accumulation	174.14	179.32	(2.89)
X Accumulation	203.30	207.00	(1.79)

Performance record

	01/05/15 to 30/04/16 %	01/05/14 to 30/04/15 %	01/05/13 to 30/04/14 %	01/05/12 to 30/04/13 %	01/05/11 to 30/04/12 %
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Opportunities

Portfolio

Fund A

Accumulation	(2.84)	14.72	8.17	16.91	(1.59)
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Global Growth

Sector Average

Return	(1.65)	15.94	6.15	18.23	(5.59)
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Source: Lipper for Opportunities Portfolio Fund and Sector Average Return. Basis: 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 30/04/16 (p)
A Accumulation	0.8308
X Accumulation	3.1944

Major holdings

	30/04/16 %		30/04/15 %
1. Russell US Equity Fund I Acc	18.91	Russell US Equity Fund I Acc	18.95
2. Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	16.32	Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	16.40
3. Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	16.27	Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	16.38
4. Russell US Quant Fund I Acc	13.49	Russell US Quant Fund I Acc	13.03
5. Russell Continental European Equity Fund I Acc	10.27	Russell Continental European Equity Fund I Acc	10.20

Number of holdings: 29 Number of holdings: 20

Please note: negative figures are shown in brackets

PROGRESSIVE PORTFOLIO FUND

for the year ended 30 April 2016

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 subsidiary of Aberdeen Asset Management and by 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, normally referred to as Efficient Portfolio Management (EPM):

- 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

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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

Global equity markets declined over the 12-month period, with Greece's sovereign-debt crisis casting a growing shadow over market sentiment earlier on during the period. Markets witnessed a significant downturn, as China's devaluation of its currency, amid slow growth, gave rise to severe sell-off in global markets. However, as the effects of China's slowdown began to fade in the fourth quarter, the US Federal Reserve raised interest rates for the first time in more than a decade, exhibiting confidence in the American economy's steady recovery. Meanwhile, investors were disappointed by the European Central Bank's timid actions to quell sluggish growth, whilst the downward trend of oil prices weighed on Emerging Markets. Equities fell to start 2016, as slowing growth in China coupled with an ongoing commodities rout (especially in oil), gave rise to significant market volatility and considerable risk-off sentiment. However, more accommodative central bank policies alongside oil price stabilisation towards the later part of the period, thawed sentiment for global equities to some degree. In April stabilising commodity prices drove equities upwards, but inaction by major central banks and relatively downbeat data, weighed down on global markets.

Bond markets rose over the period, as slowing growth in China coupled with an ongoing commodities rout significant market volatility and a considerable risk-off sentiment, as detailed above, firmly tilted demand towards safe haven assets. Whilst more accommodative central bank policies alongside oil price stabilisation thawed sentiment for risk assets to some degree, stabilising commodity prices lured demand into risk assets.

The Progressive Portfolio Fund is constructed from 14 underlying Scottish Widows and Russell funds. Over the period there have been manager changes within 6 of these – Russell Global Bond Fund, Russell Japan Equity Fund, Russell US Equity Fund, Russell European Fixed Income Fund, Russell US Small Cap Equity Fund and Russell Sterling Bond Fund.

The Progressive Portfolio Fund holds 75% equities and 25% bonds. The Fund returned -2.32% over the year.

In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for emerging markets. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market of self fulfilling negative sentiment – provided the U.S. does not fall into recession.

Russell Investments Limited
May 2016

PROGRESSIVE PORTFOLIO FUND (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD date	Payment date				
30/04/16	30/06/16				
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	2.00	2.00			
X Accumulation	0.60	0.60			
The ongoing charges figure (OCF) 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.					
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Progressive Portfolio Fund A	(2.32)	13.36	6.48	15.69	(0.54)
Mixed Investment 40-85% Shares Sector Average Return*	(2.79)	10.56	5.12	14.56	(2.46)
Source: Lipper for Progressive Portfolio Fund and Sector Average Return. Basis: 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				
	30/04/16				
	(p)				
A Accumulation	0.9240				
X Accumulation	3.3277				

Details of investments			
Investments	30/04/16	30/04/15	
	%	%	
Financials	99.76	99.70	
Derivatives	(0.03)	0.01	
Net other assets	0.27	0.29	
Total net assets	100.00	100.00	
Net asset value			
	NAV per share	NAV per share	NAV percentage change
	30/04/16	30/04/15	%
	(p)	(p)	
A Accumulation	176.47	180.72	(2.35)
X Accumulation	205.86	208.48	(1.26)
Major holdings			
	30/04/16		30/04/15
	%		%
1. Russell US Equity Fund I Acc	18.93	Russell US Equity Fund I Acc	18.73
2. Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	13.58	Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	13.66
3. Scottish Widows Multi-Manager UK Equity Focus Fund A Acc	13.56	Scottish Widows Multi-Manager UK Equity Growth Fund A Acc	13.58
4. Russell Continental European Equity Fund I Acc	8.28	Russell Continental European Equity Fund I Acc	8.47
5. Russell US Quant Fund I Acc	8.15	Russell US Quant Fund I Acc	7.64
6. Russell Global Bond Euro Hedged Fund I Acc	5.44	Russell US Bond Fund I Inc	5.27
7. Russell US Bond Fund I Inc	5.36	Russell Global Bond Euro Hedged Fund I Acc	5.23
8. Russell Euro Fixed Income Fund I Inc	5.33	Russell Euro Fixed Income Fund I Inc	5.20
Number of holdings: 29	Number of holdings: 18		
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's Net Asset Value.			
Please note: negative figures are shown in brackets.			

STOCKMARKET GROWTH PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Portfolio will primarily invest in equity funds, with a limited proportion in fixed interest security funds. Exposure will be to both UK and overseas markets.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

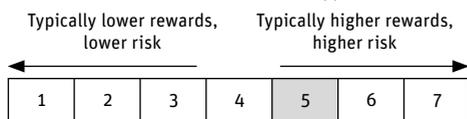
- To help reduce risk; and
- To help reduce cost.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The Stockmarket Growth Fund invests mainly in equities, split between the UK and international markets. It also has a small allocation to corporate bonds. In general, equity markets produced negative returns over the review period, with corporate bonds delivering modestly positive returns. The Fund returned -4.22% over the year.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

In global equity markets, concerns about the health of the Chinese economy had a negative influence, especially in Asia. The US equity market performed better than other major markets. Early in the period, investors were preoccupied with the question of when the US Federal Reserve would raise interest rates. However by the time the rate rise arrived, in December 2015, it was widely expected. Thereafter, investors were reassured by indications that further increases would be gradual and dependent on global conditions as well as the health of the US economy. European and Japanese equities benefited from increased monetary stimulus by their respective central banks, but failed to rebound as strongly as the US and UK late in the period.

Corporate bonds strengthened towards the end of the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds.

We maintained the Fund's relatively low level of exposure to Asia Pacific equities. This was based on concerns about the effect the slowdown in Chinese growth would have on the region. This was positive for performance, as stock markets in the region were among the worst performers. The small positions in European and Japanese equity markets had a negative effect as those markets were weak. Stock selection also had a negative impact on the overall performance of the Fund. This stemmed mainly from the underperformance of the portfolio's global equities and corporate bonds.

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

Aberdeen Asset Investments Limited
May 2016

STOCKMARKET GROWTH PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD date	Payment date				
30/04/16	30/06/16				
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	1.59	1.58			
The ongoing charges figure (OCF) 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					
	30/04/16	30/04/15			
	%	%			
Financials	98.25	98.61			
Derivatives	(0.03)	0.02			
Net other assets	1.78	1.37			
Total net assets	100.00	100.00			
Net asset value					
	NAV per share	NAV per share	NAV percentage change		
	30/04/16	30/04/15			
	(p)	(p)	%		
A Accumulation	201.77	210.72	(4.25)		
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Stockmarket Growth Portfolio A Accumulation (4.22)	9.40	6.94	15.89	(4.49)	
Source: Lipper for Stockmarket Growth Portfolio. Basis: 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
			30/04/16
			(p)
A Accumulation			3.3913
Major holdings			
	30/04/16		30/04/15
	%		%
1. Scottish Widows UK Growth Fund X Inc	18.70	Scottish Widows UK Growth Fund X Inc	20.89
2. Scottish Widows Global Growth Fund X Acc	16.36	Scottish Widows Global Growth Fund X Acc	15.74
3. HBOS International Growth Fund I Inc	16.32	HBOS International Growth Fund I Inc	15.68
4. HBOS UK FTSE All-Share Index Tracking Fund I Inc	10.37	HBOS UK FTSE All-Share Index Tracking Fund I Inc	14.32
5. Scottish Widows UK All Share Tracker Fund X Acc	7.23	Scottish Widows UK All Share Tracker Fund X Acc	9.97
6. HBOS UK Growth Fund I Inc	6.35	HBOS UK Growth Fund I Inc	6.60
7. Scottish Widows Corporate Bond Fund W Gross Acc	5.92		
8. Aberdeen Global High Yield Bond Fund Z Acc	5.87		
Number of holdings: 26		Number of holdings: 17	
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's Net Asset Value.			
Please note: negative figures are shown in brackets.			

STRATEGIC GROWTH PORTFOLIO

for the year ended 30 April 2016

FUND PROFILE

Fund objectives and investment policy

To give long-term capital growth by mainly investing in funds which are currently and/or which have been managed or operated 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.

Following the acquisition of Scottish Widows Investment Partnership Limited by Aberdeen Asset Management PLC on 31/03/2014, the Fund will continue to invest in funds which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition, but which are now managed or operated by entities within the Aberdeen Asset Management Group.

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, normally referred to as Efficient Portfolio Management (EPM):

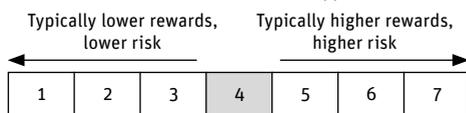
- To help reduce risk;
- To help reduce cost; and
- For fixed interest securities to help manage the effect of fluctuations in exchange rates with Sterling.

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



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

*As disclosed in the key investor information document dated 8 February 2016.

INVESTMENT ADVISER'S REVIEW

The Strategic Growth Fund invests mainly in equities. The Fund also has some small positions in bond markets. In general, equity markets produced negative returns over the review period, with bonds delivering modestly positive returns. The Fund returned -3.87% over the year.

Although the UK equity market performed better than its European and Japanese peers, returns were still negative. Given the relatively large number of mining and energy companies listed in London, the UK market was severely affected by a sustained fall in oil and metal prices. Conversely, the strong rebound in commodities from February 2016 had a more positive effect on the UK market than on many of its global counterparts.

In global equity markets, concerns about the health of the Chinese economy had a negative influence, especially in Asia. The US equity market performed better than other major markets. Early in the period, investors were preoccupied with the question of when the US Federal Reserve would raise interest rates. However by the time the rate rise arrived, in December 2015, it was widely expected. Thereafter, investors were reassured by indications that further increases would be gradual and dependent on global conditions as well as the health of the US economy. European and Japanese equities benefited from increased monetary stimulus by their respective central banks, but failed to rebound as strongly as the US and UK late in the period.

Corporate bonds strengthened towards the end of the period to deliver positive returns overall. This came as the European Central Bank extended its asset-purchase programme to include investment-grade corporate bonds. Government bonds performed well, helped by uncertainty about the state of the global economy.

We maintained the Fund's relatively low level of exposure to Asia Pacific equities. This was based on concerns about the effect the slowdown in Chinese growth would have on the region. This was positive for performance, as stock markets in the region were among the worst performers. The small allocations to the European and Japanese equity markets had a negative effect, however, as those markets were weak. Stock selection also had a negative impact on the overall performance of the Fund. This stemmed mainly from the underperformance of the portfolio's global equities and corporate 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.

Aberdeen Asset Investments Limited
May 2016

STRATEGIC GROWTH PORTFOLIO (CONTINUED)

for the year ended 30 April 2016

Distribution					
XD date		Payment date			
30/04/16		30/06/16			
Ongoing charges figure					
	30/04/16	30/04/15			
	%	%			
A Accumulation	1.57	1.57			
B Accumulation	1.32	1.32			
The ongoing charges figure (OCF) 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					
	30/04/16	30/04/15			
	%	%			
Financials	99.06	98.86			
Derivatives	(0.02)	(0.02)			
Net other assets	0.96	1.16			
Total net assets	100.00	100.00			
Net asset value					
	NAV per share	NAV per share	NAV percentage change		
	30/04/16	30/04/15			
	(p)	(p)	%		
A Accumulation	181.39	188.73	(3.89)		
B Accumulation	186.22	193.26	(3.64)		
Performance record					
	01/05/15	01/05/14	01/05/13	01/05/12	01/05/11
	to	to	to	to	to
	30/04/16	30/04/15	30/04/14	30/04/13	30/04/12
	%	%	%	%	%
Strategic Growth Portfolio A					
Accumulation	(3.87)	9.84	5.40	14.23	(2.26)
Source: Lipper for Stockmarket Growth Portfolio. Basis: 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
			30/04/16
			(p)
A Accumulation			2.9730
B Accumulation			3.5043
Major holdings			
	30/04/16		30/04/15
	%		%
1. HBOS UK FTSE All-Share Index Tracking Fund I Inc	18.43	HBOS UK FTSE All-Share Index Tracking Fund I Inc	21.49
2. HBOS International Growth Fund I Inc	17.24	Scottish Widows Global Growth Fund X Acc	15.66
3. Scottish Widows Global Growth Fund X Acc	17.20	Scottish Widows Corporate Bond Fund W Gross Acc	15.55
4. Scottish Widows Corporate Bond Fund W Gross Acc	11.75	HBOS International Growth Fund I Inc	15.41
5. Scottish Widows UK All Share Tracker Fund X Acc	11.33	Scottish Widows UK All Share Tracker Fund X Acc	14.10
6. Aberdeen Global High Yield Bond Fund Z Acc	9.16	Aberdeen Global High Yield Bond Fund X Acc	5.48
Number of holdings: 28		Number of holdings: 24	
Minimum requirement to show top 5 or all holdings in excess of 5% of the Fund's Net Asset Value.			
Please note: negative figures are shown in brackets.			

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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SCOTTISH WIDOWS

The logo for Scottish Widows, featuring the company name in a bold, black, sans-serif font. A stylized, flowing grey wave graphic is positioned behind the text, starting under 'S' and ending under 'S'.